ANNUAL FINANCIAL REPORT at 31/12/2016

This English version of Tecnoinvestimenti's 2016 Financial Statements is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.

TECNOINVESTIMENTI

CONTENTS

CORPORATE DATA and COMPOSITION OF CORPORATE BODIES

Parent Company Registered Office
Tecnoinvestimenti S.p.A.
Piazza Sallustio 9
00187 Rome

Parent Company Legal Information
Subscribed and Paid-in Share Capital Euro 46,256,120
Company Register of Rome No. RM 1247386
Tax and VAT No. 10654631000
Website www.tecnoinvestimenti.it

Current Composition of Corporate Bodies

Board of Directors

Enrico Salza	Chair
Pier Andrea Chevallard	Managing Director
Aldo Pia	Director
Alessandro Potestà	Director
Laura Benedetto	Director (independent)
Elisa Corghi	Director (independent)
Gian Paolo Coscia	Director (independent)
Giada Grandi	Director (independent)
Ivanhoe Lo Bello	Director (independent)

Control and Risks Committee

Giada Grandi	Chair
Elisa Corghi	
Alessandro Potestà	

Remuneration Committee

Gian Paolo Coscia	Chair
Laura Benedetto	
Aldo Pia	

Board of Statutory Auditors

Riccardo Ranalli	Chair
Gianfranco Chinellato	Standing Auditor
Domenica Serra	Standing Auditor
Alberto Sodini	Alternate Auditor
Laura Raselli	Alternate Auditor

Auditing Company
KPMG S.p.A.

Officer Responsible for Accounting and Financial Reporting Documents
Nicola Di Liello

Registered and Operational Office
Piazza Sallustio 9 - 00187 Rome

Operational Offices
Via Principi d'Acaja, 12 – 10143 Turin
Via Meravigli 7 – 20123 Milan

SUMMARY OF GROUP RESULTS

Summary economic data *(In thousands of Euro)*	**31/12/2016**	**31/12/2015**	**Change**	**Change %**
Revenue	147,325	126,439	20,886	16.5%
EBITDA[1]	29,740	25,452	4,288	16.8%
Operating profit	18,140	16,790	1,350	8.0%
Net profit	12,120	11,069	1,051	9.5%
Adjusted net profit[2]	15,917	11,750	4,167	35.5%
Earnings per share (*in Euro*)	0.32	0.35	-0.03	-7.4%
Adjusted earnings per share (*in Euro*)[3]	0.42	0.37	0.05	14.6%
Dividend	4,047	2,536	1,511	59.6%
Dividend per share (*in Euro*)	0.0875	0.0800	0.0075	9.4%

Summary equity-financial data *(In thousands of Euro)*	**31/12/2016**	**31/12/2015**	**Change**	**Change %**
Share capital	46,256	31,700	14,556	45.9%
Shareholders' equity	130,372	77,194	53,178	68.9%
Net financial debt	71,186	48,545	22,640	46.6%

[1] EBITDA is the parameter used by Group Management to monitor and assess the operative trend compared to peers, even though the determination criteria applied by the Group may not be consistent with the criteria adopted by other companies. EBITDA calculated as Profit (loss) for the year before income taxes, net financial expenses, amortization and depreciation, provisions and write-downs.

[2] The adjusted net profit excluding non-recurrent items and amortisation of intangible assets arising from the allocation of the price paid in business combinations, net of the tax effect.

[3] The adjusted EPS was obtained from the ratio of adjusted net income and the weighted average number of ordinary shares outstanding of 37,466,769 in 2016 and 31,700,000 in 2015.

LETTER TO SHAREHOLDERS

Dear Shareholders,
In presenting the results relating to the Consolidated Financial Statements of the Tecnoinvestimenti Group, we wish to highlight the significant events of the year 2016, which represented an essential year in the life of the Company for many aspects. In the year just ended, there were various events that modified the Group structure and led it to strengthen its balance sheetsignificantly.

Strengthening of operations
The year 2016 saw the acquisition of companies that characterized and enhanced our operational profile, and it is in this year that the Group's industrial design was advanced with greater impact.
This all took place in a general scenario that wasn't without critical issues, albeit evolving rapidly that had to be considered. The deep crisis of a part of the banking system, in addition to requiring the Government's intervention to recapitalize some large institutions, the possible collapse of which would have created serious consequences on economic and social stability, penalized a significant part of our customer base, the Small & Medium-sized Enterprises ("SMEs"). In fact, the number of impaired loans rose, requiring more than ever greater attention to credit recovery and non-performing debts.
Political instability and the difficulty in identifying a plan of actions to support Italian SMEs contribute to a scenario of general difficulty.

No wind is the right wind for a captain that does not know to which harbour he is sailing.
It is also necessary to have a clear direction: the Group courageously "challenged the crisis" through choices that were apparently against the current, with the awareness that this may also create opportunities.

In January 2016, Tecnoinvestimenti acquired 70% of Co.Mark, a leader in internationalization services for SMEs, a company that is characterized by strong growth rates in revenue and EBITDA. This acquisition led to the constitution of the Sales & Marketing Solutions BU, which aims to provide solutions and tools to accompany SMEs towards international geographic expansion.

In July 2016, Tecnoinvestimenti signed the closing for the acquisition of 60% of Visura S.p.A.; the transaction aimed at expanding and strengthening the offer of Digital Trust solutions and product distribution, as well as of Credit Information solutions, with particular focus on the professional sector. Thanks to this transaction, the Tecnoinvestimenti Group has managed to further verticalize its operations and also added various capabilities to expand its offer to a more complex customer base.

The Group's production structure
With an enriched and diversified production structure, the Group is now focused on the integrated offer of digital services for companies, aiming to constitute a privileged reference for the purchase of tools and technologies that allow secure and fast data collection, management and exchange. The current global era, the large number of actions that we perform on a daily basis that require the certification of our "digital" identity to work, purchase and access structures and information, lead us to think that this sector, that is already rapidly expanding today, will expand further. The specific nature of the services offered by the Group's subsidiaries is are leading us to imagine the creation of packages of tools that meet the needs of the various phases of business: payments, identification, credit recovery, consultancy, expansion of the customer base, billing, offers for buying and selling. The subject changes, but Tecnoinvestimenti has the tool.

We dialogue with banks and SMEs for all matters concerning Credit Information & Management services offering services to support decision-making processes such as business and real estate registry information (available through the Italian Chambers of Commerce), aggregated financial reports, synthetic ratings, decision-making models, property appraisals and valuations with particular reference to the mortgage or real estate financings, assessment and credit recovery. In the real estate sector there is strong product competition which causes additional challenges and requires new approaches, new products.

Let's look at the international market. Tecnoinvestimenti is now capable of providing the services and know-how needed to support SMEs in geographical expansion abroad, already considered of interest by the State, Chambers of Commerce and other institutional entities. We consider Co.Mark as among the most promising brands, taking into account the possibility of combining it's offering with digital operational tools and consulting services.
We trust that in today's world, with macroeconomic changes of unprecedented speed and increasing globalization, the digitalization of the economy will require major commitments and, at the same time, open significant opportunities for the Tecnoinvestimenti Group.

Capital strengthening
Starting in April 2016, the Group initiated a capital raise process, which ended in August. The Company raised Euro 49,490,808 through the issuance of 14,556,120 shares to finance the acquisitions already announced and concluded. Moreover, this transaction fundamental for the Company's transition to the MTA (*Mercato Telematico Azionario* or Electronic Stock Market) STAR segment from the AIM market, where the Company had been listed in 2014. With pride, we note that our historical shareholders have fully participated in the capital increase on a pro-rata basis, which confirms their confidence in management and the strategy adopted.

In addition, the transition to the STAR segment is a fundamental step to raise our profile and thus the interest on the part of institutional as well as private investors in our Group. We have a long-term objective of realizing the full value of our Company by obtaining just recognition by equity investors and financial markets.

Today, we believe we are on the right track:
- the Tecnoinvestimenti stock closed the year 2015 at Euro 3.12 per share;
- the capital increase was at a price of Euro 3.4 million per share;
- at 31 December 2016, the stock closed the year at Euro 4.53, with an annual gain of over Euro 1.40, or 45%;

We would also like to recall that a few weeks ago, Tecnoinvestimenti received the 2016 Equita SIM Award for the best use strategy of the capital market in the category of small businesses on the stock market. The award, presented by Equita SIM under the auspices of Bocconi University and the Italian Stock Exchange, is designed precisely to recognize, relating to the companies selected, the originality and effectiveness of the transaction performed on the capital market as a lever for the development and relaunch of the Company. We interpret this recognition as a positive sign of the Market and as an encouragement to continue to pursue the strategy adopted by the Group.

The Group has recently sought to strengthen some important parts of the organization chart: in October, a new Corporate and Financial Communications Director joined, followed by a new HR Director and a new Media Relations Manager. These additions to the Group aim to strengthen the focus on investors by increasing the wealth and scope of information to the financial market, structure the Group's organization in order to optimize resources and increase its effectiveness and efficiency, and intensify media attention on and augment information from the Parent Company which manages the overall strategic management of the Group.

Therefore, the horizon now appears complex but full of opportunities. The Group confirms its confidence in the future and the possibility of continuing to grow in economic and financial terms. In this context, the Board of Directors has proposed a total dividend of Euro 4 million, significantly higher than the Euro 2.5 million paid for the year 2015. This amount corresponds to a pay-out of 33.4% of the consolidated net profit of 2016 and a dividend of Euro 0.0875 per share.

Yours sincerely,

Milano, 21 marzo 2017

Enrico Salza
Presidente

DIRECTORS' REPORT ON OPERATIONS

INTRODUCTION

This Report on Operations relates to the Separate Parent Company and Consolidated Financial Statements of the Tecnoinvestimenti Group at 31 December 2016, prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. The Report should be read together with the corresponding Tables and related Notes, which together make up the Financial Statements for the year ended 31 December 2016.
Unless otherwise indicated, all the amounts in this Report are in thousands of Euro.

GROUP ACTIVITIES

The Tecnoinvestimenti Group provides in Italy and to a lesser extent abroad a wide range of Digital Trust Services, Credit Information & Management, and Sales & Marketing Solutions. The Group has developed rapidly in recent years, due to both organic growth and acquisitions. The scope was to extend the portfolio of products/services and extend the offering to sectors considered strategic through the creation of a third Business Unit and the strengthening of the two already in the scope of consolidation.

The Group operates through three Business Units:

1. The Digital Trust BU proposes IT solutions to the market for digital identity and dematerialization of processes in line with applicable regulations (including the new European eIDAS[4] regulation) and customer and sector compliance standards, through various products and services such as certified e-mail, electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through InfoCert, a company established in 2004 from a spin-off of business units of InfoCamere, and through the companies of the Visura Group.

   For the purpose of carrying out activities as a manager of ertified e-mail, , electronic storage and Digital Signature, InfoCert is qualified as Certification Authority and accredited by the AgID (*Agenzia per l'identità digitale,* the governmental Agency for Digital Identity). The provision of these IT solutions is reserved for entities that meet certain legal requirements in terms of both assets and organic and technological infrastructure. InfoCert has also been accredited by AgID as Identity Trust Provider, i.e. Digital Identity manager, that can issue digital identities to citizens and businesses, managing in utmost security client authentications. Visura and itssubsidiary Lextel are active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions, resale services of products such as certified e-mail, digital signature and electronic invoicing like InfoCert; they also offer telematic services for lawyers such as legal on-line documentational depositing procedures and on-line penal procedures; through another subsidiary, ISI, the Visura Group also offers products and services in the IT sector for professional associations such as electronic fiing, CAF Facile (the filing of 730 tax return statements and related documents), online registered mail, etc.

2. The Credit Information & Management BU provides standard and value-added services mainly aimed at supporting processes for the granting, assessment and recovery of credit in both the banking and business sectors.

[4] EU Regulation no. 910/2014 on Electronic Identification and Trust Services of electronic transactions in the EU internal market.

As part of Credit Information & Management, the Group operates through Ribes and its subsidiary RE Valuta (acquired jointly in 2012), Assicom and its subsidiary Creditreform Assicom Ticino (acquired at the end of 2014). It is recalled that in 2016, Assicom fully incorporated Datafin S.r.l., a company acquired in 2015.

Ribes offers a complete range of information services to support decision-making processes for the granting, assessment and recovery of credit. RE Valuta realizes and provides assessment services regarding the actual value of real estate collateral during the granting of loans. Assicom offers credit management and business information services, through a business model characterized by the integration of services, with the aim to support SMEs at every stage of the credit management and recovery cycle. Assicom also controls Creditreform Assicom Ticino, a company belonging to the Creditreform network, an international organisation operating in the sector of commercial information and credit recovery.

3. The Sales & Marketing Solutions BU provides value-added services mainly aimed at supporting small and medium-sized companies or networks of companies in their internationalization, in the search for customers and in creating business opportunities abroad as well as in Italy. The BU was established in March 2016 when 70% of Co.Mark S.p.A. was acquired. Co.Mark was established in 1998 and provides its services primarily through a TES® (Temporary Export Specialist®) team, with the linguistic, strategic and commercial expertise needed to start export activities in foreign markets. By engaging Co.Mark's services client companies obtain strategic support in terms of methodology, instruments and skills to initiate or develop foreign sales with demonstrably measurable results in a short period.

ECONOMIC CONTEXT

1.1 The international economy

The world economy grew in 2016 by +3.1%, slightly less than the +3.2% growth recorded in 2015. Emerging countries have maintained a growth rate at +4.1%, while advanced economies have slowed down to + 1.6% from +2.1% in 2015.

Among advanced countries, the USA recorded GDP growth of +1.6%, the Eurozone of +1.7%, Japan +0.9% and the UK +2.0%. Among emerging countries, China's economy grew by +6.7%, while a GDP decrease was recorded in Brazil (-3.5%) and Russia (-0.6%).

The year 2016 was characterized by certain events that caused widespread uncertainty. The referendum on the EU in the UK in June ("Brexit"), the US elections in November and the OPEC decisions to reduce oil production have been events that have kept in suspense financial - and non-financial markets for several months.

Central banks through the use of monetary policy have been attempting to supporting the economic growth, which is still depressed in many parts of the world. The ECB intervened twice during the year, extending and lengthening Quantitative Easing (QE) initiated in 2015. On the other hand, the Federal Reserve Bank, with the United States economy in clear recovery and almost full employment, postponed until the end of 2016 its decisions regarding interest rate increases, after it had envisaged 4 at the beginning of the year. In the UK, the Bank of England, shortly after the Brexit decision, cut interest rates and resumed a QE plan, for fear of an economic slowdown.

The price of oil, which has been falling sharply since 2014, reached a minimum of US$ 26 towards the end of January; subsequently, it recovered to remain in the range of US$ 40-50.Finally, at the end of November 2016, OPEC reached an agreement that boosted the price over US$ 50 for the rest of the year.

At the beginning of 2016, the Dollar stood at US$/EU 1.10. It declined until May, reaching US$/EU 1.15 and then recovered, between ups and downs, to around US$/EU 1.05 at the end of the year. Of significance was also the performance of the Pound, which depreciated significantly because of Brexit, but then recovered in the last quarter of the year.

The prolonged expansive measures of the monetary policies have sustained price levels such that in advanced countries the inflation rate rose +0.7% from +0.5% in 2015, while in emerging economies, it stood at +4.5%, down slightly from 4.7% in the previous year.
Interest rates also recorded a fluctuating trend; the collapse in the first part of the year, with new record lows in the Eurozone (including some negative effective rates), was followed by a significant turnaround, accelerated by expectations of a rise in inflation after the election of Trump in the USA (US 10 Year Treasury benchmark touched 2 year highs at around 2.6% at year end).
In 2016, global trade growth slowed further to +1.9% from +2.7% in 2015, especially in advanced countries, where trade, reflecting the weak economic conditions in this area, advanced only +2.0% versus +4.0% in 2015. In emerging countries international trade grew +1.9%, up from +0.3%.

1.2 The Eurozone

The European economy growth slowed: +1.7% from +2.0% in 2015. Among the main countries, Spain was the most virtuous with a GDP growth of +3.2%, on a par with 2015. France also maintained a growth pace of the previous year at +1.2%, while Germany accelerated from +1.5% in 2015 to +1.7%. Italian economic growth increased from +0.8% in the previous year to +1.0%. The economic recovery in the EU area continued at a quite modest pace in almost all European countries. Domestic demand was the main driver, supported by monetary policy measures implemented by the European Central Bank, while foreign demand remained low especially due to the slowdown in exports to emerging economies, in obvious economic difficulties.
The ECB intervened in March 2016, increasing the QE plan with the purchases of Bonds in quantity and quality, and subsequently, in December, prolonging the duration of QE while announcing a reduction in monthly purchases. These measures that facilitated the granting of loans to households and businesses together with other internal factors, such as increased attention given to government finances, the structural reforms and stimulus for investment and other external factors such as the low oil price and favourable level of the Euro against other currencies, have helped stabilize the gradual recovery in the EU.
Despite the interventions of the ECB, even in 2016, the European economies remained far from the inflation rate target of 2.0%, which is considered an optimal level to maintain long-term durable growth. The year closed with an inflation rate at +0.2%, a slight increase from the zero rate in 2015, mainly due to the weakness in the prices of energy products.
With regard to the main countries of the Eurozone, prices dropped in Spain (-0.3%), Italy (-0.1%) and Ireland (-0.05%), while Germany and France recorded inflation rates of +0.3%.
The labour market has been improving: EU unemployment dropped to 10.0% from 10.9% in 2015, down in almost all countries. However, it remains high in Greece (23.5%), Spain (19.6%), Italy (11.5%) and Portugal (10.0%).
The public accounts have also been improving: the deficit/GDP ratio has continued to decrease from the peaks in 2009 and reached -1.8% in 2016, down from -2.1% in 2015. Germany was the still the only country in surplus (+0.5%), while Austria and Belgium recorded a slight increase in their deficits.
The public debt/GDP ratio of EU area decreased (92.2% from 92.8% in 2015), thanks in particular to Germany (which improved from 71.2% in 2015 to 68.0% in 2015) and the Netherlands; the ratio continued to increase, instead, in France and Belgium.

1.3 The Italian situation

Italy recorded its third year of modest recovery after two years of recession, as the economy rose +1.0% in 2016.
The Renzi government reforms, before his resignation following the failure of the constitutional reform referendum, along with the favourable international scenario, boosted economic activity.
The economic cycle was sustained by domestic demand, with a +1.2% increase in consumption and a 3.0% increase in investment, thereby confirming the trend reversal that already began in 2015. Total domestic demand therefore grew +1.1%, making a significant contribution to GDP growth .
Industrial production in Italy, which already towards the end of 2014 had inverted the negative trend in progress for three years, increased by +1.6% from +1.1% in 2015.

The Foreign Trade Balance was significantly positive as it closed in 2016 with a surplus of over Euro 51 billion, however foreign demand actual contributed negatively to GDP: -0.1%.
As has been the case for many years now, Italy has not been able to allocate substantial resources to stimulate GDP growth as public finances weigh heavily. The budget deficit as a ratio to GDP fell slightly, from 2.7% to 2.4%, albeit this level was lower than the target set with the European authorities. The lack of GDP growth has also affected the debt/GDP ratio, which rose to 132.6% from 132.0% of the previous year. This ratio has of late been impacted negatively by Italy's share of the loans to the Member States of the EMU, of bilateral loans, those through the EFSF (European Financial Stability Facility) and the capital contribution of the ESM (European Stability Mechanism).
Tax pressure has remained among the highest in Europe, albeit it continued to drop: it was 42.9% of GDP in 2016 against 43.3% in 2015.
The labour market also improved slightly during the year: people employed increased by 242,000 at year-end, with the employment rate up from 55.9% in 2015 to 56.6%. On the other hand, the unemployment rate fell from 12.3% at the beginning of the year to 11.6% at the end of December: the annual average was 11.7%, down from 11.9% in 2015. Unemployment among the young has remained high, although it fell at year-end to 38.3% from +41.0 at the beginning of 2016.
The hourly remuneration of employees increased by an annual average of only +0.6%, the lowest increase recorded in over 34 years (ISTAT historical series), but, in any case, it favoured a recovery in the buying power of households, since inflation stood at -0.1%.

1.4 Small and Medium Sized Enterprises

The crisis that affected the Italian economy in the second half of 2008 had a significant impact on the SMEs. In fact, the combination of a credit crunch and stagnation in demand caused a natural selection process that reduced the number of SME by nearly 10%, from 150 thousand in 2009 to 136 thousand in 2014. The fall in the number of SMEs was particularly sharp in 2012 and 2013 and then slowed in 2014 (-0.7%). In 2015/16, the trend was finally inverted.
In 2015, following the first signs of a turnaround recorded in 2014, there was a significant improvement in the financial statements of SMEs. Revenues increased threefold compared to the previous year, with positive effects on the performance of added value, which increased for SMEs to values close to 4% in nominal terms. Gross margins also grew at rates of around 4%, with a more favourable dynamic for small compared to medium enterprises. The increase in profitability and the success of tax incentives also boosted investments which, after reaching the low point in 2013, increased in relation to tangible assets to 6.7%. Also thanks to a debt cost at historically very low levels, the net profitability of SMEs returned to levels close to those of 2008. The improvement in net profitability is attributable to the positive dynamics of work productivity, which in 2015 continued to grow and the further reduction in the cost of debt; these components more than offset the negative impact of higher unit costs of labour.
According to the latest government macroeconomic forecasts, Italy's GDP is expected to rise. Profitability ratios will return to grow at a steadier pace, but still remain well below the pre-crisis period. This evolution will also allow an improvement in financial sustainability indicators.

SIGNIFICANT EVENTS DURING THE PERIOD

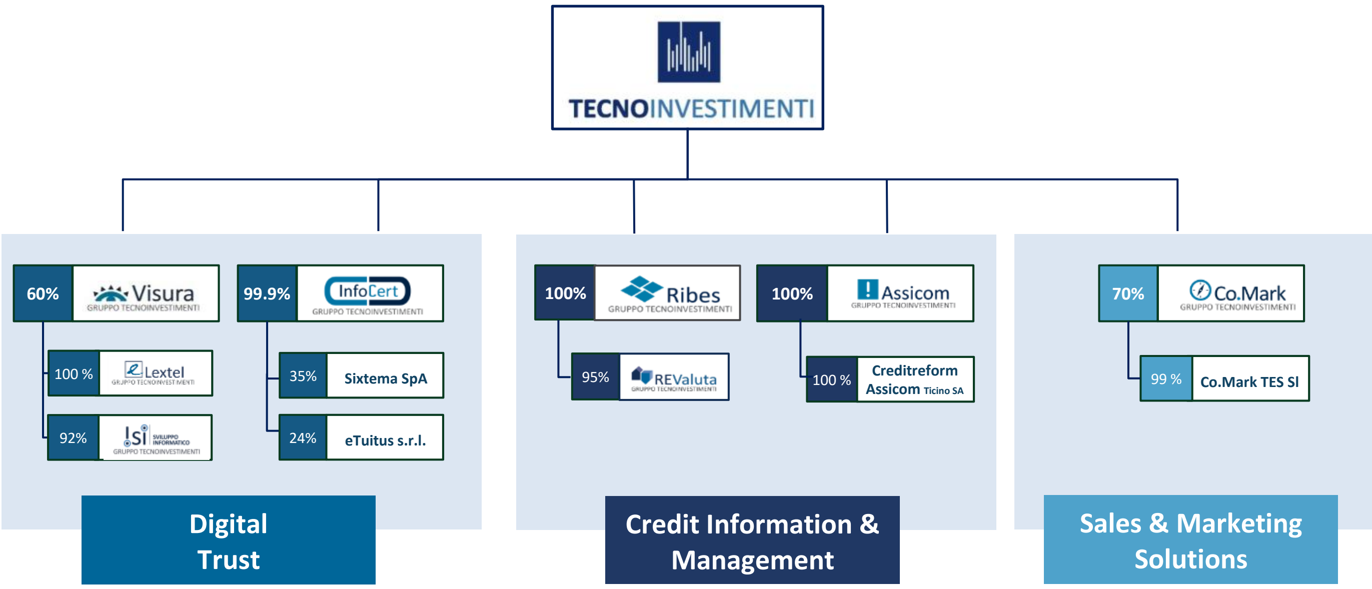
Below is a summary of the most significant events that occurred in 2016:

1. On 4 February 2016, the Extraordinary Shareholders' Meeting of Tecnoinvestimenti resolved to proceed with the issue of 951,000 Warrants referred to as "Warrant Tecnoinvestimenti 2016-2019" to be offered for free for subscription to the shareholder Cedacri. The paid capital increase will be through the issue of a maximum of 951,000 ordinary shares for the exercise of the 2016-2019 Tecnoinvestimenti Warrants issued upon completion of the Shareholders' Meeting of 4 February 2016, which approved the aforementioned capital increase and offered free of charge to Cedacri. Said Warrants shall not be transferable and shall entitle to the subscription of the new shares to the extent of one new share for each Warrant held, to be exercised in three instalments and in as many time frames (between 5 July and 30 September included in the years 2017 - 2018 - 2019), following the achievement of certain annual turnover targets for the years 2016/2018. In fact, Cedacri S.p.A. initiated and collaborates industrially with Tecnoinvestimenti Group companies and, with respect to the commitment to develop certain levels of business, may increase its shareholding in Tecnoinvestimenti S.p.A. The issue price of Tecnoinvestimenti shares for the Warrant is set, to the extent permitted by applicable law, at Euro 3.40 per share. The final date for the eventual exercise of the Warrants and therefore, subscription of the new shares, is set at 30 September 2019.
2. On 2 March 2016, Tecnoinvestimenti stipulated an interest-bearing loan of up to a maximum amount of Euro 25 million with the Controlling shareholder Tecno Holding, aimed at financing the acquisition of Co.Mark. The loan was granted in two tranches, Euro 15 million in March, the remaining Euro 10 million in December. Repayment is contractually set for 30 June 2019, with the possibility of early repayment with no penalties. The loan accrues interest every six months at6 month Euribor365 (base rate) plus 2 percentage points; it is specified that the rate applied may never be less than 2% on an annual basis.
3. On 24 March 2016, Tecnoinvestimenti S.p.A. acquired 70% of Co.Mark S.p.A., a company specialized in the provision of international marketing services. The price for the acquisition of 70% of the company was set at Euro 32.9 million. The purchase price will be paid as follows:
   - At the closing date of 24 March 2016, Euro 13 million.
   - On 31 July 2016, an additional Euro 12.5 million.
   - In the five years after the closing and in five instalments, the remaining Euro 7.4 million.

   With regard to the remaining 30%, held by the founding shareholders, Put&Call option rights were granted, which may be exercised in three annual tranches of 10% each, at a price calculated through the application of a variable multiples on annual EBITDA, on the basis of the growth rates achieved.
4. On 19 April 2016, the Board of Directors examined the project for admission to trading of the ordinary shares of the Company on the Electronic Stock Exchange, STAR segment, organized and managed by Borsa Italiana S.p.A. ("MTA").
5. On 20 April 2016, the Controlling shareholder Tecno Holding S.p.A. announced that it completed the sale of 6,974,000 ordinary shares of Tecnoinvestimenti S.p.A., corresponding to 22% of the share capital, at a price of Euro 3.40 per share for a total value of Euro 23,711,600. Following completion of the transaction, aimed at increasing the free float and liquidity of Tecnoinvestimenti's stock, also following the initiation by Tecnoinvestimenti of the process for the project for listing on the MTA (Electronic Equity Market) regulated market, Tecno Holding S.p.A. communicated that it holds approximately 56.86% of the share capital of Tecnoinvestimenti S.p.A., subject to a lock-up commitment of 180 days, which has since expired.

6. On 31 May 2016, the extraordinary Shareholders' Meeting of Tecnoinvestimenti S.p.A. approved the proposal to delegate, in accordance with art. 2443 of the Civil Code to the Board of Directors for a period of 18 months from the resolution, the power to increase the paid share capital divisible in one or more instalments for a total amount, including any share premium, of up to Euro 50 million, through the issue of new ordinary shares with no nominal value, to be offered as an option to shareholders and consequent amendment of article 5 of the Articles of Association.
7. On 1 June 2016, the Shareholders' Meeting of InfoCert S.p.A. resolved to approve the merger by incorporation of Eco-Mind App Factory S.r.l., wholly owned by InfoCert S.p.A. For tax and accounting purposes, the merger is effective from 1 January 2016.
8. Also on 1 June 2016, the Shareholders' Meeting of Co.Mark S.p.A. resolved to approve the merger by incorporation of Centro Sud S.r.l., Ventitre S.r.l. and Diciotto S.r.l., wholly owned by Co.Mark S.p.A. For tax and accounting purposes, the merger is effective from 1 January 2016.
9. On 9 June 2016, the Company announced the signing of an agreement for the acquisition of 60% of Visura - a company active primarily in the sale of Telematic Trust Solutions in addition to the distribution of business information through proprietary web platforms - for an amount of Euro 21.9 million. Also in order to finance this acquisition, it is noted that on 9 June 2016, Tecno Holding resolved to participate in a future capital increase for an amount of Euro 28,430 thousand, subsequently undertaken and executed on 27 June 2016.
10. On 15 June 2016, Coesa, under the Regulation of the Warrants, exercised the full subscription of the Warrants equal to 10,042 newly-issued ordinary shares of Ribes, with a nominal value of Euro 1 each at a price of Euro 117.00 per share (with a share premium of Euro 116.00) for each Warrant held, for a total amount of Euro 1,174,914.00. It is noted that as a result of the aforementioned exercise of subscription of Warrants, Coesa is holder of 30,127 Ribes shares (representing 12.5% of share capital) and Tecnoinvestimenti of 210,892 Ribes shares (representing 87.5% of share capital).
11. On 20 July 2016, the closing was signed for the acquisition of 60% of Visura S.p.A. The transaction allows the Tecnoinvestimenti Group to gain strength in its core markets and expand the offer of Digital Trust solutions, with particular reference to the professional sector. The Visura Group is mainly active in the sale of Telematic Trust Solutions and distribution of business information through proprietary web platforms dedicated to professional customers and partly to small/medium-sized businesses. The price for the acquisition of 60% was Euro 21.9 million, paid in cash. With reference to the acquisition price, it was determined that with the approval of the 2016 financial statements, a sum equal to 30% of distributable profit will be paid in the form of price integration by Visura S.p.A. Lastly, Put&Call option rights have been stipulated for the remaining 40% by the founding shareholders; said rights can be exercised in a lump sum after approval of the 2018 Financial Statements.
12. On 26 August 2016, Borsa Italiana S.p.A. approved the admission to listing of Tecnoinvestimenti's ordinary shares on the MTA (Electronic Equity Market), STAR segment, and their simultaneous exclusion from trading on the AIM alternative market. The start date of trading on the MTA, STAR segment and the simultaneous exclusion from trading on AIM was 30 August 2016.
13. On 25 November 2016, the deed was stipulated for the merger by incorporation of Datafin in Assicom S.p.A.; for tax and accounting purposes the merger was effective starting from 1 January 2016.

The following chart shows the structure of the Tecnoinvestimenti Group, including controlling equity investments, as at 31 December 2016.


TECNOINVESTIMENTI
60%
Visura
GRUPPO TECNOINVESTIMENTI
100 %
Lextel
92%
ISI
99.9%
InfoCert
GRUPPO TECNOINVESTIMENTI
35%
Sixtema SpA
24%
eTuitus s.r.l.
Digital Trust
100%
Ribes
GRUPPO TECNOINVESTIMENTI
95%
REValuta
100%
Assicom
100 %
Creditreform Assicom Ticino SA
Credit Information & Management
70%
Co.Mark
GRUPPO TECNOINVESTIMENTI
99 %
Co.Mark TES Sl
Sales & Marketing Solutions

GROUP ECONOMIC RESULTS

The Group closed the year 2016 with total revenue equal to Euro 147,325 thousand, up Euro 20,886 thousand or 16.5% compared to the previous year. EBITDA[5] increased from Euro 25,452 thousand in 2015 to Euro 29,740 thousand in 2016, with a growth of Euro 4,289 thousand or 16.9%. Operating Profit and Net Profit grew respectively by 8.0% and 9.5%. These results, in spite of a difficult economic situation, confirm the correctness of the Group's strategic choices, which benefit from the acquisitions policy initiated in past years and that continued in 2016, with the purchase of Co.Mark Group (acquired on 24 March 2016) and Visura Group (acquired on 20 July 2016).

Below is a table with the economic results for the year 2016, compared with the previous year:

Summary Consolidated Income Statement (***Thousands of Euro)***	**31/12/2016**	**%**	**31/12/2015**	**%**
Revenue	147,325	*100%*	126,439	*100%*
EBITDA	29,740	*20.2%*	25,452	*20.1%*
Operating profit	18,140	*12.3%*	16,790	*13.3%*
Net profit	12,120	*8.2%*	11,069	*8.8%*

Non-recurring items had a considerable impact on the results for the year. The most important was the listing process, which was undertaken and completed successfully on 26 August 2016, the date on which Borsa Italiana S.p.A. granted admission to listing of our ordinary shares on the Electronic Equity Market (MTA), STAR segment and simultaneous exclusion thereof from trading on the alternative AIM market. Non-recurring expenses for the listing process amounted to Euro 942 thousand. Moreover, non-recurring expenses were incurred for the acquisitions of the Co.Mark and Visura Groups for Euro 436 thousand. Additional non-recurring items impacted the year 2015, which are reported below for a comparison with the current year.

- **For 2016:**
  1. Revenue of Euro 405 thousand, compensation received in relation with the sentence of the Milan Court of Appeals recorded in the previous year and collected in 2016.
  2. Expenses incurred during the STAR Market listing equal to Euro 942 thousand.
  3. Expenses incurred for the acquisitions of the Co.Mark and Visura Groups for a total of Euro 436 thousand.

- **For 2015:**
  1. Revenue of Euro 2,295 thousand, compensation recognized by the subsidiary Ribes following the sentence of the Milan Court of Appeals; this regarded a legal case brought against the Territory Agency (now Revenue Agency) regarding the "Monitoring of Parties".
  2. Expenses for Euro 163 thousand relating to the internal reorganisation of Ribes.
  3. Impairments of assets of Infonet Srl for Euro 214 thousand following its merger into Ribes S.p.A.

The following table presents key results of the Group, net of non-recurring items:

[5] EBITDA is the parameter used by Group Management to monitor and assess the operative trend compared to peers, even though the determination criteria applied by the Group may not be consistent with the criteria adopted by other companies. EBITDA calculated as Profit (loss) for the year before income taxes, net financial expenses, amortization and depreciation, provisions and write-downs.

Income statement net of non-recurring items (*Thousands of Euro)*	31/12/2016	%	31/12/2015	%	Change	% ch
Revenue	146,920	*100%*	124,144	*100%*	22,776	18.3%
EBITDA	30,713	*20.9%*	23,320	*18.8%*	7,393	31.7%
Operating profit	19,113	*13.0%*	14,872	*12.0%*	4,241	28.5%
Net profit	12,961	*8.8%*	9,772	*7.9%*	3,188	32.6%

Revenue rose by 18.3%, whereas EBITDA, Operating profit and Net profit all rose by around 30%.

Below is the method to calculate the Adjusted Net profit, used to represent the Group's operating performance, excluding non-recurring items and amortization of intangible assets that emerged during allocation of the price paid in business combinations, net of the tax effect. This indicator more clearly demonstrates the economic performance of the Group, net of non-recurring factors not directly related to the activities and management of the core business. It therefore allows an analysis of the performance of the Group on a comparable basis for the periods presented.

Thousands of Euro	2016	2015	Change	% change
Profit (loss) for the year	**12,120**	**11,069**	**1,051**	**9.5%**
Other revenue – Ribes' fiscal legal case	-405	-2,295	1,890	
Costs for non-recurring services - STAR listing costs	942	-	942	
Costs for non-recurring services - ancillary expenses acquisition Co.Mark/Visura Groups	436	-	436	
Non-recurring personnel costs - restructuring/redundancy incentives	-	163	-163	
Impairment of non-recurring assets	-	214	-214	
Amortization of intangible assets from PPAllocation	4,373	2,932	1,441	
Tax effect	-1,549	-333	-1,216	
Adjusted Profit (loss) for the year	**15,917**	**11,750**	**4,167**	**35.5%**

The following table provides details of the 2016 Income statement (excluding non-recurring items and amortization of intangible assets that emerged during Purchase Price Allocation in business combinations, net of the tax effect):

Consolidated Income Statement (***Thousands of Euro)***	**31/12/2016**	**%**	**31/12/2015**	**%**	**Change**	**% ch**
Revenue	**147,325**	**100%**	**126,439**	**100%**	**20,886**	**16.5%**
Total operating costs	**117,584**	**79.8%**	**100,988**	**79.9%**	**16,596**	**16.4%**
Raw material expenses	6,105	4.1%	7,000	5.5%	-895	-12.8%
Service costs	61,804	42.0%	56,385	44.6%	5,419	9.6%
Personnel expenses	48,153	32.7%	36,832	29.1%	11,321	30.7%
Other operating costs	1,522	1.03%	771	0.6%	751	97.4%
EBITDA	**29,740**	**20.2%**	**25,452**	**20.1%**	**4,288**	**16.8%**
Amortisation/depreciation, write-downs and provisions	11,601	7.9%	8,662	6.9%	2,939	33.9%
Operating Profit	**18,140**	**12.3%**	**16,790**	**13.3%**	**1,350**	**8.0%**
Financial income	727	0.5%	206	0.2%	521	252.9%
Financial expenses	1,767	1.2%	1,303	1.0%	464	35.6%
Result of Investments at SE	13	0.0%	51	0.0%	-38	-75.5%
Tax	4,992	3.4%	4,675	3.7%	317	6.8%
Net profit	**12,120**	**8.2%**	**11,069**	**8.8%**	**1,051**	**9.5%**

Revenues increased from Euro 126,439 thousand in 2015 to Euro 147,325 thousand in 2016, with an increase of 16.5% or Euro 20,886 thousand. The incremental revenues for the year of the two Groups that were included in the scope of the Tecnoinvestimenti Group, Co.Mark Group and Visura Group, were respectively Euro 13,053 thousand and Euro 7,708 thousand for a total of Euro 20,761 thousand.

This performance is related to the various dynamics during the period in the various business segments, as described below.

The results of the “Business Segments” are measured by analysing EBITDA performance, defined as profit for the period before depreciation and amortization, impairment of assets, allocations, financial income and expenses, gains or losses from investments and taxes.
In particular, management believes that EBITDA provides a good indication of performance as it is not influenced by tax regulations and amortization policies.

The growth dynamics per business segment are detailed in the table below, which shows the Revenue compared to the previous year:

Summary income statement by operating segment (*Thousands of Euro)*	***Digital Trust***		***Credit Information & Management***		***Sales & Marketing Solutions***		**Other units (Holding Costs)**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Unit revenue	59,278	47,070	75,043	79,105	13,053	-	617	634	147,992	126,810
Intra-group revenue	60	5	181	27	-	-	426	339	667	371
Revenue from third-party clients	**59,218**	**47,065**	**74,863**	**79,078**	**13,053**	**-**	**191**	**296**	**147,325**	**126,439**
EBITDA	**14,938**	**10,939**	**14,219**	**16,954**	**5,242**	**-**	**(4,658)**	**(2,442)**	**29,740**	**25,452**
EBITDA%	**25.2%**	**23.2%**	**19.0%**	**21.4%**	**40.2%**	**-**	**-**	**-**	**20.2%**	**20.1%**

Digital Trust

Digital Trust revenue increased from Euro 47,065 thousand in 2015 to Euro 59,218 thousand in the year just ended, with a growth of 25.8% or Euro 12,153 thousand. The acquisition during the year (July 2016) of the Visura Group contributed significantly to the increase in turnover (Euro 7,708 thousand). For the remaining portion of Euro 4,445 thousand, the increase is attributable to the positive performance InfoCert S.p.A, which demonstrated solid ability to increase its operations in two different manners. On the one hand, InfoCert achieved growth in volumes related to normal business services such as certified e-mail, replacement storage and electronic invoicing. On the other hand, InfoCert recorded an increase related to customized trust solutions of business processes for enterprise customers (Banking and Utilities sector primarily), which recorded results 50% higher than the previous year.

Credit Information & Management

The Ribes and Assicom Groups operate in the Credit Information & Management segment. Turnover recorded a decrease compared to the previous year, from Euro 79,078 thousand in 2015 to Euro 74,863 thousand in 2016, a reduction of Euro 4,215 thousand or -5.3%. Adjusted for non-recurring items of Euro 1,890 thousand, revenue decreased 3.0%.

The Assicom Group operates in the market of information services (commercial, real estate and investigation) in support of business decisions and, following the collection of information, credit recovery both in and out of court, mainly in the corporate and banking sector. The Business Information market has been affected by the consolidation of traditional players, due to the policies of external growth of major competitors and increased competition resulting from new competitors and indirect competitors (consulting and IT companies).

The Ribes Group, which includes the subsidiary RE Valuta S.p.A., also operates in the sector of standard and value-added information services. Specifically, Re Valuta S.p.A. offers property valuations for correct evaluation of Collateral Guarantees for Credit Management or as part of real estate portfolio acquisitions/disposals, which require independent estimates utilizing international standards. In this regard, unlike the rest of the Credit Information & Management segment, Re Valuta closed the year 2016 with a slight increase in revenue (+1%) compared to the previous year.

Sales & Marketing Solutions

The Sales & Marketing Solutions sector was formed through the acquisition of the Co.Mark S.p.A. Group in March 2016, and consolidated as of April. The Group offers Temporary Export management services to companies searching for new customers and to create of commercial networks in Italy and abroad.

The Group’s contribution was very positive with revenue equal to Euro 13,053 thousand.

***

The EBITDA of the Tecnoinvestimenti Group increased from Euro 25,452 thousand in 2015 to Euro 29,740 thousand in 2016, with an increase of 16.9% or Euro 4,289 thousand. Net of the non-recurring items, the increase was equal to 31.7%.

The Digital Trust sector EBITDA increased Euro 3,999 thousand compared to 2015, a rise of +36.6%. The contribution of the Visura Group was included for the six months of consolidation and equalled Euro 1,897 thousand.

The Credit Information & Management sector EBITDA decreased Euro 2,735 thousand. Net of non-recurring items sector EBITDA decreased Euro 1,008 thousand. The reduction in EBITDA was a result of lower revenue offset by synergies achieved through better management of costs common to the various companies in the BU.

The new Sales & Marketing Solutions segment contributed Euro 5,242 thousand to Group EBITDA. Sector EBITDA margin amounted to 40.2%.

***

Operating costs rose Euro 16,596 thousand from Euro 100,988 thousand in 2015 to Euro 117,584 thousand in 2016, an increase of 16.4%. The growth is largely due to the acquisitions of the Co.Mark and Visura Groups included in the perimeter of the Tecnoinvestimenti Group in 2016, from April and July, respectively. Operating costs with respect to Revenue stood at 79.9% in 2015 and 79.8% in 2016.

While costs for raw materials decreased by 12.8%, **service costs** rose to Euro 5,419 thousand (+9.6%); however, if the related costs of the newly acquired companies of Euro 5,151 thousand are excluded.

Personnel costs increased by 30.7%, from Euro 36,832 thousand to Euro 48,153 thousand. This increase is due, in addition to greater costs deriving from new acquisitions equal to Euro 7,279 thousand, to the strengthening of the Group's organisational structure.

Other operating costs increased from Euro 771 thousand in 2015 to Euro 1,522 thousand in 2016.

The item **Amortisation/depreciation, provisions and impairments** totalling Euro 11,601 thousand, which increased Euro 2,939 thousand (+33.9%), consists of:

- Depreciation of tangible assets for Euro 2,496 thousand, an increase over the previous year of Euro 810 thousand;
- Amortization of intangible assets for Euro 7,610 thousand, an increase of Euro 1,683 thousand due to the amortization of intangible assets that emerged at the time of allocating the excess cost for the acquisition of Co.Mark (Euro 2,337 thousand);
- Higher provisions for risks of approximately Euro 419 thousand, of which Euro 265 thousand for disputes with personnel.

Net financial expenses for the year 2016 amount to Euro 1,041 thousand compared to a 2015 balance of Euro 1,097 thousand. The change is positive for Euro 56 thousand. Of note in Income the item "Positive adjustment in fair value options" for Euro 498 thousand due to the adjustment of the estimated liability for the contingent consideration payable to the selling shareholders of Assicom. Financial expenses include the incremental costs of Euro 243 thousand paid in 2016 associated with the loan extended by the Controlling shareholder Tecno Holding.

Income taxes for the year, calculated based on tax rates applicable for the year under current tax regulations, amounted to Euro 4,992 thousand compared to 4,675 the previous year. The tax rate amounted to 29.2%, the decrease was due to the higher ACE tax benefit recognised by the Parent Company Tecnoinvestimenti for the capital increase concluded in August 2016.

***

Pro-Forma Economic Results net of non-recurring items

The following table shows the pro-forma results excluding non-recurring items divided by business segments in order to provide clearer information with respect to business performance. The pro-forma figures have been prepared including the results of the Co.Mark Group and the Visura Group as if they had been acquired on 1 January 2016. The figures have been subjected to audit.

Summary income statement by operating segment Pro-Forma net non-recurring items (*Thousands of Euro*)	*Digital Trust*		*Credit Information & Management*		*Sales & Marketing Solutions*		Other (Holding Costs)		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from third party clients	68,307	62,344	74,458	79,195	17,587	15,251	191	295	160,543	157,085
EBITDA	**17,751**	**16,101**	**13,814**	**14,709**	**6,810**	**4,613**	**-3,280**	**-2,441**	**35,095**	**32,982**
EBITDA %	**26.0%**	**25.8%**	**18.6%**	**18.6%**	**38.7%**	**30.2%**	**n.a.**	**n.a.**	**21.9%**	**21.0%**

Below are details of calculating the Pro-Forma figures, net of non-recurring items:

2016

Thousands of Euro	*Digital Trust*	*Credit Information & Management*	*Sales & Marketing Solutions*	Other (Holding Costs)	Total
Revenue from third party clients	**59,218**	**74,863**	**13,053**	**191**	**147,325**
Revenue from third-party customers Co.Mark Group Q1 2016 (*)			4,534		4,534
Revenue from third-party customers Visura Group HY1 2016 (*)	9,089				9,089
Non-recurring items _ Income sentence Ribes S.p.A.		-405			-405
Revenue from third-party customers _ Pro-Forma net of non-recurring items	**68,307**	**74,458**	**17,587**	**191**	**160,543**
EBITDA	**14,938**	**14,219**	**5,242**	**-4,658**	**29,740**
EBITDA Co.Mark Group Q1 2016 (*)			1,569		1,569
EBITDA Visura Group HY1 2016 (*)	2,813				2,813
Non-recurring items _ Income sentence Ribes S.p.A.		-405			-405
Non-recurring items _ STAR listing costs				942	942
Non-recurring items _ Ancillary expenses acquisition Co.Mark/Visura				436	436
EBITDA Pro-Forma net of non-recurring items	**17,751**	**13,814**	**6,810**	**-3,280**	**35,095**

(*) In calculating these amounts, no adjustments have been made to the results to eliminate the infra-group transactions of the Co.Mark Group for the first quarter of 2016 and the Visura Group for the first six months of 2016.

2015

Thousands of Euro	*Digital Trust*	*Credit Information & Management*	*Sales & Marketing Solutions*	Other (Holding Costs)	Total
Revenue from third-party customers Pro-Forma (*)	**62,544**	**81,490**	**15,251**	**295**	**159,579**
Non-recurring items _ Income sentence Ribes S.p.A.		-2,295	0		-2,295
Non-recurring items _ Income sentence ISI S.p.A.	-200				-200
Revenue from third-party customers Pro-Forma net of non-recurring items	**62,344**	**79,195**	**15,251**	**295**	**157,085**
EBITDA Pro-Forma (*)	**16,301**	**16,841**	**4,613**	**-2,729**	**35,026**
Non-recurring items _ Income sentence Ribes S.p.A.		-2,295			-2,295
Non-recurring items _ Income sentence ISI S.p.A.	-200				-200
Non-recurring items _ Internal reorganization expenses Ribes S.p.A.		163			163
Non-recurring items _ Ancillary expenses acquisition Co.Mark/Visura				288	288
EBITDA Pro-Forma net of non-recurring items	**16,101**	**14,709**	**4,613**	**-2,441**	**32,982**

(*) With regard to the methods for calculating Pro-Forma Revenue from third-party customers and 2015 Pro-Forma EBITDA, reference is made to the "Prospectus relating to the option offer and admission to trading on the electronic stock market organized and managed by Borsa Italiana S.p.A., of the Tecnoinvestimenti S.p.A. shares" available on the Company's website www.tecnoinvestimenti.it in the section Investor Relations / Capital increase.

GROUP BALANCE SHEET AND INCOME STATEMENT

We provide below the balance sheet of the Group at 31 December 2016 with comparison data at 31 December 2015:

Thousands of Euro

	31/12/2016	% of net invested capital/Total sources	31/12/2015	% of net invested capital/Total sources	Change	% ch
Intangible assets and goodwill	199,225	95.9%	120,790	92.3%	78,435	64.9%
Property, plant and equipment	7,050	3.4%	5,813	4.4%	1,237	21.3%
Other net non-current assets and liabilities	-1,630	-0.8%	-3,411	-2.6%	1,781	-52.2%
Total non-current assets/liabilities	**204,646**	**98.5%**	**123,192**	**94.1%**	**81,454**	**66.1%**
Inventories	1001	0.5%	424	0.3%	577	136.1%
Trade and other receivables*	51,084	24.6%	45,266	34.6%	5,818	12.9%
Current tax assets	3,659	1.8%	1,919	1.5%	1,740	90.7%
Assets held for sale	199	0.1%	0	0.0%	199	100.0%
Trade and other payables and defered revenue and income	-50,917	-24.5%	-38,556	-29.5%	-12,361	32.1%
Current employee benefits	-182	-0.1%	0	0.0%	-182	-100.0%
Current tax liabilities	-1,481	-0.7%	-1364	-1.0%	-117	8.6%
Provisions for current risks and charges	-265	-0.1%	0	0.0%	-265	-100.0%
Net Working Capital	**3,097**	**1.5%**	**7,689**	**5.9%**	**-4,592**	**-59.7%**
Total uses--net invested capital	**207,743**	**100.0%**	**130,882**	**100.0%**	**76,861**	**58.7%**
Shareholders' equity	130,372	62.8%	77,194	59.0%	53,178	68.9%
Net financial debt	71,186	34.3%	48,545	37.1%	22,640	46.6%
Employee benefits	6,186	3.0%	5,143	3.9%	1,043	20.3%
Total sources	**207,743**	**100.0%**	**130,882**	**100.0%**	**76,860**	**58.7%**

* The item Trade and other receivables includes non-current receivables from customers

The following is the breakdown of *Other net non-current assets and liabilities*:

Thousands of Euro

Other net non-current assets and liabilities	31/12/2016	31/12/2015	Change	% ch
Investments recognized with the equity method	2,471	2,458	13	0.53%
Equity investments recognised at cost or fair value	11	18	-7	-38.88%
Other financial assets except for fin. instruments Derivatives	2,898	19	2,879	15151.59%
Deferred tax assets	2,898	2,239	659	29.42%
Other receivables	210	959	-749	-78.09%
Non-current assets	**8,488**	**5,693**	**2,795**	**49.09%**
Provisions	-1,279	-1,200	-79	6.61%
Deferred tax liabilities	-8,292	-7,829	-463	5.91%
Deferred revenue and income	-546	-75	-471	628.01%
Non-current liabilities	**-10,117**	**-9,104**	**-1,013**	**11.13%**
Total net non-current assets/liabilities	**-1,630**	**-3,411**	**1,781**	**-52.22%**

The change in total non-current assets/liabilities compared to 31 December 2015 is mainly attributable to the acquisition of the Co.Mark and Visura Groups in intangible assets and goodwill. In particular, for the acquisition of Co.Mark Group the recognition of goodwill arising from the acquisition totalled Euro 46,663 thousand, while intangible assets from the related Purchase Price Allocation of the excess cost paid, net of amortisation, totalled Euro 2,963 thousand. For the acquisition of Visura Group (consolidated as of July 2016) the recognition of goodwill amounted to Euro 30,217 thousand. The excess cost paid for the acquisition of the Visura Group was provisionally allocated to goodwill, as not all the information needed to proceed to an accurate allocation of the price paid was available. It is expected that such information will be collected and elaborated in the preparation of the 2017 half-year report.

Intangible assets and goodwill thus increased from Euro 120,790 thousand to Euro 199,225 thousand, an increase of 64.9%.

Net working capital fell from Euro 7,689 thousand at 31 December 2015 to Euro 3,097 thousand at 31 December 2016, mainly due to the increase in trade payables and deferred revenue and income.

Shareholders' equity increased by Euro 53,178 thousand due mainly to the capital increase carried out during the listing on the MTA STAR segment in August. The capital increase raised a total of Euro 49,491 thousand net of the costs incurred, which were recognised as decrease of the share premium reserve for Euro 951 thousand. Other changes in the period reflect the distribution of dividends for Euro 3,849 thousand, the profit for the period of Euro 12,120 thousand, and the adjustment of the put options on minority interests for Euro 4,427 thousand. Reference is made to the Statement of changes in Shareholders' Equity for a complete summary of the changes.

Group Net Financial Debt

Below is the table with the details of the Group's Net financial debt at 31 December 2016 compared with the same position at 31 December 2015:

Thousands of Euro

	31/12/2016	31/12/2015	Change	%
A Cash	60,377	19,262	41,115	213%
B Cash and cash equivalents	54	54	0	1%
D Liquidity (A+B)	**60,431**	**19,316**	**41,115**	**213%**
E Current financial receivables	6,352	3,359	2,994	89%
F Current bank payables	-2,812	-3,215	402	-13%
G Current portion of non-current debt	-7,303	-6,329	-973	15%
H Other current financial payables	-26,788	-1,372	-25,415	1852%
I Current financial debt (F+G+H)	**-36,902**	**-10,916**	**-25,986**	**238%**
J Net current financial debt (D+E+I)	**29,881**	**11,759**	**18,123**	**154%**
K Non-current bank payables	-22,869	-27,624	4,755	-17%
L Other non-current financial payables	-78,198	-32,680	-45,518	139%
M Non-current financial debt (K+L)	**-101,067**	**-60,304**	**-40,763**	**68%**
N Net financial debt (J+M) (*)	**-71,186**	**-48,545**	**-22,640**	**47%**
O Other non-current financial assets	2,898	19	2,878	14888%
P Total position net financial (debt) (N+O)	**-68,288**	**-48,526**	**-19,762**	**41%**

(*) *Net financial debt determined as required by Consob Communication no. 6064293 of 28 July 2006 and in compliance with Recommendation ESMA/2013/319*

In 2016, the following transactions were carried out, which have resulted in significant changes in net financial debt:

1. The acquisition of the Co.Mark Group;
2. The acquisition of the Visura Group;
3. The share capital increase for a total of nearly Euro 50 million, including share premium.

Consequently, Net financial debt increased from Euro 48,545 thousand Euro at 31 December 2015 to Euro 71,186 thousand at 31 December 2016.

In particular, the following is noted:

1. The increase in liquidity of Euro 41,115 thousand is attributable to:
    a. Cash flow from financing activities (Euro 64,732 thousand) mainly as a result of the capital increase of the Parent Company concluded in August 2016 (Euro 48,179 thousand, net of the related costs attributable to it) and, as a result of the loan granted by the Controlling shareholder Tecno Holding S.p.A. (equal to Euro 25,000 thousand);
    b. liquidity generated by operating activities for Euro 18,930 thousand;
    c. liquidity used in investment activities for Euro 42,547 thousand (acquisition of the Co.Mark S.p.A. and Visura S.p.A. Groups for Euro 36,893 thousand, net of the liquidity acquired).
2. Current financial receivables increased mainly due to the contribution of the Visura Group of an investment in an equity fund for approximately Euro 1.7 million and a BTP maturing in November 2017 of approximately Euro 1 million.
3. The increase in current financial debt is attributable for Euro 15,593 thousand to the reclassification of liabilities for the purchase of minority interests related to put options already outstanding at 31 December 2015 due within the next 12 months; for Euro 6,274 thousand to new liabilities for the purchase of minority interests related to put options granted to minority shareholders of Co.Mark S.p.A.; for Euro 1,508 thousand to the price deferment granted by the sellers of Co.Mark S.p.A. due March 2017 and the estimate of the contingent consideration to be paid to the selling shareholders of Visura following approval of the 2016 financial statements for Euro 839 thousand.
4. The non-current financial debt increased, net of aforementioned the reclassification in current debt and adjustment of the put options already in place at 31 December 2015 due to the price deferment granted by the sellers of the Co.Mark Group for Euro 5,600 thousand and the put options granted to the minority shareholders in the same acquisition for Euro 15,004 thousand and contingent consideration for Euro 2,475 thousand; as well as due to the put options granted to the minority shareholders following the acquisition of the Visura Group for Euro 10,832 thousand in addition to the loan granted by the Controlling shareholder Tecno Holding S.p.A., in two tranches in March and December 2016, for a total amount of Euro 25,000 thousand.
5. The increase in Other non-current financial assets for Euro 2,878 thousand is due to the consolidation of the Visura Group, mainly due to the contribution of insurance policies held in the portfolio.

RESULTS OF THE PARENT COMPANY

Below are the main values related to the economic results and equity and financial situation of the Parent Company Tecnoinvestimenti S.p.A.

It is noted that Tecnoinvestimenti S.p.A. adopted the International Financial Reporting Standards (IFRS) in its separate financial statements of 2016, with 1 January 2015 as transition date to IFRS. This adoption was undertaken to follow the obligation set out by EU Regulation no. 1606/2002 of 19 July 2002, introduced in the Italian legal system by Legislative Decree 28 February 2005 no. 38, due to the listing of shares on the MTA (Electronic Equity Market) of Borsa Italiana. The last annual financial statements drafted according to the Italian accounting standards refer to the year ended 31 December 2015.

ECONOMIC RESULTS OF THE PARENT COMPANY

In thousands of Euro	31/12/2016	%	31/12/2015	%	Change	% ch
Revenue	**617**	**100%**	**524**	**100%**	**93**	**17.7%**
Total operating costs	**4,840**	**784.3%**	**3,076**	**586.8%**	**1,764**	**57.3%**
Raw material expenses	0	0.0%	0	0.0%	0	-
Service costs	2,652	429.8%	1,153	219.9%	1,500	130.1%
Personnel expenses	2,119	343.5%	1,895	361.5%	225	11.8%
Other operating costs	68	10.99%	29	5.5%	39	137.3%
EBITDA	**-4,223**	**-684.3%**	**-2,552**	**-486.8%**	**-1,671**	**65.5%**
Amortisation/depreciation, write-downs and provisions	69	11.2%	15	2.9%	53	346.7%
Operating profit	**-4,291**	**-695.4%**	**-2,567**	**-489.7%**	-1,724	**67.2%**
Financial income	10,134	1642.2%	8,537	1628.4%	1597	18.7%
Financial expenses	-1,524	-247.0%	-1,166	-222.4%	-358	30.7%
Profit before tax	**4,318**	**699.8%**	**4,804**	**916.3%**	-486	**-10.1%**
Tax	-1,613	-261.4%	-384	-73.3%	-1229	-319.9%
Net profit	**5,931**	**961.2%**	**5,188**	**989.6%**	**743**	**14.3%**

BALANCE SHEET AND INCOME STATEMENT OF THE PARENT COMPANY

Statement of financial position of Tecnoinvestimenti S.p.A.

In thousands of Euro	31/12/2016	% of net invested capital/Total sources	31/12/2015	% of net invested capital/Total sources	Change	% ch
Intangible assets and goodwill	71	0.0%	105	0.1%	-34	-32.5%
Property, plant and equipment	81	0.1%	58	0.1%	23	40.4%
Other net non-current assets and liabilities	153,369	99.0%	95,783	99.1%	57,586	60.1%
Total non-current assets/liabilities	**153,521**	**99.1%**	**95,945**	**99.3%**	**57,576**	**60.0%**
Inventories	0	0.0%	0	0.0%	0	-
Trade receivables and other receivables	601	0.4%	585	0.6%	17	2.9%
Current tax assets	2,083	1.3%	1,032	1.1%	1,051	101.8%
Trade and other payables and def. revenue and income	-1,333	-0.9%	-928	-1.0%	-405	43.6%
Net working capital	**1,351**	**0.9%**	**688**	**0.7%**	**663**	**96.2%**
Total uses—net invested capital	**154,872**	**100.0%**	**96,634**	**100.0%**	**58,238**	**60.3%**
Shareholders’ equity	112,524	72.7%	60,607	62.7%	51,917	85.7%
Net financial debt	42,153	27.2%	35,883	37.1%	6,271	17.5%
Employee benefits	195	0.1%	144	0.1%	51	35.3%
Total sources	**154,872**	**100.0%**	**96,634**	**100.0%**	**58,238**	**60.3%**

Statement of Net Financial Debt of Tecnoinvestimenti S.p.A.

In thousands of Euro

	31/12/2016	31/12/2015	Change	%
A Cash	30,026	3,581	26,445	738%
B Cash and cash equivalents	0	0	0	0%
D Liquidity (A+B)	**30,026**	**3,581**	**26,445**	**738%**
E Current financial receivables	0	27	-27	-100%
F Current bank payables	-266	-300	34	-11%
G Current portion of non-current debt	-4,475	-4,275	-200	5%
H Other current financial payables	-2,788	0	-2,788	100%
I Current financial debt (F+G+H)	**-7,529**	**-4,575**	**-2,954**	**65%**
J Net current financial debt (D+E+I)	**22,497**	**-967**	**23,464**	**-2426%**
K Non-current bank payables	-14,963	-17,886	2,923	-16%
L Other non-current financial payables	-49,687	-17,029	-32,658	192%
M Non-current financial debt (K+L)	**-64,650**	**-34,916**	**-29,735**	**85%**
N Net financial debt (J+M) (*)	**-42,153**	**-35,883**	**-6,271**	**17%**

(*) *Net financial debt determined as required by Consob Communication no. 6064293 of 28 July 2006 and in compliance with Recommendation ESMA/2013/319*

BUSINESS OUTLOOK

In 2017, the Group will continue its operating activities in continuity with 2016, but will be able to rely on the contributions from the newly acquired companies and from the achievement of the positive effects deriving from the activities of cross-selling, organisational rationalisation and streamlining of procurement processes carried out within the three Business Units.

In particular, the Credit Information & Management sector should fully benefit from the reorganisation and rationalisation processes carried out in 2016. In 2017, additional benefits are expected from the full realization of synergies deriving from the merger of Datafin S.r.l. in Assicom S.p.A. as well as increased synergies to be realized between the Assicom and Ribes Groups.

In the Digital Trust area, in 2017, positive effects are expected to arise from the entry in the scope of consolidation of the Visura Group. With this acquisition Tecnoinvestimenti will target the cross selling of InfoCert's standard products and services to other market sectors covered by Visura, such as professional associations and freelancers.
In 2017, the Sales & Marketing Solutions sector will continue its path of development in the Italian and Spanish markets thanks to Co.Mark's subsidiary , Co.Mark TES.

GROUP MAIN RISKS AND UNCERTAINTIES

The Group is exposed to three main financial risks: market risk (interest rate risk and price risk), liquidity risk and credit risk.

Liquidity risk is managed through careful management and monitoring of operating cash flows.

The Group is exposed to the price risk of services purchased (cost of raw data), managed through agreements with counterparties at pre-defined price conditions.

Credit risk relates exclusively to trade receivables, but the Group believes that risks associated with such areas are not significant as trade policies have been carried out with the aim to maintain relationships with customers of adequate size and risk profiles.

For further information about the main risks and uncertainties to which the financial statements of the Company are subject, reference is made to as outlined in the paragraph “Financial risk management” of the Notes to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

With regard to the dispute before the Court of Appeal of Bologna, concerning Ribes S.p.A.’s legal suit to obtain compensation for “monitoring of parties” brought against the Revenue Agency (formerly the Territory Agency), it is noted that this case was concluded positively on 24 January 2017 with sentence no. 183/2017, which upheld the Company’s appeal.

On 28 February 2017, Tecnoinvestimenti S.p.A. renegotiated the financing extended by the syndicate Cariparma/BPER/ICCREA. The amount outstanding of the loan at 31 December 2016 equalled Euro 28.9 million, utilized among the Parent Company, Tecnoinvestimenti and the subsidiaries Ribes S.p.A. and Assicom S.p.A.. The renegotiation determined significant benefits by reducing financial expenses over the next few years. The main terms of the contract are as follows:

- A Term Loan facility substitutes the previous loan. The principal amount totals Euro 30 million that matures on 30 June 2023, with repayment in semi-annual instalments at 6-month Euribor plus 130 basis points;
- A Capital Expenditure facility line was added for Euro 15 million at a cost of 6-month Euribor plus 160 bps maturing on 30 June 2023;
- The covenant calculations were modified to be based on IFRS Consolidated Financial Statements of Tecnoinvestimenti. They will calculated every six months on a pro forma basis, taking into account the recent acquisitions;
- The guarantees to the syndicate (pledging of Ribes and InfoCert shares) were eliminated.

The Company is awaiting contractual formalization of the agreement, which is currently underway.

HUMAN RESOURCES

At 31 December 2016, the Group had 903 employees compared to 612 at 31 December 2015. 12 employees are employed by the Parent Company Tecnoinvestimenti (8 at 31 December 2015), and 891 by the subsidiaries (604 at 31 December 2015).
Regarding trade unions, excellent industrial relations continue to be managed in a climate of successful and correct collaboration.

During the year, no incidents took place nor any injuries at work involving staff on the payroll nor indeed were any charges recorded with regards to occupational diseases on employees or former employees.

The Group has an average annual workforce (FTE) of 815.6 annual workers broken down by category as set out below:

Number of employees	*Annual average*		*31 December*	
	2016	**2015**	**2016**	**2015**
Senior Management	27.8	24.9	30	25
Middle Management	106.3	96.9	108	96
Employees	681.5	507.0	765	491
Total	**815.6**	**628.9**	**903**	**612**

The national labour contracts applied are:

- Tertiary sector: commerce, distribution and services
- Industry metalworking sector

INFORMATION ON THE ENVIRONMENT

The environmental impact (of Tecnoinvestimenti's operations) is not crucial given that the Company operates in the services sector. However, it is noted that both the Company and the other Group companies operate in an environmentally responsible manner in order to reduce the impact of their activities externally.

INFORMATION ON CORPORATE GOVERNANCE

The Company has modified its corporate governance system to meet the requirements established by Italian Legislative Decree no. 58/1998 ("Consolidated Finance Act") and the Code of Corporate Governance for Listed Companies, promoted by Borsa Italiana (the "Corporate Governance Code").
Pursuant to art. 123-bis of the Consolidated Finance Act, the Company is required to prepare the annual report on Corporate Governance and Ownership Structures containing a general description of the corporate governance system adopted by the Group and which includes, among other things, information on the ownership structure and on the main governance practices implemented and the characteristics of the internal control and risk management system, also with reference to the financial reporting process.
The Report on corporate governance and ownership structures, approved by the Board of Directors on 21 March 2017 is available at the registered office of the Company and on the Company website (www.tecnoinvestimenti.it).

TRANSACTIONS WITH RELATED PARTIES

Transactions with Related parties of the Group do not qualify as atypical nor as unusual, as part of the normal activities of the Group. These transactions are carried out on behalf of the Group at normal market conditions. Reference is made to the section "Other information" in the Notes for further information on transactions with Related Parties, also in relation to information to be provided on the basis of Consob Resolution no. 17221 of 12 March 2010, amended by Resolution no. 17389 of 23 June 2010. The "Procedure for transactions with Related Parties" is available on the Company's website (www.tecnoinvestimenti.it in the Governance section).

RESEARCH & DEVELOPMENT

The Group carries out research and development activities within the scope of its core business. In 2016, InfoCert S.p.A. carried out research and development activities for technological innovation and focused its efforts on developing further its core products (Certified Mail, Digital Signature, Digital Preservation and Document Management) and on the Enterprise design activities, to respond quickly and with flexibility to several needs generated from private and public markets.

OTHER INFORMATION

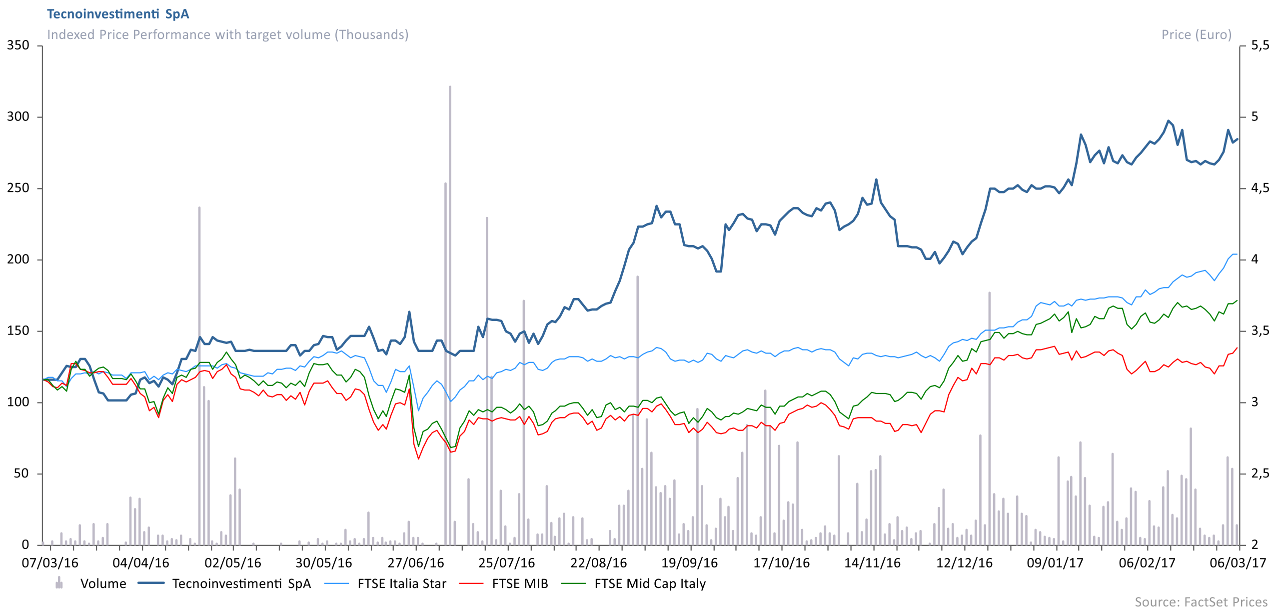
At 31 December 2016, the Company does not hold any treasury shares, not even through trust companies or third parties.

STOCK PERFORMANCE

In relation to the discussion on the Financial Statements, it was considered appropriate to illustrate the performance of the Tecnoinvestimenti stock, which closed the year 2015 at Euro 3.1216 while it has closed the year 2016 at Euro 4.53, with a gain of more than Euro 1.41 or 45.1%.
The significant increase in the value of the Stock, given the generally negative trend of the Italian Stock Exchange, can be seen as the outcome of a series of strategic choices made by the Board of Directors and executed in various steps. The increase in value is to be attributed to several reasons, each of which represents a significant and important objective or event for the Company:

- operating performance of the Tecnoinvestimenti Group;
- the acquisitions of Co.Mark and Visura;
- the increase in share capital of nearly Euro 50 million and the concurrent transition from the AIM to the Electronic Equity Market (MTA), STAR Segment.

To confirm this analysis, we can note that the Stock increased modestly in the first seven months of the year and then rose very quickly from mid-August, the month in which the capital increase was completed. The



Prices at 3 March 2017. Graph: Intermonte SpA transition to the Electronic Equity Market (MTA) STAR segment from AIM took place on 30 August 2016, when the stock price stood at 4.074.

The average share price in 2016 was Euro 3.67. The closing price at 30 December was Euro 4.53, which implied a Stock Market capitalization of Euro 209.5 million for the Company.

Price at 30/12/2016 (€)	**4,53**
No. of shares (millions)	**46,3**
Market Capitalization (€ million)	**209,5**

Closing Price (€)		**1 month**	**3 months**	**6 months**	**12 months**
	From	**1 Dec 2016**	**3 Oct 2016**	**1 July 2016**	**4 Jan 2016**
	To	**30 Dec 2016**	**30 Dec 2016**	**30 Dec 2016**	**30 Dec 2016**
Simple average		4,28	4,28	4,04	3,67
Max		4,53	4,57	4,57	4,57
Min		3,98	3,98	3,34	2,8
Average Daily Volumes					
no. Shares		29.368	27.061	33.865	23.396
Counter-value (€)		126.984	116.866	132.829	81.897
VWAP* (Euro)		4,324	4,319	3,922	3,501

*Volume Weighted Average Price

Source: Elaboration by Intermonte

Admission to the STAR segment represents an acknowledgement of the strength of the Company, rewards its growth profile and high standards of Corporate Governance. At the same time, it ensures greater visibility to the stock with respect to investors.
Precisely to optimize the transition of the listing, the Company decided to strengthen the Investor Relations function with the addition of a dedicated person. As a result, the number of contacts and meetings with investors and analysts increased significantly in the last quarter of 2016.
The aim next year is to increase the liquidity of the stock, which is currently significantly lower than the market average, through increased research coverage by financial analysts and greater road show activities to meet Italian and foreign investors. These aspects will be managed by the Investor Relations function and coordinated with Senior Management. The final objective is to enable the stock price to express its comprehensive and intrinsic value.

STATEMENT OF RECONCILIATION OF EQUITY/NET PROFIT OF THE PARENT COMPANY WITH CONSOLIDATED FIGURES:

The reconciliation between Shareholders' equity and the Result for the year, highlighted in the Statements of the Parent Company, and Shareholders' equity and the Result for the year, highlighted in the Consolidated Financial Statements, shows that at 31 December 2016, Group Shareholders' equity was Euro 17,717 thousand higher than that of Tecnoinvestimenti S.p.A. and the Group's Net profit of Euro 12,062 thousand, was Euro 6,131 thousand higher than that of Tecnoinvestimenti S.p.A.

In thousands of Euro	**2016 net profit**	**Shareholders' Equity 31/12/2016**
Tecnoinvestimenti S.p.A.	**5,931**	**112,524**
Equity of the consolidated companies and allocation of their results	18,372	65,223
Book value of consolidated equity investments	0	-152,972
Recognition of liabilities for put options	0	-65,740
Allocation of goodwill	0	155,737
Allocation of intangible assets	-2,581	15,149
Recognition income statement adjustment of contingent consideration	328	0
Recognition income statement ancillary expenses acquisition of shareholdings	-436	0
Derecognition of infra-group dividends	-10,110	0
Use of tax consolidation of non-deductible interest expense	378	378
Other consolidation adjustments	237	72
Net equity and income for the year attributable to minorities	-58	-131
Tecnoinvestimenti Group Consolidated Financial Statements	**12,062**	**130,241**

PROPOSED ALLOCATION OF THE INCOME FOR THE YEAR 2016 OF TECNOINVESTIMENTI S.P.A.

In inviting you to approve the Financial Statements and the Report as presented, we invite you to approve the allocation of the profit for the year, amounting to Euro 5,931,070, as follows:

- 5% of the profit for the year to legal reserve for an amount of Euro 296,553;
- as for Euro 4,047,411 to dividend distribution equal to Euro 0,0875 per share;
- Euro 1,587,106 to profits carried forward.

Milano, 21 marzo 2017

Enrico Salza
Presidente

CONSOLIDATED FINANCIAL STATEMENTS 2016
Statements and Notes

CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2016

Consolidated Statement of financial position

Thousands of Euro	**Notes**	**31/12/2016**	**31/12/2015**
ASSETS			
Property, plant and equipment	14	7,050	5,813
Intangible assets and goodwill	15	199,225	120,790
Equity-accounted investees	16	2,471	2,458
Equity investments recognised at cost or fair value	16	11	18
Other financial assets, excluding financial derivative instruments	17	2,898	19
Deferred tax assets	18	2,898	2,239
Trade receivables and other receivables	19	351	2,251
NON-CURRENT ASSETS		**214,904**	**133,589**
Inventories	20	1,001	424
Other financial assets, excluding financial derivative instruments	21	6,352	3,359
Current tax assets	22	3,659	1,919
- *of which with Related parties*	*40*	*2,083*	*1,420*
Trade receivables and other receivables	19	50,948	43,974
- *of which with Related parties*	*40*	*237*	*449*
Cash and cash equivalents	24	60,431	19,316
Assets held for sale	14	199	0
CURRENT ASSETS		**122,590**	**68,992**
TOTAL ASSETS		**337,493**	**202,581**
EQUITY AND LIABILITIES			
Share capital		46,256	31,700
Reserves		83,985	45,398
Equity attributable to Shareholders		130,241	77,098
Minority interests		131	96
TOTAL EQUITY	**25**	**130,372**	**77,194**
LIABILITIES			
Provisions	26	1,279	1,200
Employee benefits	27	6,186	5,143
Financial liabilities, excluding financial derivative instruments	28	100,839	60,128
- *of which with Related parties*	*40*	*25,000*	*0*
Derivative financial instruments	23	228	176
Deferred tax liabilities	18	8,292	7,829
Trade and other payables		5	0
Deferred revenue and income	30	546	75
NON-CURRENT LIABILITIES		**117,374**	**74,551**
Provisions	26	265	0
Employee benefits	27	182	0
Financial liabilities, excluding financial derivative instruments	28	36,902	10,916
- *of which with Related parties*	*40*	*156*	*0*
Trade and other payables	29	33,185	28,991
- *of which with Related parties*	*40*	*188*	*103*
Deferred revenue and income	30	17,732	9,565
- *of which with Related parties*	*40*	*0*	*5*
Current tax liabilities	22	1,481	1,364
- *of which with Related parties*	*40*	*608*	*805*
CURRENT LIABILITIES		**89,747**	**50,836**
TOTAL LIABILITIES		**207,122**	**125,387**
TOTAL EQUITY AND LIABILITIES		**337,493**	**202,581**

Consolidated Statement of profit or loss and other comprehensive income

		for the year ended 31 December	
Thousands of Euro	**Notes**	**2016**	**2015**
Revenue	**31**	147,325	126,439
- *of which with Related parties*	*40*	*1,043*	*968*
- *of which non-recurring*	*31*	*405*	*2,295*
Raw material expenses	32	6,105	7,000
Service costs	33	61,804	56,385
- *of which with Related parties*	*40*	*1,067*	*536*
- *of which non-recurring*	*33*	*1,378*	*0*
Personnel expenses	34	48,153	36,832
- *of which non-recurring*	*34*	*0*	*163*
Other operating costs	35	1,522	771
- *of which with Related parties*	*40*	*67*	*0*
Amortisation/depreciation	36	10,106	7,613
Provisions	36	466	47
Impairment	36	1,029	1,002
- *of which non-recurring*	*36*	*0*	*214*
Total Costs		**129,185**	**109,650**
OPERATING PROFIT		**18,140**	**16,790**
Financial income	37	727	206
Financial expenses	37	1,767	1,303
- *of which with Related parties*	*40*	*243*	*0*
Net financial expenses		**-1,041**	**-1,097**
Share of profit of equity-accounted investees, net of tax	16	13	51
PROFIT BEFORE TAX		**17,111**	**15,744**
Tax	38	4,992	4,675
- *of which non-recurring*	*38*	*-132*	*866*
NET PROFIT FROM CONTINUING OPERATIONS		**12,120**	**11,069**
Profit (loss) from discontinued operation, net of tax		0	0
PROFIT FOR THE PERIOD		**12,120**	**11,069**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gains (losses) of employee benefit provisions	27	-243	314
Tax effect		63	-94
Total items that will not be reclassified to profit or loss		**-180**	**220**
Items that are or may be reclassified subsequently to profit or loss:			
Exchange rate differences from the translation of foreign financial statements		0	2
Profits (losses) from measurement at fair value of financial derivative instruments	23	-51	-74
Equity-accounted investees – share of OCI		0	41
Tax effect		12	14
Total items that are or may be reclassified subsequently to profit or loss		**-39**	**-17**
Total other items of comprehensive income, net of tax		**-219**	**203**
Total comprehensive income		**11,901**	**11,273**
Profit for the period attributable to:			
Owners of the Company		12,062	11,024
Non-controlling interests		58	45
Total comprehensive income for the period attributable to:			
Owners of the Company		11,845	11,226
Non-controlling interests		56	46
Earnings per share			
Basic EPS (Euro)	39	0.32	0.35
Diluted EPS (Euro)	39	0.32	0.35

Consolidated Statement of changes in equity

For the year ended 31 December 2016									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined benefits reserve	Other reserves	Total	Minority interests	Total equity
Balance at 1 January 2016	31,700	773	19,173	-135	-164	25,751	77,098	96	77,194
Comprehensive income									
Profit for the period						12,062	12,062	58	12,120
Other comprehensive income				-39	-178		-217	-2	-219
Total comprehensive income	*0*	*0*	*0*	*-39*	*-178*	*12,062*	*11,845*	*56*	*11,901*
Transactions with shareholders									
Legal reserve allocation		363				-363	0		0
Dividends						-3,820	-3,820	-29	-3,849
Capital increase	14,556		34,935				49,491		49,491
Capital increase costs			-951				-951		-951
Adjustment of put options on minority interests						-4,427	-4,427		-4,427
Other changes						1,005	1,005	7	1,012
Total transactions with shareholders	*14,556*	*363*	*33,983*	*0*	*0*	*-7,605*	*41,298*	*-22*	*41,276*
Balance as at 31 December 2016	46,256	1,136	53,156	-173	-343	30,208	130,241	131	130,372

For the year ended 31 December 2015									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined benefits reserve	Other reserves	Total	Minority interests	Total equity
Balance as at 1 January 2015	31,700	537	19,173	-75	-383	13,453	64,405	80	64,485
Comprehensive income									
Profit for the period						11,024	11,024	45	11,069
Other comprehensive income				-60	219	43	202	1	203
Total comprehensive income	*0*	*0*	*0*	*-60*	*219*	*11,067*	*11,226*	*46*	*11,272*
Transactions with shareholders									0
Dividends						-2,236	-2,236		-2,236
Legal reserve allocation		236				-236	0		0
Adjustment of put options on minority interests						3,986	3,986		3,986
Other changes						-283	-283	-30	-313
Total transactions with shareholders	*0*	*236*	*0*	*0*	*0*	*1,231*	*1,467*	*-30*	*1,437*
Balance as at 31 December 2015	31,700	773	19,173	-135	-164	25,751	77,098	96	77,194

Consolidated Statement of cash flows

		for the year ended 31 December	
(in thousands of Euros)	**Notes**	**2016**	**2015**
Cash flows generated by operating activities			
Profit for the period		12,120	11,069
Adjustments for:			
- depreciation of property, plant and equipment	36	2,496	1,686
- Amortisation of intangible assets	36	7,610	5,927
- Write-downs/ (Write-backs)	36	1,029	788
- Provisions	36	466	47
- Impairment of intangible assets and goodwill		0	214
- Net financial expenses	37	1,041	1,097
- *of which with Related parties*		*243*	*0*
- Portion of profits from Equity-accounted investees	16	-13	-51
- Income taxes	38	4,992	4,675
Changes in:			
- Inventories	20	-372	142
- Trade receivables and other receivables		1,940	-4,066
- *of which with Related parties*		*212*	*-385*
- Trade payables and other payables		-2,318	-278
- *of which with Related parties*		*85*	*53*
- Provisions for Employee benefits	26.27	-971	-360
- Deferred revenue and proceeds, including public contributions	30	1,241	1,342
Cash generated by operating activities		**29,259**	**22,230**
Interest paid		-1,108	-938
- *of which with Related parties*		*-87*	*0*
Income taxes paid		-9,222	-7,655
Net cash generated by operating activities		**18,930**	**13,638**
Cash flows generated by investing activities			
Interest collected		91	245
Collections from sale of financial assets		0	6,070
Investments in unconsolidated equity investments		0	-625
Purchase of property, plant and equipment	14	-2,882	-1,654
Purchase of intangible assets	15	-2,863	-4,187
Change in consolidation scope, net of liquidity acquired	13	-36,893	-2,786
Net cash absorbed by investing activities		**-42,547**	**-2,936**
Cash flows generated by financing activities			
Increase in financial liabilities		29,300	1,590
- *of which with Related parties*	*40*	*25,000*	*0*
Decrease in financial liabilities		-10,002	-2,721
Payment of financial leases		-99	-97
Capital increases – subsidiaries		1,175	0
Payment Ribes selling shareholders earn out		0	-1,500
Tecnoinvestimenti capital increase net of costs charged to equity	25	48,179	0
Dividends paid		-3,820	-3,486
Net cash generated/(absorbed) by financing activities		**64,732**	**-6,214**
Net increase (decrease) of cash and cash equivalents		41,115	4,488
Cash and cash equivalents as at 1 January		19,316	14,828
Cash and cash equivalents as at 31 December		**60,431**	**19,316**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2016

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tecnoinvestimenti S.p.A. (the “Parent Company”) has its offices in Italy. These Consolidated Financial Statements at 31 December 2016 include the financial statements of the Parent Company and its subsidiaries (jointly, the “Group”). The Group is mainly active in the Digital Trust, Credit Information & Management and Sales & Marketing Solutions sectors. These Consolidated Financial Statements at 31 December 2016 were approved and authorized for publication by the Board of Directors of Tecnoinvestimenti S.p.A. at its meeting of 21 March 2016.

2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Consolidated Financial Statements prepared in accordance with art. 154-ter of Legislative Decree no. 58/98 - CFA - and subsequent amendments and additions, have been prepared in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the reporting date, as well as the previous International Accounting Standards (IAS).
The Consolidated Financial Statements were drafted on a going concern basis, as the directors have verified that there are no financial, managerial or other indicators that suggest critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, in particular, over the next 12 months. The description of the procedures through which the Group manages financial risks is provided in the note below on Financial risk management.

3. PRESENTATION CRITERIA

The Consolidated Financial Statements consist of the Balance sheet, the Income statement, the Statement of other comprehensive income, the Statement of changes in shareholders’ equity, the Statement of cash flows, and these notes.

It is specified that:

- the Statement of financial position has been prepared by classifying assets and liabilities according to the “current/non-current” criteria;
- the Statement of profit/(loss) and other items of the comprehensive income statement is classified on the basis of the nature of costs;
- the Statement of cash flows is presented using the indirect method.

In accordance with Consob Resolution no. 15519 of 28 July 2006, the Statement of profit/(loss) separately identifies, if any, income and expenses arising from non-recurring transactions; similarly, shown separately in the Financial statements are the balances of transactions with Related parties which are further described in the notes to the Financial Statements, “Transactions with Related parties”.

The Consolidated Financial Statements are presented in Euro, which is the functional currency of the Parent Company and its subsidiaries (with the exception of Creditreform Assicom Ticino SA); all values are expressed In thousands of Euro unless otherwise indicated.

4. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the financial statements of the Parent Company Tecnoinvestimenti S.p.A. and the companies on which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements".
For the purposes of the assessment of the existence of control, the three necessary elements are all present: power to control the company; exposure to the risk or the rights deriving from the variable returns linked to its involvement; ability to influence the company, to the extent of conditioning the results (positive or negative) for the investor (correlation between power and exposure to risks and benefits).

Control can be exercised both on the basis of the direct or indirect possession of the majority of the stocks with voting rights, on the basis of contractual or legal agreements, independently from the possession of stocks. In assessing these rights, we keep into account the power to exercise these rights independently from their effective exercise and all potential voting rights are considered.
The list of the companies consolidated, either line by line or with the equity method, at 31 December 2016 is provided in the following table:

Company	Registered Office	as at 31 December 2016					
		Share capital		% held	via	% contribution to the Group	Consolidation method
		Amount (in thousands)	Currency				
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,256	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	-	99.99%	Line-by-line
Ribes S.p.A.	Milan	241	Euro	87.50%	-	100.00%	Line-by-line
Assicom S.p.A.	Buja (UD)	3,000	Euro	67.50%	-	100.00%	Line-by-line
Co.Mark S.p.A.	Milan	150	Euro	70.00%	-	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	60.00%	-	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	95.00%	Ribes S.p.A.	95.00%	Line-by-line
Creditreform Assicom Ticino S.A.	Switzerland	100	CHF	100.00%	Assicom S.p.A.	100.00%	Line-by-line
Co.MarK TES S.L.	Spain	36	Euro	99.00%	Co.Mark S.p.A.	99.00%	Line-by-line
Lextel S.p.A.	Rome	2,500	Euro	100.00%	Visura S.p.A.	100.00%	Line-by-line
Isi Sviluppo Informatico S.r.l.	Parma	31	Euro	92.00%	Visura S.p.A.	92.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	35.00%	InfoCert S.p.A.	35.00%	Equity
eTuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Equity

The held percentage indicated in the table refers to the portions actually owned by the Group at the reporting date. The percentage of contribution refers to the contribution to the equity of Group of the individual company as a result of the recognition of the additional equity investment in the consolidated company as a result of the recognition of the put options granted to the minority shareholders on the portions in their possession.
The financial statements of the subsidiaries are consolidated starting from the date in which the control was acquired. In particular, the Co.Mark Group acquired on 24 March 2016 was consolidated on 31 March 2016; the Visura Group acquired on 20 July 2016 was consolidated as of 1 July 2016.
All the financial statements used for the preparation of the consolidated financial statements were drafted as at 31 December 2016 and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company.

The criteria adopted for line-by-line consolidation are the following:

- assets and liabilities, expenses and revenue of the subsidiaries are consolidated line by line, attributing to the minority shareholders, if applicable, the portion of equity and profit for the period that pertains to them; these portions are shown separately within the equity and the income statement.
- business combinations are recognized in accordance with the provisions of IFRS 3 Business Combinations according to the Acquisition method. The cost of acquisition is represented by the current value ("fair value") at the time of the acquisition of the assets sold, the liabilities taken on and the equity instruments issued. The identifiable assets, liabilities and potential liabilities acquired are recognised at their current value at the time of the acquisition, with the exception of deferred tax assets and liabilities, assets and liabilities for employee benefit obligations, and assets held for sale, which are recognised on the basis of the corresponding reference accounting standards. The difference between the cost of acquisition and the current value of the assets and liabilities acquired is recognised as goodwill in the intangible assets, if positive; if negative, after checking the correct measurement of the current values of the assets and liabilities acquired and the acquisition cost, it is recognised directly in income statement, as revenue.
- The accessory charges related to the acquisition are recognised in the income statement at the time in which the services are provided.
- In the case of purchase of controlling interests of less than 100% of share capital, goodwill is recognised only for the part attributable to the Parent Company. The value of minority interests is calculated in proportion to the portions of equity investment held by third parties in the net identifiable assets of the acquired company.
- If the business combination was carried out in multiple stages, at the time of the acquisition of the control the equity investments held previously are re-measured at fair value and any difference (positive or negative) is recognised in the income statement.
- In the case of purchase of minority interests, after control has been obtained, the positive differential between acquisition cost and carrying amount of the minority interests acquired is deducted from the equity of the Parent Company. In the case of sales of equity investments that do not involve a loss of control, instead, the difference between sale price and carrying amount of the equity investments sold is recognised directly to equity (as an increase), without passing through the income statement.
- The items deriving from relations between the consolidated companies are cancelled, especially those deriving from outstanding receivables and payables at the end of the year, costs and revenue as well as financial charges and income recognised in the income statements of these companies. Realised profits and the losses between the consolidated companies with the related adjustments tax are also cancelled.

AFFILIATED COMPANIES

Affiliated companies are those on which the Group exercises a significant influence, which is assumed to exist when the equity investment holds between 20% and 50% of voting rights. Equity investments in affiliated companies are valued with the equity method and are initially recognised at cost. The equity method is described below:

- the carrying amount of the equity investments is aligned with the equity adjusted, if necessary, to reflect the application of IFRS and includes the recognition of the greater/lower values allocated to the assets and to the liabilities, and any goodwill identified at the time of the acquisition;
- the profits or losses attributable to the Group are recognised from the date in which the significant influence starts and until the date the significant influence ceases. If, as a result of the losses, the Company measured with the method in question reports negative equity, the carrying value of the equity investment is cancelled and any excess attributable to the Group, where the latter is committed to fulfil legal or implicit obligations of the affiliated company, or in any case to cover its losses, is recognised in a specific reserve; the changes in the equity of the Company valued with the equity method are not

represented in the income statement, but are recognised directly among the other components of comprehensive income;

- unrealised profits and losses on transactions carried out between the Company/subsidiaries and the affiliated company measured with the equity method, including distributed dividends, are eliminated on the basis of the value of the equity investment of the Group in the affiliated company, excluding losses if these are representative of a decrease in value of the underlying assets.

5. TRANSLATION OF FINANCIAL STATEMENTS EXPRESSED IN CURRENCIES OTHER THAN PRESENTATION CURRENCY

The rules for the translation of the financial statements expressed in currencies different from the currency of presentation (excluding situations in which the currency belongs to a hyper-inflation country, which is not the case for the Group), are the following:

•the assets and the liabilities included in the statements presented are translated at the exchange rate at the end for the year;

•the costs and the revenue, the expenses and the proceeds, included in the statements presented are translated at the average exchange rate of the year, or else at the exchange rate at the time of the transaction if this differs significantly from the average exchange rate;

•the "translation reserve" includes both the exchange rate differences generated from the conversion of income statement items at a rate different from that at the end of the year and those generated from the translation of net opening assets at an exchange rate different from that at the end of the reporting period. The translation reserve is transferred to the income statement at the time of the full or partial sale of the equity investment when this sale involves the loss of control.

Goodwill and the adjustments deriving from the measurement at fair value of the assets and liabilities resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the end for the year.

6. SECTOR INFORMATION

Information regarding the business segments has been prepared in accordance with IFRS 8 "Operating Segments", which provides information consistently with the manner adopted by management to make operating decisions. Therefore, the identification of the operating segments and the information presented are defined on the basis of the internal reports used by the management to allocate resources to the different units and to analyse their performance.

An operating segment is defined by IFRS 8 as the component of an entity (i) that carries out business activities generating revenue and costs (including revenue and costs for transactions with other components of the same entity); (ii) the operating results of which are reviewed regularly at the highest decisional level of the entity to make decisions on the resources to be allocated to the sector and the measurement of the performance; (iii) for which separate financial statement information is available.

The operating units identified by management, which encompass all the services and products provided to the clients, are:

- *Credit Information & Management*
- *Digital Trust*
- *Sales & Marketing Solutions*

Compared to 2015, the economic figures changed due to:

- the consolidation as of 1 April 2016 of the Co.Mark Group (Sales & Marketing Solutions sector).
- the consolidation as of 1 July 2016 of the Visura Group (fully allocated to the Digital Trust sector).

- the consolidation of the balances of Datafin S.r.l. (Credit Information & Management), merged in 2016 into Assicom S.p.A., and Eco-Mind App Factory S.r.l. (Digital Trust), merged in 2016 into InfoCert S.p.A., the acquisitions of which had been towards the end of 2015 and therefore, not included in the 2015 income statement.

The performance of the operating units is measured and reviewed regularly by the management through the analysis of EBITDA, defined as earnings before depreciation/amortisation, impairment of assets, provisions, write-downs of receivables, charges and financial income, profits or losses from equity investments and taxes.

Specifically, the management believes that EBITDA provides a good indication of the performance since it is not influenced by tax laws and amortisation policies.
We provide below the representation of the Revenue and EBITDA for the individual operating units.

In thousands of Euro	***Digital Trust***		***Credit Information & Management***		***Sales & Marketing Solutions***		**Other units (Holding costs)**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Unit revenue	59,278	47,070	75,043	79,105	13,053	0	617	634	147,992	126,810
Intra-unit revenue	60	5	181	27	0	0	426	339	667	371
Revenue from third party clients	**59,218**	**47,065**	**74,863**	**79,078**	**13,053**	**0**	**191**	**296**	**147,325**	**126,439**
EBITDA	**14,938**	**10,939**	**14,219**	**16,954**	**5,242**	**0**	**-4,658**	**-2,442**	**29,740**	**25,452**
Amm., prov. and impairment									11,601	8,662
Operating profit									**18,140**	**16,790**
Net financial expenses									-1,041	-1097
Income from equity investments									13	51
Profit before tax									**17,111**	**15,744**
Tax									4,992	4,675
Income for the year									**12,120**	**11,069**

We provide below the representation of the assets and liabilities of the individual operating units.

	Digital Trust		***Credit Information & Management***		***Sales & Marketing Solutions***		**Other units (Holding)**		**Total**	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
In thousands of Euro										
Unit assets	77,318	28,923	163,688	167,543	62,905	0	33,582	5,679	337,493	202,145
Unit liabilities	43,716	20,371	101,591	103,377	34,476	0	27,339	1,203	207,122	124,952

7. MEASUREMENT CRITERIA

We describe below the accounting standards and the most significant measurement criteria used for the preparation of the consolidated financial statements:

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are valued at the cost of purchase or production and net of accumulated depreciation and impairment, if any. The cost includes all the charges directly incurred to prepare the assets to be used, as well as any dismantling and removal charge that shall be incurred to bring the work site back to its original conditions.
The charges incurred for ordinary and/or regular maintenance and repair are directly recognised in the income statement in the year in which they are incurred. The capitalisation of the costs for the expansion, modernization or improvement of the structural items owned or in use by third parties is carried out only within the limits in which these respond to the requirements for be separately classified as assets or part of an assets. Any public contributions to tangible assets are recorded as deferred revenue and recognized as income in the income statement on a systematic and rational basis over the useful life of the related asset.
The value of an asset is adjusted for systematic depreciation, calculated on the basis of its estimated useful life. When the asset is recognised for the first time, the depreciation is calculated keeping into account the effective date in which the asset is ready for use. The useful life estimated by the Group, for the different classes of assets, is the following:

	Estimated useful life
Land	indefinite
Buildings	33 years
Plant and equipment	3 - 6 years
Equipment	4 years
Other assets	4 - 8 years

The estimates of the useful life and of the residual value are reviewed at least once a year.
Depreciation ends when the asset is transferred or reclassified as held for sale.
If the asset object of depreciation includes distinctly identifiable and significant components, with different estimated useful life, the depreciation is calculated separately for each of the different components, in application of the component approach standard.
Gains and losses realised on the sale of assets or groups of assets are calculated by comparing the sale price with the corresponding net carrying amount.

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items without physical form, but which can be clearly identified and able to generate future economic benefits for the Company. These items are recognised at the acquisition and/or production cost, inclusive of the expenses directly attributable to the stage of preparation to the activity to make it operational, net of accumulated amortisation (with the exception of intangible assets with indefinite useful life) and any impairment. The depreciation starts when the asset becomes available for use and is allocated systematically with regard to its residual possibility of use, that is, on the basis of its useful life. When the intangible asset is recognised for the first time, depreciation is calculated keeping into account the effective use of the asset. Specifically, within the Group, the following main categories of intangible assets can be identified:

- *Goodwill*: Goodwill recognised among intangible assets is related to business combination transactions and represents the difference between the cost incurred for the acquisition of a company or a business unit and the sum of the fair value assigned, at the time of acquisition, to the individual assets and liabilities that make up the capital of that company or business unit. Having indefinite useful life, goodwill is not subject to systematic amortisation but undergoes an impairment test at least once a year. For the purposes of the execution of the impairment test, the goodwill acquired in a business combination is allocated to the individual Cash Generating Unit (CGU) or to groups of CGUs that are expected to benefit of the synergies of the aggregation, in compliance with the minimum level at which this goodwill is monitored within the Group. Goodwill related to affiliated companies, joint venture or non-consolidated subsidiaries is included in the value of the equity investments.
- *Development costs:* Costs incurred internally for the development of new products and services represent intangible assets (mainly software costs) and are recognised as assets only if the following conditions are all met: i) the cost due to the development asset can be reliably calculated, ii) there is the intention, the availability of financial resources, and the technical ability to make the assets available for use or sale, iii) it can be proved that the assets will be able to produce future economic benefits. Capitalised development costs include the sole expenses incurred that may be attributed directly to the development of new products and services. Useful life is 5 years.
- *Patent and intellectual property rights:* Patent and intellectual property rights are recognised at their acquisition cost net of accumulated amortisation and impairment, if any. The amortisation is carried out from the year in which the rights acquired are available for use and is calculated taking as reference the shorter period between that of expected use and that of ownership. Useful life varies according to the business of the companies and is between 3 and 5 years.
- *Concessions, licences and trademarks:* This category includes: the licences that grant the right to use patents or other intangible assets for an identified or identifiable time; the trademarks, consisting of signs identifying products or goods as coming from a specific company; know-how and software application licences, owned by third parties. The costs, inclusive of the direct and indirect expenses incurred to obtain the rights, may be capitalised as assets after obtaining their ownership and are systematically amortised taking as reference the shorter period between that of expected use and that of ownership of the rights. Useful life is 5 years.
- *Intangible assets from business combination transactions:* These concern the allocation during PPA (purchase price allocation) of the excess cost paid for the acquisition of the control:
    - ✓ of the Ribes Group, at the beginning of 2013, which has involved the recognition of an intangible asset for backlog orders for an amount of Euro 434 thousand, fully recognised as a deduction from equity at the time of the transition since, for the duration of the contracts which it refers to, exhausts its future utility in a single year, and an intangible asset for customer list for an amount of Euro 7,232 thousand that, on the basis of the rate of turnover of clients of the subsidiary Ribes, is believed it may exhaust its future utility in a period of 20 years from 2013;
    - ✓ of the Assicom Group, carried out at the end of 2014, which has involved the recognition of an intangible asset for backlog orders for an amount of Euro 1,302 thousand to be recognised in the income statement in 4 years from 2015 and an intangible asset for customer list for an amount of Euro 14,304 thousand that, on the basis of the rate of turnover of clients of the subsidiary Assicom, it is believed may exhaust its future utility in a period of 14 years from 2015;
    - ✓ of the former subsidiary Infonet S.r.l., now merged into Ribes S.p.A., carried out at the end of 2014, which has involved the recognition of an intangible asset for backlog orders for an amount of Euro 272 thousand fully recognised in the income statement in 2015 and an intangible asset for customer list for an amount of Euro 5,728 thousand that, on the basis of the rate of turnover of clients of the former subsidiary Infonet S.r.l., it is believed may exhaust its future utility in a period of 16 years from 2015;
    - ✓ of the former subsidiary Datafin S.r.l., now merged into Assicom S.p.A., carried out at the end of 2015, which has involved the recognition of an intangible asset for customer list for an amount

of Euro 741 thousand that, on the basis of the rate of turnover of clients of the former subsidiary, it is believed may exhaust its future utility in a period of 10 years from 2016;

- ✓ of the Co.Mark Group, carried out in March 2016, which has involved the recognition of an intangible asset for backlog orders for an amount of Euro 1,977 thousand to be recognised in the income statement in 2 years from 2016 and an intangible asset for customer list for an amount of Euro 3,324 thousand that, on the basis of the rate of turnover of clients of the subsidiary Assicom, it is believed may exhaust its future utility in a period of 5 years from 2016.

VALUE LOSSES OF TANGIBLE AND INTANGIBLE ASSETS (ASSET IMPAIRMENT)

Goodwill and intangible assets with indefinite useful life

Assets with indefinite useful life are not subject to amortisation, but undergo, at least once a year, an assessment of the recoverability of the value recognised in the balance-sheet (Impairment Test). As said before, goodwill undergoes an Impairment Test, annually or more frequently, if there are indications that may lead to believe that it may have suffered a decrease in value.
The Impairment test is carried out on each of the cash-generating units ("CGU") which goodwill was allocated to and monitored by the management.
Any decrease in value of goodwill is recognised if the recoverable amount of the CGU to which goodwill is allocated is less than the corresponding value recognised in the financial statements.
Recoverable amount is understood as the greater between the fair value of the CGU, net of sale charges, and the corresponding value in use, the latter understood as the current value of the expected future cash flows for the assets that make up the CGU. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. If the decrease in value identified through impairment test is greater than the value of the goodwill allocated to the CGU, the residual excess is allocated to the assets included in the CGU in proportion to their carrying value. This allocation has as minimum the highest of:
(i) fair value of the asset, net of sale costs;
(ii) value in use, as above defined;
(iii) zero.
The original value of goodwill cannot be restored if the reasons for its impairment no longer apply.

Intangible and tangible assets with defined useful life

For the assets object of amortisation, at each date of the financial statements, an assessment is carried out as to the existence of indications of impairment, internal and external. If such indications are observed, the recoverable amount of said assets is estimated, and any impairment with respect to the corresponding book value is recognised in the income statement. The recoverable amount of an asset is represented by the greater between the fair value, net of accessory sale costs, and the corresponding value in use, the latter understood as the current value of the expected future cash flows from the assets. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is calculated with regard to the cash generating unit to which this asset pertains.
An impairment is recognised in the income statement if the value of recognition of the asset, or of the corresponding CGU to which this is allocated, exceeds the recoverable amount. The impairment of a CGU is recognised first as a decrease in the carrying amount of any allocated goodwill and, then, as a decrease in other assets, in proportion to their carrying amount and within the limits of the corresponding recoverable amount. If the conditions for an impairment previously carried out no longer apply, the carrying amount of the assets is restored to the income statement, within the limits of the net carrying amount that the asset in

question would have had if the write-down had not been carried out and the corresponding amortisation/depreciation had been carried out.

RECEIVABLES AND FINANCIAL ASSETS

The Group classifies financial assets in the following categories:

- assets measured at fair value with offsetting item in the income statement;
- loans and receivables;
- financial assets held to maturity:
- financial assets held for sale.

The management decides on the classification of a financial asset at the time of its first recognition.

Financial assets at fair value with offsetting item in the income statement: This category includes financial assets acquired for short-term trading, derivative instruments, for which we refer to the following section, and the assets indicated as such at the time of their recognition. The fair value of these instruments is calculated on the basis of the market value at the end of the year in question: if the instrument is not listed, the value is calculated through common financial measurement techniques. Changes in the fair value of the instruments in this category are immediately recognised in the income statement. The classification between current and non-current reflects the expectation of the management on their trading: those assets that are expected to be sold within 12 months or those identified as held for trading are included among current assets.

Loans and receivables: This category includes assets, other than derivative instruments, that are not listed in an active market, from which fixed or determinable payments are expected. These assets are initially recognised at fair value, inclusive of the costs of transaction; subsequently, they are recognised at amortised cost using the effective interest rate method. If there are objective indications of impairment, the value of the assets is reduced so that it equals the discounted value of the corresponding expected future cash flows; the losses of value calculated through the impairment test are recognised in the income statement. If in later periods the reasons for previous impairments no longer apply, the value of the assets is reset at the value that would have been recognised from the application of amortised cost if the impairment had not been carried out. These assets are classified as current assets, except for the portions with maturity beyond 12 months, which are included among non-current assets.

Financial assets held to maturity: These are assets, different from derivative instruments, with a pre-set maturity, which the Group has the intention and ability to keep in portfolio until their maturity. They are recognised at amortised cost. Those assets with an expected contractual maturity of less than 12 months are classified as current assets. If there are objective indications of impairment, the value of the asset is reduced so that it equals the discounted value of the corresponding expected future cash flows: the losses of value calculated through impairment test are recognised in the income statement. If in later periods the reasons for previous impairments no longer apply, the value of the assets is restored up to the value that would be derived from the application of amortised cost if the impairment had not been carried out.

Financial assets available for sale: This category includes financial assets that do not fall into any of the previous categories, excluding derivatives. These assets are carried at fair value, calculated by reference to the market prices at the reporting date, or through financial valuation techniques and models; changes in their fair value are recognised among other items of comprehensive income and, correspondingly, in a special equity reserve (“reserve for assets available for sale”). This reserve is transferred to the income statement only at the time in which the financial asset is actually sold or, in the case of negative changes, when it becomes clear that it will not be possible to recover the significant and lasting decrease in value already recognised to equity. The classification as current or non-current assets depends on the intentions of the management and from the actual negotiability of the asset: those assets that are expected to be sold within 12 months are recognised as current assets. Only for non-equity financial instruments, the impairment previously recognised is reversed in the income statement if the circumstances that had involved its recognition are no longer observed. If the fair value cannot be calculated reliably, the asset is recognised in the balance-sheet at cost, adjusted against losses for decrease in value. These losses cannot be written back in the future.

DERIVATIVES

Derivative instruments are always treated as assets held for trading and recognised at fair value through the profit or loss statement, unless they represent effective instruments to hedge a specific risk related to underlying assets or liabilities or commitments taken by the Group.

The effectiveness of the hedging transactions is documented and tested both at the beginning of the transaction and regularly (at least at each reporting date) and is measured by comparing the changes in the fair value/cash flow of the hedging instrument with those of the hedged item or, in the case of more complex instruments, through a statistical analysis based on the change of the risk.

The changes in the fair value of derivatives indicated as fair value hedges (not used by the Group) and that are qualified as such, are recognised in the income statement, in the same way as it is done for the changes in the fair value of hedged assets or liabilities due to the risk hedged with the hedging transaction.

The changes in the fair value of the derivatives indicated as cash flow hedges and qualified as such are recognised, only for the “effective” portion, among the other items of the comprehensive income statement through a special equity reserve (“cash flow hedge reserve”), which is transferred to the income statement at the time the underlying hedged asset produces effects on the balance sheet or income statement. The change in fair value due to the ineffective portion is immediately recognised in the income statement. If the execution of the underlying transaction is no longer considered highly likely, the corresponding portion of the “cash flow hedge reserve” is immediately transferred to income statement. If, instead, the derivative instrument is sold, expires or no longer qualifies as effective hedge of the risk against which the transaction had been initiated, the corresponding portion of “cash flow hedge reserve” is kept until when the underlying contract produces effects. The hedging is then derecognised as cash flow hedge.

The Group uses derivative instruments within hedging strategies aimed at neutralising the risk of changes in the expected cash flows from transactions contractually defined or highly likely (cash flow hedge).

FAIR VALUE MEASUREMENT

The Group assesses financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm’s length transaction at the measurement date.

A fair value measurement assumes that the sale transaction of the asset or transfer of the liability takes place:

- in the main market of the asset or liability; or
- in the absence of a main market, in the most advantageous market for the asset or liability.

The main market or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is valued by adopting the assumptions that market operators would use in the determination of price of the asset or liability, assuming that market operators act to maximize their own economic interest. An assessment of the fair value of non-financial asset does not consider the ability of a market operator to generate economic benefits by maximizing the value of the asset or by selling it to another market operator that would maximize the value or make the best use of it.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The fair value of the instruments listed in public markets is calculated on the basis of the quoted prices at the end of the year. The fair value of instruments not listed is calculated with financial measurement techniques: specifically, the fair value of the interest rate swap is measured discounting the expected cash flows.

All assets and liabilities for which the fair value is measured or recorded in the financial statements are categorized according to the fair value hierarchy, as described below:

- Level 1: financial assets and liabilities the fair value of which is calculated on the basis of the (unadjusted) prices quoted in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: financial assets and liabilities the fair value of which is calculated on the basis of input different from listed prices specified in Level 1 but observable, either directly (prices) or indirectly (from prices);
- Level 3: financial assets and liabilities the fair value of which is calculated through valuation models that use unobservable input data.

If the input data, used to calculate the fair value of an asset or liability, can be classified at different levels of the fair value hierarchy, the entire measurement is placed at the level of hierarchy of the input at the lowest level that is significant for the entire measurement. The Company records the transfers between the different fair value hierarchy levels at the end for the fiscal period in which the transfer has taken place.

INVENTORIES

Inventories are recognised at the lower of cost, calculated making reference to the method of weighted average cost and the net realisable value, excluding the financial expenses and the general structure expenses. The net realisable value is the sale price in the normal management, net of estimated completion costs and those costs needed to carry out the sale.

CONTRACT WORK IN PROGRESS

Work in progress is recognised with the percentage-of-completion method, according to which the costs, revenue and margin are recognised on the basis of the progress of production activity, calculated making reference to the ratio between costs incurred at the time of measurement and total expected costs of the programme or on the basis of the product units delivered.
The valuation reflects the best estimate of the programmes at the reporting date. The estimates are regularly updated. Any economic effect is recognised in the year in which the updates are carried out.
If the completion of an order is expected to result in a loss in terms of gross profit margin, this is fully recognised in the year in which it becomes reasonably foreseeable, under “Other operating costs”. Vice versa, the reversal of these provisions is recognised under “Revenue”, if it exceeds the costs or the losses that these provisions are meant to cover.
Contract work in progress is recognised net of any impairment provision, loss on finished orders, as well as the advance received on the contract in progress.
This analysis is carried out order by order: if the differential is positive (as a result of work in progress exceeding the amount of the advances), the imbalance is classified as an asset under “Trade receivables and

other receivables”; if instead this differential is negative, the imbalance is classified as a liability, under “Deferred revenue and proceeds”.

CASH AND CASH EQUIVALENTS

These include cash, deposits at banks or at other credit institutes available for current transactions, postal accounts and other equivalent values as well as investments maturing in the three months of the date of purchase. The cash and cash equivalents are recognised at fair value, usually, coinciding with the nominal value.

SHAREHOLDERS’ EQUITY

Share capital
Share capital is represented by the subscribed and paid in capital of the Parent Company.

Share premium reserve
This item consists of the amounts collected by the Company for the issuance of stock at a price above nominal value.

Other reserves
This item includes the reserves of most common use, which may have a generic or specific allocation. Usually they do not derive from profits of previous years.

Reserves of profit/loss carried forward
This item includes the profit of previous years, which were not distributed or allocated to other reserves, or uncovered losses.

Transaction costs relating to the issue of capital instruments
The transaction costs relating to the issue of capital instruments are recognized as a decrease (net of any related tax benefit) of the Share premium reserve, generated by the same transaction, to the extent that they are marginal costs directly attributable to the capital transaction that would have otherwise been avoided. The transaction costs on capital that is abandoned are recognized in the income statement.
Listing costs not relating to the issue of new shares are recognized in the income statement.
If the listing involves the sale of existing shares and the issue of new shares, the costs directly attributable to the issue of new shares are recognized as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognized in the income statement. Costs related to both transactions are recognized as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognized in the income statement.

PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables and the other financial liabilities are initially recognised at fair value net of transaction costs: subsequently they are recognised at amortised cost, using the effective interest rate method. If there is a change in the estimate of future cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the current value of the new expected cash flows and the effective interest rate originally calculated.
Payables and the other liabilities are classified as current liabilities, unless the Group has contractual rights to repay its obligations to at least more than 12 months after the date of the annual or infra-annual periodic financial statements.

PUT OPTIONS ON MINORITY INTERESTS

An option contract that contains an obligation for an entity to buy the equity investments of the minority shareholders of a subsidiary in exchange for cash or other financial assets generates in the Consolidated Financial Statements a financial liability for the current value of the amount to be paid against the reversal of the interest of these minority shareholders. This financial liability will have as offsetting item goodwill or other intangible asset if the put option was underwritten within a business combination or else equity if underwritten after this date. Any change in the financial liability, for any reason recognised, after the date of recognition, is recognised with offsetting item in equity.

CONTINGENT CONSIDERATION

A contingent consideration agreed in a business combination gives rise in the Consolidated Financial Statements to a financial liability for the present value of the amount to be paid at the agreed maturity. Such financial liability will have as offsetting item goodwill or other intangible asset. Any change in the financial liability related to the same after the date of recognition, is recognised in the income statement.

TAXES

The tax burden of the Group is composed of current and deferred taxes. If due to items recognised in the proceeds and charges recognised to equity within the other components of comprehensive income, said taxes are recognised as an offsetting item in the same item.
Current taxes are calculated on the basis of the tax laws in force at the reporting date; any risk related to different interpretations of positive or negative income items, such as disputes with tax authorities, are recognised as taxes in the income statement with offsetting adjustments made to liabilities to adjust the provisions recognised in the balance sheet.
Deferred taxes are calculated on the basis of the temporary differences that are generated between the carrying amount of the assets and liabilities and their value for tax purposes, as well as on tax losses. The measurement of deferred tax assets and liabilities is carried out by applying the tax rate that is expected to be in force at the time in which the temporary differences will be reversed; this forecast is made on the basis of the tax laws in force or substantially in force at the time reference for the reporting period. Deferred tax assets, including those deriving from tax losses, are recognised only if it is believed that sufficient taxable income for their recovery will be generated in the following years.

It is noted that the Parent Company Tecnoinvestimenti S.p.A. and its subsidiary InfoCert S.p.A. have joined the tax consolidation headed by the Controlling shareholder Tecno Holding S.p.A. This three-year participation agreement covers the period 2015-2017.
Economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the subsidiaries are defined in the corresponding tax consolidation regulations.
Accordingly, the Group has reported in these Consolidated Financial Statements the balance sheet items related to current IRES (i.e. Corporate Income) taxes with respect to the Controlling shareholder Tecno Holding S.p.A. under the item assets/liabilities for current taxes. The recognition of current taxes for IRAP purposes remains unchanged.

EMPLOYEE BENEFITS

The short-term benefits are represented by salaries, wages, corresponding social security contributions, pay in lieu of vacation, and incentives paid as bonuses to be paid in the twelve months from the date of the financial statements. These benefits are recognised as items of personnel expenses in the period of employment.
The benefits after the termination of the employment are divided into two categories:

- Defined-contribution plans in which the Company pays fixed contributions to a separate entity (for example a pension fund) without a legal or implicit obligation to pay additional contributions if said entity does not have sufficient assets to pay the benefits corresponding to the service provided during employment at the Company. The Company recognises the contributions to the plan only when the employees have worked in exchange for those contributions;
- Defined-benefit plans, which include both the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code ("TFR"), for the portion accrued until 31 December 2006, and the Supplementary Client Indemnities for agents and representatives, in which the Company commits to grant the benefits agreed with the employees in service taking the actuarial and investment risks related to the plan. The cost of this plan is therefore not defined on the basis of the contributions due for the year, but is recalculated on the basis of demographic assumptions, statistics and on the wage trends. The methodology applied is called "projected unit credit method". The value of the liability recognised in the Balance Sheet is, therefore, in line with the value resulting from its actuarial measurement, with full and immediate recognition of actuarial profits and losses, in the period in which they arise as other components of comprehensive income, through a special equity reserve (*Trattamento di Fine Rapport*, or "TFR reserve"). In the calculation of the amount to be recognised in the balance sheet, the current value of the obligation for defined-benefit plans is decreased by the fair value of the assets servicing the plan, calculated using the interest rate adopted to discount the obligation.

For companies with more than 50 employees, from 1 January 2007, the so-called Budget Act of 2007 and the corresponding implementation decrees have made significant changes to the TFR rules, among which giving to the worker a choice on the destination of his/her TFR. Specifically, the new TFR flows can be directed by the workers to pension schemes of their choice or else kept in the Company. In both cases, from this date the newly accrued portions represent defined-contribution plans not subject to actuarial measurement.
With reference to the classification of the costs related to the TFR contributions, service costs are recognised under "Personnel costs" and interest charges under "Financial expenses", while actuarial profits/losses are recognised among the other components of comprehensive income.

SHARE-BASED PAYMENTS

In the event of transactions with share-based payments settled with equity instruments of the Company, the fair value on the allocation date of the options on shares granted to employees is recognised under personnel costs, with a corresponding increase in Equity under the item "Other reserves and retained earnings" throughout the period during which employees obtain the unconditional right to incentives. The amount recognised as cost will be adjusted to reflect the actual number of incentives (options) for which the conditions of permanence in service have accrued achievement of non-market conditions, so the final amount recognised as cost is based on the number of incentives that will definitively accrue. Similarly, when estimating the fair value of the options granted, all non-vesting conditions must be considered. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the financial statements.
In the event of transactions with share-based payments settled in cash (or shares or other financial instruments not belonging to the Company), the fair value of the amount to be paid to employees is recorded as cost, with a corresponding increase of liabilities for employee benefits throughout the period during which employees will accrue the unconditional right to receive payment. The liability is measured at each year-end date and settlement date on the basis of the fair value of share revaluation rights. Any changes in the fair value of liabilities are recognised in the profit or loss for the year under personnel costs.

PROVISIONS FOR RISKS AND CHARGES

Provisions to the reserve for risks and charges are recognised when, at the reference date, in the presence of a legal or implicit obligation towards third parties, deriving from a past event, it is likely that meeting the obligation will require an outlay of resources, the amount of which can be reliably estimated.
This amount represents the current value, if the financial effect of time is significant, of the best estimate of the expense needed to extinguish the obligation. The rate used in the calculation of the current value of the liability reflects current market values and includes the additional effects related to the specific risk associated to each liability. The changes in the estimate are reflected in the income statement of the year in which the change takes place.
If the Group is exposed to risks for which the occurrence of a liability is only a possibility, these risks are described in the Notes and no provision is made.

LEASED ASSETS

In the presence of financial leases, at the time of first recognition, the leasing company recognises a tangible asset and a financial liability for the value equal to the lower of the fair value of the asset and the current value of the minimum payments due at the start of the contract using the implicit interest rate of the lease or the marginal rate of interest of the loan. Subsequently, an amount is recognised in the income statement equal to the portion of amortisation of the asset and the financial charges separated from the rent paid in the year, which for the remaining portion is subtracted from the financial liability recognised.
The depreciation of the leased asset is calculated on the basis of its useful life, if the contract provides for the transition of the ownership or the exercise of the repurchase option. Otherwise, the asset is depreciated for the shorter period between the useful life and the duration of the contract.

REVENUE

The revenue and the proceeds are recognised net of returns, allowances, premiums, as well as of taxes directly related to the provision of the services. Revenue is recognised on the basis of the use of the services by clients and in any case when it is likely that future benefits will be received and that these benefits may be quantified reliably. Specifically:

- revenue from prepaid subscription contracts is recognised in proportion to the consumption at the time in which clients use actually the services. The value of the products not used is recognised as revenue at their contractual maturity;
- revenue from subscription contracts with a licence fee is recognised pro rata for the duration of the contract;
- revenue from usage-based contracts is recognised at the time of the execution of the service, or else when the product is used, according to the specific tariffs applied;
- revenue from performance fees is recognised at the time of the execution of the service that give a right to the consideration;
- revenue from the sale of assets is recognised at the time of the transfer of the ownership of the asset.

Revenue includes also the change in the work in progress, for the measurement of which we refer to the previous note. The change in the work in progress represents the portion of work carried out in the period for which no invoice has yet been issued.

COSTS

The costs related to the purchase of assets are recognised when the risks and benefits of the assets traded are transferred; the service costs received are recognised proportionally when the service is provided.

FINANCIAL INCOME AND EXPENSES

Interest is recognised on an accrual basis on the basis of the effective interest method, using in other words the interest rate that makes financially equivalent all inflows and outflows (including any premium, discount, commissions etc.) from a transaction.

EARNINGS PER SHARE

Earnings per share - basic
The basic EPS is calculated by dividing the profit attributable to the Group by the weighted average of the ordinary stocks in circulation during the year, excluding treasury stock.

Earnings per share - diluted
The diluted EPS is calculated by dividing the profit attributable to the Group by the weighted average of outstanding ordinary stock, excluding treasury stock. For the purposes of the calculation of the diluted EPS, the weighted average of the stocks in circulation is modified assuming that all the rights with a potential diluting effect are exercised, while the profit attributable to the Group is adjusted for the effect, net of taxes, of the exercise of said rights.

8. NEW STANDARDS OR AMENDMENTS FOR 2017 AND FUTURE REQUIREMENTS

ACCOUNTING STANDARDS AND AMENDMENTS TO THE STANDARDS ADOPTED BY THE GROUP

a) From 1 January 2016, the Group adopted the following new accounting standards:
   - "*Equity Method in Separate Financial Statements (Amendments to IAS 27)*". This document was adopted by the European Union with Regulation No. 2441 of 23 December 2015. The amendments allow entities to use the equity method to recognize its investments in subsidiaries, joint ventures and affiliated companies in parent company separate financial statements.
   - Amendments to IAS 1 "*Presentation of Financial Statements*". These amendments were adopted by the European Union by means of Regulation no. 2406 of 19 December 2015. The initiative is part of the Disclosure Initiative project that aims to improve the presentation and disclosure of financial information in financial reports and to resolve some of the issues reported by operators.
   - "*Annual Improvements to IFRSs: 2012-2014 Cycle*". This document was adopted by the European Union with Regulation No.2343 of 16 December 2015. The amendments introduced concern the following standards: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosure*, IAS 19 *Employee Benefits*, IAS 34 *Interim Financial Reporting*.
   - *"Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*"; these amendments clarify that an amortization method based on revenues generated by the asset (revenue-based method) is not considered appropriate as it reflects only the flow of revenues generated by said asset and not, instead, the method of consumption of the economic benefits incorporated in the asset. These amendments were adopted by the European Union by means of Regulation no. 2015 of 3 December 2015.
   - "*Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 Joint Arrangements)*". This document was adopted by the European Union with Regulation No.2173 of 25 November 2015. The amendments to IFRS 11 clarify the methods of accounting of acquisitions of interests in a joint operation that represents a business.
   - Amendments to IAS 16 and IAS 41 regarding cultivations (Bearer Plants). According to these amendments, adopted by the European Union by means of Regulation no. 2113 of 24 November 2015,

cultivations may be recognised at cost instead of fair value. In contrast, crops harvested continue to be recognised at fair value.

- "*Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*". The amendment, adopted by the European Union by means of Regulation no. 1703 of 23 September 2016 clarified three issues related to the consolidation of an investment entity.

b) Accounting standards and interpretations on standard effective for the financial years after 2016 and not adopted in advance by the Group:

- On 24 July 2014, the IASB published the final version of IFRS 9 "*Financial instruments*". The document includes the results of the phases relating to classification and valuation, derecognition, impairment and hedge accounting, of the IASB project aimed at replacing IAS 39. The new standard replaces the previous versions of IFRS 9. In 2008, IASB started the project aimed to the replacement of IFRS 9 and has proceeded by stages. In 2009, it published the first version of IFRS 9, which dealt with the measurement and classification of financial assets; subsequently, in 2010, it published the rules for financial liabilities and derecognition. In 2013, IFRS 9 was amended to include the general model of hedge accounting. In September 2015, EFRAG completed its due process for the issuance of the endorsement advice, which was then presented to the European Commission. This document, adopted by the European Union by means of Regulation no. 2067 of 29 November 2016 is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.
- On 28 May 2014, the IASB published IFRS 15 - "*Revenue from Contracts with Customers*". The standard represents a unified and complete framework for the recognition of revenue and sets out provisions to be applied to all contracts with clients (excluding contracts falling within the scope of the standards on leasing, insurance contracts and financial instruments). IFRS 15 replaces the previous standards on revenues: IAS 18 Revenue and IAS 11 Construction Contracts, as well as the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The forecasts contained therein define the criteria for the recognition revenues from the sale of products or provision of services through the introduction of the so-called five-step model framework; furthermore, it is required to provide in the notes specific information on the nature, amount, timing and uncertainties related to revenues and cash flows arising from contracts entered into with customers. On 11 September 2015, IASB published an Amendment to IFRS 15, with which it postponed by one year the coming into force of the standard, now scheduled for 1 January 2018. This document, adopted by the European Union by means of Regulation no. 1905 of 29 October 2016 is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.

c) Accounting standards and interpretations to be applied in the near future:

At the date of the approval of these separate Parent Company financial statements, a few accounting standards, interpretations and amendments have been issued by IASB, but not yet ratified by the European Union, some of which are still in the consultation stage, among which we note:

- On 30 January 2014, the IASB published IFRS 14 —"*Regulatory Deferral Accounts*". The standard provides first-time adopters that operate in a sector with regulated tariffs, the possibility to continue to account in the first and subsequent IFRS financial statements, with some limited changes, "regulatory assets and liabilities" using the previous local accounting standards; furthermore, it is required that assets and liabilities from regulatory activities, as well as changes thereof, be presented separately in the statement of financial position, income statement and statement of comprehensive income and that specific information be provided in the notes. It is noted that to date, the European Commission has decided to suspend the Endorsement Process pending the issuance of the final accounting standard by the IASB.
- On 13 January 2016, the IASB published the new standard IFRS 16 *Leases*, which replaces IAS 17. IFRS 16 will apply from 1 January 2019. In fact, the new standard eliminates the difference in the accounting

of operating and financial leases despite the presence of elements that allow simplifying the application thereof and introduces the concept of control within the definition of leasing. In particular, in order to determine whether or not a contract represents a lease, IFRS 16 requires verifying whether or not the tenant has the right to control the use of a given asset for a certain period of time. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers.* The conclusion of the due process by the EFRAG is expected for the first quarter of 2016.

- On 12 April 2016, the IASB published the document - "*Clarifications to IFRS 15 Revenue from Contracts with Customers*". This amendment does not modify the provisions contained in the standard but clarifies how said provision must be applied. In particular, it clarifies (i) how to identify a performance obligation in a contract, (ii) how to determine whether an entity is a principal or an agent, and (iii) how to determine the moment when revenues from the grant of licenses shall be recognized. The entry into force of this amendment, whose approval by the EU is expected in the second quarter of 2017, is also set for 1 January 2018.
- On 11 September 2014, the IASB published the document "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)", in order to resolve a conflict between IAS 28 and IFRS 10. According to IAS 28, the gain or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associate in exchange for a share in the capital of the latter, is limited to the shareholding by other investors extraneous to the transaction. IFRS 10 instead provides for the recognition of the entire profit or loss in the case of loss of control, even if the entity continues to hold a non-controlling interest in the Company, including in this case also the sale or contribution of a subsidiary to a joint venture or affiliated company. The amendments provide that in a sale/contribution of an asset/subsidiary to a joint venture/affiliated company, the measure of the profit or loss to be recognised in the financial statements of the seller/contributor depends on whether the asset/subsidiary sold/contributed represent a business, as defined by IFRS 3. If the asset/subsidiary sold/contributed represents a business, the entity must recognise the profit or the loss on the entire interest previously held; otherwise, the portion of profit or loss for the interest still held by the entity must be eliminated. In December 2015, the IASB published the Amendment that defers indefinitely the entry into force of the amendments to IFRS 10 and IAS 28, pending completion of the IASB project on the equity method.
- On 19 January 2016, the IASB published some amendments to IAS 12 *Income Tax*. The document "*Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)*" aims to clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments apply from 1 January 2017. Early application is allowed. Ratification by the EU is expected in the second quarter of 2017.
- On 29 January 2016, the IASB published some amendments to IAS 7 *Statement of cash flows*. The document *Disclosure initiative (Amendments to IAS 7)* aims at improving the presentation and disclosure of financial information in the financial statements and to solve some of the issues flagged by the operators. The amendments are applicable from 1 January 2017. Ratification by the EU is expected in the second quarter of 2017.
- On 20 June 2016, the IASB published some amendments to IFRS 2 *Share-based Payment*. The document "*Classifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)*" resolves some issues relating to the accounting of share-based payments. In particular, this amendment makes significant improvements to (i) the valuation of share-based payments settled in cash, (ii) the classification thereof and (iii) the method of accounting in case of modification from share-based payments settled in cash to share-based payments settled with capital instruments. The amendments are applicable from 1 January 2018. Ratification by the EU is expected in the second quarter of 2017.
- On 12 September 2016, the IASB published some amendments to IFRS 4 *Insurance Contracts*. The document "*Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*" aims to resolve the inconsistencies deriving from the deferment of the dates of entry into force of IFRS 9 and the new accounting standard on insurance contracts. The amendments are applicable from 1 January 2018. Ratification by the EU is expected in the third quarter of 2017.

- On 8 December 2016, the IASB published some amendments to IAS 40 *Investment Property*. The document "*Amendments to IAS 40: Transfers of Investment Property*" aims to clarify the aspects relating to the treatment of transfers from and to property investments. In particular, the amendment clarifies that a transfer must be made if, and only if, there is an actual change in the use of the asset. A change in management's intention is not sufficient in itself for a transfer. The amendments apply to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted. Approval by the EU is expected in the second half of 2017.
- On 8 December 2016, the IASB published the document "*Annual Improvements to IFRS Standards 2014-2016 Cycle*". The amendments introduced, falling within the ordinary activity of rationalisation and clarification of international accounting standards, are related to the following standards: IFRS 1 *First-time adoption of IFRS*, IFRS 12 *Disclosure of interests* in other entities e IAS 28 *Investments in associates and joint venture*. Approval by the EU is expected in the second half of 2017. The amendments to IFRS 1 and IAS 28 apply to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted only with reference to IAS 28. Amendments to IFRS 12 apply to financial statements relating to years beginning on 1 January 2018, or later.
- On 8 December 2016, the IASB published interpretation IFRIC 22 –"*Foreign Currency Transaction and Advance Consideration*", in order to provide clarification on the correct recognition of a transaction in foreign currency, in the case of payments made or received in advance with respect to the subject of the transaction to which the payments refer. The interpretation clarifies that the transaction date to be used for the conversion is the date on which the entity makes or receives the payment in advance. IFRIC 22 applies to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted. Approval by the EU is expected in the second half of 2017.

The potential consequences of the accounting standards, amendments and interpretations scheduled for the application on the financial information provided by the Group are being studied and quantified, with particular reference to IFRS 15 and IFRS 9.

9. USE OF ESTIMATES

As part of the preparation of these financial statements, in application of the reference accounting standards, the directors had to make assessments, estimates and assumptions that influence both the amounts of the assets, liabilities, expenses, and revenue recognised in the financial statements, as well as the information there provided. Therefore, the final results of the items for which said estimates were used could differ from those reported in these financial statements, given the uncertainty that characterises the assumptions and the hypotheses on which the estimates are based.

The accounting standards and the financial statement items that involve a greater subjectivity by the Directors in the estimation process are the following:

- *Intangible assets with indefinite life*: goodwill is assessed on an annual basis, to identify whether there is an impairment that should be recognised in the income statement. Specifically, the assessment in question requires the calculation of the recoverable amount of the CGU to which goodwill is allocated. The recoverable amount is calculated by estimating the value in use or the fair value net of disposal costs; if the recoverable amount is less than the carrying amount of the CGU, goodwill is written down. The calculation of the recoverable amount of the CGU requires estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by Directors.

- *Impairment of fixed assets*: tangible and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised with a write-down, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.

- *Measurement at fair value*: in measuring the fair value of an asset or liability, the Company makes use of observable market data as far as possible. Fair values are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques, as described before.

10. MANAGEMENT OF FINANCIAL RISK

The Group is exposed to financial risks connected with its operations, especially to the following:

- interest rate risks, from the financial exposure of the Group;
- exchange rate risk, from operations in currencies different from the functional currency;
- liquidity risk, related to the availability of financial resources and access to credit markets;
- credit risks, resulting from normal commercial transactions or financing activities.

The Tecnoinvestimenti Group monitors closely each financial risk, intervening with the objective of minimising them promptly also by making use of hedging derivatives.

Exchange rate risk

The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign Countries are carried out with EU Countries; therefore, it is not significantly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro.

Interest rate risk

The Group uses external financial resources in the form of debt and uses the liquidity available in bank deposits. Changes in market interest rates influence the cost and return of the different types of borrowing and investment and therefore have an impact on the level of the financial expenses and income.
Being exposed to interest rate fluctuations with regard to the extent of the financial expenses incurred to borrow funds, the Group periodically reviews its exposure to the risk of changes in interest rates and manages it also by making use of interest rate derivatives, specifically interest rate swaps (IRS) taken out only for hedging purposes. The breakdown of interest rate swaps outstanding at 31 December 2016 is provided in note 23.
Cash mainly consists of variable-rate bank deposits, and therefore its fair value is close to the value recognised in the financial statements.
The interest rate to which the Company is mostly exposed is Euribor. Therefore, the risk of interest rate appears adequately monitored, given the current slope of the Euribor rate curve.

Credit risk

Financial credit risk results from the inability of a counterparty to fulfil its obligations. As at 31 December 2016, the liquidity of the Group was invested in bank deposits held at prime credit institutions.

Trade credit risk derives essentially from receivables from clients. To mitigate credit risk from trade counterparties, the Group has implemented internal procedures requiring a preliminary assessment of the solvency of the client before accepting a contract, through a rating analysis. Another procedure was adopted for the recovery and management of trade receivables, which provides for written reminders to be sent in the case of late payments and gradual actions more targeted (letters, phone reminders, legal actions). Lastly, trade receivables recognised in the Balance Sheet are analysed individually and if a position is believed to be objectively impossible to collect, in part or fully, it is written down. The amount of the write-down is based on an estimate of the flows that may be collected and their collection date. Against receivables that are not object of individual impairment, provisions are made on a collective basis, based on historical experience and statistical data.

The following table provides a breakdown of current trade receivables from customers at 31 December 2016, grouped by maturity and net of the related bad debt provision.

In thousands of Euro	**31/12/2016**	due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
Trade receivables from current customers	**46,794**	31,903	6,655	3,372	1,799	3,064
Provision for bad debts	**2,509**	130	56	42	619	1,662
% Provision for bad debts	5.4%	0.4%	0.8%	1.3%	34.4%	54.3%
Net value	**44,285**	31,774	6,599	3,330	1,181	1,401

Liquidity risk

Liquidity risk consists of an inability to raise, on adequate terms, the financial resources needed for the Group to operate. The two main factors that influence the liquidity of the Group are:

(i) the financial resources generated or absorbed by operating and investing activities;
(ii) the maturity of financial debt.

The liquidity requirements of the Company are monitored by the treasury function, with the objective to ensure financial resources can be effectively found and an adequate investment/return of liquidity.
The management believes that the cash and the credit lines currently available, in addition to the cash that will be generated by operating and financing activities, will allow the Company to meet its requirements, which are derived from acquisition activities, management of working capital and repayment of existing loans at their contractual maturity.

The following is a summary of the Financial Liabilities, with the exception of derivative instruments, recognised in the Financial Statements at 31 December 2016, classified according to the contractual expiry:

In thousands of Euro	**2017**	**2018**	**2019**	**2020**	**2021**	**Book value at 31/12/2016**
Payables to banks	10,115	5,174	5,938	11,757	0	**32,984**
Liabilities for purchase of minority interests	22,707	25,913	21,095			**69,715**
Price deferment liabilities	1,508	1,400	1,400	1,400	1,400	**7,108**
Payables to the Controlling shareholder	156		25,000			**25,156**
Payables for the purchase of leased assets	91	122	100	104	32	**449**
Payables to other lenders	2,326	4				**2,330**
Total financial liabilities	**36,902**	**32,614**	**53,533**	**13,261**	**1,432**	**137,742**

For details regarding the financial liabilities listed above, reference is made to note 28.

11. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following is a reconciliation of classes of financial assets and liabilities as identified in the Statement of Financial Position of the Company and types of financial assets and liabilities identified on the basis of the requirements of IFRS 7:

In thousands of Euro	*Held for trading*	*Designated at fair value*	*Fair value hedging instruments*	*Held to maturity*	*Loans and receivables*	*Available for sale*	*Financial liabilities at amortised cost*	***Total***
NON-CURRENT ASSETS	**0**	**0**	**0**	**0**	**939**	**2,310**	**0**	**3,249**
Other financial assets, excluding financial derivative instruments	0	0	0	0	588	2,310	0	**2,898**
Trade receivables and other receivables	0	0	0	0	351	0	0	**351**
CURRENT ASSETS	**0**	**1,704**	**0**	**1,000**	**111,622**	**3,405**	**0**	**117,731**
Other financial assets, with the exception of financial derivative instruments	0	1,704	0	1,000	243	3,405	0	**6,352**
Trade receivables and other receivables	0	0	0	0	50,948	0	0	**50,948**
Cash and cash equivalents	0	0	0	0	60,431	0	0	**60,431**
NON-CURRENT LIABILITIES	**0**	**47,008**	**228**	**0**	**0**	**0**	**53,831**	**101,067**
Financial liabilities, with the exception of financial derivative instruments	0	47,008	0	0	0	0	53,831	**100,839**
Derivative financial instruments	0	0	228	0	0	0	0	**228**
CURRENT LIABILITIES	**0**	**22,707**	**0**	**0**	**0**	**0**	**47,381**	**70,087**
Financial liabilities, excluding financial derivative instruments	0	22,707	0	0	0	0	14,195	**36,902**
Trade and other payables	0	0	0	0	0	0	33,185	**33,185**

12. FAIR VALUE HIERARCHY

The table below shows the fair value hierarchy of the assets and liabilities of the Company:

In thousands of Euro	*Fair value*			
	Level 1	*Level 2*	*Level 3*	***Total***
NON-CURRENT ASSETS	**0**	**0**	**2,310**	**0**
Other financial assets, excluding financial derivative instruments	*0*	*0*	*2,310*	*0*
Capitalization policy			2,310	
CURRENT ASSETS	**1,704**	**0**	**3,405**	**0**
Other financial assets, excluding financial derivative instruments	*1,704*	*0*	*3,405*	*0*
Capitalization policy			3,405	
Financial assets at fair value recognised in the income statement	1,704			
NON-CURRENT LIABILITIES	**0**	**228**	**47,008**	**0**
Other financial assets, excluding financial derivative instruments	*0*	*0*	*47,008*	*0*
Liabilities for put options			43,828	
Contingent considerations			3,180	
Derivative financial instruments	*0*	*228*	*0*	*0*
Interest rate swap		228		
CURRENT LIABILITIES	**0**	**0**	**22,707**	**0**
Other financial liabilities, except for derivative financial instruments	*0*	*0*	*22,707*	*0*

Liabilities for put options			21,867	
Contingent consideration			839	

13. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS BEEN COMPLETED

Acquisition Co.Mark S.p.A.

On 24 March 2016, Tecnoinvestimenti completed the acquisition of 70% of Co.Mark S.p.A.

Co.Mark is a company specialized in the provision of temporary export management services aimed at the search for customers and creation of commercial networks in Italy and abroad. The company consists of a team of TES (Temporary Export Specialist™) with linguistic, strategic and commercial expertise, prepared to operate in foreign markets through a constant training program. With a formula that takes advantage of *"Temporary Management"* and outsourcing, Co.Mark creates commercial networks for its customers by adopting international marketing techniques that allow achieving the choice of markets that offer greater guarantees, the identification of distribution channels for the reference product and correct management of research, contacts and business negotiations.

At the date of acquisition, the organization chart of the Co.Mark Group included, in addition to Co.Mark S.p.A., the following subsidiaries:

- Ventitre S.r.l., a company that includes the Group's administrative, managerial and technical-accounting activities (100%);
- Diciotto S.r.l., a company that includes the Group's call center activities (100%);
- Co.Mark Centro-Sud S.r.l., a company that develops the export network in south-central Italy (100%);
- Co.Mark Temporary Export Services S.L., incorporated on 2 July 2015, which is the vehicle through which export management activities are being developed in Spain (99%).

The acquisition cost for 70% of the capital of Co.Mark S.p.A. was set at Euro 32.5 million, of which Euro 13 million was paid at the closing date, Euro 12.5 million was paid on 31 July 2016, and Euro 7 million (plus interest) will be paid in the five years following the closing in five decreasing instalments starting in 2017. With regard to the remaining 30%, Put&Call option rights were granted which may be exercised in three annual tranches of 10% each, at a price calculated through the application of multiples on annual EBITDA, and as a function of growth rates recorded.

To meet the commitments arising from the acquisition of the control of the Co.Mark Group, on 2 March 2016 Tecnoinvestimenti established a financing line with the Controlling shareholder Tecno Holding (after the latter's board approval) up to a maximum amount of Euro 25 million at an interest rate of 2% plus Euribor365. The financing in question was drawn down for Euro 15 million in March 2016 in order to pay the first instalment of the price of Euro 13 million at the closing date.

In the nine-month period ended 31 December 2016, the Co.Mark Group generated revenue of Euro 13,053 thousand and a profit of Euro 3,551 thousand. Management believes that if the acquisition had taken place on 1 January 2016, consolidated revenue of the Tecnoinvestimenti Group would have increased a further Euro 4,534 thousand and the consolidated profit for the period would have increased Euro 538 thousand. In calculating the above amounts, Company Management assumed that the fair value adjustments at the acquisition date would have been the same even if the acquisition had occurred on 1 January 2016; moreover, no adjustments have been made to the results to eliminate infra-group transactions of the first three months of 2016.

The fair value of assets acquired and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the fair value of net assets acquired was recognized as goodwill.

The following table summarizes the fair value at the acquisition date of the main components of the compensation paid:

In thousands of Euro	
Cash and cash equivalents	25,449
Price deferment	7,000
Contingent consideration	2,336
Fair value Put options	20,085
Total Consideration Paid	**54,870**

The following is a summary of the amounts recognized with reference to the assets acquired and liabilities undertaken at the acquisition date:

In thousands of Euro	Book values	Fair value adjustments	*Fair value*
Property, plant and equipment	139		139
Intangible assets	31	5,301	5,331
Other non-current financial assets	40		40
Deferred tax assets	23		23
Current tax assets	73		73
Trade receivables and other receivables	6,058		6,058
Cash and cash equivalents	3,368		3,368
Total Assets Acquired	**9,732**	**5,301**	**15,032**
Provisions	97		97
Employee benefits	637		637
Deferred tax liabilities	259	1,614	1,873
Trade and other payables	1,965		1,965
Deferred revenue and income	1,579		1,579
Current tax liabilities	674		674
Total Liabilities Undertaken	**5,211**	**1,614**	**6,825**
Net Assets Acquired	**4,520**	**3,687**	**8,207**

The recognition at fair value of the assets and liabilities acquired of the Co.Mark Group resulted in the recognition of an intangible asset for backlog orders in an amount of Euro 1,977 thousand before taxes to be recognized in the income statement over 2 years starting from 2016, and an intangible asset for customer lists in the amount of Euro 3,324 thousand before taxes, which, according to the customer turnover rate, is estimated to exhaust its useful life in a period of 5 years starting from 2016.

Goodwill arising from the acquisition has been recognized as shown in the following table:

In thousands of Euro	
Total Consideration Paid	54,870
Net Assets Acquired	8,207
Goodwill	**46,663**

Completion of accounting recognition acquisition Datafin S.r.l.

In December 2015, the Tecnoinvestimenti Group acquired through Assicom S.p.A. 95% of Datafin S.r.l. which was subsequently merged in 2016 into Assicom S.p.A. as specified below. Datafin supports businesses in the analysis of the economic, financial and capital situation of counterparties for a proper assessment of trade receivable risks.

The acquisition was finalized for a total compensation of Euro 1,949 thousand, fully paid, calculated on the basis, among other things, of the EBITDA of Datafin for 2014 and Datafin's net financial position at 31 December 2014. The transaction was financed partly by own funds of Assicom S.p.A. and partly by resorting to a loan of Euro 1,500 thousand with quarterly repayment and maturity in March 2019.

In November 2016, Assicom S.p.A. acquired the remaining 5% of the capital of Datafin S.r.l. for an amount of Euro 133 thousand and proceeded with the merger by incorporation.

The fair value of assets acquired and liabilities was determined within the terms of IFRS 3 and the excess of the acquisition price over the fair value of net assets acquired is recognized as goodwill.
The following table summarizes the fair value at the acquisition date of the main components of the compensation paid:

In thousands of Euro	
Cash and cash equivalents	2,082
Total Consideration Transferred	**2,082**

The following is a summary of the amounts recognized with reference to the assets acquired and liabilities undertaken at the acquisition date:

In thousands of Euro	Book values	Fair value adjustments	*Fair value*
Property, plant and equipment	627		627
Intangible assets	248	679	927
Other financial assets	1		1
Deferred tax assets	75	17	93
Current tax assets	15		15
Inventories	6		6
Trade receivables and other receivables	1,293		1,293
Cash and cash equivalents	13		13
Total Assets Acquired	**2,278**	**696**	**2,975**
			-
Provisions	27		27
Employee benefits	331		331
Financial liabilities	538		538
Deferred tax liabilities	6		6
Trade and other payables	920		920
Deferred revenue and income	223		223
Current tax liabilities	-	119	119
Total Liabilities Undertaken	**2,046**	**119**	**2,165**
Net Assets Acquired	**233**	**577**	**810**

The recognition at fair value of the acquisition of Datafin's assets and liabilities resulted in the recognition of an intangible asset for customer lists for an amount of Euro 741 thousand (before taxes), which, according to the customer turnover rate, is deemed may deplete its future useful life in a period of 10 years starting from 2016. The measurement at fair value also led to the impairment of intangible assets with definite useful life (software and trademarks) for Euro 62 thousand (before taxes).

Goodwill arising from the acquisition has been recognized as shown in the following table:

In thousands of Euro	
Total Consideration Paid	2,082
Net Assets Acquired	810
Goodwill	**1,271**

As required by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 31 December 2015, with the consequent modification and integration of the assets included in the Consolidated Financial Statements for the year ended 31 December 2015.

Completion of accounting recognition acquisition Eco-Mind App Factory S.r.l.

In October 2015, the Tecnoinvestimenti Group, through InfoCert S.p.A., acquired 100% of Eco-Mind App Factory Srl held by Eco-Mind Ingegneria Informatica Srl, a transaction focused on the Digital Transaction Management (DTM) segment dedicated to the management of interactive digital documents. The acquisition was entirely financed through own funds of InfoCert S.p.A. The total amount, equal to Euro 813 thousand, was determined on the basis of the valuation of the assets of the company carried out with the help of external consultants. It is noted that the acquisition contract envisages an earn out to be paid in 2018 with a cap of Euro 1.2 million, based on the calculation of the average of the turnover generated by the products of Eco-Mind App Factory in the period 2016/2017.

In November 2016, Eco-Mind App Factory S.r.l. was merged by incorporation into InfoCert S.p.A.

The fair value of assets acquired and liabilities was determined within the terms of IFRS 3 and the excess of the acquisition price over the fair value of net assets acquired is recognized as goodwill.

The following table summarizes the fair value at the acquisition date of the main components of the compensation paid:

In thousands of Euro	
Cash and cash equivalents	813
Contingent consideration	213
Total Compensation Paid	**1,026**

The following is a summary of the amounts recognized with reference to the assets acquired and liabilities undertaken at the acquisition date:

In thousands of Euro	Book values	Fair value adjustments	*Fair value*
Property, plant and equipment	4		4
Intangible assets	6	967	973
Other non-current financial assets	24		24
Deferred tax assets	12		12
Current tax assets	0		0
Trade receivables and other receivables	65		65
Cash and cash equivalents	181		181
Total Assets Acquired	**292**	**967**	**1,259**
Provisions	56	-56	0
Employee benefits	4		4
Deferred tax liabilities	0		0
Trade and other payables	51		51
Deferred revenue and income	44		44
Current tax liabilities	0	159	159
Total Liabilities Undertaken	**156**	**103**	**259**
Net Assets Acquired	**136**	**864**	**1,000**

The recognition at fair value of the assets and liabilities acquired of Eco-Mind App Factory showed unrealized gains attributable to intangible assets with definite useful life (software) of Euro 967 thousand (before taxes) amortized over a period of 5 years from 2016, and excess risk provisions recorded to cover risks that are no longer probable for Euro 56 thousand.

Goodwill arising from the acquisition was recognized as shown in the following table:

In thousands of Euro	
Total Compensation Paid	1,026
Net Assets Acquired	1,000
Goodwill	**27**

As required by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 31 December 2015, with the consequent modification and integration of the assets included in the Consolidated Financial Statements for the year ended 31 December 2015.

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS NOT BEEN COMPLETED

Acquisition Visura S.p.A.

On 20 July 2016, the closing was signed for the acquisition of 60% of Visura S.p.A. The transaction allows the Tecnoinvestimenti Group to gain strength in its core markets and expand the offer of Digital Trust solutions, with particular reference to the professional sector. The Visura Group is mainly active in the sale of Telematic Trust Solutions and distribution of business information through proprietary web platforms dedicated to professional customers and partly to small/medium-sized businesses. The price for the acquisition of 60% was set at Euro 21.9 million, paid in cash. The acquisition was financed through the Company's equity, also supported by the subsequent capital increase payment effected by the Controlling shareholder Tecno Holding S.p.A. on 27 June 2016 of approximately Euro 28.4 million, equal to its entire *pro rata* share in the planned capital increase. With reference to the acquisition price, it was determined that with the approval of the 2016 financial statements, a sum equal to 30% of its distributable profit will be paid in the form of price integration by Visura S.p.A. Lastly, for the remaining 40% held by the founding shareholders, Put & Call option rights have been extended and exercisable in a lump sum after approval of the 2018 financial statements. The value of such options is calculated on the basis of 6 times 2018 consolidated EBITDA of Visura, taking into account its net financial position.

In the six-month period ended 31 December 2016, the Visura Group generated revenue of Euro 7,708 thousand and a profit of Euro 1,024 thousand. Management believes that if the acquisition had taken place on 1 January 2016, consolidated Revenue of the Tecnoinvestimenti Group would have increased a further Euro 9,089 thousand and the consolidated Profit for the period would have increased by Euro 1,699 thousand. In calculating these amounts, no adjustments have been made to the results to eliminate infra-group transactions of the first six months of 2016.

The following table summarizes the fair value at the acquisition date of the main components of the compensation paid:

In thousands of Euro	
Cash and cash equivalents	21,900
Contingent consideration	808
Fair value of Put options	10,423
Total Compensation Paid	**33,130**

Goodwill arising from the acquisition has been provisionally recognised as shown in the following table:

In thousands of Euro	
Total Compensation Paid	33,130
Net Assets Acquired	2,913
Goodwill	**30,217**

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

Below are notes on the items of the Consolidated Statement of financial position at 31 December 2016. The values at 31 December 2016 were restated (as indicated in note *13. Business Combinations*) in relation to the completion of the activities for the identification of the fair value of the assets and liabilities of Datafin and Eco-Mind App Factory, consolidated on a line-by-line basis as of 31 December 2015.

It is also noted that compared to the Consolidated Financial Statements at 31 December 2015, in order to allow for a better description, the following items have been reclassified:

- the values of receivables and payables from/to the tax consolidating company Tecno Holding S.p.A. under current tax assets/liabilities; at 31 December 2015, these balances had been classified as trade receivables items and other trade receivables/payables and other payables.
- payables to customers for amounts recovered to be classified in current financial liabilities on account of their financial nature; at 31 December 2015, these payables had been classified under trade payables other receivables/payables.

Below are the restatement and reclassification effects on Balance Sheet values at 31 December 2015:

In thousands of Euro	**31/12/2015**	*Completion of Business Combination Eco-Mind App Factory*	*Completion of Business Combination Datafin*	*Reclassification Tax consolidation*	*Reclassification of Amounts recovered to be relegated*	**31/12/2015 Restated**
ASSETS						
Property, plant and equipment	5,813					5,813
Intangible assets and goodwill	120,372	317	101			120,790
Equity-accounted investees	2,458					2,458
Equity investments recognised at cost or fair value	18					18
Other financial assets, excluding financial derivative instruments	19					19
Deferred tax assets	2,222		17			2,239
Trade receivables and other receivables	2,251					2,251
NON-CURRENT ASSETS	**133,153**	**317**	**119**	**0**	**0**	**133,589**
Inventories	424					424
Other financial assets, excluding financial derivative instruments	3,359					3,359
Current tax assets	499			1,420		1,919
Trade receivables and other receivables	45,394			-1,420		43,974
Cash and cash equivalents	19,316					19,316
Assets held for sale	0					0
CURRENT ASSETS	**68,992**	**0**	**0**	**0**	**0**	**68,992**
TOTAL ASSETS	**202,145**	**317**	**119**	**0**	**0**	**202,581**
EQUITY AND LIABILITIES						0
Share capital	31,700					31,700
Reserves	45,398					45,398
Equity attributable to Shareholders of the Company	77,098					77,098
Non-controlling interests	96					96
TOTAL EQUITY	**77,194**	**0**	**0**	**0**	**0**	**77,194**
LIABILITIES						0
Provisions	1,256	-56				1,200
Employee benefits	5,143					5,143
Financial liabilities, excluding financial derivative instruments	59,914	213				60,128
Derivative financial instruments	176					176
Deferred tax liabilities	7,829					7,829
Trade and other payables	0					0
Deferred revenue and income	75					75
NON-CURRENT LIABILITIES	**74,393**	**157**	**0**	**0**	**0**	**74,551**
Provisions	0					0
Employee benefits	0					0
Financial liabilities, excluding financial derivative instruments	9,659				1,257	10,916
Derivative financial instruments	0					0
Trade and other payables	31,053			-805	-1,257	28,991
Deferred revenue and income	9,565					9,565
Current tax liabilities	281	159	119	805		1,364
CURRENT LIABILITIES	**50,558**	**159**	**119**	**0**	**0**	**50,836**
TOTAL LIABILITIES	**124,951**	**317**	**119**	**0**	**0**	**125,387**
TOTAL EQUITY AND LIABILITIES	**202,145**	**317**	**119**	**0**	**0**	**202,581**

It is noted that the Statement of changes in Balance Sheet items show the effect on the consolidated data of changes in the scope of consolidation (consisting of the values estimated on a provisional basis of assets and liabilities acquired in the acquisition of the Visura Group) as described in note *13. Business Combinations*

14. PROPERTY, PLANT AND EQUIPMENT

Provided below are the changes in property, plant and equipment investments:

In thousands of Euro	**31/12/2015**	**Investments**	**Divestments**	**Amortisation/ depreciation**	**Reclassifications**	**Change in scope**	**Revaluations**	**Impairment**	**31/12/2016**
Land									
Cost	148	0	0	0	0	0	0	0	*148*
Net value	**148**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**148**
Leased land									
Cost	157	0	0	0	0	0	0	0	*157*
Net value	**157**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**157**
Buildings									
Cost	1,251	10	0	0	-285	60	0	0	*1,037*
Accumulated Depreciation	-267	0	0	-20	86	-10	0	0	*-212*
Net value	**985**	**10**	**0**	**-20**	**-199**	**49**	**0**	**0**	**825**
Leased buildings									
Cost	2,312	0	0	0	0	0	0	0	*2,312*
Accumulated Depreciation	-902	0	0	-65	0	0	0	0	*-967*
Net value	**1,410**	**0**	**0**	**-65**	**0**	**0**	**0**	**0**	**1,345**
Plants and machinery									
Cost	527	13	-1	0	0	160	0	0	*699*
Accumulated Depreciation	-471	0	0	-40	0	-78	0	0	*-588*
Net value	**56**	**13**	**0**	**-40**	**0**	**82**	**0**	**0**	**111**
Industrial and commercial equipment									
Cost	109	29	0	0	0	30	0	0	*169*
Accumulated Depreciation	-65	0	0	-13	0	-31	0	0	*-109*
Net value	**45**	**29**	**0**	**-13**	**0**	**-1**	**0**	**0**	**60**
Leasehold improvements									
Cost	1,166	117	0	0	182	20	0	0	*1,486*
Accumulated Depreciation	-751	0	0	-174	0	-13	0	0	*-939*
Net value	**415**	**117**	**0**	**-174**	**182**	**7**	**0**	**0**	**548**
Assets in progress and advances									
Cost	0	0	0	0	0	0	0	0	*0*
Net value	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other assets									
Cost	10,039	2,727	-273	0	28	2,703	0	0	*15,223*
Accumulated Depreciation	-7,491	0	259	-2,133	0	-2,001	0	0	*-11,366*
Net value	**2,548**	**2,727**	**-14**	**-2,133**	**28**	**702**	**0**	**0**	**3,857**
Other leased assets									
Cost	65	0	0	0	0	0	0	0	*65*
Accumulated Depreciation	-14	0	0	-51	0	0	0	0	*-65*
Net value	**51**	**0**	**0**	**-51**	**0**	**0**	**0**	**0**	**0**
Property, plant and equipment	**5,813**	**2,897**	**-14**	**-2,496**	**11**	**840**	**0**	**0**	**7,050**

The items Land and Buildings refer to buildings owned and held under finance lease by Assicom S.p.A. and buildings owned by the former Infonet S.r.l. (merged by incorporation into Ribes S.p.A. in 2015). During 2016 a property owned by Assicom S.p.A., located in San Martino Buon Albergo (VR), was reclassified in Assets held for sale following the resolution of Assicom's board of directors of 20/04/2016, that approved the sale; the book value was maintained equal to the net book value as it is considered less than the fair value rectified for the expected costs of disposal.

The other items refer to the assets necessary for the operation of the Group companies. The increases in the year, attributable to the item Other assets, mainly refer to the investments in the Digital Trust sector by InfoCert S.p.A. Significant investments were made to enhance information systems and the technology fleet; in particular, investments were made to operationalize the new Disaster recovery system and strengthen the infrastructure to enhance performance, in line with market requirements.

15. INTANGIBLE ASSETS AND GOODWILL

This item includes intangible assets with indefinite (goodwill) or defined (intangible assets) useful life. Their breakdown and changes are as follows:

In thousands of Euro	**31/12/15**	**Invest-ments**	**Divest-ments**	**Amorti-zation**	**Reclass-ifications**	**Revalu-ations**	**Impair-ment**	**Δ in Scope**	**Allocations**	**Delta Changes**	**31/12/16**
Goodwill											
Original cost	88,223								77,001		165,224
Net value	**88,223**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**77,001**	**0**	**165,224**
Other intangible assets with indefinite useful life											
Original cost	182	96									279
Net value	**182**	**96**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**279**
Patent and intellectual property rights											
Original cost	25,959	2,111		0	99			4,331			32,500
Accumulated amortisation	-20,539	0		-2,794				-3,669			-27,001
Net value	**5,420**	**2,111**	**0**	**-2,794**	**99**	**0**	**0**	**663**	**0**	**0**	**5,499**
Concessions, licences, trademarks and similar rights											
Original cost	78	6						107			192
Accumulated amortisation	-63			-15				-87			-165
Net value	**15**	**6**	**0**	**-15**	**0**	**0**	**0**	**20**	**0**	**0**	**27**
Other intangible assets from consolidation											
Original cost	28,988								5,301		34,289
Accumulated amortisation	-3,001			-4,373							-7,374
Net value	**25,988**	**0**	**0**	**-4,373**	**0**	**0**	**0**	**0**	**5,301**	**0**	**26,915**
Assets in progress and advances											
Original cost	471	464		0	-471			406			870
Net value	**471**	**464**	**0**	**0**	**-471**	**0**	**0**	**406**	**0**	**0**	**870**
Other											
Original cost	3,941	185			163			20		-1	4,308
Bad debts provision	-3,450	0		-428				-18			-3,896
Net value	**491**	**185**	**0**	**-428**	**163**	**0**	**0**	**1**	**0**	**-1**	**412**
Intangible assets and Goodwill	**120,790**	**2,863**	**0**	**-7,610**	**-210**	**0**	**0**	**1,091**	**82,302**	**-1**	**199,225**

Goodwill

Intangible assets with indefinite life, representing goodwill allocated to the individual Cash Generating Units ("CGUs"), were assessed to establish the presence of impairment losses.
At 31 December 2016, the item amounts to Euro 165,224 thousand and can be broken down as follows among CGU/Operating segments:

In thousands of Euro **CGU** ***Operating segments***	**31/12/2016**	**31/12/2015**	**Change**
Goodwill Assicom (*Credit Information & Management*)	69,001	67,730	1,271
Goodwill Ribes (*Credit Information & Management*)	18,677	18,677	0
Goodwill Creditreform (*Credit Information & Management*)	639	639	0
Goodwill Datafin (*Credit Information & Management*)	0	1,150	-1,150
Goodwill Co.Mark (*Sales & Marketing Solutions*)	46,663	0	46,663
Goodwill Ecomind (*Digital Trust*)	27	27	0
Goodwill Visura (*Digital Trust*)	30,217	0	30,217
Goodwill	**165,224**	**88,224**	**77,001**

The changes in the year mainly refer to the excess costs paid with respect to net assets acquired in the acquisition of the control of the Co.Mark and Visura Groups. For details on the determination of the goodwill of the business combinations specified above, reference is made to note *13. Business Combinations*; it is noted that the allocation of goodwill in the Visura Group is determined in a provisional manner, as the measurement at fair value of net assets acquired is underway.

The goodwill allocated at 31 December 2015 to the CGU Datafin, was re-allocated at 31 December 2016 to the CGU Assicom following the corporate reorganisation completed with the merger by incorporation of Datafin S.p.A. in Assicom S.p.A. in November 2016. The additional increase in goodwill allocated to the CGU Assicom S.p.A. is due to the completion of the acquisition of the remaining 5% of Datafin S.p.A., also concluded in November 2016.

In compliance with the requirements of IAS 36, the CGUs were defined as the smallest identifiable asset group that generates cash flows that are largely independent from the cash flows generated by other assets or groups of assets. In particular, the CGUs coincide with the individual companies of the Group that compose it, insofar as the directors define their strategic choices according to this logic.

The CGU identified to which goodwill has been allocated are indicated in the table above. In particular, goodwill was allocated to the CGUs, as defined above, at the time of the acquisition of control of each individual company.

The related recoverable amount was determined on the basis of an estimate of the use value, as the fair value of the individual CGUs could not be determined in a reliable manner.

The use value has been determined by using the discounted cash flow method, in the unlevered version, applied to forecasts prepared by the Directors of each CGU in relation to the period of 5 years as from 2017 to 2021. The cash flows used for the determination of the use value are related to the operational management of each CGU and do not include financial expenses and extraordinary items; they include the investments envisaged in the plans and changes in cash attributable to working capital, without taking into consideration the effects of future restructuring not yet approved by the directors or future investments to improve future profitability. The expected growth forecast in the plans used as the basis of the impairment test is in line with the corresponding growth foreseen in the respective sectors. An explicit period of five years was used, beyond which the above flows were projected according to the perpetual return method (terminal value) using a growth rate (g-rate) equal to 1% for the market within which the individual CGUs operate. The macroeconomic assumptions at the base of the plans, when available, were determined based on external sources of information, while the estimates in terms of growth and profitability used by the directors, are derived from historical trends and expectations related to the markets in which Group companies operate. The cash flows were discounted using a WACC equal to 8.0% post-tax, estimated with a Capital Asset Pricing Model approach, as represented below:

- risk free rate of 1.5%, equal to the gross average return of the Italian ten-year BTP;
- market risk premium of 5.7% used for mature economies in the valuation processes;
- additional risk factor equal to 2.0%;
- sector beta, determined considering a list of comparable listed companies;
- financial structure of the Company equal to 20%, considering the average of the D/E ratio recorded by comparable companies;
- cost of debt applicable to the Group, equal to 4.5%.

The impairment test at 31 December 2016 did not identify any goodwill impairments to be recognised.
The impairment tests mentioned above were approved by the Board of Directors of the individual companies and by the Board of Directors of Tecnoinvestimenti on 21 March 2017.

The excess of the recoverable value of the main CGU with respect to the book value, determined on the basis of the assumptions described above, is equal to:

In thousands of Euro	**31/12/2016**
Goodwill Assicom	4,511
Goodwill Ribes	35,045
Goodwill Creditreform	763
Goodwill Co.Mark	47,056
Goodwill Visura	26,448
Total	**113,822**

The following table sets out the excess of the recoverable of the CGUs with respect to the book value, compared with the following sensitivity analyses: (i) increase in WACC used to develop cash flows of all CGUs of 50 basis points all other conditions being equal; ii) decrease in the growth rate in the calculation of the terminal value of 50 basis points, all other conditions being equal.

In thousands of Euro	**WACC +0.5%**	***g-rate -0.5%***
Goodwill Assicom	-1,963	-519
Goodwill Ribes	30,567	31,615
Goodwill Creditreform	644	671
Goodwill Co.Mark	40,363	41,924
Goodwill Visura	23,004	23,817
Total	**92,615**	**97,509**

The following table shows the values of the WACC and g-rate that would result in the recoverable value of each CGU equal to the related book value.

%	WACC	*g-rate*
Goodwill Assicom	8.3	0.6
Goodwill Ribes	15.7	-14.0
Goodwill Creditreform	13.3	-7.8
Goodwill Co.Mark	14.2	-10.0
Goodwill Visura	15.3	-13.2

Other intangible assets with indefinite useful life

The item *other intangible assets with indefinite useful life* consists of the value of the press release database called AZ Press attributable to Assicom S.p.A. Considering the specific nature of this database, it is not possible to define criteria to link the value of individual data with the historical value and determine a useful life. Each verification of the value of the database as a whole, as well as that of the ability to express useful life, can therefore only be by means of periodic analysis of the recoverability of the investment. The impairment test at 31 December 2016 did not reveal any impairment loss of the database.

Intangible assets with definite useful life
Industrial patent and intellectual property rights

The item *industrial patent and intellectual property rights* includes both the expenses for maintenance and development of the platform related to the software application for the management of Credit Information & Management databases and the costs for the purchase of software licences used for the supply of Digital Trust services.
The increases in the year are attributable for Euro 1,871 to the Credit Information & Management sector, of which, for Euro 1,338 thousand are specifically related to Ribes S.p.A. for the purchase of software licenses.

Other intangible assets from consolidation

Other intangible assets from consolidation consist of the intangible assets recognised during the fair value measurement of the assets acquired as part of the following business combinations:

In thousands of Euro	31/12/2016	31/12/2015	Change
Customer list & backlog order Assicom	12,558	13,687	-1,129
Customer list Ribes	5,785	6,147	-362
Customer list Infonet	5,012	5,370	-358
Customer list & backlog order Co.Mark	2,963	0	2,963
Customer list Datafin	575	741	-166
Know how Expert Links	21	43	-22
Other intangible assets from consolidation	**26,915**	**25,988**	**927**

The increase in the year is attributable to the recognition of the customer list and backlog order as part of the fair value accounting of the Co.Mark Group assets for Euro 5,301 thousand (for details, reference is made to specific note *13. Business Combinations),* net of amortisation/depreciation recognized in the year on the assets (Euro 2,338 thousand) and on intangibles already present at 31 December 2015.

16. EQUITY INVESTMENTS

Equity-accounted investees

The item in question includes the following equity investments in affiliated companies by InfoCert S.p.A.:

- Sixtema S.p.A., 35% holding, after the purchase of an additional 10% of the share capital, in January 2015;
- eTuitus S.r.l., a university spin-off established in October 2014, of which InfoCert S.p.A. holds 24% of the share capital.

The tables below provide the evaluation of the two companies with the equity method and summary data for the item (values expressed In thousands of Euro):

In thousands of Euro	**% ownership**	**31/12/2015**	**Investments**	**Increases/Decreases in the income statement**	**Other changes**	**31/12/2016**	**% ownership**
Sixtema S.p.A.	35%	2,448	0	11	0	2,459	35%
eTuitus S.r.l.	24%	10	0	2	0	12	24%
Shareholdings in associated companies		**2,458**	**0**	**13**	**0**	**2,471**	

The following are the legal details and financial statements of the associated companies:

In thousands of Euro	**Sixtema S.p.A.**	**eTuitus S.r.l.**
Registered office	Rome	Fisciano (SA)
Share capital	6,180	50
Shareholders' equity at 31/12/2016	6,832	87
2016 Revenue	14,552	298
Profit/(loss) 2016	152	8

Equity investments recognised at cost

The item in question includes investments in other companies for Euro 11 thousand (Euro 18 thousand at 31 December 2015) and refer to minority interests in companies/consortia, such as, among others: Resquon, Abi Lab, Sekundi CVBA European Cash Management, Car.Ma. Società Consortile a R.L.

17. OTHER NON-CURRENT FINANCIAL ASSETS, WITH THE EXCEPTION OF DERIVATIVE FINANCIAL INSTRUMENTS

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Other financial assets, excluding financial derivative instruments	**2,898**	**19**	**2,878**

The increase in the item is due to the consolidation of the balances of the Visura Group.
The balance at 31 December 2016 of Euro 2,898 thousand is attributable for Euro 2,310 thousand to the multi-year capitalisation insurance contracts entered into with insurance companies by Visura S.p.A. and I.S.I. S.r.l. classified in "Assets available for sale". The balance mainly includes receivables for security deposits made by both the Visura Group and by InfoCert S.p.A.

18. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets/liabilities, due to temporary deductible and taxable differences generated also as a result of consolidation adjustments, can be broken down as follows:

In thousands of Euro	31/12/2016	31/12/2015	Change
Deferred tax assets	2,898	2,239	658
Deferred tax liabilities	8,292	7,829	463
Net deferred tax assets	**-5,394**	**-5,590**	**195**

Below is the breakdown and changes in 2016 of deferred tax assets and liabilities:

In thousands of Euro							
Deferred tax assets:	**31/12/2015**	**Allocations (Releases) IS**	**Allocations (Releases) Comprehensive IS**	**Allocations (Releases) Shareholders' Equity**	**Allocations**	**Change in scope**	**31/12/2016**
Deductible goodwill	81	305	0	0	0	0	386
Provisions for risks and charges	263	-92	0	0	0	0	172
Impairments of fixed assets	36	-2	0	0	0	0	34
Impairment of receivables and inventory	360	67	0	0	0	14	441
Decreases in hedging financial instruments	42	0	12	0	0	0	55
Differences between statutory and tax amortisation rates	460	199	0	0	0	0	659
Interest expenses	5	381	0	0	0	0	386
AIM listing costs	216	-91	0	0	0	0	125
Employee benefits	86	-23	66	0	0	21	150
Losses that can be carried forward for tax purposes	250	-56	0	0	0	2	196
Other temporary differences	439	-236	0	0	0	92	294
Total Assets for deferred tax liabilities	**2,239**	**452**	**78**	**0**	**0**	**128**	**2,898**
Deferred tax liabilities:	**31/12/2015**	**Allocations (Releases) IS**	**Allocations (Releases) Comprehensive IS**	**Allocations (Releases) Shareholders' Equity**	**Allocations**	**Change in scope**	**31/12/2016**
Difference between the book value and the fair values of assets and liabilities acquired from business combinations	7,301	-1,346	0	0	1,614	0	7,568
Other temporary differences	419	-318	0	0	119	287	506
Employee benefits	7	-7	0	0	0	0	0
Deductible goodwill	102	115	0	0	0	0	218
Total deferred tax liabilities	**7,829**	**-1,557**	**0**	**0**	**1,732**	**287**	**8,292**
Net Balance	**-5,590**	**2,009**	**78**	**0**	**-1,732**	**-159**	**-5,394**

The balances of the deferred tax assets and liabilities were adjusted to keep into account the change in IRES tax rates (from 27.5% to 24%).

19. TRADE RECEIVABLES AND OTHER RECEIVABLES

The item trade and other receivables totalled Euro 51,298 thousand (Euro 46,225 thousand at 31 December 2015) and can be detailed as follows:

In thousands of Euro	31/12/2016	31/12/2015	Change
Trade receivables and other non-current receivables			
Receivables from customers	136	1,292	-1,156
Deferred assets	142	435	-293
Tax credits	0	338	-338
Receivables from others	72	186	-114
Trade receivables and other non-current receivables	**351**	**2,251**	**-1,900**
Trade and other current receivables			
Receivables from customers	44,285	36,684	7,602
Receivables from Controlling shareholder	4	174	-170
Receivables from associated companies	222	267	-45
Receivables from others	1,141	3,592	-2,451
VAT credit	466	205	261
IRPEF credit	7	4	3
Other tax receivables	489	2	487
Deferred assets	4,276	2,961	1,315
Accrued assets	8	0	8
Contract work in progress	48	85	-37
Trade and other current receivables	**50,948**	**43,974**	**6,974**
of which with Related parties	***237***	***449***	***-212***
Trade receivables and other receivables	**51,298**	**46,225**	**5,073**

Receivables from customers are shown net of the related bad debts provision.

The increase in current receivables from customers was attributable to the balances resulting from the consolidation of the Co.Mark and Visura Groups which, at 31 December 2016, amounted respectively, net of the related bad debts provision, to Euro 5,293 thousand and Euro 771 thousand.

The following table provides a breakdown of current trade receivables from customers at 31 December 2016, grouped by maturity, gross and net of the related bad debts provision:

In thousands of Euro	31/12/2016	due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
Trade receivables from current customers	**46,794**	31,903	6,655	3,372	1,799	3,064
Bad debts provision	**2,509**	130	56	42	619	1,662
% Bad debts provision	5.4%	0.4%	0.8%	1.3%	34.4%	54.3%
Net value	**44,285**	31,774	6,599	3,330	1,181	1,401

The following table shows changes in the year in the bad debts provision:

In thousands of Euro	
Bad debts provision at 31 December 2015	**1,896**
Allocation 2016	1,029
Uses 2016	-1,202
Change in scope of consolidation	786
Bad debts provision at 31 December 2016	**2,509**

Prepaid expenses represent charges accrued after the cash flows and/or documentation have been exchanged; they do not depend from the time of payment of the corresponding charges, are common to two or more years and allocated in proportion to the time. This item, in addition to the cost of insurance and rent, mainly relates to hardware and software maintenance services purchased by the subsidiary InfoCert S.p.A., as well as the commissions due to agents and the unused portion of prepaid supply contracts of the subsidiary Assicom S.p.A. The increase in deferred assets compared to 31 December 2015 was attributable to the balances resulting from the consolidation of the Co.Mark Group which, at 31 December 2016, amounted to 843 thousand (primarily for commissions due to agents).

The significant decrease in receivables from others is attributable to the collection in November 2016 of Euro 2,699 thousand for the receivable recorded in 2015 of Euro 2,295 thousand as a result of a favourable ruling to the subsidiary Ribes S.p.A. within a proceeding initiated in 2006 at the Court of Appeal of Milan. The difference of Euro 405 thousand compared to the figure recorded at 31 December 2015, is part of the compensation revaluation and has been recognised under revenue as a non-recurring item.
The balance of receivables from other at 31 December 2016 includes the receivable for contributions on research and development projects presented to the Lazio Region regarding EU funds still uncollected of InfoCert S.p.A. for Euro 280 thousand; the remaining balance is due primarily to advances to suppliers and agents.

Tax receivables mainly refer to the receivable for the IRES reimbursement recognized following the presentation of the request for reimbursement for non-deduction of IRAP relating to expenses for employees and assimilated (pursuant to Decree Law 201/2011).
Contract work in progress refers to software development activities in the Digital Trust sector of InfoCert S.p.A.; the following are the changes in the period:

In thousands of Euro	**31/12/2015**	Increase for revenue	Decreases for invoicing	**31/12/2016**
Contract work in progress	**85**	2,174	-2,211	**48**

20. INVENTORIES

Inventories at 31 December 2016 amounted to Euro 1,001 thousand (Euro 424 thousand at 31 December 2015) and can be broken down as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Raw and ancillary materials and consumables	871	424	447
Finished products and goods	130	0	130
Inventories	**1,001**	**424**	**577**

Inventories of raw materials are mainly attributable to InfoCert S.p.A. as part of the normal production and sales activities of the Company and mainly consist of chips for business keys, smart cards, CNS and other electronic components available for sale. Inventories of raw materials are shown net of the related bad debts provision equal to 106 thousand; said provision did not change during the year.
Inventories of finished products and goods are attributable to the consolidation of the Visura Group and inventories of readers of digital signature, smart card and business key.

21. OTHER CURRENT FINANCIAL ASSETS, WITH THE EXCEPTION OF DERIVATIVE FINANCIAL INSTRUMENTS

Other current financial assets amounted to Euro 6,352 thousand at 31 December 2016 (Euro 3,359 thousand at 31 December 2015).
The increase in the period is attributable to the consolidation of the financial assets of the Visura Group, the balance of which was Euro 2,948 thousand at 31 December 2016, and mainly includes government bonds (BTP) for Euro 1,000 thousand with maturity November 2017 classified as "Held to maturity" and Euro 1,704 thousand related to specific financial assets classified as "Financial assets at fair value recognised in the income statement".
The residual balance at 31 December 2016 is attributable for Euro 3,405 thousand to a multi-year insurance capitalisation contract classified as "asset available for sale assets" held by InfoCert S.p.A. for which repayment is expected in 2017.

22. CURRENT TAX ASSETS AND LIABILITIES

At 31 December 2016, the Group showed an overall net position in credit for current taxes equal to Euro 2,178 thousand (Euro 555 thousand at 31 December 2015) as detailed below:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Current tax assets	3,659	1,919	1,740
of which with Related parties	***2,083***	***1,420***	***663***
Current tax liabilities	1,481	1,364	118
of which with Related parties	***608***	***805***	***-197***
Net current tax assets	**2,178**	**555**	**1,622**

It is noted that the Parent Company Tecnoinvestimenti S.p.A. and InfoCert S.p.A. adhere to the tax consolidation headed by the Controlling shareholder Tecno Holding S.p.A. This three-year participation agreement covers the period 2015-2017. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the subsidiaries are defined in the corresponding tax consolidation regulations. Transactions with Related parties at 31 December 2016 relate to assets and liabilities for current IRES taxes, respectively, of the Parent Company and InfoCert S.p.A. with respect to the Controlling shareholder Tecno Holding S.p.A.

It is noted that at 31 December 2015, the tax consolidation also included Ribes S.p.A. and Assicom S.p.A. In 2016, following the participation of Tecno Holding S.p.A. in the capital increase of Tecnoinvestimenti S.p.A., the control requirement on the companies mentioned above no longer applied, and they were therefore excluded from the tax consolidation. Transactions with Related parties at 31 December 2015 also includes assets and liabilities for current IRES taxes of Ribes S.p.A. and Assicom S.p.A.

23. FINANCIAL DERIVATIVE INSTRUMENTS

The financial assets and liabilities for derivative instruments may be broken down as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Financial non-current liabilities for hedging derivatives	228	176	52
Liabilities for financial derivative instruments	**228**	**176**	**52**

Non-current financial liabilities for hedging derivatives refer to 6 interest rate swap contracts entered into by the Group in order to hedge part of the risk of fluctuation in interest rates in relation to the credit lines obtained for the purchase of the Assicom Group in accordance with the provisions of the related loan agreement. Below is a table with type of contract, notional value and fair value at 31 December 2016:

In thousands of Euro	Company	Bank	Notional	Maturity	Fixed rate	Fair value at 31/12/2016	Fair value at 31/12/2015
IRS	Tecnoinvestimenti S.p.A.	Cariparma	4,209	31/12/2020	0.576%	-76	-58
IRS	Tecnoinvestimenti S.p.A.	Banca Popolare dell'Emilia Romagna	3,843	31/12/2020	0.576%	-69	-55
IRS	Tecnoinvestimenti S.p.A.	Iccrea Banca Impresa	1,098	31/12/2020	0.576%	-20	-16
IRS	Ribes S.p.A.	Cariparma	1,495	31/12/2020	0.595%	-29	-21
IRS	Ribes S.p.A.	Banca Popolare dell'Emilia Romagna	1,365	31/12/2020	0.595%	-26	-20
IRS	Ribes S.p.A.	Iccrea Banca Impresa	390	31/12/2020	0.595%	-8	-6
Total Interest Rate Swap "hedging instruments"			**12,400**			**-228**	**-176**

Derivative financial instruments fall within Level 2 of the fair value hierarchy.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to Euro 60,431 thousand at 31 December 2016 (Euro 19,316 thousand at 31 December 2015) and the breakdown is as follows:

In thousands of Euro	31/12/2016	31/12/2015	Change
Bank and postal deposits	60,357	19,250	41,107
Cheques	54	54	0
Cash and cash equivalents	20	13	7
Cash and cash equivalents	**60,431**	**19,316**	**41,115**

The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading national banks.

The increase in liquidity of Euro 41,115 thousand is attributable to:

a. Cash flow from financing activities (Euro 64,732 thousand) mainly as a result of the capital increase of the Parent Company concluded in August 2016 (Euro 48,179 thousand, net of the related costs attributable to it) and, as a result of the loan granted by the Controlling shareholder Tecno Holding S.p.A. (equal to Euro 25,000 thousand);
b. liquidity generated by operating activities for Euro 18,930 thousand;
c. liquidity used in investment activities for Euro 42,547 thousand (acquisition of the Co.Mark S.p.A. and Visura S.p.A. Groups for Euro 36,893 thousand, the latter net of the liquidity acquired).

25. SHAREHOLDERS' EQUITY

Consolidated Shareholders' equity at 31 December 2016 amounted to Euro 130,372 thousand (Euro 77,194 thousand at 31 December 2015) and can be analysed as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Share capital	**46,256**	**31,700**	**14,556**
Legal reserve	1,136	774	362
Share premium reserve	53,156	19,173	33,983
Reserve from valuation of hedging derivatives	-173	-134	-39
Defined-benefits plan reserve	-343	-165	-178
Other reserves	18,146	14,726	3,420
Profit (loss) for the Group	12,062	11,024	1,038
Total Consolidated Shareholders' equity	**130,241**	**77,098**	**53,143**
Capital and reserves attributable to minorities	73	50	23
Profit (loss) attributable to non-controlling interests	58	46	12
Total equity attributable to non-controlling interests	**131**	**96**	**35**
Total equity	**130,372**	**77,194**	**53,178**

The share capital increased in 2016 as a result of the capital increase concluded in August, approved by the Board of Directors on 16 June and 14 July 2016, pursuant to the authority granted, pursuant to art. 2443 of the Civil Code, by the Shareholders' Meeting held on 31 May 2016. Upon completion of the option and pre-emption offer period, initiated on 18 July 2016 and concluded on 3 August 2016, 14,556,120 shares were subscribed at the subscription price of Euro 3.40 per share (of which Euro 2.40 share premium), equal to 99.82% of the total shares offered, for a total value of Euro 49,491 thousand.

The share premium reserve was constituted in 2014, following the capital increase made as part of the AIM listing of the Italian Stock Exchange of the Company's shares. Said listing, in addition to increasing the share capital from Euro 25,000 thousand to Euro 31,700 thousand, resulted in the recognition of this reserve for an amount of Euro 19,173 thousand, net of costs related to the issuance of new shares amounting to Euro 461 thousand. The same share premium reserve increased in 2016 as a result of the capital increase concluded in August 2016; this transaction, in addition to increasing the share capital from Euro 31,770 thousand to Euro 46,256 thousand, as mentioned above, resulted in the recognition of the share premium for Euro 34,935 thousand, net of costs related to the increase of the same capital equal to Euro 951 thousand (net of the related tax effect).

The *Reserve from valuation of hedging derivatives* refers to the FV valuation of hedging derivatives (referred to in note 23) subscribed by the Parent Company and by Ribes S.p.A. in relation to the bank loan obtained at the end of 2014 to acquire the Assicom Group.

The defined-benefits plan reserve refers to the actuarial component of the Employee Severance Indemnity according to the requirements of IAS 19.

On 4 February 2016, the Extraordinary Shareholders' Meeting of Tecnoinvestimenti resolved to proceed with the issue of 951,000 Warrants referred to as "Warrant Tecnoinvestimenti 2016-2019" to be offered for free for subscription to the shareholder Cedacri. The paid capital increase will be through the issue of a maximum of 951,000 ordinary shares for the exercise of the 2016-2019 Tecnoinvestimenti Warrants issued upon completion of the Shareholders' Meeting of 4 February 2016, which approved the aforementioned capital increase and offered free of charge to the Cedacri shareholder. Said Warrants shall not be transferable and shall entitle to the subscription of the new shares to the extent of one new share for each Warrant held, to be exercised in three instalments and in as many time frames (between 5 July and 30 September included in the years 2017 - 2018 - 2019), following the achievement of certain annual turnover targets for the years 2016/2018. In fact, Cedacri S.p.A. initiated and maintains industrial collaborations with Tecnoinvestimenti Group companies and, with respect to the commitment to develop certain levels of business, may increase its shareholding in the Company. The issue price of the Tecnoinvestimenti shares for the Warrant is defined, to the extent permitted by applicable law, at Euro 3.40 per share. The final date for the eventual exercise of the Warrants and therefore, subscription of the new shares is set at 30 September 2019.

26. PROVISIONS

Provisions were equal to Euro 1,545 thousand at 31 December 2016 (Euro 1,200 thousand at 31 December 2015) and broken down as follows:

In thousands of Euro	**31/12/2015**	**Provisions**	**Uses**	**Releases**	**Change scope**	**31/12/2016**
Provision for pensions	592	201	-145	0	97	745
Other non-current provisions	607	0	-45	-27	0	535
Non-current provisions	**1,200**	**201**	**-190**	**-27**	**97**	**1,279**
Other current provisions	0	265				265
Current provisions	**0**	**265**	**0**	**0**	**0**	**265**
Provisions	**1,200**	**466**	**-190**	**-27**	**97**	**1,545**

The provision for pensions relates to the provision of the supplementary indemnity of customers due, in the cases provided by law, to agents based on the actuarial valuation of the liability quantifying future payments, through the projection of indemnities accrued on the valuation date by agents until the estimated time of interruption of the contract. The item is attributable to Assicom S.p.A. (Euro 637 thousand) and to the Co.Mark Group (Euro 108 thousand).

The item other non-current provisions of Euro 535 thousand at 31 December 2016 (Euro 607 thousand at 31 December 2015) is attributable to the company Ribes S.p.A. and mainly includes the estimate for expenses related to ongoing disputes with customers and suppliers, as well as a provision made in prior years (Euro 131 thousand) as a result of the tax assessments issued by the Revenue Agency, concerning VAT against which appeals were presented to the Provincial Tax Commission.

Allocation in the period to other current provisions are related to probable disputes of Assicom S.p.A. (Euro 158 thousand) and InfoCert S.p.A. (Euro 107 thousand) with employees in force or whose employment was terminated in 2016.

Regarding the company Ribes S.p.A., there is a single instance civil suit intended to obtain from the Territory Agency, compensation for damages arising from anti-competitive conduct in starting an experimentation of a "real estate monitoring" service and its huge increase in fees charged for the issue of the "list of parties". The suit also aimed to inhibit the Agency from continuation of said conduct. More specifically, with writ of summons notified on 2/7/2009, the Company convened before the Court of Appeal in Bologna and obtained the non-definitive sentence no. 598 of 19 April 2012. In said sentence the Court of Appeals of Bologna declared that the conduct of the Territory Agency included abuse of a dominant position and prohibited the Agency from continuation of said conduct. It is noted that the judgement was concluded definitively on 24 January 2017 with sentence no. 183/2017, upholding the appeal of the Company.

27. EMPLOYEE BENEFITS

Employee benefits were equal to Euro 6,367 thousand at 31 December 2016 (Euro 5,144 thousand at 31 December 2015) and can be broken down as follows:

In thousands of Euro	31/12/2016	31/12/2015	Change
Employee severance indemnity	6,141	4,958	1,184
Other non-current employee benefits	45	185	-141
Non-current employee benefits	**6,186**	**5,144**	**1,042**
Other current employee benefits	182	0	182
Current employee benefits	**182**	**0**	**182**
Employee benefits	**6,367**	**5,144**	**1,224**

The severance indemnity includes the effects of the actuarial calculations according to the requirements of IAS 19.

The following are the changes in liabilities for TFR:

In thousands of Euro	2016	2015	Change
Liabilities at the beginning of the year	**4,958**	**4,956**	**2**
Change in scope of consolidation	929	269	660
Current service cost	591	363	228
Financial expenses	110	69	41
Benefits paid	-685	-368	-317
Actuarial (profits)/losses recognised in the year	243	-314	557
Other changes	-4	-16	12
Liabilities at the end of the year	**6,141**	**4,958**	**1,184**

The details of the economic and demographic assumptions used for the purposes of the actuarial calculations are provided below:

Discount rate	1.31%
Inflation rate	1.50%
TFR rate increase	2.625%
Real rate increase in wages	0.5 - 1%
Expected mortality rate	RG48 from General Accounting Office
Expected invalidity rate	INPS tables broken down by age and gender
Resignations expected	1.0% - 4.5%
Advances expected	1.0% - 10.0%

Below is a sensitivity analysis of the main actuarial assumptions included in the calculation model considering as base scenario the one described above and increasing and decreasing the average annual discounting rate, the average inflation rate and turnover rate, respectively, by a quarter, a quarter and one percentage point. The results obtained can be summarized in the following table:

In thousands of Euro	31/12/2016
Turnover rate +1%	6,097
Turnover rate -1%	6,193
Inflation rate +0.25%	6,252
Inflation rate -0.25%	6,033
Discount rate +0.25%	5,991
Discount rate -0.25%	6,298

The item “Other non-current benefits to employees” amounting to Euro 45 thousand relates to the liability associated with the Virtual Stock Option Plan approved by the Board of Directors of the Parent Company on 14 November 2016 for senior managers with strategic responsibilities, aimed at the deferred payment of sums corresponding to the growth in the value of the Company’s shares.

The item “Other current benefits to employees” equal to Euro 182 thousand refers to a long-term incentive program for the current CEO of the subsidiary InfoCert S.p.A., the payment of which is expected in 2017.

28. FINANCIAL LIABILITIES, WITH THE EXCEPTION OF DERIVATIVE FINANCIAL INSTRUMENTS

This item includes financial liabilities taken out by the Group for a variety of reasons, with the exception of those deriving from the underwriting of financial derivative instruments, and is broken down as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Due to banks, current	10,115	9,650	465
Due to banks, non-current	22,869	27,624	-4,755
Liabilities to purchase minority interests, current	22,707	0	22,707
Liabilities to purchase minority interests, non-current	47,008	31,965	15,043
Current price deferment liabilities	1,508	0	1,508
Non-current price deferment liabilities	5,600	0	5,600
Current payables to the Controlling shareholder	156	0	156
Non-current payables to the Controlling shareholder	25,000	0	25,000
Payables for the purchase of current leased assets	91	9	82
Payables for the purchase of non-current leased assets	358	539	-181
Current payables to other lenders	2,326	1,257	1,069
Non-current payables to other lenders	4	0	4
Current financial liabilities	**36,902**	**10,916**	**25,986**
of which with Related parties	***156***	**0**	***156***
Non-current financial liabilities	**100,839**	**60,128**	**40,710**
of which with Related parties	***25,000***	***0***	***15,000***
Total	**137,741**	**71,044**	**66,697**

The expiry of non-current financial liabilities is expected within 5 years from the date of the financial statements. The following is a summary of the financial liabilities recognised in the financial statements at 31 December 2016, classified according to the contractual expiry:

In thousands of Euro	**2017**	**2018**	**2019**	**2020**	**2021**	**Book value at 31/12/2016**
Payables to banks	10,115	5,174	5,938	11,757	0	**32,984**
Liabilities for purchase of minority interests	22,707	25,913	21,095			**69,715**
Price deferment liabilities	1,508	1,400	1,400	1,400	1,400	**7,108**
Payables to the Controlling shareholder	156		25,000			**25,156**
Payables for the purchase of leased assets	91	122	100	104	32	**449**
Payables to other lenders	2,326	4				**2,330**
Total financial liabilities	**36,902**	**32,614**	**53,533**	**13,261**	**1,432**	**137,741**

Payables to banks

With regard to payables to banks, at year-end 2014, to meet the financial commitments resulting from the acquisition of control of the Assicom Group (consisting of Assicom, Infonet S.r.l. and Creditreform S.A.), a loan agreement was stipulated with a syndicate of banks (Cariparma, BPER and ICCREA) with a duration of 6 years for a total amount of Euro 32 million maturing 31 December 2020, semi-annual repayment instalments of increasing amounts. A loan agreement was also stipulated with the same banks for Euro 4.5 million by Assicom to rationalize its debt position maturing on 31/12/2019, semi-annual repayment instalments on a straight-line basis. All amounts were secured by collateral represented by the pledge in favour of the lending banks of the entire shareholding held by Tecnoinvestimenti in InfoCert and in Ribes to guarantee the timely payment of said debt, related interest and ancillary charges as well as the timely fulfilment of the obligations undertaken with the same lenders under certain interest rate swap contracts. To secure the same bank loans, a contract for the sale of receivables was also offered as guarantee. These are future receivables of which the consolidating company will be able to become the holder towards the sellers of the equity investment in Assicom S.p.A. on the basis of the corresponding stock sale contract. At the date of preparation of these financial statements, these receivables had not been generated.
In this regard, it is noted that the above contract provides, among other things, clauses requiring compliance, every six months, with specific financial parameters (financial covenants). In particular, the Issuer has undertaken to ensure that, at each calculation date specified in the contract (a) the value of the Debt Service Cover Ratio (calculated as the ratio between operating cash flows and debt service, defined as the sum of all principal amounts relating to the instalments of medium/long-term debt included in the NFP and with maturity in the period considered and net financial expense) is not less than the value 1, and (b) the value of the NFP/EBITDA and NFP/Equity ratios is always less than or equal to specified levels; for the period under review, the reference limit values are as follows: NFP/Ebitda = 1.45; NFP/SE = 0.45. At 31/12/2016, these parameters were fulfilled.
The remainder is attributable to a Euro 1,500 thousand loan obtained on 7 January 2016 by Assicom S.p.A. in order to finance the acquisition of Datafin concluded in 2015. The loan is not backed by collateral. The loan, with a duration of three years, is repayable in 12 quarterly instalments, including capital and interest, as of 30 June 2016. The interest rate applied is 0.81% nominal annual, except for the possibility for the bank, without notice, to adjust the six-month Euribor rate in addition to a fixed component of 0.85 points per year.
The following is a breakdown of bank loans in place at 31/12/2016 with evidence of the current and non-current portion.

Payables to banks *In thousands of Euro*	**Company**	**Counterparty**	**Rate**	**Expiry date**	**Current portion**	**Non-current portion**	**Residual value at 31 December**
Loan line of credit A	Tecnoinvestimenti S.p.A.	Cariparma S.p.A. Banca Popolare dell'Emilia Romagna Soc. Coop. Iccrea Banca Impresa S.p.A.	Euribor 6 months + spread 2.55%.	31/12/2020	4,475	14,963	19,438
Loan line of credit B	Assicom S.p.A.	Banca Popolare dell'Emilia Romagna Soc. Coop. Banca Popolare FriulAdria S.p.A. Iccrea Banca Impresa S.p.A.	Euribor 6 months + spread 2.25%.	31/12/2019	900	1,777	2,677
Loan line of credit C	Ribes S.p.A.	Cariparma S.p.A. Banca Popolare dell'Emilia Romagna Soc. Coop. Iccrea Banca Impresa S.p.A.	Euribor 6 months + spread 2.55%.	31/12/2020	1,325	5,452	6,777
Loan Assicom S.p.A.	Assicom S.p.A.	MPS S.p.A.	0.81% p.a. / Euribor 6 months + 0.85% spread	31/03/2019	500	625	1125
Other minor loans					103	52	155
Non-current bank payables including the current portion					**7,303**	**22,869**	**30,172**

Residual current payables to banks consist of bank overdrafts and advances used by the Group to meet temporary liquidity needs.

Liabilities for purchase of minority interests

The item Liabilities for purchase of minority interests includes:

- Liabilities for put options granted by the Group to the minority shareholders of Assicom S.p.A. (32.5%), Ribes S.p.A. (12.50%), Co.Mark S.p.A. (30%), Visura S.p.A. (40%). The value of these liabilities was calculated as the current value of the amount to be paid at the contractual maturities against the reversal of the interests of these minority shareholders. At 31 December 2016, the discount rate used was equal to WACC used for the purposes of the impairment test of the goodwill resulting from the purchase of the equity investments in question (8.0%).
- Liabilities for contingent consideration related to the acquisition of Assicom S.p.A., Co.Mark S.p.A., Visura S.p.A. These liabilities were determined at the present value of the amounts to be paid at the contractual expiries. At 31 December 2016, the discount rate used was equal to WACC used for the purposes of the impairment test of the goodwill resulting from the purchase of the equity investments in question (8.0%).

In thousands of Euro	**31/12/2016**	*31/12/2016*		**31/12/2015**	*31/12/2015*		**Change**
		Current	*Non-current*		*Current*	*Non-current*	
Assicom Put Options	**26,850**	*8,858*	*17,992*	**26,270**		*26,270*	**579**
Assicom contingent consideration	**492**		*492*	**990**		*990*	**-498**
Ribes Put Options	**6,736**	*6,736*		**4,491**		*4,491*	**2,245**
EcoMind contingent consideration	**213**		*213*	**213**		*213*	**0**
Co.Mark Put Options	**21,278**	*6,274*	*15,004*				**21,278**
Co.Mark contingent consideration	**2,475**		*2,475*				**2,475**
Visura Put Options	**10,832**		*10,832*				**10,832**
Visura contingent consideration	**839**	*839*					**839**
Total liabilities for purchase of minority shares	**69,715**	*22,707*	*47,008*	**31,965**	0	*31,965*	**37,750**

Price deferment liabilities

Price deferment liabilities relate to the price deferment granted by the selling shareholders of Co.Mark S.p.A. for Euro 7,000 thousand (plus interest) to be paid in five years following the closing, and in five decreasing instalments starting from 2017.

Payables to the Controlling shareholder

The item Payables to the Controlling shareholder refers to the loan payable of Euro 25,000 thousand, with maturity 30 June 2019, granted by the Controlling shareholder Tecno Holding S.p.A. in two tranches: Euro 15,000 thousand in March 2016, Euro 10,000 thousand in December 2016. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued in the period and not yet paid.

Payables for the purchase of leased assets

The item Liabilities to purchase leased assets mainly refers to the purchase through a finance lease of a property in Buja (UD), where the company Assicom S.p.A. is based, and is equal to the residual principal due to the leasing company.

Payables to other lenders

The item Current payables to other lenders is related for Euro 1,587 thousand to the Visura Group primarily for prepaid amounts paid by customers to purchase stamps and fees not yet used at the reporting date and Euro 732 thousand to Assicom S.p.A. for payable to customers for amounts recovered to be relegated as part of credit recovery activities (Euro 1,257 thousand at 31 December 2015).

29. TRADE AND OTHER CURRENT PAYABLES

The item trade and other current payables totalled Euro 33,185 thousand (Euro 28,991 thousand at 31 December 2015) and can be detailed as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Payables to suppliers	18,453	17,774	679
Payables to the Controlling shareholder	51	75	-23
Payables to associated companies	77	28	49
Due to Social security	3,553	2,891	662
VAT liability	1,136	319	817
IRPEF liability	1,577	1,358	219
Other tax liabilities	500	3	497
Due to others	7,785	6,468	1,317
Accrued sales charges	52	75	-23
Trade and other current payables	**33,185**	**28,991**	**4,195**
of which with Related parties	***188***	***103***	***85***

The item Payables to others mainly includes payables to employees for wages to be paid, pay in lieu of vacation and bonuses to be paid.

30. DEFERRED REVENUE AND INCOME

This item was equal to Euro 18,278 thousand at 31 December 2016 (Euro 9,640 thousand at 31 December 2014) and can be broken down as follows:

In thousands of Euro	**31/12/2016**	**31/12/2015**	**Change**
Non-current deferred liabilities	546	75	471
Current advances	3,371	2,080	1,291
Current deferred liabilities	14,360	7,485	6,875
Non-current deferred revenue and income	**546**	**75**	**471**
Current deferred revenue and income	**17,732**	**9,565**	**8,167**
of which with Related parties	***0***	***5***	***-5***
Deferred revenue and income	**18,278**	**9,640**	**8,638**

The increase in the item compared to 31 December 2015 is primarily attributable to the consolidation of the balances of the Co.Mark Group (Euro 1,686 thousand) and Visura Group (Euro 5,135 thousand).

INFORMATION ON THE COMPREHENSIVE INCOME STATEMENT

It is noted that the consolidated figures of 2016 include the balances of the Co.Mark Group (Sales & Marketing Solutions sector) only from 1 April 2016 and of the Visura Group (Digital Trust sector) from 1 July 2016; therefore, the increase in the income statement items, unless otherwise indicated, is attributable to the contribution of the groups mentioned above.

31. REVENUE

Revenue at 31 December 2016 amounted to Euro 147,325 thousand (Euro 126,439 thousand at 31 December 2015) and can be broken down as follows:

In thousands of Euro	**2016**	**2015**	**Change**
Revenue from sales and service provisions	145,461	122,835	22,626
Other revenue	1,863	3,604	-1,741
Revenue	**147,325**	**126,439**	**20,886**
of which with Related parties	***1,043***	***968***	***75***
of which non-recurring	***405***	***2,295***	***-1,890***

The following table summarizes details of revenue by operating segment:

In thousands of Euro	***Digital Trust***		***Credit Information & Management***		***Sales & Marketing Solutions***		**Other units**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Unit revenue	59,278	47,070	75,043	79,105	13,053	0	617	634	147,992	126,810
Intra-unit revenue	60	5	181	27	0	0	426	339	667	371
Revenue from third party clients	**59,218**	**47,065**	**74,863**	**79,078**	**13,053**	**0**	**191**	**296**	**147,325**	**126,439**

Non-recurring revenue at 31 December 2016 of Euro 405 thousand relates to the revaluation component of the indemnity paid to Ribes S.p.A., already recognised in 2015 for Euro 2,295 thousand, as a result of the sentence of the Milan Court of Appeal towards the Territory Agency (now Revenue Agency) regarding the so-called “Monitoring of Parties”.

32. RAW MATERIAL COSTS

Raw material costs of Euro 6,105 thousand at 31 December 2016 (Euro 7,000 thousand at 31 December 2015) relate almost entirely to the Digital Trust sector, largely to InfoCert S.p.A., and mainly include the amounts related to the purchase of IT products for resale to customers.

In thousands of Euro	**2016**	**2015**	**Change**
Hardware, software	4,675	5,350	-675
Production consumption	1,583	1,334	249
Change in inventory of raw and ancillary materials, consumables and goods	-403	117	-520
Other general consumption	250	198	52
Raw material expenses	**6,105**	**7,000**	**-895**

33. SERVICE COSTS

Service costs were equal to Euro 61,804 thousand at 31 December 2016 (Euro 56,385 thousand at 31 December 2015) and can be broken down as follows:

In thousands of Euro	**2016**	**2015**	**Change**
Purchase of access to databases	20,217	21,257	-1,040
Costs for agent network	7,173	5,435	1,738
Software development	5,552	3,937	1,615
Technical services	5,551	7,537	-1,985
Costs for use of third-party assets	4,174	3,416	758
Specialist professional services	2,890	2,001	888
Maintenance costs	2,638	2,496	142
Consultancy	1,545	552	993
Help desk services	1,362	1,999	-637
Travel, assignments, and lodging expenses	1,972	1,256	716
Advertising, marketing and communication	1,858	1,209	649
IT structure costs	1,258	1,074	184
Independent auditors' fees	477	137	340
Statutory auditors' fees	361	250	111
Insurance	526	500	26
Commercial costs	229	187	42
Capitalized service costs	-96	0	-96
Other service costs	4,116	3,141	975
Service costs	**61,804**	**56,385**	**5,419**
of which with Related parties	***1,067***	***536***	***531***
of which non-recurring	***1,378***	***0***	***1,378***

Non-recurring service costs incurred in 2016 amounted to Euro 1,378 thousand, of which:

- Euro 942 thousand incurred for the listing in the STAR segment of Borsa Italiana, which mainly impacted costs for consultancy, specialist professional services, for remuneration to the independent auditors, advertising;
- Euro 259 thousand of ancillary expenses for the acquisition of the Co.Mark Group recognised in specialist professional services;
- Euro 176 thousand of ancillary expenses for the acquisition of the Visura Group recognised in specialist professional services.

34. PERSONNEL COSTS

Personnel costs at 31 December 2016 amounted to Euro 48,153 thousand (Euro 36,832 thousand at 31 December 2015) and can be broken down as follows:

In thousands of Euro	2016	2015	Change
Wages and salaries	32,622	25,348	7,274
Social security contributions	9,273	7,601	1,672
Employee severance indemnity	2,046	1,532	514
Other personnel expenses	1,738	1,266	472
Capitalised personnel costs	-738	-1,322	584
Directors' fees	2,951	2,099	852
Ongoing partnerships	261	309	-48
Personnel expenses	**48,153**	**36,832**	**11,321**
of which non-recurring	***0***	***163***	***-163***

The increase in personnel costs compared to the previous year is in line with the change in the average number of employees compared to 2015:

Number of employees	***Annual average***	
	2016	**2015**
Senior Management	27.8	24.9
Middle Management	106.3	96.9
Employees	681.5	507.0
Total	**815.6**	**628.9**

The item Capitalised personnel expenses refers to the capitalisation among intangible assets of software development activities carried out by the Ribes S.p.A. Group.

Other personnel costs include the allocation for the year of Euro 45 thousand relating to the liability associated with the Virtual Stock Option Plan approved by the Board of Directors of the Parent Company on 14 November 2016 for senior managers with strategic responsibilities, aimed at the deferred payment of sums corresponding to the growth in the value of the Tecnoinvestimenti shares.

35. OTHER OPERATING COSTS

Other operating costs amounted to Euro 1,522 thousand at 31 December 2016 (Euro 771 thousand at 31 December 2015) of which Euro 67 thousand to Related parties. These costs refer to residual items such as membership fees, gifts and donations, miscellaneous taxes and duties, fines and penalties and contingent liabilities.

36. AMORTISATION/DEPRECIATION, PROVISIONS AND IMPAIRMENTS

The following is a summary of the items amortisation/depreciation, provisions and impairments:

In thousands of Euro	2016	2015	Change
Depreciation of property, plant and equipment	2,496	1,686	810
Amortization of intangible assets	7,610	5,927	1,683
Amortisation/depreciation	**10,106**	**7,613**	**2,493**
Provisions	**466**	**47**	**419**

Impairment	**1,029**	**1,002**	**27**
of which non-recurring	***0***	***214***	***-214***

Amortisation/depreciation amounted to Euro 10,106 thousand at 31 December 2016 (Euro 7,613 thousand at 31 December 2015), of which Euro 2,496 for property, plant and equipment and Euro 7,610 thousand for intangible assets. With regard to their composition, we refer to the tables of changes in property, plant and equipment and intangible assets, respectively in note 14 and 15.

Amortisation of intangible assets that totalled Euro 4,373 thousand is attributable to other intangible assets from consolidation arising from intangible asset recognition upon the calculation of the fair value of assets acquired as part of business combinations. Listed below are the most significant amortisation/depreciation for the year:

- Euro 362 thousand for the customer list of the Ribes Group;
- Euro 1,129 thousand for the order backlog and customer list of the Assicom Group;
- Euro 358 thousand for the order backlog and customer list of Infonet S.r.l. (now merged into Ribes).
- Euro 2,337 thousand for the order backlog and customer list of the Co.Mark Group recognised during the current year;
- Euro 166 thousand for the customer list of Datafin recognised during the current year (now merged into Assicom).

Regarding the nature of provisions for the period, reference is made to note *26. Provisions*.

Impairments in the period refer entirely to trade receivables considered unrecoverable; in this regard, reference is made to note *19. Trade and other receivables*

37. NET FINANCIAL EXPENSES

Net financial expenses amounted to Euro 1,041 thousand at 31 December 2016 (Euro 1,097 thousand at 31 December 2015). The item in question at 31 December 2016 includes financial expenses for Euro 1,767 thousand (Euro 1,303 thousand at 31 December 2015), net of financial income for Euro 727 thousand (Euro 206 thousand).

In thousands of Euro	**2016**	**2015**	**Change**
Financial income	727	206	521
Financial expenses	1,767	1,303	465
of which with Related parties	*243*	*0*	*243*
Net financial expenses	**-1,041**	**-1,097**	**56**

Financial income

In thousands of Euro	**2016**	**2015**	**Change**
Bank and postal interest	96	67	29
Positive adjustment to the fair value of contingent consideration	498	0	498
Positive adjustment to financial instruments at fair value	8	0	8
Other interest income	124	139	-15
Financial income	**727**	**206**	**521**

The increase in financial income compared to the previous year is attributable to the adjustment of the fair value of contingent consideration to be paid to the selling shareholders of Assicom S.p.A. For details, reference is made to as discussed in note *28. Financial liabilities*.

The positive adjustment to financial instruments at fair value is related to financial assets classified as "Financial assets at fair value recognised in the income statement" referred to in note *21. Other current financial assets*.

Financial expenses

In thousands of Euro	**2016**	**2015**	**Change**
Interest expenses	1,183	942	241
Amortized cost	185	217	-32
Financial component employee benefits	110	69	41
Negative adjustment to the fair value of contingent consideration	170	0	170
Negative adjustment to financial instruments at fair value	19	0	19
Charges on hedging derivatives	96	74	22
Other financial expenses	4	0	4
Financial expenses	**1,767**	**1,303**	**461**
of which with Related parties	***243***	***0***	***243***

Interest expenses recognised are attributable for Euro 788 thousand to the loan stipulated at the end of 2014 for an original Euro 36,500 thousand (referred to in note *28. Financial liabilities);* total financial expenses in the year related to this loan also include Euro 185 thousand for expenses accrued by applying the effective interest criterion, and Euro 96 thousand for expenses on hedging derivatives.

The increase in interest expense compared to the previous year is due to the interest accrued on the loan of Euro 25,000 thousand granted by the Controlling shareholder Tecno Holding in two tranches in 2016 (for details, reference is made to note *28. Financial liabilities*) for Euro 243 thousand, as well as the interest accrued on the price deferment granted by the selling shareholders of Co.Mark S.p.A. (for details, reference is made to Notes *13 Business Combinations* and *28. Financial liabilities*) for Euro 108 thousand;

The negative adjustment of the fair value of contingent consideration payable precisely reflects the adjustment of contingent consideration to be paid to the selling shareholders of Co.Mark S.p.A. and Visura S.p.A. with respect to as estimated at the date of the respective acquisitions due to the passing of time. For details, reference is made to as discussed in note *28. Financial liabilities*.

The negative adjustment to financial instruments at fair value is related to financial assets classified as "Financial assets at fair value recognised in the income statement" referred to in note *21. Other current financial assets*.

38. TAXES

Taxes were equal to Euro 4,992 thousand at 31 December 2016 and can be broken down as follows:

In thousands of Euro	**2016**	**2015**	**Change**
IRES	7,686	5,838	1,848
IRAP	1,198	1,185	13
Other current taxes	19	7	12
Deferred tax liabilities	-1,557	-1,637	80
Deferred tax assets	-452	304	-756
Income taxes related to previous years	90	4	86
Proceeds from tax consolidation	-1,993	-1,026	-967
Tax	**4,992**	**4,675**	**317**
of which non-recurring	***-132***	***866***	***-998***

The effective tax rate on the pre-tax result is 29.2%, slightly down compared to the previous year (29.7%). The reduction in the rate is attributable primarily to the effect of the higher ACE tax benefit (Decree Law 201/2011) recognised for the Parent Company Tecnoinvestimenti as a result of the capital increase concluded in August 2016.

The item Deferred tax liabilities refers mainly to the release of deferred tax liabilities related to the amortisation of intangible assets recognised as part of the fair value accounting of business combinations, as further described in note 18.

The item Income from tax consolidation refers to the recognition of the tax credit to the Controlling shareholder Tecno Holding S.p.A. for the tax losses transferred to this by Tecnoinvestimenti S.p.A. (Euro 1,719 thousand). These losses will be fully used in future tax years, as we believe that the other companies included in the tax consolidation will have adequate taxable income.

39. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year attributable to the Group by the weighted average number of ordinary shares outstanding during the period (net of any treasury shares):

	2016	**2015**
Net result (*thousand Euro*)	12,062	11,024
Weighted average number of outstanding ordinary shares	37,466,769	31,700,000
Basic earnings per share (*Euro*)	**0.32**	**0.35**

Diluted earnings of Euro 0.32 per share include the effect of the 2016-2019 Tecnoinvestimenti Warrants for a total of 951,000 shares granted to the shareholder Cedacri S.p.A. by the Extraordinary Shareholders' Meeting held on 4 February 2016, include an issue price of shares for the Warrant of Euro 3.40 per share, compared with an average fair value of the 2016 Tecnoinvestimenti shares of Euro 3.67 per share:

	2016	**2015**
Net result (*thousand Euro*)	12,062	11,024
Weighted average number of outstanding and potential ordinary shares	37,536,733	31,700,000
Diluted earnings per share (*Euro*)	**0.32**	**0.35**

40. TRANSACTIONS WITH RELATED PARTIES

All transactions with Related parties are part of normal business operations and are regulated at normal market conditions.

Below is the summary table of all equity balances and the incidence on the related items of the financial statements at 31 December 2016 and the relative comparative figures at 31 December 2015:

31/12/2016							
In thousands of Euro	**Current tax assets**	**Trade and other current receivables**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current deferred revenue and income**	**Current tax liabilities**
Controlling shareholder	2,083	4	25,000	156	51		608
Affiliated companies		222			77		
Other Related parties		10			59		
Total Related parties	***2,083***	***237***	***25,000***	***156***	***188***	***0***	***608***
Total financial statement line item	**3,659**	**50,948**	**100,839**	**36,902**	**33,185**	**17,732**	**1,481**
% Incidence on Total	*56.9%*	*0.5%*	*24.8%*	*0.4%*	*0.6%*	*0.0%*	*41.0%*
31/12/2015							
In thousands of Euro	**Current tax assets**	**Trade and other current receivables**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current deferred revenue and income**	**Current tax liabilities**
Controlling shareholder	1,420	174			75		805
Affiliated companies		267			28		
Other Related parties		8				5	
Total Related parties	***1,420***	***449***	***0***	***0***	***103***	***5***	***805***
Total financial statement line item	**1,919**	**43,974**	**60,128**	**10,916**	**28,991**	**9,565**	**1,364**
% Incidence on Total	*74.0%*	*1.0%*	*0.0%*	*0.0%*	*0.4%*	*0.1%*	*59.0%*

Assets and liabilities related to current taxes refer, respectively, to payables and receivables arising from the tax losses and taxable income transferred as part of the tax consolidation headed by the Controlling shareholder Tecno Holding S.p.A. At 31/12/2016, the Parent Company and InfoCert S.p.A. adhere to the tax consolidation. This three-year participation agreement covers the period 2015-2017. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the subsidiaries are defined in the corresponding tax consolidation regulations.
It is noted that at 31 December 2015, the tax consolidation also included Ribes S.p.A. and Assicom S.p.A. In 2016, following the participation of Tecno Holding S.p.A. in the capital increase of Tecnoinvestimenti S.p.A., the control requirement on the companies mentioned above no longer applied and they were therefore excluded from the tax consolidation. Transactions with Related parties at 31 December 2015 also includes assets and liabilities for current IRES taxes of Ribes S.p.A. and Assicom S.p.A.

The item Financial liabilities to the Controlling shareholder refers to the loan payable of Euro 25,000 thousand, with maturity 30 June 2019, granted by Tecno Holding S.p.A. in two tranches: Euro 15,000 thousand in March 2016, Euro 10,000 thousand in December 2016. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

Transactions with the associates Sixtema and eTuitus are exclusively commercial in nature and depend on InfoCert S.p.A. Specifically, the receivables from Sixtema refer to the sale of the certified mail, digital signature and electronic storage services, while the payables to the purchase of disaster recovery services. There are also payables to the affiliated company eTuitus, for software development and consulting services.

Below is the summary table of all economic transactions and the incidence on the related items of the 2016 income statement and the relative comparative figures of 2015:

2016				
In thousands of Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial expenses**
Controlling shareholder	159	262	16	243
Affiliated companies	865	402	10	0
Other Related parties	19	403	41	0
Total Related parties	**1,043**	**1,067**	**67**	**243**
Total financial statement item	**147,325**	**61,804**	**1,522**	**1,767**
% Incidence on Total	*0.7%*	*4.1%*	*4.1%*	*32.6%*
2015				
In thousands of Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial expenses**
Controlling shareholder	150	245	0	0
Affiliated companies	783	291	0	0
Other Related parties	35	0	0	0
Total Related parties	**968**	**536**	**0**	**0**
Total financial statement line item	**126,439**	**56,385**	**771**	**1,303**
% Incidence on Total	*0.8%*	*0.9%*	*0.0%*	*0.0%*

Revenue from the Controlling shareholders are related to the services provided as part of the management activities provided by the Parent Company for the strategic planning, management control, legal assistance and compliance, internal audit, and corporate administrative services functions. Service costs mainly relate to lease contracts for the offices used by the Parent Company (Rome and Milan) and InfoCert S.p.A. Financial expenses to the Controlling shareholder refer to interest accrued on the loan mentioned above.

Transactions with the associates Sixtema and eTuitus are exclusively commercial in nature and depend on InfoCert S.p.A. In particular, the transactions receivable with Sixtema refer to the sale of certified electronic mail services, digital signature and electronic storage, while the transactions payable refer to the acquisition of the disaster recovery service. There are also payables to the affiliated company eTuitus, for software development and consulting services.

Service costs to other Related parties refer to costs for lease fees (for a total of Euro 348 thousand) of the offices of Co.Mark S.p.A. for Euro 166 thousand and the Visura Group for Euro 182 thousand.

41. NET FINANCIAL DEBT

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group's Net financial debt at 31 December 2016 is provided below:

In thousands of Euro

	31/12/2016	*of which with Related parties*	31/12/2015	*of which with Related parties*
A Cash	60,377		19,262	
B Cash and cash equivalents	54		54	
C Securities held for trading	0		0	
D Liquidity (A+B+C)	**60,431**		**19,316**	
E Current financial receivables	**6,352**		**3,359**	
F Current bank payables	-2,812		-3,215	
G Current portion of non-current debt	-7,303		-6,329	
H Other current financial payables	-26,788	*-156*	-1,372	
I Current financial debt (F+G+H)	**-36,902**		**-10,916**	
J Net current financial debt (D+E+I)	**29,881**		**11,759**	
K Non-current bank payables	-22,869		-27,624	
L Bonds issued	0		0	
M Other non-current financial payables	-78,198	*-25,000*	-32,680	
N Non-current financial debt (K+L+M)	**-101,067**		**-60,304**	
O Net financial debt (J+N)	**-71,186**		**-48,545**	

42. OTHER INFORMATION

Remuneration to Directors, Statutory auditors, General Managers and Key Management Personnel of the Parent Company

With reference to disclosures on the remuneration paid to Directors, Statutory auditors, General Managers and other key management personnel of the Parent Company, reference is made to the table below referring to the Remuneration Report pursuant to art. 123-ter of the Consolidated Law of Finance for further details.

In thousands of Euro	Fixed remuneration	Remuneration for participation in Committees	Variable remuneration non-equity (Bonus and other incentives)	Non-monetary benefits	Other remuneration	Total
Directors	428	11	40	3	75	**557**
Statutory auditors	85	5			29	**119**
General Manager	270					**270**
Key Management Personnel	229		81	5	1	**317**

Independent auditors' fees

Below are details of the remuneration of the Independent Auditors and other companies belonging to the network pursuant to art. 149-duodecies of Implementing Regulation of Legislative Decree 24 February 98 no. 58:

In thousands of Euro	KPMG S.p.A.	KPMG network entities	Total KPMG
Audit services	**209**		**209**
- Parent company Tecnoinvestimenti S.p.A.	*57*		***57***
- Subsidiaries	*152*		***152***
Non-audit services	**285**	**109**	**394**
Issue of listing comfort letter	285	53	**338**
- Parent company Tecnoinvestimenti S.p.A.	*285*	*53*	***338***
Other services		56	**56**
- Subsidiaries		*56*	***56***
Total	**493**	**109**	**602**

43. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

With regard to the dispute before the Court of Appeal of Bologna, concerning the compensation action for "monitoring of parties" brought by Ribes S.p.A. against the Revenue Agency (formerly Territory Agency), it is noted that this legal action was concluded positively on 24 January 2017 with sentence no. 183/2017, upholding the appeal of the Company.

On 28 February 2017, Tecnoinvestimenti S.p.A. proceeded to refinance the debt to the syndicate Cariparma (Cariparma/BPER/ICCREA) for the amount outstanding at 31/12/2016 of Euro 28.9 million, divided between the Parent Company Tecnoinvestimenti and the subsidiaries Ribes S.p.A. and Assicom S.p.A., with significant benefits in terms of financial expenses over the next few years. The main terms of the contract are as follows:

- The agreement includes a Term loan facility in lieu of the previous loan for a total of Euro 30 million maturing on 30 June 2023, with repayment in semi-annual instalments at 6-month Euribor plus 130 basis points.
- an additional Capex facility line for Euro 15 million at the 6-month Euribor rate plus 160 bps maturing on 30 June 2023.
- Modification of the covenants calculated on the IFRS consolidated financial statements of Tecnoinvestimenti, every six months on a pro forma basis, considering the extraordinary transactions.
- Elimination of the guarantees assisting the current syndicate (pledge of Ribes and InfoCert shares).

The Company is awaiting contractual formalization of the agreement, which is currently underway.

Milano, 21 marzo 2017

Enrico Salza
Presidente

SEPARATE PARENT COMPANY FINANCIAL STATEMENTS 2016
Statements and Notes

Separate Financial Statements of Tecnoinvestimenti S.p.A.

Statement of financial position

in Euro	Notes	31/12/2016	31/12/2015	31/12/2014
ASSETS				
Property, plant and equipment	10	81,310	57,930	58,511
Intangible assets	11	70,705	104,700	5,417
Equity investments recognised at cost	12	152,971,623	95,325,507	98,177,493
Other financial assets, excluding financial derivative instruments		40	0	10,000
Deferred tax assets	13	382,734	487,368	1,214,701
Trade receivables and other receivables	14	37,545	40	40
- *of which with Related parties*	*30*	*2,600*	*0*	*0*
NON-CURRENT ASSETS		**153,543,957**	**95,975,545**	**99,466,161**
Other financial assets, excluding financial derivative instruments		0	27,009	0
Current tax assets	15	2,082,970	1,032,281	875,109
- *of which with Related parties*	*30*	*2,082,970*	*1,032,281*	*875,109*
Trade receivables and other receivables	14	601,451	584,639	560,100
- *of which with Related parties*	*30*	*60,108*	*367,450*	*376,549*
Cash and cash equivalents	16	30,026,107	3,580,940	868,478
CURRENT ASSETS		**32,710,528**	**5,224,869**	**2,303,688**
TOTAL ASSETS		**186,254,485**	**101,200,415**	**101,769,848**
EQUITY AND LIABILITIES				
Share capital		46,256,120	31,700,000	31,700,000
Reserves		66,267,757	28,907,120	25,299,098
TOTAL EQUITY	**17**	**112,523,877**	**60,607,120**	**56,999,098**
LIABILITIES				
Employee benefits	18	194,756	143,929	90,743
Financial liabilities, excluding financial derivative instruments	19	64,485,117	34,786,431	36,340,143
- *of which with Related parties*	*30*	*41,000,000*	*16,000,000*	*12,000,000*
Derivative financial instruments	20	165,210	129,151	2,420,826
Deferred tax liabilities	13	22,930	30,342	30,345
NON-CURRENT LIABILITIES		**64,868,013**	**35,089,853**	**38,882,056**
Financial liabilities, excluding financial derivative instruments	19	7,405,231	4,574,997	4,365,078
- *of which with Related parties*	*30*	*316,932*	*0*	*15,078*
Derivative financial instruments	20	124,001	0	0
Trade and other payables	21	1,333,363	923,028	1,099,756
- *of which with Related parties*	*30*	*57,514*	*30,671*	*0*
Deferred revenue and income	22	0	5,417	0
- *of which with Related parties*	*30*	*0*	*5,417*	*0*
Current tax liabilities		0	0	423,860
CURRENT LIABILITIES		**8,862,595**	**5,503,441**	**5,888,694**
TOTAL LIABILITIES		**73,730,608**	**40,593,294**	**44,770,750**
TOTAL EQUITY AND LIABILITIES		**186,254,485**	**101,200,415**	**101,769,848**

Statement of profit or loss and other comprehensive income

		for the year ended 31 December	
in Euro	**Notes**	**2016**	**2015**
Revenue	**23**	**617,074**	**524,235**
- *of which with Related parties*	*30*	*613,821*	*523,749*
Raw material expenses		0	0
Service costs	24	2,652,429	1,152,626
- *of which with Related parties*	*30*	*108,764*	*57,308*
- *of which non-recurring*	*24*	*942,187*	*0*
Personnel expenses	25	2,119,383	1,894,880
Other operating costs	26	67,794	28,571
Amortisation/depreciation	27	68,827	15,407
Provisions		0	0
Impairment		0	0
Total Costs		**4,908,433**	**3,091,484**
OPERATING PROFIT		**-4,291,359**	**-2,567,249**
Financial income	28	10,133,774	8,536,794
- *of which with Related parties*	*30*	*10,110,045*	*6,143,767*
Financial expenses	28	1,524,433	1,165,950
- *of which with Related parties*	*30*	*563,616*	*333,073*
Net financial expenses		**8,609,341**	**7,370,845**
PROFIT BEFORE TAX		**4,317,982**	**4,803,595**
Tax	29	-1,613,088	-384,164
- *of which non-recurring*	*29*	*-259,102*	*0*
PROFIT FOR THE YEAR		**5,931,070**	**5,187,760**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) of employee benefit provisions	18	12,538	-35,986
Tax effect		-3,009	7,933
Total items that will not be *reclassified to profit or loss*		**9,529**	**-28,054**
Items that are or may be reclassified subsequently to profit or loss			
Profits (losses) from measurement at fair value of financial derivative instruments	20	-36,059	-78,986
Tax effect		8,654	17,201
Total items that are or may be reclassified subsequently to profit or loss		**-27,405**	**-61,785**
Total other comprehensive income, net of tax effects		**-17,876**	**-89,839**
Total comprehensive income		**5,913,194**	**5,097,921**

Statement of changes in equity

							For the year ended 31 December 2016
Amounts in Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined-benefits plan reserve	Other reserves	Total
Balance at 1 January 2016	**31,700,000**	**773,501**	**19,172,960**	**-98,155**	**-42,640**	**9,101,453**	**60,607,120**
Comprehensive income statement for the year							
Profit for the year						5,931,070	5,931,070
Other comprehensive income				-27,405	9,529		-17,876
Total comprehensive income	*0*	*0*	*0*	*-27,405*	*9,529*	*5,931,070*	*5,913,194*
Transactions with shareholders							
Legal reserve allocation		362,756				-362,756	0
Dividends						-2,536,000	-2,536,000
Capital increase	14,556,120		34,934,688				49,490,808
Capital increase costs			-951,245				-951,245
Total transactions with shareholders	*14,556,120*	*362,756*	*33,983,443*	*0*	*0*	*-2,898,756*	*46,003,563*
Balance as at 31 December 2016	**46,256,120**	**1,136,257**	**53,156,403**	**-125,561**	**-33,110**	**12,133,767**	**112,523,877**

							For the year ended 31 December 2015
Amounts in Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined-benefits plan reserve	Other reserves	Total
Balance as at 1 January 2015	**31,700,000**	**537,347**	**19,172,960**	**-36,370**	**-14,586**	**5,639,747**	**56,999,098**
Comprehensive income statement for the year							
Profit for the year						5,187,760	5,187,760
Other comprehensive income				-61,785	-28,054		-89,839
Total comprehensive income	*0*	*0*	*0*	*-61,785*	*-28,054*	*5,187,760*	*5,097,921*
Transactions with shareholders							
Legal reserve allocation		236,154				-236,154	0
Dividends						-1,489,900	-1,489,900
Total transactions with shareholders	*0*	*236,154*	*0*	*0*	*0*	*-1,726,054*	*-1,489,900*
Balance as at 31 December 2015	**31,700,000**	**773,501**	**19,172,960**	**-98,155**	**-42,640**	**9,101,453**	**60,607,120**

Statement of cash flows

	Notes	2016	2015
		for the year ended 31 December	
Cash flows generated by operating activities			
Profit for the period		5,931,070	5,187,760
Adjustments for:			
- depreciation of property, plant and equipment	27	28,834	14,306
- Amortisation of intangible assets	27	39,993	1,102
- Net financial expenses	28	-8,609,341	-7,370,845
- *of which with Related parties*		*-9,546,428*	*-5,810,694*
- Income taxes	29	-1,613,088	-384,164
Changes in:			
- Trade receivables and other receivables		-54,316	857,692
- *of which with Related parties*		*304,742*	*9,099*
- Trade payables and other payables		383,140	-176,728
- *of which with Related parties*		*26,843*	*30,671*
- Provisions for Employee benefits	18	-34,618	-1,749
- Deferred revenue and proceeds, including public contributions	22	-5,417	5,417
- *of which with Related parties*		*-5,417*	*5,417*
Cash generated by operating activities		**-3,933,743**	**-1,867,210**
Interest paid		-730,603	-731,327
- *of which with Related parties*		*-246,685*	*-348,152*
Income taxes paid		1,032,281	-307,163
Net cash generated by operating activities		**-3,632,065**	**-2,905,700**
Cash flows generated by investing activities			
Dividends collected	28	10,110,045	6,143,767
- *of which with Related parties*		*10,110,045*	*6,143,767*
Interest collected		17,641	22,367
Investments in shareholdings	12	-47,784,987	0
Purchase of property, plant and equipment	10	-52,214	-13,726
Purchase of other financial assets			-17,009
Purchase of intangible assets	11	-5,999	-102,337
Net cash absorbed by investing activities		**-37,715,514**	**6,033,062**
Cash flows generated by financing activities			
Increase in financial liabilities	19	25,000,000	4,000,000
Decrease in financial liabilities		-2,850,000	-1,425,000
Earn out Ribes shareholders			-1,500,000
Tecnoinvestimenti capital increase net of costs charged to equity	17	48,178,746	0
Dividends paid	17	-2,536,000	-1,489,900
Net cash generated/(absorbed) by financing activities		**67,792,746**	**-414,900**
Net increase (decrease) of cash and cash equivalents		26,445,167	2,712,462
Cash and cash equivalents as at 1 January		3,580,940	868,478
Cash and cash equivalents as at 31 December		**30,026,107**	**3,580,940**

Notes to the Separate Parent Company Financial Statements at 31/12/2016

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tecnoinvestimenti S.p.A. is based in Rome (Italy) – Piazza Sallustio 9, and has been listed on the STAR segment of the Italian Stock Exchange since August 2016.

Tecnoinvestimenti operates, through its subsidiaries, in Italy, with diversified and customizable services through three business units: *Digital Trust*, *Credit Information & Management* and *Sales & Marketing Solutions*.

At the date of preparation of the financial statements, Tecnoinvestimenti S.p.A. is not subject to the management and coordination of any of its shareholders as the Company's Board of Directors assumes in full and complete autonomy and independence each, most appropriate decision related to the management of the Company's activities.

It is noted that as the Company has significant controlling shareholdings in other companies, it also prepares the Group consolidated financial statements, published together with the separate financial statements.

These Financial Statements were approved and authorized for publication by the Board of Directors of the Company at its meeting on 21 March 2017.

2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the reporting date, as well as the previous International Accounting Standards (IAS).

Tecnoinvestimenti S.p.A. adopted the International Financial Reporting Standards (IFRS) in its separate financial statements as of 2016, with 1 January 2015 as transition date to IFRS, following the obligation provided for by EU Regulations no. 1606/2002 of 19 July 2002, introduced in the Italian legal system by Legislative Decree 28 February 2005 no. 38, due to the listing of treasury shares on the MTA (Electronic Equity Market) of Borsa Italiana. The last annual financial statements drafted according to the Italian accounting standards refer to the year ended 31 December 2015.

As these are the first financial statements drafted according to IFRS, the comparative data for the corresponding 2015 periods were recalculated according to the international accounting standards. The annex describes the effects of the adoption of IFRS on the balance sheet and income statement at the time of the transition (1 January 2015) and as at 31 December 2015, on the 2015 comprehensive income statement and on the choices made during first application (Annex A).

These Financial Statements have been prepared under the going concern assumption. The general policy adopted in preparing these financial statements is the historical cost, with the exception of items that, under IFRS, are obligatorily measured at fair value, as indicated in the measurement criteria of individual items.

3. PRESENTATION CRITERIA

The Separate Financial Statements consist of the balance sheet, the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows, and these notes.

It is specified that:

- the statement of financial position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- the statement of profit/(loss) and other items of the comprehensive income statement is classified on the basis of the nature of costs;
- the statement of cash flows is presented using the indirect method.

In accordance with Consob Resolution no. 15519 of 28 July 2006, the statement of profit/(loss) separately identifies, if any, income and expenses arising from non-recurring transactions; similarly, shown separately in the financial statements are the balances of transactions with Related parties which are further described in the notes to the Financial Statements, "Transactions with Related parties".

The separate Financial Statements have been prepared in Euro, which is the functional currency of the Company. The financial statements are expressed in Euro, as well as the related notes, unless otherwise specified.

4. MEASUREMENT CRITERIA

Describes below are the accounting standards and the most significant measurement criteria used for the preparation of the separate financial statements:

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are valued at the cost of purchase or production and net of accumulated depreciation and impairment, if any. The cost includes all the charges directly incurred to prepare the assets to be used, as well as any dismantling and removal charge that shall be incurred to bring the work site back to its original conditions.
The charges incurred for ordinary and/or regular maintenance and repair are directly recognised in the income statement in the year in which they are incurred. The capitalisation of the costs for the expansion, modernization or improvement of the structural items owned or in use by third parties is carried out only within the limits in which these respond to the requirements for be separately classified as assets or part of a assets. Any public contributions to tangible assets are recorded as deferred revenue and recognized as income in the income statement on a systematic and rational basis over the useful life of the related asset.
The value of an asset is adjusted for systematic depreciation, calculated on the basis of its estimated useful life. When the asset is recognised for the first time, the depreciation is calculated keeping into account the effective date in which the asset is ready for use. The useful life estimated by the Company, for the different classes of assets, is the following:

	Estimated useful life
Other assets	5 - 6 years

The estimates of the useful life and of the residual value are reviewed at least once a year.
Depreciation ends when the asset is transferred or reclassified as held for sale.

If the asset object of depreciation includes distinctly identifiable and significant components, with different estimated useful life, the depreciation is calculated separately for each of the different components, in application of the component approach standard.
Gains and losses realised on the sale of assets or groups of assets are calculated by comparing the sale price with the corresponding net carrying amount.

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items without physical form, but which can be clearly identified and able to generate future economic benefits for the Company. These items are recognised at the acquisition and/or production cost, inclusive of the expenses directly attributable to the stage of preparation to the activity to make it operational, net of accumulated amortisation (with the exception of intangible assets with indefinite useful life) and any impairment. The depreciation starts when the asset becomes available for use and is allocated systematically with regard to its residual possibility of use, that is, on the basis of its useful life. When the intangible asset is recognised for the first time, depreciation is calculated keeping into account the effective use of the asset. Specifically, with reference to the Company, the following main categories of intangible assets can be identified:

- Industrial patent and intellectual property rights: Patent and intellectual property rights are recognised at their acquisition cost net of accumulated amortisation and impairment, if any. The amortisation is carried out from the year in which the rights acquired are available for use and is calculated taking as reference the shorter period between that of expected use and that of ownership. Estimated useful life is 3 years.

- Concessions, licences and trademarks: This category includes: the licences that grant the right to use patents or other intangible assets for an identified or identifiable time; the trademarks, consisting of signs identifying products or goods as coming from a specific company; know-how and software application licences, owned by third parties. The costs, inclusive of the direct and indirect expenses incurred to obtain the rights, may be capitalised as assets after obtaining their ownership and are systematically amortised taking as reference the shorter period between that of expected use and that of ownership of the rights.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (ASSET IMPAIRMENT)

For the assets object of amortisation, at each date of the financial statements, an assessment is carried out as to the existence of indications of impairment, internal and external. If such indications are observed, the recoverable amount of said assets is estimated, and any impairment with respect to the corresponding book value is recognised in the income statement. The recoverable amount of an asset is represented by the greater between the fair value, net of accessory sale costs, and the corresponding value in use, the latter understood as the current value of the expected future cash flows from the assets. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is calculated with regard to the cash generating unit to which this asset pertains.
An impairment is recognised in the income statement if the value of recognition of the asset, or of the corresponding CGU to which this is allocated, exceeds the recoverable amount. The impairment of a CGU is recognised first as a decrease in the carrying amount of any allocated goodwill and, then, as a decrease in other assets, in proportion to their carrying amount and within the limits of the corresponding recoverable amount. If the conditions for an impairment previously carried out no longer apply, the carrying amount of the assets is restored to the income statement, within the limits of the net carrying amount that the asset in question would have had if the write-down had not been carried out and the corresponding amortisation/depreciation had been carried out.

INVESTMENTS IN SHAREHOLDINGS

Shareholdings in subsidiaries, associates and joint ventures are classified as "investments in shareholdings" and measured at cost in accordance with IAS 27. In the presence of objective evidence of impairment, the recoverability is tested by comparing the book value of the asset with the recoverable value represented by the higher of the fair value (net of disposal costs) and the value in use.
Shareholdings in companies other than subsidiaries, associates and joint ventures (in general with a percentage of ownership of less than 20%) are classified, at the time of acquisition, among "investments in shareholdings" classified as financial instruments available for sale as defined by IAS 39. These instruments are initially recognised at cost at the transaction date, as representative of the fair value, including transaction costs directly attributable to the related transaction. Subsequent to initial recognition, these investments are measured at fair value, if determinable, with recognition of the effects in the comprehensive income statement and, therefore, in a specific equity reserve. Upon realization or recognition of an impairment loss, when there is objective evidence that such instruments have suffered a material and prolonged impairment, gains and losses accumulated in said reserve are reclassified in the income statement. If the outcome of the update of the related fair value, any impairment is recovered, in whole or in part, the related effects will also be recognised in the comprehensive income statement recognising in offsetting item the specific reserve already established.
If fair value cannot be reliably determined, shareholdings classified as financial instruments available for sale are carried at cost, less any impairment losses. These losses cannot be written back in future.

The contingent consideration related to the acquisition of shareholdings are recognised at the acquisition date, as increase of the shareholding to which they refer, at the present value of the estimated liability. Subsequent changes, due to both changes in the estimate, and to the capitalisation of the present value, are recognised as an increase or decrease of the shareholding.

RECEIVABLES AND FINANCIAL ASSETS

The company classifies financial assets in the following categories:
- assets at fair value with offsetting item in the income statement;
- loans and receivables;
- financial assets held to maturity;
- financial assets available for sale.

The management decides on the classification of a financial asset at the time of its first recognition.

Financial assets at fair value with offsetting item in the income statement: This category includes financial assets acquired for short-term trading, derivative instruments, for which we refer to the following section, and the assets indicated as such at the time of their recognition. The fair value of these instruments is calculated on the basis of the market value at the end of the year in question: if the instrument is not listed, this is calculated through common financial measurement techniques. Changes in the fair value of the instruments in this category are immediately recognised in the income statement.

Loans and receivables: This category includes assets, other than derivative instruments, that are not listed in an active market, from which fixed or determinable payments are expected. These assets are initially recognised at fair value, inclusive of the costs of transaction; subsequently, they are recognised at amortised cost using the effective interest rate method. If there are objective indications of impairment, the value of the assets is reduced so that it equals the discounted value of the corresponding expected future cash flows; the losses of value calculated through impairment test are recognised in the income statement. If in later periods the reasons for previous impairments no longer apply, the value of the assets is reset at the value that would have been recognised from the application of amortised cost if the impairment had not been carried out. These assets are classified as current assets, except for the portions with maturity beyond 12 months, which are included among non-current assets.

Financial assets held to maturity: These are assets, different from derivative instruments, with a pre-set maturity, which the Company has the intention and ability to keep in portfolio until their maturity. They are recognised at amortised cost. Those assets with an expected contractual maturity of less than 12 months are classified as current assets. If there are objective indications of impairment, the value of the asset is reduced so that it equals the discounted value of the corresponding expected future cash flows; the losses of value are recognised in the income statement. If in later periods the reasons for previous impairments no longer apply, the value of the assets is restored up to the value that would be derived from the application of amortised cost if the impairment had not been carried out.

Financial assets available for sale: This category includes financial assets that do not fall into any of the previous categories, excluding derivatives. These assets are carried at fair value, calculated by reference to the market prices at the reporting date, or through financial valuation techniques and models; changes in their fair value are recognised among other items of comprehensive income and, correspondingly, in a special equity reserve (“reserve for assets available for sale”). This reserve is transferred to the income statement only at the time in which the financial asset is actually sold or, in the case of negative changes, when it becomes clear that it will not be possible to recover the significant and lasting decrease in value already recognised to equity. Only for non-equity financial instruments, the impairment previously recognised is reversed in the income statement if the circumstances that had involved its recognition are no longer observed. If the fair value cannot be calculated reliably, the asset is recognised in the balance-sheet at cost, adjusted against losses for decrease in value. These losses cannot be written back in future.

DERIVATIVES

Derivative instruments are always treated as assets held for trading and recognised at fair value through profit or loss, unless they represent effective instruments to hedge a specific risk related to underlying assets or liabilities or commitments taken by the Company.

The effectiveness of the hedging transactions is documented and tested both at the beginning of the transaction and regularly (at least at each reporting date) and is measured by comparing the changes in the fair value/cash flow of the hedging instrument with those of the hedged item or, in the case of more complex instruments, through a statistical analysis based on the change of the risk.

The changes in the fair value of the derivatives indicated as fair value hedge (also not used by the Company), and that are qualified as such, are recognised in the income statement, in the same way as it is done for the changes in the fair value of the hedged assets or liabilities due to the risk hedged with the hedging transaction.

The changes in the fair value of the derivatives indicated as cash flow hedges and qualified as such are recognised, only for the “effective” portion, among the other items of the comprehensive income statement through a special equity reserve (“cash flow hedge reserve”), which is transferred to the income statement at the time the underlying hedged asset produces effects on the balance sheet or income statement. The change in fair value due to the ineffective portion is immediately recognised in the income statement. If the execution of the underlying transaction is no longer considered highly likely, the corresponding portion of the “cash flow hedge reserve” is immediately transferred to income statement. If, instead, the derivative instrument is sold, expires or no longer qualifies as effective hedge of the risk against which the transaction had been initiated, the corresponding portion of “cash flow hedge reserve” is kept until when the underlying contract produces effects. The hedging is then derecognised as cash flow hedge.

The Company uses derivative instruments within hedging strategies aimed at neutralising the risk of changes in the expected cash flows from transactions contractually defined or highly likely (cash flow hedge).

FAIR VALUE MEASUREMENT

The company assesses financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date.

A fair value measurement assumes that the sale transaction of the asset or transfer of the liability takes place:

- in the main market of the asset or liability; or
- in the absence of a main market, in the most advantageous market for the asset or liability.

The main market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is valued by adopting the assumptions that market operators would use in the determination of price of the asset or liability, assuming that market operators act to best meet their own economic interest. An assessment of the fair value of non-financial asset does not consider the ability of a market operator to generate economic benefits by making utmost use of the asset or by selling it to another market operator that would make the utmost and best use of it.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The fair value of the instruments listed in public markets is calculated on the basis of the quoted prices at the end of the year. The fair value of instruments not listed is calculated with financial measurement techniques: specifically, the fair value of the interest rate swap is measured discounting the expected cash flows.

All assets and liabilities for which the fair value is measured or recorded in the financial statements are categorized according to the fair value hierarchy, as described below:

- Level 1: financial assets and liabilities the fair value of which is calculated on the basis of the (unadjusted) prices quoted in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: financial assets and liabilities the fair value of which is calculated on the basis of input different from listed prices specified in Level 1 but observable, either directly (prices) or indirectly (from prices);
- Level 3: financial assets and liabilities the fair value of which is calculated through valuation models that use unobservable input data.

If the input data used to calculate the fair value of an asset or liability may be classified at different levels of the fair value hierarchy, the entire measurement is placed at the level of hierarchy of the input at the lowest level that are significant for the entire measurement. The company records the transfers between the different levels of the fair value hierarchy at the end for the year in which the transfer has taken place.

CASH AND CASH EQUIVALENTS

These include cash, deposits at banks or at other credit institutes available for current transactions, postal accounts and other equivalent values as well as investments maturing in the three months of the date of purchase. The cash and cash equivalents are recognised at fair value, usually, coinciding with the nominal value.

SHAREHOLDERS' EQUITY

Share capital
The share capital is represented by the subscribed and paid-in capital.

Share premium reserve
This item consists of the amounts collected by the Company for the issuance of stocks at a price above nominal value.

Other reserves
This item includes the reserves of most common use, which may have a generic or specific allocation. Usually they do not derive from profits of previous years.

Reserves of profit/loss carried forward
This item includes the profit of previous years, which were not distributed or allocated to other reserves, or uncovered losses.

Transaction costs relating to the issue of capital instruments
The transaction costs relating to the issue of capital instruments are recognized as a decrease (net of any related tax benefit) of the Share premium reserve, generated by the same transaction, to the extent that they are marginal costs directly attributable to the capital transaction that would have otherwise been avoided. The transaction costs on capital that is abandoned are recognized in the income statement.
Listing costs not relating to the issue of new shares are recognized in the income statement.
If the listing involves the sale of existing shares and the issue of new shares, the costs directly attributable to the issue of new shares are recognized as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognized in the income statement. Costs related to both transactions are recognized as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognized in the income statement.

PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables and the other financial liabilities are initially recognised at fair value net of transaction costs: subsequently they are recognised at amortised cost, using the effective interest rate method. If there is a change in the estimate of future cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the current value of the new expected cash flows and the effective interest rate originally calculated.
Payables and the other liabilities are classified as current liabilities, unless the Company has the contractual rights to extinguish its obligations more than 12 months of the reporting date.

TAXES

The tax expense of the Company is given by current and deferred taxes. If due to items recognised in the proceeds and charges recognised to equity within the other components of the comprehensive income, said taxes are recognised as an offsetting item in the same item.
Current taxes are calculated on the basis of the tax laws in force at the reporting date; any risk related to different interpretations of positive or negative income items, like disputes with the tax authorities, are recognised as taxes in the income statement with offsetting adjustment made to the liabilities to adjust the provisions recognised in the balance-sheet.
Deferred taxes are calculated on the basis of the temporary differences that are generated between the carrying amount of the assets and liabilities and their value for tax purposes, as well as on tax losses. The

measurement of deferred tax assets and liabilities is carried out by applying the tax rate that expected to be in force at the time in which the temporary differences will be reversed; this forecast is made on the basis of the tax laws in force or substantially in force at the time reference for the year. Deferred tax assets, including those deriving from tax losses, are recognised only if it is believed that taxable income sufficient for their recovery will be generated in the following years.

It is noted that the Company adhered to the tax consolidation headed by the Controlling shareholder Tecno Holding S.p.A. This three-year participation agreement covers the period 2015-2017. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the Company are defined in the corresponding tax consolidation regulations. Accordingly, the Company has reported in these separate financial statements the equity related to current IRES taxes to the Controlling shareholder Tecno Holding S.p.A. under the item assets/liabilities for current taxes. The recognition of current taxes for IRAP purposes remains unchanged.

EMPLOYEE BENEFITS

The short-term benefits are represented by salaries, wages, corresponding social security contributions, pay in lieu of vacation and incentives paid as bonuses to be paid in the twelve months from the date of the financial statements. These benefits are recognised as items of personnel expenses in the period of employment.

The benefits after the termination of the employment are divided into two categories:

- *defined-contribution plans* in which the Company pays fixed contributions to a separate entity (for example a pension fund) without a legal or implicit obligation to pay additional contributions if said entity does not have sufficient assets to pay the benefits corresponding to the service provided during employment at the Company. The company recognises the contributions to the plan only when the employees have provided their activity in exchange for those contributions;
- *defined-benefit plans*, which include the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code ("TFR"), for the portion accrued until 31 December 2006, in which the Company commits to grant the benefits agreed with the employees in service and former employees taking the actuarial and investment risks related to the plan. The cost of this plan is therefore not defined on the basis of the contributions due for the year, but is recalculated on the basis of demographic assumptions, statistics and on the wage trends. The methodology applied is called "projected unit credit method". The value of the liability recognised in the balance-sheet is, therefore, in line with the value resulting from its actuarial measurement, with full and immediate recognition of actuarial profits and losses, in the period in which they arise as other components of comprehensive income, through a special equity reserve ("TFR reserve"). In the calculation of the amount to be recognised in the statement of financial position, the current value of the obligation for defined-benefit plans is decreased by the fair value of the assets servicing the plan, if any, calculated using the interest rate adopted to discount the obligation.

For companies with less than 50 employees, including Tecnoinvestimenti S.p.A., from 1 January 2007, the so-called Financial Act 2007 and the corresponding implementation decrees have made significant changes to the TFR rules, among which giving to the worker a choice on the destination of his/her TFR. Specifically, the new TFR flows can be directed by the workers to pension schemes of their choice or else kept in the Company. In the first case, from this date the newly accrued portions represent defined-contribution plans not subject to actuarial measurement.
With reference to the classification of the costs related to the TFR contributions, service costs are recognised under "Personnel costs" and interest charges under "Financial expenses", while actuarial profits/losses are recognised among the other components of comprehensive income.

SHARE-BASED PAYMENTS

In the event of transactions with share-based payments settled with equity instruments of the Company, the fair value on the allocation date of the options on shares granted to employees is recognised under personnel costs, with a corresponding increase in Equity under the item "Other reserves and retained earnings" throughout the period during which employees obtain the unconditional right to incentives. The amount recognised as cost will be adjusted to reflect the actual number of incentives (options) for which the conditions of permanence in service have accrued achievement of non-market conditions, so the final amount recognised as cost is based on the number of incentives that will definitively accrue. Similarly, when estimating the fair value of the options granted, all non-vesting conditions must be considered. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the financial statements.
In the event of transactions with share-based payments settled in cash (or shares or other financial instruments not belonging to the Company), the fair value of the amount to be paid to employees is recorded as cost, with a corresponding increase of liabilities for employee benefits throughout the period during which employees will accrue the unconditional right to receive payment. The liability is measured at each year-end date and settlement date on the basis of the fair value of share revaluation rights. Any changes in the fair value of liabilities are recognised in the profit or loss for the year under personnel costs.

PROVISIONS FOR RISKS AND CHARGES

Provisions to the reserve for risks and charges are recognised when, at the reference date, in the presence of a legal or implicit obligation towards third parties, deriving from a past event, it is likely that meeting the obligation will require an outlay of resources, the amount of which can be reliably estimated.
This amount represents the current value, if the financial effect of time is significant, of the best estimate of the expense needed to extinguish the obligation. The rate used in the calculation of the current value of the liability reflects current market values and includes the additional effects related to the specific risk associated to each liability. The changes in the estimate are reflected in the income statement of the year in which the change takes place.
If the Company is exposed to risks for which the occurrence of a liability is only a possibility, these risks are described in the Notes and no provision is made.

REVENUE

The revenue and the proceeds are recognised net of returns, allowances, premiums, as well as of taxes directly related to the provision of the services. Revenue is recognised on the basis of the use of the services by clients and in any case when it is likely that future benefits will be received and that these benefits may be quantified reliably.

Charge-backs to third parties for costs incurred on their behalf are recognised as reduction of the cost to which they refer.

COSTS

The costs related to the purchase of assets are recognised when the risks and benefits of the assets traded are transferred; the service costs received are recognised proportionally when the service is provided.

FINANCIAL INCOME AND EXPENSES

Dividends due are recognised when the Company's right to receive payment is established.

Interest is recognised on an accrual basis on the basis of the effective interest method, using in other words the interest rate that makes financially equivalent all inflows and outflows (including any premium, discount, commissions etc.) from a transaction.

5. NEW STANDARDS OR AMENDMENTS FOR 2017 AND FUTURE REQUIREMENTS

ACCOUNTING STANDARDS AND AMENDMENTS TO THE STANDARDS ADOPTED BY THE COMPANY

d) From 1 January 2016, the Company adopted the following new accounting standards:

- "*Equity Method in Separate Financial Statements (Amendments to IAS 27)*". This document was adopted by the European Union with Regulation No. 2441 of 23 December 2015. The amendments allow entities to use the equity method to recognize its investments in subsidiaries, joint ventures and affiliated companies in the separated financial statements.
- Amendments to IAS 1 "*Presentation of Financial Statements*". These amendments were adopted by the European Union by means of Regulation no. 2406 of 19 December 2015. The initiative is part of the Disclosure Initiative project that aims to improve the presentation and disclosure of financial information in financial reports and to resolve some of the issues reported by operators.
- "*Annual Improvements to IFRSs: 2012-2014 Cycle*". This document was adopted by the European Union with Regulation No. 2343 of 16 December 2015. The amendments introduced concern the following standards: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosure*, IAS 19 *Employee Benefits*, IAS 34 *Interim Financial Reporting*.
- *"Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*"; these amendments clarify that an amortization method based on revenues generated by the asset (revenue-based method) is not considered appropriate as it reflects only the flow of revenues generated by said asset and not, instead, the method of consumption of the economic benefits incorporated in the asset. These amendments were adopted by the European Union by means of Regulation no. 2015 of 3 December 2015.
- "*Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 Joint Arrangements)*". This document was adopted by the European Union with Regulation No.2173 of 25 November 2015. The amendments to IFRS 11 clarify the methods of accounting of acquisitions of interests in a joint operation that represents a business.
- Amendments to IAS 16 and IAS 41 regarding cultivations (Bearer Plants). According to these amendments, adopted by the European Union by means of Regulation no. 2113 of 24 November 2015, cultivations may be recognised at cost instead of fair value. In contrast, crop continues to be recognised at fair value.
- "*Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*". The amendment, adopted by the European Union by means of Regulation no. 1703 of 23 September 2016 clarified three issues related to the consolidation of an investment entity.

e) Accounting standards and interpretations on standard effective for the financial years after 2016 and not adopted early by the Company:

- On 24 July 2014, the IASB published the final version of IFRS 9 "*Financial instruments*". The document includes the results of the phases relating to classification and valuation, derecognition, impairment and hedge accounting, of the IASB project aimed at replacing IAS 39. The new standard replaces the previous versions of IFRS 9. In 2008, IASB started the project aimed to the replacement of IFRS 9 and has proceeded by stages. In 2009, it published the first version of IFRS 9, which dealt with the measurement and classification of financial assets; subsequently, in 2010, it published the rules for financial liabilities and derecognition. In 2013, IFRS 9 was amended to include the general model of hedge accounting. In September 2015, EFRAG completed its due process for the issuance of the endorsement advice, which was then presented to the European Commission. This document, adopted by the European Union by means of Regulation no. 2067 of 29 November 2016 is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.

- On 28 May 2014, the IASB published IFRS 15 - "*Revenue from Contracts with Customers*". The standard represents a unified and complete framework for the recognition of revenue and sets out provisions to be applied to all contracts with clients (excluding contracts falling within the scope of the standards on leasing, insurance contracts and financial instruments). IFRS 15 replaces the previous standards on revenues: IAS 18 Revenue and IAS 11 Construction Contracts, as well as the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The forecasts contained therein define the criteria for the recognition revenues from the sale of products or provision of services through the introduction of the so-called five-step model framework; furthermore, it is required to provide in the notes specific information on the nature, amount, timing and uncertainties related to revenues and cash flows arising from contracts entered into with customers. On 11 September 2015, IASB published an Amendment to IFRS 15, with which it postponed by one year the coming into force of the standard, now scheduled for 1 January 2018. This document, adopted by the European Union by means of Regulation no. 1905 of 29 October 2016 is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.

f) Accounting standards and interpretations to be applied in the near future:
At the date of the approval of these separate financial statements, a few accounting standards, interpretations and amendments had been issued by IASB, but not yet ratified by the European Union, some of which still in the consultation stage, among which we note:

- On 30 January 2014, the IASB published IFRS 14 —"*Regulatory Deferral Accounts*". The standard provides first-time adopters that operate in a sector with regulated tariffs, the possibility to continue to account in the first and subsequent IFRS financial statements, with some limited changes, "regulatory assets and liabilities" using the previous local accounting standards; furthermore, it is required that assets and liabilities from regulatory activities, as well as changes thereof, be presented separately in the statement of financial position, income statement and statement of comprehensive income and that specific information be provided in the notes. It is noted that to date, the European Commission has decided to suspend the Endorsement Process pending the issuance of the final accounting standard by the IASB.
- On 13 January 2016, the IASB published the new standard IFRS 16 *Leases*, which replaces IAS 17. IFRS 16 will apply from 1 January 2019. In fact, the new standard eliminates the difference in the accounting of operating and financial leases despite the presence of elements that allow simplifying the application thereof and introduces the concept of control within the definition of leasing. In particular, in order to determine whether or not a contract represents a lease, IFRS 16 requires verifying whether or not the tenant has the right to control the use of a given asset for a certain period of time. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers.* The conclusion of the due process by the EFRAG is expected for the first quarter of 2016.
- On 12 April 2016, the IASB published the document - "*Clarifications to IFRS 15 Revenue from Contracts with Customers*". This amendment does not modify the provisions contained in the standard but clarifies how said provision must be applied. In particular, it clarifies (i) how to identify a performance obligation in a contract, (ii) how to determine whether an entity is a principal or an agent, and (iii) how to determine the moment when revenues from the grant of licenses shall be recognized. The entry into force of this amendment, whose approval by the EU is expected in the second quarter of 2017, is also set for 1 January 2018.
- On 11 September 2014, the IASB published the document "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)", in order to resolve a conflict between IAS 28 and IFRS 10. According to IAS 28, the gain or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associate in exchange for a share in the capital of

the latter, is limited to the shareholding by other investors extraneous to the transaction. IFRS 10 instead provides for the recognition of the entire profit or loss in the case of loss of control, even if the entity continues to hold a non-controlling interest in the Company, including in this case also the sale or contribution of a subsidiary to a joint venture or affiliated company. The amendments provide that in a sale/contribution of an asset/subsidiary to a joint venture/affiliated company, the measure of the profit or loss to be recognised in the financial statements of the seller/contributor depends on whether the asset/subsidiary sold/contributed represent a business, as defined by IFRS 3. If the asset/subsidiary sold/contributed represents a business, the entity must recognise the profit or the loss on the entire interest previously held; otherwise, the portion of profit or loss for the interest still held by the entity must be eliminated. In December 2015, the IASB published the Amendment that defers indefinitely the entry into force of the amendments to IFRS 10 and IAS 28, pending completion of the IASB project on the equity method.

- On 19 January 2016, the IASB published some amendments to IAS 12 *Income Tax*. The document "*Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)*" aims to clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments apply from 1 January 2017. Early application is allowed. Ratification by the EU is expected in the second quarter of 2017.
- On 29 January 2016, the IASB published some amendments to IAS 7 *Statement of cash flows*. The document *Disclosure initiative (Amendments to IAS 7)* aims at improving the presentation and disclosure of financial information in the financial statements and to solve some of the issues flagged by the operators. The amendments are applicable from 1 January 2017. Ratification by the EU is expected in the second quarter of 2017.
- On 20 June 2016, the IASB published some amendments to IFRS 2 *Share-based Payment*. The document "*Classifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)*" resolves some issues relating to the accounting of share-based payments. In particular, this amendment makes significant improvements to (i) the valuation of share-based payments settled in cash, (ii) the classification thereof and (iii) the method of accounting in case of modification from share-based payments settled in cash to share-based payments settled with capital instruments. The amendments are applicable from 1 January 2018. Ratification by the EU is expected in the second quarter of 2017.
- On 12 September 2016, the IASB published some amendments to IFRS 4 *Insurance Contracts*. The document "*Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*" aims to resolve the inconsistencies deriving from the deferment of the dates of entry into force of IFRS 9 and the new accounting standard on insurance contracts. The amendments are applicable from 1 January 2018. Ratification by the EU is expected in the third quarter of 2017.
- On 8 December 2016, the IASB published some amendments to IAS 40 *Investment Property*. The document "*Amendments to IAS 40: Transfers of Investment Property*" aims to clarify the aspects relating to the treatment of transfers from and to property investments. In particular, the amendment clarifies that a transfer must be made if, and only if, there is an actual change in the use of the asset. A change in management's intention is not sufficient in itself for a transfer. The amendments apply to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted. Approval by the EU is expected in the second half of 2017.
- On 8 December 2016, the IASB published the document "*Annual Improvements to IFRS Standards 2014-2016 Cycle*". The amendments introduced, falling within the ordinary activity of rationalisation and clarification of international accounting standards, are related to the following standards: IFRS 1 *First-time adoption of IFRS*, IFRS 12 *Disclosure of interests* in other entities e IAS 28 *Investments in associates and joint venture*. Approval by the EU is expected in the second half of 2017. The amendments to IFRS 1 and IAS 28 apply to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted only with reference to IAS 28. Amendments to IFRS 12 apply to financial statements relating to years beginning on 1 January 2018, or later.
- On 8 December 2016, the IASB published interpretation IFRIC 22 –"*Foreign Currency Transaction and Advance Consideration*", in order to provide clarification on the correct recognition of a transaction

in foreign currency, in the case of payments made or received in advance with respect to the subject of the transaction to which the payments refer. The interpretation clarifies that the transaction date to be used for the conversion is the date on which the entity makes or receives the payment in advance. IFRIC 22 applies to financial statements relating to years beginning on 1 January 2018 or later; earlier application is permitted. Approval by the EU is expected in the second half of 2017.

The potential consequences of the accounting standards, amendments and interpretations scheduled for the application on the financial information provided by the Company are being studied and quantified.

6. USE OF ESTIMATES

As part of the preparation of these financial statements, in application of the reference accounting standards, the directors had to make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs, and revenues recognised in the financial statements, as well as the information provided. Therefore, the final results of the items for which said estimates were used could differ from those reported in these financial statements, given the uncertainty that characterises the assumptions and the hypotheses on which the estimates are based.

The accounting standards and the financial statement items that involve a greater subjectivity by the Directors in the estimation process are the following:

• Impairment of fixed assets: tangible and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised with a write-down, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.

• Measurement at fair value: in measuring the fair value of an asset or liability, the Company makes use of observable market data as far as possible. Fair values are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques, as described before.

7. MANAGEMENT OF FINANCIAL RISK

The Company is exposed to financial risks connected with its operations, especially related to the following:
- interest rate risks, from the financial exposure of the Company;
- exchange rate risk, from operations in currencies different from the functional currency;
- liquidity risk, related to the availability of financial resources and access to credit markets;
- credit risks, resulting from normal commercial transactions or financing activities.

Tecnoinvestimenti monitors closely each financial risk, intervening with the objective of minimising them promptly also by making use of hedging derivatives.

Exchange rate risk
The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Company conducts its business exclusively in Italy, the entire turnover and almost all purchase are realized in Euro; therefore, it is not significantly exposed to the risk of fluctuations in foreign currency exchange rates against the Euro.

Interest rate risk
The Company uses external financial resources in the form of debt and uses the liquidity available in bank deposits. Changes in market interest rates influence the cost and return of the different types of borrowing and investment and therefore have an impact on the level of the financial expenses and income.
Being exposed to interest rate fluctuations with regard to the extent of the financial expenses incurred to borrow funds, the Company periodically reviews its exposure to the risk of changes in interest rates and manages it also by making use of interest rate derivatives, specifically interest rate swaps (IRS) taken out only for hedging purposes. The breakdown of interest rate swaps outstanding at 31 December 2016 is provided in note 20.
Cash mainly consists of variable-rate bank deposits, and therefore its fair value is close to the value recognised in the financial statements.
The interest rate to which the Company is mostly exposed is the Euribor. Therefore, the risk of interest rate appears adequately monitored, given the current slope of the Euribor rate curve.

Credit risk
Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 31 December 2016, the liquidity of the Company was invested in bank deposits held at prime credit institutes.
The trade receivable risk mainly arises from receivables from subsidiaries deriving from the charge-back of infra-group services; therefore, the Company is not significantly exposed to the trade receivable risk.

Liquidity risk
Liquidity risk consists of an inability to raise, on adequate terms, the financial resources needed for the Company to operate. The two main factors that influence the liquidity of the Company are:
(i) the financial resources generated or absorbed by operating and investing activities;
(ii) the maturity of financial debt.
The liquidity requirements of the Company are monitored by the treasury function, with the objective to ensure financial resources can be effectively found and an adequate investment/return of liquidity.
The management believes that the cash and the credit lines currently available, in addition to those that will be generated by operating and financing activities, will allow the Company to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity.

The following is a summary of the financial liabilities, with the exception of derivative financial instruments, recognised in the financial statements at 31 December 2016, classified according to the contractual expiry:

In thousands of Euro	**2017**	**2018**	**2019**	**2020**	**2021**	**Book value at 31/12/2016**
Payables to banks	4,741	2,857	3,688	8,419	0	**19,704**
Liabilities related to acquisitions	2,348	1,847	3,875	1,400	1,400	**10,869**
Payables to controlling shareholder	161	0	25,000	0	0	**25,161**
Payables to subsidiaries	156	0	0	16,000	0	**16,156**
Total financial liabilities	**7,405**	**4,704**	**32,562**	**25,819**	**1,400**	**71,890**

For details regarding the financial liabilities listed above, reference is made to note 19.

8. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following is a reconciliation of classes of financial assets and liabilities as identified in the Statement of Financial Position of the Company and types of financial assets and liabilities identified on the basis of the requirements of IFRS 7:

In thousands of Euro	*Held for trading*	*Designated at fair value*	*Fair value Hedging instruments*	*Held to maturity*	*Loans and receivables*	*Available for sale*	*Financial liabilities at amortised cost*	***Total***
NON-CURRENT ASSETS	**0**	**0**	**0**	**0**	**38**	**0**	**0**	**38**
Other financial assets, excluding financial derivative instruments	0	0	0	0	0	0	0	**0**
Trade receivables and other receivables	0	0	0	0	38	0	0	**38**
CURRENT ASSETS	**0**	**0**	**0**	**0**	**30,628**	**0**	**0**	**30,628**
Trade receivables and other receivables	0	0	0	0	601	0	0	**601**
Cash and cash equivalents	0	0	0	0	30,026	0	0	**30,026**
NON-CURRENT LIABILITIES	**0**	**2,922**	**165**	**0**	**0**	**0**	**61,563**	**64,650**
Financial liabilities, excluding financial derivative instruments	0	2,922	0	0	0	0	61,563	**64,485**
Derivative financial instruments	0	0	165	0	0	0	0	**165**
CURRENT LIABILITIES	**124**	**839**	**0**	**0**	**0**	**0**	**7,899**	**8,863**
Financial liabilities, excluding financial derivative instruments	0	839	0	0	0	0	6,566	**7,405**
Derivative financial instruments	124	0	0	0	0	0	0	**124**
Trade and other payables	0	0	0	0	0	0	1,333	**1,333**

9. FAIR VALUE HIERARCHY

The table below shows the fair value hierarchy of the assets and liabilities of the Company:

Amounts in Euro	*Fair value*			
	Level 1	*Level 2*	*Level 3*	***Total***
NON-CURRENT LIABILITIES	**0**	**165,210**	**2,926,302**	**3,091,512**
Derivative financial instruments		*165,210*		*165,210*
Interest rate swap		165,210		165,210
Other financial liabilities, except for derivative financial instruments			*2,926,302*	*2,926,302*
Contingent consideration			2,926,302	2,926,302
CURRENT LIABILITIES	**0**	**0**	**936,357**	**936,357**
Derivative financial instruments			*124,001*	*124,001*
Put options on minority interests			124,001	124,001
Other financial liabilities, except for derivative financial instruments			*839,356*	*839,356*
Contingent consideration			839,356	839,356

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT AND EQUIPMENT

Amounts in Euro	31/12/2015	Investments	Divestments	Depreciation	Reclassifications	31/12/2016
Leasehold improvements						
Cost	27,658					*27,658*
Accumulated Depreciation	-15,369			-12,289		*-27,658*
Net value	**12,289**	**0**	**0**	**-12,289**	**0**	**0**
Other assets						
Cost	71,474	52,214				*123,688*
Accumulated Depreciation	-25,833			-16,544		*-42,378*
Net value	**45,641**	**52,214**	**0**	**-16,544**	**0**	**81,310**
Property, plant and equipment	**57,930**	**52,214**	**0**	**-28,834**	**0**	**81,310**

11. INTANGIBLE ASSETS

The item comprises intangible assets with definite useful life as follows:

Amounts in Euro	31/12/2015	Investments	Divestments	Amortization	Reclassifications	31/12/2016
Patent and intellectual property rights						
Cost	11,337	6,000			98,500	*115,837*
Accumulated Amortization	-10,025			-35,107		*-45,132*
Net value	**1,312**	**6,000**	**0**	**-35,107**	**98,500**	**70,705**
Concessions, licences, trademarks and similar rights						
Cost	8,000					*8,000*
Accumulated Amortization	-3,114			-4,886		*-8,000*
Net value	**4,886**	**0**	**0**	**-4,886**	**0**	**0**
Assets in progress and advances						
Net value	**98,500**	**0**	**0**	**0**	**-98,500**	**0**
Intangible assets	**104,699**	**6,000**	**0**	**-39,993**	**0**	**70,705**

The increase in the period in the item Industrial patent and intellectual property rights is related to the entry into operation of the Tagetik software for the consolidation of accounting and management data.

12. EQUITY INVESTMENTS RECOGNISED AT COST

The net increase of Euro 57,480 thousand, compared to the value at 31 December 2015 is due to the acquisitions in the year of the controlling shareholdings in Co.Mark S.p.A. and Visura S.p.A.

The following tables provide:

- the opening and closing balances of the shareholdings held by the Company, and the related changes in the year;

- details of shareholdings, including, among other information, the ownership percentages and the related carrying value at 31 December 2016.

Amounts in Euro	31/12/2015				Changes in the year				31/12/2016			
	% share-holding	Cost	Accumulated impairment	Net balance	Investments	Impairment	Revalu-ations	Other Changes	% share-holding	Cost	Accumulated impairment	Net balance
InfoCert S.p.A.	99.99	18,238,589		18,238,589					99.99	18,238,589		18,238,589
Ribes S.p.A.	91.30	23,480,715		23,480,715					87.50	23,480,715		23,480,715
Assicom S.p.A.	67.50	53,606,203		53,606,203				-453,151	67.50	53,153,052		53,153,052
Co.Mark S.p.A.	-				35,044,713			138,810	70.00	35,183,523		35,183,523
Visura S.p.A.	-				22,884,058			31,685	60.00	22,915,743		22,915,743
Total Investments		**95,325,507**	**0**	**95,325,507**	**57,928,772**	**0**	**0**	**-282,656**		**152,971,623**	**0**	**152,971,623**

Amounts in Euro	**% shareholding**	**Cost**	**Registered office**	**Share Capital at 31/12/2016**	**Shareholders' equity at 31/12/2016**	**Profit FY 2016**
InfoCert S.p.A.	99.99	18,238,589	Rome	17,704,890	27,521,014	7,297,453
Ribes S.p.A.	87.50	23,480,715	Milan	241,019	14,784,232	3,115,338
Assicom S.p.A.	67.50	53,153,052	Buja (UD)	3,000,000	9,793,305	2,950,186
Co.Mark S.p.A.	70.00	35,044,713	Milan	150,000	8,090,620	4,630,273
Visura S.p.A.	60.00	22,884,058	Rome	1,000,000	4,691,220	3,029,910

The impairment tests carried out on shareholdings for which the cost value is higher than the related equity have not revealed any impairment loss.

Investment Co.Mark S.p.A.

On 24 March 2016, Tecnoinvestimenti completed the acquisition of 70% of Co.Mark S.p.A. Co.Mark is a company specialized in the provision of temporary export management services aimed at the search for customers and creation of commercial networks in Italy and abroad. The amount for the acquisition of 70% of the capital of Co.Mark S.p.A. was set at Euro 32,449 thousand, of which Euro 12,951 thousand paid at the closing date, Euro 12,498 thousand paid on 31 July 2016, Euro 7,000 thousand (plus interest) to be paid in the five years following the closing, and in five decreasing instalments starting in 2016. There is also a contingent consideration related to the results of Co.Mark S.p.A. of 2018 to be paid in the second half of 2019, the present value of which amounted to Euro 2,336 thousand at the closing date. Euro 259 thousand of ancillary expenses have been incurred for the acquisition of the equity investment.
The following is a summary of the items relating to the investment for the acquisition of 70% of Co.Mark S.p.A.:

Investment Co.Mark S.p.A.	*In thousands of Euro*
Cash and cash equivalents	25,449
Price deferment	7,000
Contingent consideration	2,336
Ancillary expenses	259
Total Investment	**35,045**

With regard to the remaining 30%, held by the founding shareholders, Put&Call option rights were granted, which may be exercised in three annual tranches of 10% each, at a price calculated through the application of a variable multiple on annual EBITDA, on the basis of the growth rates recorded.

Investment Visura S.p.A.

On 20 July 2016, the closing was signed for the acquisition of 60% of Visura S.p.A. The transaction allows the Tecnoinvestimenti Group to gain strength in its core markets and expand the offer of Digital Trust solutions, with particular reference to the professional sector. The Visura Group is mainly active in the sale of Telematic Trust Solutions and distribution of business information through proprietary web platforms dedicated to professional customers and partly to small/medium-sized enterprises. The price for the acquisition of 60% was set at Euro 21,900 thousand, paid in cash.
With reference to the acquisition price, it was determined that with the approval of the 2016 financial statements, a sum equal to 30% of distributable profit will be paid in the form of price integration by Visura S.p.A., the discounted value of which amounted to Euro 808 thousand at the closing date. Euro 176 thousand of ancillary expenses have been incurred for the acquisition of the equity investment.
The following is a summary of the items relating to the investment for the acquisition of 70% of Co.Mark S.p.A.:

Investment Visura S.p.A.	*In thousands of Euro*
Cash and cash equivalents	21,900
Contingent consideration	808
Ancillary expenses	176
Total Investment	**22,884**

Lastly, for the remaining 40% held by the founding shareholders, Put & Call option rights are provided exercisable in a lump sum after approval of the 2018 financial statements, at a price calculated on the basis of a multiple of 6 on the 2018 consolidated EBITDA of Visura, taking into account the net financial position.

Other changes

The change in the cost of the shareholding in Assicom S.p.A. is attributable to the decrease, compared to 31/12/2015, of the estimate related to the contingent consideration for the acquisition of the shareholding, which took place at the end of 2014, the potential payment of which is contractually expected in the first half 2018.

The change in the cost of the shareholdings in Co.Mark S.p.A. and Visura S.p.A. is attributable to the increase, compared to the respective acquisition dates, of the estimate related to the contingent consideration for the acquisition of the shareholdings, the potential payment of which is contractually expected in the first half of 2019 and first half of 2017.

Regarding the decrease in the shareholding in Ribes S.p.A., it is noted that on 15 June 2016, the minority shareholder Coesa exercised the full subscription right of the Warrants equal to 10,042 newly-issued ordinary shares of Ribes, with a nominal value of Euro 1 each at a price of Euro 117.00 per share (with a share premium of Euro 116.00) for each Warrant held, for a total amount of Euro 1,175 thousand. As a result of the aforementioned exercise of subscription of Warrants, Coesa is holder of 30,127 Ribes shares (representing 12.5% of the share capital) and Tecnoinvestimenti of 210,892 Ribes shares (representing 87.5% of the share capital).

13. DEFERRED TAX ASSETS/LIABILITIES

Below is the breakdown and changes compared to 31 December 2015 of deferred tax assets and liabilities:

Amounts in Euro	31/12/2015	Allocations IS	Releases IS	Allocations Comprehensive IS	Releases Comprehensive IS	Allocations SE	Releases SE	31/12/2016
Deferred tax assets:								
Impairments of shareholdings	20,202							20,202
Decreases in hedging financial instruments	30,996			8,654				39,650
Differences between statutory and tax amortisation rates	17,619	1,057	-16,157					2,519
AIM listing costs	215,680		-90,775					124,905
Employee benefits	12,082		-7,413					4,669
Losses that can be carried forward for tax purposes	190,789							190,789
Other temporary differences								0
Total Assets for deferred tax liabilities	**487,368**	**1,057**	**-114,345**	**8,654**	**0**	**0**	**0**	**382,734**
Deferred tax liabilities:								
Revaluations of shareholdings	22,930							22,930
Employee benefits	7,236		-7,236					0
Other temporary differences	177		-177					0
Total deferred tax liabilities	**30,343**	**0**	**-7,413**	**0**	**0**	**0**	**0**	**22,930**

Deferred tax assets are mainly due to the tax effect related to the costs incurred for the capital increase in August 2014 during the listing on the AIM market of the Italian Stock Exchange; these costs are taxable in five years according to the tax law applicable at the date incurred. The costs for the capital increase concluded in August 2016 on the occasion of the listing on the STAR segment of the Italian Stock Exchange did not generate deferred tax assets since they are fully deductible under current regulations.
Deferred tax assets have been recorded at 31 December 2016 as the management of the Company has deemed them to be recovered in future years.
The balances of deferred tax assets and liabilities already at 31 December 2015 had been adjusted to take account of the change in the IRES rate (from 27.5% to 24%) envisaged as of 2017.

14. TRADE AND OTHER RECEIVABLES

The item trade and other receivables totalled Euro 639 thousand (Euro 585 thousand at 31 December 2015) and can be detailed as follows:

Amounts in Euro	**31/12/2016**	**31/12/2015**	**Change**
Deferred assets	37,545	0	37,545
Receivables from others	0	40	-40
Trade receivables and other non-current receivables	**37,545**	**40**	**37,505**
of which with Related parties	***2,600***	***0***	***2,600***
Receivables from customers	0	6,100	-6,100
Receivables from Controlling shareholder	4,366	173,850	-169,484
Receivables from subsidiaries	54,441	185,833	-131,392
Receivables from others	17,149	4,200	12,949
VAT credit	454,666	137,669	316,997
Deferred assets	70,828	76,987	-6,159
Trade and other current receivables	**601,451**	**584,639**	**16,811**
of which with Related parties	***60,108***	***367,450***	***-307,342***
Trade receivables and other receivables	**638,995**	**584,679**	**54,316**

There is no bad debt provision as the book value is considered fully recoverable.

15. CURRENT TAX ASSETS AND LIABILITIES

Amounts in Euro	31/12/2016	31/12/2015	Change
Current tax assets	2,082,970	1,032,281	1,050,689
of which with Related parties	*2,082,970*	*1,032,281*	*1,050,689*
Current tax liabilities	0	0	0
Net current taxes	**2,082,970**	**1,032,281**	**1,050,689**

Current tax assets relate to the receivable due in relation to the tax losses transferred as part of the Tax Consolidation. In this regard, it is noted that the Company adhered to the tax consolidation headed by the Controlling shareholder Tecno Holding S.p.A. This three-year participation agreement covers the period 2015-2017. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the Company are defined in the corresponding tax consolidation regulations.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be broken down as follows

Amounts in Euro	31/12/2016	31/12/2015	Change
Bank and postal deposits	30,024,759	3,576,982	26,447,777
Cheques	0	0	0
Cash and cash equivalents	1,348	3,958	-2,609
Cash and cash equivalents	**30,026,107**	**3,580,940**	**26,445,167**

The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading national banks. The increase in the period is primarily attributable to the capital increase concluded in July 2016, which contributed cash and cash equivalents for Euro 49,491 thousand, and the loan obtained by the Controlling shareholder Tecno Holding S.p.A. for a total of Euro 25,000 thousand (detailed in note 19), partially offset by liquidity used for the acquisitions of the control of Co.Mark S.p.A. and Visura S.p.A. for a total of Euro 47,785 thousand.

17. SHAREHOLDERS' EQUITY

The subscribed and paid-in share capital amounts Euro 46,256,120 at 31 December 2016 and consists of 46,256,120 ordinary shares.

Amounts in Euro	31/12/2016	31/12/2015	Change
Share capital	46,256,120	31,700,000	14,556,120
Legal reserve	1,136,257	773,501	362,756
Share premium reserve	53,156,403	19,172,960	33,983,443
Extraordinary reserve	8,223,589	4,666,248	3,557,342
Revaluation reserve pursuant to art. 2426 Civil Code	554,012	554,012	0
First Time Adoption Reserve	4,393	4,393	0

Profits (losses) previous years	-2,579,297	-1,310,959	-1,268,338
Reserve from valuation of hedging derivatives	-125,560	-98,155	-27,405
Defined-benefits plan reserve	-33,110	-42,639	9,529
Profit (loss) for the year	5,931,070	5,187,760	743,310
Total equity	**112,523,877**	**60,607,120**	**51,916,756**

The items of net equity are broken down as follows according to their origin, possible use, allocation and use in the three prior years:

Amounts in Euro	**31/12/2016**	**Possibility of use**	**Available portion**	**Distributable portion**	**Summary of uses in the three previous years**	
					For loss coverage	**For other reasons**
Share capital	46,256,120		0	0		
Legal reserve	1,136,257	A, B	1,136,257	0		
Share premium reserve	53,156,403	A, B, C	53,156,403	45,337,989		
Extraordinary reserve	8,223,589	A, B, C	8,223,589	5,644,293		
Revaluation reserve pursuant to art. 2426 Civil Code	554,012	A, B	554,012	0		
First Time Adoption Reserve	4,393	A	0	0		
Profits (losses) previous years	-2,579,297		-2,579,297	0		
Reserve from valuation of hedging derivatives	-125,560		0	0		
Defined-benefits plan reserve	-33,110		0	0		
Profit (loss) for the year	5,931,070		5,931,070	5,634,516		
Total	**112,523,877**		**66,422,034**	**56,616,798**		

Legend

A: For capital increase

B: For loss coverage

B For distribution to shareholders

The share capital increased in 2016 as a result of the capital increase concluded in August, approved by the Board of Directors on 16 June and 14 July 2016, pursuant to the authority granted, pursuant to art. 2443 of the Civil Code, by the Shareholders' Meeting held on 31 May 2016. Upon completion of the option and pre-emption offer period, initiated on 18 July 2016 and concluded on 3 August 2016, 14,556,120 shares were subscribed at the subscription price of Euro 3.40 per share (of which Euro 2.40 share premium), equal to 99.82% of the total shares offered, for a total value of Euro 49,491 thousand.
The share premium reserve was constituted in 2014, following the capital increase made as part of the AIM listing of the Italian Stock Exchange of the Company's shares. Said listing, in addition to increasing the share capital from Euro 25,000 thousand to Euro 31,700 thousand, resulted in the recognition of this reserve for an amount of Euro 19,173 thousand, net of costs related to the issuance of new shares amounting to Euro 461 thousand. The same share premium reserve increased in 2016 as a result of the capital increase concluded in August 2016; this transaction, in addition to increasing the share capital from Euro 31,770 thousand to Euro 46,256 thousand, as mentioned above, resulted in the recognition of the share premium for Euro 34,935 thousand, net of costs related to the increase of the same capital equal to Euro 951 thousand.

The *Reserve from valuation of hedging derivatives* refers to the Fair Value valuation of hedging derivatives (referred to in note 20) subscribed by the Company in relation to the bank loan obtained at the end of 2014 to acquire the Assicom Group.

The defined-benefits plan reserve refers to the actuarial component of the Employee Severance Indemnity according to the requirements of IAS 19.

On 4 February 2016, the Extraordinary Shareholders' Meeting of Tecnoinvestimenti resolved to proceed with the issue of 951,000 Warrants referred to as "Warrant Tecnoinvestimenti 2016-2019" to be offered for free for subscription to the shareholder Cedacri. The paid capital increase will be through the issue of a maximum of 951,000 ordinary shares for the exercise of the 2016-2019 Tecnoinvestimenti Warrants issued upon completion of the Shareholders' Meeting of 4 February 2016, which approved the aforementioned capital increase and offered free of charge to the Cedacri shareholder. Said Warrants shall not be transferable and shall entitle to the subscription of the new shares to the extent of one new share for each Warrant held, to be exercised in three instalments and in as many time frames (between 5 July and 30 September included in the years 2017 - 2018 - 2019), following the achievement of certain annual turnover targets for the years 2016/2018. In fact, Cedacri S.p.A. initiated and maintains industrial collaborations with Tecnoinvestimenti Group companies and, with respect to the commitment to develop certain levels of business, may increase its shareholding in the Company. The issue price of the Tecnoinvestimenti shares for the Warrant is defined, to the extent permitted by applicable law, at Euro 3.40 per share. The final date for the eventual exercise of the Warrants and therefore, subscription of the new shares is set at 30 September 2019.

18. EMPLOYEE BENEFITS

Amounts in Euro	31/12/2016	31/12/2015	Change
Employee Severance Indemnity (TFR)	150,235	143,929	6,306
Other employee benefits	44,521	0	44,521
Total employee benefits	**194,756**	**143,929**	**50,827**

This item refers to the Employee Severance Indemnity (TFR) for Euro 150 thousand. The Employee Severance Indemnity includes the effects of the actuarial calculations according to the requirements of IAS 19.

The changes in the TFR liability were as follows:

Amounts in Euro	31/12/2016	31/12/2015	Change
Liabilities at the beginning of the year	**143,929**	**90,742**	**53,187**
Current service cost	50,892	17,611	33,281
Financial expenses	2,570	1,339	1,231
Benefits paid	-34,618	-1,749	-32,869
Actuarial (profits)/losses recognised in the year	-12,538	35,986	-48,524
Liabilities at the end of the year	**150,235**	**143,929**	**6,306**

The details of the economic and demographic assumptions used for the purposes of the actuarial calculations are provided below:

Discount rate	1.31%
Inflation rate	1.50%
TFR rate increase	2.625%
Real rate increase in wages	1.00%
Expected mortality rate	RG48 from General Accounting Office
Expected invalidity rate	INPS tables broken down by age and gender
Expected resignations/advances	4.50% / 2.50%

Below is a sensitivity analysis of the main actuarial assumptions included in the calculation model considering as base scenario the one described above and increasing and decreasing the average annual discounting rate, the average inflation rate and turnover rate, respectively, by a quarter, a quarter and one percentage point. The results obtained can be summarized in the following table:

Amounts in Euro	**31/12/2016**
Turnover rate +1%	149,214
Turnover rate -1%	151,434
Inflation rate +0.25%	152,901
Inflation rate -0.25%	147,659
Discount rate +0.25%	146,837
Discount rate -0.25%	153,816

The item "Other benefits to employees" amounting to Euro 45 thousand relates to the liability associated with the Virtual Stock Option Plan approved by the Board of Directors of the Company on 14 November 2016 for senior managers with strategic responsibilities, aimed at the deferred payment of sums corresponding to the growth in the value of the Company's shares.

19. FINANCIAL LIABILITIES, EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS

This item includes financial liabilities incurred by the Company for a variety of reasons, with the exception of those deriving from the underwriting of financial derivative instruments, and is broken down as follows:

Amounts in Euro	**31/12/2016**	**31/12/2015**	**Change**
Due to banks, current	4,740,779	4,574,997	165,783
Due to banks, non-current	14,963,269	17,886,356	-2,923,087
Current liabilities related to acquisitions	2,347,520	0	2,347,520
Non-current liabilities related to acquisitions	8,521,848	900,075	7,621,773
Current payables to the Controlling shareholder	161,315	0	161,315
Non-current payables to the Controlling shareholder	25,000,000	0	25,000,000
Current payables to subsidiaries	155,616	0	155,616
Non-current payables to subsidiaries	16,000,000	16,000,000	0
Current financial liabilities	**7,405,231**	**4,574,997**	**2,830,234**
of which with Related parties	***316,932***	***0***	***316,932***
Non-current financial liabilities	**64,485,117**	**34,786,431**	**29,698,686**
of which with Related parties	***41,000,000***	***16,000,000***	***25,000,000***
Total financial liabilities	**71,890,347**	**39,361,428**	**32,528,920**

The expiry of non-current financial liabilities is expected within 5 years from the date of the financial statements. The following is a summary of the financial liabilities recognised in the financial statements at 31 December 2016, classified according to the contractual expiry:

Amounts in Euro	**2017**	**2018**	**2019**	**2020**	**2021**	**Book value at 31/12/2016**
Payables to banks	4,740,779	2,856,841	3,687,572	8,418,856	0	**19,704,048**
Liabilities related to acquisitions	2,347,520	1,846,924	3,874,924	1,400,000	1,400,000	**10,869,368**
Payables to the Controlling shareholder	161,315	0	25,000,000	0	0	**25,161,315**
Payables to subsidiaries	155,616	0	0	16,000,000	0	**16,155,616**
Total financial liabilities	**7,405,231**	**4,703,765**	**32,562,496**	**25,818,856**	**1,400,000**	**71,890,347**

Payables to banks

On 16 December 2014, the Company signed a loan agreement for an amount of Euro 24,000 thousand, with a syndicate of banks consisting of Banca Popolare dell'Emilia Romagna, Cassa di Risparmio di Parma e Piacenza, and ICCREA BancaImpresa. The loan envisages repayment in six-monthly instalments; the last instalment is due 31/12/2020. This is a loan secured by a real guarantee consisting of a pledge on the stock of InfoCert S.p.A. and Ribes S.p.A. held by Tecnoinvestimenti, to guarantee the timely repayment of said loans, and related interest and accessory charges, as well as the timely fulfilment of the obligations deriving from swap contracts taken out with these lenders. To secure the same bank loans, a contract for the sale of receivables was also offered as guarantee. These are potential future receivables which a consolidating company could become the title holder in relation to the sellers of equity in Assicom S.p.A. on the basis of the corresponding stock sale contract. At the date of preparation of these financial statements, these receivables had not been generated.
In this regard, it is noted that the above contract provides, among other things, clauses requiring compliance, every six months, with specific financial parameters (financial covenants). In particular, the Issuer has undertaken to ensure that, at each calculation date specified in the contract (a) the value of the Debt Service Cover Ratio (calculated as the ratio between operating cash flows and debt service, defined as the sum of all principal amounts relating to the instalments of medium/long-term debt included in the NFP and with maturity in the period considered and net financial expense) is not less than the value 1, and (b) the value of the NFP/EBITDA and NFP/Equity ratios is always less than or equal to specified levels; for the period under review, the reference limit values are as follows: NFP/Ebitda = 1.45; NFP/SE = 0.45. At 31/12/2016, these parameters were fulfilled.
The decrease in payables to banks is mainly due to the repayment of the instalments of the loan described above, due to expire on 31 December 2015 and 30 June 2016.

Liabilities related to acquisitions

The item liabilities related to acquisitions refers to the estimate, discounted at the reporting date, of the contingent consideration for the acquisition of the controlling interests in Assicom, Co.Mark and Visura, as well as the price deferment obtained for the acquisition of 70% of Co.Mark S.p.A., as illustrated below:

Amounts in Euro	**Current**	**Non-current**	**Total**
Assicom contingent consideration		446,924	**446,924**
Co.Mark contingent consideration		2,474,924	**2,474,924**
Visura contingent consideration	839,356		**839,356**
Co.Mark price deferment	1,508,164	5,600,000	**7,108,164**
Liabilities related to acquisitions	**2,347,520**	**8,521,848**	**10,869,368**

The increase in the period is therefore due to the liabilities related to the acquisition of control of Co.Mark S.p.A. and Visura. The liability related to the contingent consideration to be paid to the selling shareholders of the controlling package of Assicom instead showed a decrease compared to 2015 (Euro 900 thousand).
Liabilities related to contingent consideration were determined at the present value of the amounts to be paid at the contractual expiries. The discount rate used is equal to the WACC used for the purposes of the impairment test of the goodwill arising from the purchase of the shares in question (8.0%).

Payables to Controlling shareholder

The item Payables to the Controlling shareholder refers to the loan payable of Euro 25,000 thousand, with maturity 30 June 2019, granted by the Controlling shareholder Tecno Holding S.p.A. in two tranches: Euro

15,000 thousand in March 2016, Euro 10,000 thousand in December 2016. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

Payables to subsidiaries

The item Payables to subsidiaries refers to the loan payable of Euro 16,000 thousand, with maturity 31 December 2020, granted by the subsidiary InfoCert S.p.A. in two tranches: Euro 12,000 thousand at the end of 2014, Euro 4,000 thousand in January 2015. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

20. DERIVATIVE FINANCIAL INSTRUMENTS

The financial assets and liabilities for derivative instruments may be broken down as follows:

Amounts in Euro	**31/12/2016**	**31/12/2015**	**Change**
Financial non-current liabilities for hedging derivatives	165,210	129,151	36,059
Current financial liabilities for put options	124,001	0	124,001
Liabilities for financial derivative instruments	**289,211**	**129,151**	**160,060**

Non-current financial liabilities for hedging derivatives refer to 3 interest rate swap contracts entered into by the Company in order to hedge part of the risk of fluctuation in interest rates in relation to the loan obtained at the end of 2014 (referred to in note 19) for the purchase of the Assicom Group in accordance with the provisions of the related loan agreement. Below is a table with type of contract, notional value and fair value at 31 December 2016:

Derivative instruments	**Bank**	**Notional In thousands of Euro**	**Maturity**	**Fixed rate**	**Fair value at 31 December 2016 in Euro**	**Fair value at 31 December 2015 in Euro**
IRS	Cariparma	4,209	31/12/2020	0.576%	-76,341	-58,182
IRS	Banca Popolare dell'Emilia Romagna	3,843	31/12/2020	0.576%	-68,850	-54,958
IRS	Iccrea Banca Impresa	1,098	31/12/2020	0.576%	-20,019	-16,011
Total Interest Rate Swap "hedging instruments"		**9,150**			**-165,210**	**-129,151**

These derivative financial instruments fall within Level 2 of the fair value hierarchy.

Current financial liabilities for put options relate to the valuation at the reporting date of the put option granted to one of the minority shareholders of the subsidiary Assicom on 10% of the share capital, to be exercised within the first half of 2017, after the approval of the financial statements of the subsidiary. The derivative in question falls within Level 3 of the fair value hierarchy and is based on a comparison between the estimated liability for the acquisition of the shareholding and the Equity Value relative to the shareholding in question, both based on the plans approved by the subsidiary and used for the purposes of the impairment test of the goodwill arising from the acquisition of the shareholding.

21. TRADE AND OTHER CURRENT PAYABLES

The item trade and other payables totalled Euro 1,333 thousand (Euro 923 thousand at 31 December 2015) and can be detailed as follows:

Amounts in Euro	**31/12/2016**	**31/12/2015**	**Change**
Payables to suppliers	740,518	341,919	398,599
Due to holding company	14,692	28,467	-13,775
Payables to subsidiaries	42,822	2,205	40,618
Due to Social security	161,082	179,974	-18,892
IRPEF liability	114,752	84,658	30,094
Other tax liabilities	0	213	-213
Due to others	259,498	285,592	-26,094
Trade and other current payables	**1,333,363**	**923,028**	**410,336**
of which with Related parties	***57,514***	***30,671***	***26,843***

The item payables to others mainly includes payables to employees for salaries to be paid, pay in lieu of vacation and bonuses to be paid.

22. DEFERRED REVENUE AND INCOME

Amounts in Euro	**31/12/2016**	**31/12/2015**	**Change**
Current deferred liabilities	0	5,417	-5,417
Current deferred revenue and income	**0**	**5,417**	**-5,417**
of which with Related parties	***0***	***5,417***	***-5,417***

INFORMATION ON THE COMPREHENSIVE INCOME STATEMENT

23. REVENUE

Revenue for 2016 amounted to Euro 614 thousand (Euro 524 thousand for 2015) and can be broken down as follows:

Amounts in Euro	**2016**	**2015**	**Change**
Revenue	601,291	503,750	97,541
Other revenue	15,783	20,485	-4,702
Revenue	**617,074**	**524,235**	**92,839**
of which with Related parties	***613,821***	***523,749***	***90,072***

Revenues are related to services charged back to the subsidiaries and the Controlling shareholder Tecno Holding as part of the directional Holding activities provided by the Company for the strategic planning, management control, legal assistance and compliance, internal audit, and corporate administrative services functions.

The increase in revenue compared to the previous year is mainly attributable to revenue from Co.Mark S.p.A. and Visura S.p.A. acquired during the year.

24. SERVICE COSTS

Service costs for 2016 amounted to Euro 2,652 thousand (Euro 1,152 thousand for 2015) and can be broken down as follows:

Amounts in Euro	**2016**	**2015**	**Change**
Specialist professional services	514,148	232,481	281,667
Consultancy	996,166	245,115	751,051
Technical services	0	9,000	-9,000
Independent auditors’ fees	243,164	42,900	200,264
Statutory auditors’ fees	86,886	54,935	31,951
Advertising, marketing and communication	103,622	50,631	52,992
Travel, assignments, and lodging expenses	189,828	139,312	50,516
Insurance	59,439	40,594	18,845
Maintenance costs	7,210	2,595	4,615
Costs for use of third-party assets	145,739	173,729	-27,990
Telephone costs	18,506	14,106	4,401
Banking costs	17,482	11,957	5,525
Other costs for services other than the previous ones	270,238	135,272	134,967
Service costs	**2,652,429**	**1,152,626**	**1,499,803**
of which with Related parties	***108,764***	***57,308***	***51,456***
of which non-recurring	***942,187***	***0***	***942,187***

The increase in costs for services is substantially related to non-recurring costs amounting to Euro 942 thousand incurred in 2016 for the listing on the STAR segment of the Italian Stock Exchange, which mainly

impacted costs for specialist professional services, consultancy, remuneration to the independent auditors, advertising.
The additional increase in costs with respect to the previous year is due to the strengthening of the organisational structure needed to support the growth of the Group.

25. PERSONNEL COSTS

Personnel costs for 2016 amounted to Euro 2,119 thousand (Euro 1,894 thousand for 2015) and can be broken down as follows:

Amounts in Euro	2016	2015	Change
Wages and salaries	1,136,015	1,112,409	23,606
Social security contributions	333,914	325,145	8,769
Employee severance indemnity	69,342	40,199	29,143
Other personnel expenses	68,153	20,538	47,614
Directors' fees	402,339	344,700	57,639
Ongoing partnerships	109,620	51,888	57,732
Personnel expenses	**2,119,383**	**1,894,880**	**224,503**

The following table shows the average number of employees of Tecnoinvestimenti S.p.A. broken down by category:

Number of employees	*Annual average*		*31 December*	
	2016	2015	2016	2015
Senior Management	4	4	6	4
Middle Management	1	2	-	2
Employees	5	4	6	4
Total	**11**	**10**	**12**	**10**

Other personnel costs include the allocation for the year of Euro 45 thousand relating to the liability associated with the Virtual Stock Option Plan approved by the Board of Directors of the Company on 14 November 2016 for senior managers with strategic responsibilities, aimed at the deferred payment of sums corresponding to the growth in the value of the Company's shares.

26. OTHER OPERATING COSTS

Other operating costs for the year 2016 amounted to Euro 68 thousand (Euro 29 thousand for the year 2015) and refer to residual items such as consumables, various taxes and duties and contingent liabilities.

27. AMORTISATIONS/DEPRECIATION, PROVISIONS AND IMPAIRMENTS

Amounts in Euro	2016	2015	Change
Depreciation of tangible assets	28,834	14,306	14,528
Amortization of intangible assets	39,993	1,102	38,892
Amortisation/depreciation, provisions and impairments	**68,827**	**15,407**	**53,420**

For further details regarding amortisations/depreciation, reference is made to as specified in notes 1 and 2.

28. NET FINANCIAL EXPENSES

Financial income

Financial income for 2016 amounted to Euro 10,134 thousand (Euro 8,536 thousand for 2015) and can be broken down as follows:

Amounts in Euro	2016	2015	Change
Dividends from subsidiaries	10,110,045	6,143,767	3,966,278
Bank and postal interest	23,729	22,367	1,363
Positive adjustment to the fair value of options	0	2,370,661	-2,370,661
Financial income	**10,133,774**	**8,536,794**	**1,596,980**
of which with Related parties	***10,110,045***	***6,143,767***	***3,966,278***

Below is the breakdown of dividends recognised and collected in 2016, the year in which the Shareholders' Meetings of the subsidiaries resolved the distribution thereof:

Amounts in Euro	2016	2015	Change
InfoCert S.p.A.	5,412,591	4,122,675	1,289,916
Ribes S.p.A.	2,530,704	652,290	1,878,414
Assicom S.p.A.	2,166,750	1,368,802	797,948
Dividends from subsidiaries	**10,110,045**	**6,143,767**	**3,966,278**

The positive adjustment to the fair value of the options recognised in 2015 was attributable to the elimination of the fair value of the put options on the non-controlling interests of Assicom, at 31 December 2015 compared to as reported in the previous year.

Financial expenses

Financial expenses for 2016 amounted to Euro 1,524 thousand (Euro 1,166 thousand for 2015) and can be broken down as follows:

Amounts in Euro	2016	2015	Change
Interest expenses	1,200,208	961,616	238,592
Amortized cost	126,913	148,274	-21,361
Financial component employee benefits	2,570	1,339	1,231
Negative adjustment to the fair value of options	124,001	0	124,001
Charges on hedging derivatives	70,741	54,720	16,020
Financial expenses	**1,524,433**	**1,165,950**	**358,483**
of which with Related parties	***563,616***	***333,073***	***230,543***

The interest expense recognised is attributable for Euro 528 thousand to the loan stipulated at the end of 2014 for an original Euro 24,000 thousand (referred to in note 19); total financial expenses in the year related to this loan also include Euro 127 thousand for expenses accrued by applying the effective interest criterion, and Euro 71 thousand for expenses on hedging derivatives.

Interest expenses also include:

- interest accrued on the loan of Euro 16,000 thousand obtained by the subsidiary InfoCert at the end of 2014 (referred to in note 19) for Euro 321 thousand;
- interest accrued on the loan of Euro 25,000 thousand obtained during the year by the Controlling shareholder Tecno Holding (referred to in note 19) for Euro 243 thousand;
- interest accrued on the price deferment granted to the selling shareholders of Co.Mark S.p.A. (referred to in notes 12 and 19) for Euro 19 thousand Euro;

The interest on the Tecno Holding S.p.A. loan and price deferment granted by the selling shareholders of Co.Mark S.p.A. had an impact on the increase in interest expenses compared to the previous year.

The negative adjustment to the fair value of the put options is attributable to the valuation at 31 December 2016 of the put option granted to one of the minority shareholders of the subsidiary Assicom (for further details, reference is made to note 20).

29. TAXES

Taxes for 2016 amounted were negative for Euro 1,613 thousand (Euro 384 thousand for 2015) and can be broken down as follows:

Amounts in Euro	2016	2015	Change
Deferred tax assets	113,288	752,467	-639,179
Deferred tax liabilities	-7,412	-3	-7,409
Income taxes for previous years	0	-110,162	110,162
Income from tax consolidation	-1,718,964	-1,026,466	-692,498
Tax	**-1,613,088**	**-384,164**	**-1,228,924**
of which non-recurring	***-259,102***	***0***	***-259,102***

For a breakdown and changes in the period of deferred tax assets and liabilities, reference is made to as outlined in note 15.

The Company closed the year 2016 with a tax and, therefore, no IRES and IRAP current taxes have been recognised. Income from tax consolidation recognised in the year refers to the 2016 IRES tax loss of the Company used for the income of the tax consolidating company Tecno Holding S.p.A. The non-recurring portion of taxes, equal to Euro -259 thousand, is attributable to the IRES tax effect (27.5%) of non-recurring costs related to the listing recognised in the income statement under service costs and fully deducted in the year. The table below shows the reconciliation between the theoretical current IRES tax and the income from tax consolidation.

In thousands of Euro		*IRES Rate*
Pre-tax result	**4,318**	
Current tax on theoretical income	**1,187**	**27.5%**
Decreases		
Dividends from subsidiaries (PEX Regime)	-2,641	
ACE Benefit (Decree Law 201/2011)	-598	
Amortisation non-accounting capital increase 2014	-55	
Other decreases	-1	
Total Decreases	**-3,295**	
Increases		
Non-deductible interest expense (ROL - Gross operating profit)	378	
Other increases	11	
Total Increases	**389**	
Income from tax consolidation	**-1,719**	**-39.8%**

30. TRANSACTIONS WITH RELATED PARTIES

All transactions with Related parties are part of normal business operations and are regulated at normal market conditions.

Below is the summary table of all equity balances and the incidence on the related items of the financial statements at 31 December 2016 and the relative comparative figures at 31 December 2015:

31/12/2016							
Amounts in Euro	**Trade and other non-current receivables**	**Current tax assets**	**Trade and other current receivables**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Deferred revenue and income**
Controlling shareholder		2,082,970	4,366	25,000,000	155,616	14,692	
Subsidiaries	2,600		55,741	16,000,000	161,315	42,822	
Other Related parties							
Total Related parties	**2,600**	**2,082,970**	**60,108**	**41,000,000**	**316,932**	**57,514**	**0**
Total financial statement item	**37,545**	**2,082,970**	**601,451**	**64,485,117**	**7,405,231**	**1,333,363**	**0**
% Incidence on Total	*6.9%*	*100.0%*	*10.0%*	*63.6%*	*4.3%*	*4.3%*	*0.0%*

31/12/2015							
Amounts in Euro	**Trade and other non-current receivables**	**Current tax assets**	**Trade and other current receivables**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Deferred revenue and income**
Controlling shareholder		1,032,281	173,850			28,467	
Subsidiaries			185,833	16,000,000		2,205	
Other Related parties			7,767				5,417
Total Related parties	**0**	**1,032,281**	**367,450**	**16,000,000**	**0**	**30,671**	**5,417**
Total financial statement item	**40**	**1,032,281**	**584,639**	**34,786,431**	**4,574,997**	**923,028**	**5,417**
% Incidence on Total	*0.0%*	*100.0%*	*62.9%*	*46.0%*	*0.0%*	*3.3%*	*100.0%*

Current tax assets relate to the receivable due in relation to the tax losses transferred as part of the Tax Consolidation headed by the Controlling shareholder Tecno Holding S.p.A. The three-year adhesion to the tax consolidation was established in 2015 for the three-year period 2015-2017. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the consolidating company and the Company are defined in the corresponding tax consolidation regulations.

The item Financial liabilities to the Controlling shareholder refers to the loan payable of Euro 25,000 thousand, with maturity 30 June 2019, granted by Tecno Holding S.p.A. in two tranches: Euro 15,000 thousand in March 2016, Euro 10,000 thousand in December 2016. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

The financial liability to the subsidiary refers to the loan payable of Euro 16,000 thousand, with maturity 31 December 2020, granted by the subsidiary InfoCert S.p.A. in two tranches: Euro 12,000 thousand at the end of 2014, Euro 4,000 thousand in January 2015. For this loan, the expected interest is calculated at the Euribor365 rate at 6 months increased by two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

Below is the summary table of all economic transactions and the incidence on the related items of the 2016 income statement and the relative comparative figures of 2015:

2016				
Amounts in Euro	**Revenue**	**Service costs**	**Financial income**	**Financial expenses**
Parent Company	159,197	84,692	0	242,740
Subsidiaries	436,291	24,072	10,110,045	320,877
Other Related parties	18,333	0	0	0
Total Related parties	**613,821**	**108,764**	**10,110,045**	**563,616**

Total financial statement item	**617,074**	**2,652,429**	**10,133,774**	**1,524,433**
% Incidence on Total	*99.5%*	*4.1%*	*99.8%*	*37.0%*
2015				
Amounts in Euro	**Revenue**	**Service costs**	**Financial income**	**Financial expenses**
Parent Company	150,000	52,500	0	0
Subsidiaries	338,750	4,808	6,143,767	333,073
Other Related parties	35,000	0	0	0
Total Related parties	**523,749**	**57,308**	**6,143,767**	**333,073**
Total financial statement item	**524,235**	**1,152,626**	**8,536,794**	**1,165,090**
% Incidence on Total	*99.9%*	*5.0%*	*72.0%*	*28.6%*

Revenues from the parent, subsidiaries, as well as from other Related parties (Orizzonte S.g.r.) are related to the services provided as part of the holding company activities provided by the Parent Company for the strategic planning, management control, legal assistance and compliance, internal audit, and corporate administrative services functions.

Financial income is attributable to dividends recognised during the year in which the shareholders' meeting of the subsidiary recognised the distribution thereof.
Financial expenses with respect to the Controlling shareholder (Tecno Holding S.p.A.) and to subsidiaries (InfoCert S.p.A.) refer to the interest on the loans mentioned above.

31. NET FINANCIAL DEBT

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Company's net financial debt at 31 December 2015, compared to 31 December 2015, is provided below:

Amounts in Euro	**31/12/2016**	**of which with Related parties**	**31/12/2015**	**of which with Related parties**
A Cash	30,026,107		3,580,940	
B Cash and cash equivalents	0		0	
C Securities held for trading	0		0	
D Liquidity (A+B+C)	**30,026,107**		**3,580,940**	
E Current financial receivables	**0**		**27,009**	
F Current bank payables	-265,779		-299,997	
G Current portion of non-current debt	-4,475,000		-4,275,000	
H Other current financial payables	-2,788,452	-316,932	0	
I Current financial debt (F+G+H)	**-7,529,232**		**-4,574,997**	
J Net current financial debt (D+E+I)	**22,496,876**		**-967,048**	
K Non-current bank payables	-14,963,269		-17,886,356	
L Bonds issued	0		0	
M Other non-current financial payables	-49,687,058	-41,000,000	-17,029,226	-16,000,000
N Non-current financial debt (K+L+M)	**-64,650,327**		**-34,915,582**	
O Net financial debt (J+N)	**-42,153,451**		**-35,882,630**	

32. OTHER INFORMATION

Commitments undertaken by the Company

Tecnoinvestimenti S.p.A. has stipulated a joint obligation with a syndicate of banks as part of a loan agreement that has seen, as "borrowers" and therefore funded parties, in addition to the Company (for further details, reference is made to note 19) also the subsidiaries Ribes S.p.A. (for an original Euro 8,000 thousand) and Assicom S.p.A. (for an original Euro 4,500 thousand). In relation to these credit lines granted and provided, Tecnoinvestimenti S.p.A. has undertaken the joint responsibility in the fulfilment of all contractual obligations undertaken by the aforementioned subsidiaries and therefore, for the repayment of borrowed capital, the payment of interest and any ancillary charges. The two loans granted in December 2014, mature on 31/12/2020 and will be repaid according to an amortisation schedule in semi-annual instalments paid in advance.
In relation to the same loans, the Company has also provided real guarantees consisting of a pledge -- to the benefit of the syndicate of lending banks -- on equities constituting the shareholdings in the capital of InfoCert S.p.A. (2,529,248 shares) and of Ribes S.p.A. (210,892 shares). This (real) guarantee on behalf of subsidiaries coincides - both in terms of value, and in terms of secured loans - with the (personal) guarantee represented by the joint obligation mentioned above.
It is noted that the same pledge also guarantees the obligation of the Company for the portion of the loan entered into and recognised in liabilities.

Remuneration to Directors, Statutory Auditors, General Managers and Key Management Personnel of the Company

With reference to disclosures on the remuneration paid to Directors, Statutory Auditors, General Managers and other key management personnel of the Company, reference is made to the table below referring to the Remuneration Report pursuant to art. 123-ter of the Consolidated Finance Act for further details.

In thousands of Euro	Fixed remuneration	Remuneration for participation in Committees	Variable remuneration non-equity (Bonus and other incentives)	Non-monetary benefits	Other remuneration	Total
Directors	269	11	40	3	61	**384**
Statutory Auditors	37	5			24	**66**
General Manager	270					**270**
Key Management Personnel	202		81	5		**287**

Independent auditors' fees

Below are details of the remuneration of the Independent Auditors and other companies belonging to the network pursuant to art. 149-duodecies of Implementing Regulation of Legislative Decree 24 February 98 no. 58:

In thousands of Euro	KPMG S.p.A.	KPMG network entities	Total KPMG
Audit services	**57**		**57**
Non-audit services	**285**	**53**	**338**
for issue of listing comfort letter	*285*	*53*	*338*
Total	**342**	**53**	**395**

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

On 28 February 2017, Tecnoinvestimenti S.p.A. proceeded to refinance the debt to the syndicate Cariparma (Cariparma/BPER/ICCREA) for the amount outstanding at 31/12/2016 of Euro 18.4 million, with significant benefits in terms of financial expenses over the next few years. The main terms of the contract are as follows:

- The agreement includes a Term loan facility in lieu of the previous loan for a total of Euro 30 million maturing on 30 June 2023, with repayment in semi-annual instalments at 6-month Euribor plus 130 basis points.
- an additional Capital Expenditure (Investment) facility line for Euro 15 million at the 6-month Euribor rate plus 160 bps maturing on 30 June 2023.
- Modification of the covenants calculated on IFRS consolidated financial statements of Tecnoinvestimenti, every six months on a pro forma basis, consolidating the extraordinary transactions (acquisitions).
- Elimination of the guarantees providing security to the current syndicate (pledge of Ribes and InfoCert shares).

The Company is awaiting contractual formalization of the agreement, which is currently underway.

Milano, 21 marzo 2017

Enrico Salza
Presidente

ANNEX A - Separate Financial Statements of Tecnoinvestimenti S.p.A.

CRITERIA USED TO CARRY OUT TRANSITION FROM ITALIAN ACCOUNTING STANDARDS TO IFRS

Tecnoinvestimenti S.p.A. adopted the International Financial Reporting Standards (IFRS) as of 2016, with 1 January 2015 as transition date to IFRS, following the obligation provided for by EU Regulations no. 1606/2002 of 19 July 2002, introduced in the Italian legal system by Legislative Decree 28 February 2005 no. 38, due to the listing of treasury shares on the MTA (Electronic Equity Market) of Borsa Italiana. The last annual financial statements drafted according to the Italian accounting standards refer to the year ended 31 December 2015.

The procedures for first adoption of IFRS are set by IFRS 1. This standard requires that at the time of the transition to IFRS in the balance sheet and income statement, the entity must:

- recognise all assets and liabilities the recognition of which is required by IFRS;
- derecognise as assets or liabilities the items the recognition of which is not allowed by IFRS;
- reclassify the items which had been recognised among assets, liabilities or equity components in compliance with the previous accounting standards but fall into a different category of assets, liabilities or equity component according to IFRS;
- apply IFRS to measure all recognised assets and liabilities.

The effects of these adjustments were recognised directly in opening equity balance at the time of transition.

Paragraph D17 of IFRS 1 expressly provides that if a parent company adopts, for the first time, the international accounting standards in its separate financial statements at a later date to that used for the preparation of consolidated financial statements, it shall measure its assets and liabilities at the same values in both financial statements, except for consolidation adjustments. Given the transition to the IFRS of the Tecnoinvestimenti Group at 1 January 2014, the application of this standard resulted in the company Tecnoinvestimenti S.p.A. recognising assets and liabilities in the opening balance sheet of the IFRS separate financial statements (1 January 2015) and subsequent separate financial statements with the same values resulting from the accounting situation prepared for the consolidated financial statements of the Group prepared in accordance with the IFRS. This standard has not been applied to the item shareholdings and other items of the separate financial statements that were derecognised in the consolidated financial statements.

IFRS 1 requires the entity to describe how the transition from the previous accounting standards has affected the balance sheet, income statement, and statement of cash flows. To this purpose we have included in this annex:

- statements of reconciliation between the balance sheets and income statements prepared according to Italian accounting standards and those drafted according to IFRS at the following dates:
  - date of transition to IFRS (1 January 2015);
  - closing date of the last year for which the entity prepared the financial statements according to Italian accounting standards (31 December 2015);
- a statement of reconciliation between the comprehensive income statement for the year ended 31 December 2015 drafted according to Italian accounting standards and that drafted according to IFRS;
- statements of reconciliation for the equity recognised according to Italian accounting standards with the equity recognised according to IFRS at the following dates:
  - date of transition to IFRS (1 January 2015);
  - closing date of the last year for which the Company prepared the financial statements according to Italian accounting standards (31 December 2015);

- a statement of reconciliation of comprehensive income statement for the year ended 31 December 2015 drafted according to Italian accounting standards with the same drafted according to IFRS;
- the notes related to the adjustments and the reclassifications included in these statements of reconciliation, which describe the significant effects of the transition, with regard both to the classification of the different items of the financial statements and to their different measurement and, therefore, to the resulting effects on the financial statements.

Voluntary Exemptions to Full Retrospective Adoption of IFRS

Companies adopting IFRS for the first time may opt for the application of some voluntary exemptions from the full retrospective application of these.
Tecnoinvestimenti S.p.A., with reference to the applicable cases, has decided not to retrospectively apply the international accounting standards for accounting of valuations of items at fair value or redetermination of the value as cost replacement (tangible and intangible assets).
Tecnoinvestimenti S.p.A. has opted for the recognition of shareholdings in subsidiaries and associates, at cost in accordance with IAS 27; in the opening statement of financial position at 1 January 2015, these shareholdings were valued at cost replacement, equal to the book value of the shareholdings under the previous accounting standards.

Mandatory Exceptions to the Full Retrospective Adoption of IFRS

IFRS 1 forbids the retrospective application of IAS/IFRS in the following circumstances:
- cancellation of financial assets and liabilities;
- recognition of hedging transactions;
- valuation estimates;
- assets classified as held for sale and discontinued operations.

The only mandatory exception that applies to the Company concerns valuation estimates: IFRS 1 requires that the estimates carried out at the time of transition to IFRS must be consistent with the estimates carried out at the same date according to the previous accounting standards (apart from the adjustments needed to reflect any difference in standards).
The other mandatory exceptions required by IFRS 1 were not used, as they relate to categories that do not apply to the Company.

Accounting Options Chosen among those Offered By IFRS

- *Measurement of tangible and intangible assets:* after the initial recognition at cost, IAS 16 –Property, plant and equipment, IAS 40 -- Investment property and IAS 38 -- Intangible assets provide for these assets to be valued either at cost or by regularly calculating their market value and adjusting to this value the accounting balance at the reference date of the measurement of the market value. The cost method was adopted.

Statement of Reconciliation of the Balance Sheet at 1 January 2015

Below is the reconciliation between the Balance Sheet at 1 January 2015 of the Company prepared in compliance with the Italian accounting standards and the Balance Sheet prepared in compliance with IFRS.

Notes	*In thousands of Euro*	ITA GAAP	Reclassifications	Adjustments	IAS/IFRS
	ASSETS				
	Property, plant and equipment	42	17		59
3, 7	Intangible assets and goodwill	1,520	-17	-1,497	5
10	Equity-accounted investees	41,719	-41,719		0
9, 10	Equity investments recognised at cost or fair value	52,706	41,719	3,752	98,177
	Other financial assets, excluding financial derivative instruments	10			10
	Deferred tax assets	242		973	1,215
	NON-CURRENT ASSETS	**96,238**	**0**	**3,228**	**99,466**
10	Current tax assets	0	875		875
1, 10	Trade receivables and other receivables	7,579	-875	-6,144	560
	Cash and cash equivalents	868			868
	CURRENT ASSETS	**8,447**	**0**	**-6,144**	**2,304**
	TOTAL ASSETS	**104,686**	**0**	**-2,916**	**101,770**
	EQUITY AND LIABILITIES				
	Share capital	31,700			31,700
	Reserves	33,756		-8,457	25,299
	TOTAL EQUITY	**65,456**	**0**	**-8,457**	**56,999**
	LIABILITIES				
6	Employee benefits	77		14	91
9, 7	Financial liabilities, excluding financial derivative instruments	33,150		3,190	36,340
2, 5	Derivative financial instruments	0		2,421	2,421
	Deferred tax liabilities	115		-84	30
	NON-CURRENT LIABILITIES	**33,341**	**0**	**5,541**	**38,882**
	Financial liabilities, excluding financial derivative instruments	4,365			4,365
	Trade and other payables	1,100			1,100
	Current tax liabilities	424			424
	CURRENT LIABILITIES	**5,889**	**0**	**0**	**5,889**
	TOTAL LIABILITIES	**39,230**	**0**	**5,541**	**44,771**
	TOTAL EQUITY AND LIABILITIES	**104,686**	**0**	**-2,916**	**101,770**

Statement of Reconciliation of the Balance Sheet at 31 December 2015

Below is the reconciliation between the Balance Sheet at 31 December 2015 of the Company prepared in compliance with the Italian accounting standards and the Balance Sheet prepared in compliance with IFRS.

Notes	*In thousands of Euro*	ITA GAAP	Reclassifications	Adjustments	IAS/IFRS
	ASSETS				
	Property, plant and equipment	46	12		58
3, 7	Intangible assets and goodwill	1,317	-12	-1,200	105
10	Equity-accounted investees	41,695	-41,695		0
8, 4, 10	Equity investments recognised at cost or fair value	52,706	41,695	924	95,326
	Deferred tax assets	221		266	487
	NON-CURRENT ASSETS	**95,985**	**0**	**-10**	**95,976**
	Other financial assets, excluding financial derivative instruments	27			27
10	Current tax assets	0	1,032		1,032
1, 10	Trade receivables and other receivables	11,727	-1,032	-10,110	585
	Cash and cash equivalents	3,581			3,581
	CURRENT ASSETS	**15,335**	**0**	**-10,110**	**5,225**
	TOTAL ASSETS	**111,320**	**0**	**-10,120**	**101,200**
	EQUITY AND LIABILITIES	0			0
	Share capital	31,700			31,700
	Reserves	39,521		-10,614	28,907
	TOTAL EQUITY	**71,221**	**0**	**-10,614**	**60,607**
	LIABILITIES				
6	Employee benefits	124		20	144
8, 7	Financial liabilities, excluding financial derivative instruments	34,300		486	34,786
2, 5	Derivative financial instruments	0		129	129
	Deferred tax liabilities	172		-141	30
	NON-CURRENT LIABILITIES	**34,596**	**0**	**494**	**35,090**
	Financial liabilities, excluding financial derivative instruments	4,575			4,575
	Trade and other payables	923			923
	Deferred revenue and income	5			5
	CURRENT LIABILITIES	**5,503**	**0**	**0**	**5,503**
	TOTAL LIABILITIES	**40,099**	**0**	**494**	**40,593**
	TOTAL EQUITY AND LIABILITIES	**111,320**	**0**	**-10,120**	**101,200**

Statement of Reconciliation of the Comprehensive Income Statement for the year ended 31 December 2015

Below is the reconciliation between the income statement at 31 December 2015 of Tecnoinvestimenti S.p.A. prepared in compliance with the Italian accounting standards and the comprehensive income statement prepared in compliance with IFRS.

Notes	*In thousands of Euro*	ITA GAAP	Reclassifications	IAS Adjustments	IAS/IFRS
	Revenue	524			524
	Raw material expenses	0			0
10	Service costs	1,448	-297	2	1,153
10, 6	Personnel expenses	1,509	417	-31	1,895
10	Other operating costs	148	-120		29
3, 7	Amortisation/depreciation	314		-299	15
	Provisions	0			0
	Impairment	0			0
	Total Costs	**3,420**	**0**	**-328**	**3,091**
	OPERATING PROFIT	**-2,895**	**0**	**328**	**-2,567**
1, 2	Financial income	10,132		-1,596	8,537
7	Financial expenses	1,016		150	1,166
	Net financial expenses	**9,116**	**0**	**-1,745**	**7,371**
	Share of profit of equity-accounted investees, net of tax	-24		24	0
	PROFIT BEFORE TAX	**6,197**	**0**	**-1,393**	**4,804**
	Tax	-1,058		674	-384
	PROFIT FOR THE PERIOD	**7,255**	**0**	**-2,067**	**5,188**
	Other comprehensive income				
	Items that will not be reversed to income statement				
6	Actuarial gains (losses) of employee benefit provisions	0		-36	-36
	Tax effect	0		8	8
	Total items that will not be reversed to income statement	**0**	**0**	**-28**	**-28**
	Items that may be reversed to income statement				
5	Profits (losses) from measurement at fair value of derivative financial instruments	0		-79	-79
	Tax effect	0		17	17
	Total items that may be reversed to income statement	**0**	**0**	**-62**	**-62**
	Total other comprehensive income, net of tax effects	**0**	**0**	**-90**	**-90**
	Total comprehensive income	**7,255**	**0**	**-2,157**	**5,098**

Statements of Reconciliation of Equity at 1 January 2015 and 31 December 2015 and Profit for the year ended 31 December 2015

The following table provides the reconciliation of the equity calculated in compliance with Italian accounting standards with the equity calculated in compliance with IFRS, at 1 January 2015 and 31 December 2015:

In thousands of Euro	**Notes**	**1 January 2015**	**31 December 2015**
Italian accounting standards		**65,456**	**71,221**
Recognition of cash dividends	1	-6,059	-9,971
Recognition of put options granted on equity investments	2	-1,719	0
Partial reversal AIM listing costs	3	-624	-506
Reversal of the valuations of equity investments to SE	4	0	24
Cash flow hedge	5	-36	-98
Employee benefits	6	-10	-15
Amortized cost of financing	7	-1	-41
Definite life intangible assets (Other)	9	-7	-6
IAS/IFRS		**56,999**	**60,607**

The following table shows the reconciliation of profit for the year ended 31 December 2015 calculated according to the Italian accounting standards with the comprehensive income calculated according to IFRS:

In thousands of Euro	**Notes**	**Result for the year**	**Other items of comprehensive income**	**Total comprehensive income**
Italian accounting standards		**7,255**	**0**	**7,255**
Recognition of cash dividends	1	-3,912	0	-3,912
Recognition of put options granted on equity investments	2	1,719	0	1,719
Partial reversal AIM listing costs	3	118	0	118
Reversal of the valuations of equity investments to SE	4	24	0	24
Cash flow hedge	5	0	-62	-62
Employee benefits	6	23	-28	-5
Amortized cost of financing	7	-39	0	-39
IAS/IFRS		**5,188**	**-90**	**5,098**

NOTES ON THE EFFECTS OF THE TRANSITION TO IFRS

Described below are the nature and the amount of the adjustments that were made to the balance sheet and income statement at 1 January 2015 and 31 December 2015, as well as to the comprehensive income statement for the year ended 31 December 2015, drafted according to Italian accounting standards

1. RECOGNITION OF DIVIDENDS FROM SUBSIDIARIES

Adjustments were related to the reversal of related dividends and recognition in the period in which the Shareholders' Meeting of the subsidiaries approved the distribution thereof. In fact, according to Italian accounting standards, the Company anticipated the recognition of dividends in subsidiaries at the date of maturity of the related gains, in consideration of the approval of the financial statements of the subsidiaries by the respective administrative bodies, prior to the approval of the financial statements of Tecnoinvestimenti by its Board of Directors The IAS/IFRS do not allow the recognition for accrual of dividends; IAS 27 specifies that dividends shall be recognised when the right to receive the dividend is ascertained.
These adjustments resulted in a decrease in shareholders' equity at 1 January 2015 of about Euro 6,059 thousand (equal to the decrease in receivables from subsidiaries, net of deferred tax liabilities) and Euro 9,971 thousand at 31 December 2015. The effect recognised in the income statement in 2015 is equal to the

difference between the dividends recognised under IAS in 2015 (2014 profits) and the reversal of dividends recognised under Italian accounting standards, which were recognised in the income statement in 2016.

2. RECOGNITION OF PUT OPTIONS GRANTED ON SHAREHOLDINGS

The adjustments were related to the recognition of derivative financial instruments relating to put options granted on minority interests in subsidiaries.
The recognition of these options resulted in the recognition at 1 January 2015 of derivative financial instruments payable equal to the fair value of instruments at that date, with a negative effect in equity of Euro 1,719 thousand. At 31 December 2015, the Fair value of these derivative financial instruments is nil; the 2015 income statement includes Euro 1,719 thousand, net of the tax effect, for the adjustment of the instruments compared to 1 January 2015.

3. PARTIAL REVERSAL AIM LISTING COSTS

For IAS/IFRS purposes, the transaction costs relating to the issue of capital instruments are recognized as a decrease (net of any related tax benefit) of the Share premium reserve, generated by the same transaction, to the extent that they are marginal costs directly attributable to the capital transaction that would have otherwise been avoided. Listing costs not relating to the issue of new shares are recognized in the income statement. If the listing involves the sale of existing shares and the issue of new shares, the costs directly attributable to the issue of new shares are recognized as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognized in the income statement. Costs related to both transactions are recognized as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognized in the income statement.

Within this adjustment, we note the reversal of the costs for the AIM listing in August 2014 (capitalised under start-up and expansion costs according to national accounting standards), which, in compliance with IAS 32, being transaction costs related to a transaction on equity, are recognised, in relation to the ratio of shares issued and shares outstanding, as a decrease of equity in proportion to the number of shares issued within the same listing (Euro 461 thousand). Costs in excess of this ratio were recognised as a decrease of opening equity at 1 January 2015 (Euro 164 thousand). The decrease in the effect on shareholders' equity at 31 December 2015 is attributable to the effect of amortisation of start-up and expansion costs recognised in accordance with Italian accounting standards.

4. REVERSAL OF THE VALUATION OF EQUITY INVESTMENTS TO SE

As part of the IAS/IFRS transition, Tecnoinvestimenti S.p.A. has opted for the recognition of shareholdings in subsidiaries and associates, at cost in accordance with IAS 27; in the opening statement of financial position at 1 January 2015, these shareholdings were valued at cost replacement, equal to the book value of the shareholdings under the previous accounting standards. At 31 December 2015, this option resulted in a reversal of the effects of the revaluations/impairments carried out according to the equity method of the Italian Accounting Standards, of the controlling shareholdings in InfoCert S.p.A. and Ribes S.p.A. The reversal of these revaluations/impairments had a positive effect on equity at 31 December 2015 of Euro 24 thousand.

5. CASH FLOW HEDGE

At the end of 2014, the Company stipulated interest rate swap derivative instruments. The purpose of these instruments is to hedge the fluctuation of variable interest rates on the loans of original amount of Euro 24,000 thousand obtained for the acquisition of the Assicom Group.
Derivative instruments are recognised at fair value in the balance sheet and income statement, contrary to what is required by Italian accounting standards.

According to IFRS, the changes in the fair value of derivatives indicated as cash flow hedges and qualified as such are recognised, for the sole “effective” portion, in the comprehensive income statement through a special equity reserve (cash flow hedge reserve), which is transferred to the income statement at the time when the underlying hedged asset materialise has an impact on profit,
At 1 January 2015, this different approach with respect to the Italian accounting standards has produced a negative effect on equity of Euro 36 thousand. At 31 December 2015, the negative effect on equity increased to Euro 98 thousand.

6. EMPLOYEE BENEFITS

According to Italian accounting standards, benefits after employment are recognised on an accrual basis during the period of employment of the employees, in compliance with the legislation and applicable employment contracts. According to IAS/IFRS, post-employment benefits are divided into “defined-contributions” and “defined-benefit” schemes.
According to IAS 19, the employee severance indemnity fund (Trattamento di Fine Rapporto, or “TFR”) is equivalent to a defined-benefit plan for the part accrued until 31 December 2006, to be assessed on the basis of statistical and demographic assumptions, as well as actuarial measurement methodologies.
The application of IAS 19 has resulted in a decrease in equity at 1 January 2015 of Euro 10 thousand and a decrease at 31 December 2015 of Euro 15 thousand.

7. AMORTIZED COST OF FINANCING

The transition to IAS/IFRS entailed the recording of the loan obtained at the end of 2014, to finance the acquisition of Assicom, using the amortised cost method under IAS 39.
The amortised cost method involves the valuation of the financial liability increased or decreased of the cumulative amortisation using the effective interest criterion of any difference between the initial value and that at maturity. The effective interest rate is therefore the rate that exactly discounts future payments (including transaction costs) estimated over the expected life of the financial instrument.
At 1 January 2015, this adjustment resulted in the reversal of the net book value of the costs incurred to obtain the loan, capitalised in start-up and expansion costs, amounting to Euro 563 thousand and a simultaneous decrease in the non-current financial liability related to the loan for Euro 562 thousand, with a decrease in equity at 1 January 2015 of Euro 1 thousand and a decrease in equity at 31 December 2015 of Euro 41 thousand.

8. CONTINGENT CONSIDERATION

At 1 January 2015, the transition to IAS/IFRS has involved the recognition of non-current financial liabilities for Euro 3,752 thousand, corresponding to the current value of the contingent consideration (earn-out) to be paid between 2017 and 2018 to the sellers of Assicom S.p.A. upon the occurrence of future events. At 1 January 2015, the offsetting item of the financial liability was the cost of the shareholding in Assicom; therefore, there was no effect on shareholders’ equity at that date.
At 31 December 2015, the non-current financial liability amounted to Euro 990 thousand, mainly due to the reduction of the contingent consideration to be paid in 2017. The decrease in the liability compared to the estimate at 1 January 2015 (equal to Euro 2,762 thousand) has been recognized as an offsetting item of the shareholding, in consideration of the fact that the liability is considered “related to the purchase transaction itself”. Therefore, there was no effect on shareholders’ equity, not even at 31 December 2015.

9. OTHER EFFECTS

In addition to as mentioned above, the transition to the IFRS has led to some minor adjustments related to the reversal of costs capitalised in intangible assets that do not meet the requirements of IAS 38 for capitalisation thereof.

10. RECLASSIFICATIONS

The adoption of the IFRS has involved also some reclassifications that, as such, had an impact not on profit or equity but on some lines of the balance sheet and income statement. Among the reclassifications made during transition process, we highlight the following:

- Reclassification of the shareholdings in InfoCert and Ribes from the equity method valuation, in accordance with Italian accounting standards, at the cost valuation under IAS 27. The reclassification is Euro 41,719 thousand at 1 January 2015 and Euro 41,695 thousand at 31 December 2015.
- Reclassification of receivables arising from tax consolidation, as consolidating company at 1 January 2015 and consolidated at 31 December 2015, by nature under current tax assets, rather than under receivables from subsidiaries or parent companies.
- With regard to the costs incurred for improvements on third party assets and previously classified among the intangible fixed assets according to provisions of Italian accounting standards, they were reclassified among the tangible fixed assets as future economic benefits are expected from these costs. The reclassification is Euro 17 thousand at 1 January 2015 and Euro 12 thousand at 31 December 2015.
- Reclassification of the compensation of Directors and the compensation for continued and coordinated services, from service costs to personnel costs. The reclassification is Euro 417 thousand for the year 2015.
- Reclassification of the costs for the use of third party assets, from other operating costs to service costs. The reclassification is Euro 122 thousand for the year 2015.

Certification of the Consolidated Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1. We the Undersigned, Pier Andrea Paolo Edoardo Chevallard and Nicola Di Liello, as Chief Executive Officer and Designated Manager Responsible for the preparation of the Corporate Accounts of Tecnoinvestimenti S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998 n. 58:

• the adequacy in relation to the characteristics and

• the actual application of the administrative and accounting procedures used for the preparation of the Consolidated Financial Statements during 2016.

2. In this regard, it is to be noted that:

a) administrative and accounting procedures for the preparation of the Consolidated Financial Statements at 31 December 2016 were defined and an adequacy assessment was carried out on the basis of defined rules and methodologies by Tecnoinvestimenti S.p.A. in line with the ''Internal Control - Integrated Framework" issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which represents a generally accepted reference framework for an internal control system on an international level;

b) such valuation assessment did not identify any material aspects.

3. It is also certified that

3.1 The Consolidated Financial Statements:

a) were prepared in accordance with international accounting standards recognized by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) correspond to Corporate books and accounting records;

c) is suitable for providing a true and accurate representation of the balance sheet, economic and financial situation of the Issuer and the combined set of the corporations included in the consolidation;

3.2 the Management Report on operations includes a reliable analysis of the

results of operations, as well as the Issuer's situation and the combined set of the corporations included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

21 March 2017

Pier Andrea Paolo Edoardo Chevallard	Nicola Di Liello
Chief Executive Officer	Manager Responsible for the preparation of
	Corporate Accounting Documents

Certification of the Separate Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1. We the Undersigned, Pier Andrea Paolo Edoardo Chevallard and Nicola Di Liello, as Chief Executive Officer and Designated Manager Responsible for the preparation of the Corporate Accounts of Tecnoinvestimenti S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998 n. 58:

• the adequacy in relation to the characteristics and

• the actual application of the administrative and accounting procedures used for the preparation of the Financial Statements during 2016.

2. In this regard, it is to be noted that:

a) administrative and accounting procedures for the preparation of the Separate Financial Statements at 31 December 2016 were defined and an adequacy assessment was carried out on the basis of defined rules and methodologies by Tecnoinvestimenti S.p.A. in line with the ''Internal Control - Integrated Framework" issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which represents a generally accepted reference framework for an internal control system on an international level;

b) such valuation assessment did not identify any material aspects.

3. It is also certified that

3.1 The Financial Statements:

a) were prepared in accordance with international accounting standards recognized by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) correspond to Corporate books and accounting records;

c) is suitable for providing a true and accurate representation of the balance sheet, economic and financial situation of the Issuer;

3.2 the Management Report on operations includes a reliable analysis of the results of operations, as well as the Issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

21 March 2017

Pier Andrea Paolo Edoardo Chevallard	Nicola Di Liello
Chief Executive Officer	Manager responsible for the preparation of Corporate Accounting Documents

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Via Ettore Petrolini, 2
00197 ROMA RM
Telefono +39 06 809611
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Tecnoinvestimenti S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Tecnoinvestimenti Group (the "group"), which comprise the statement of financial position as at 31 December 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The parent's directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the consolidated financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the parent's directors, with the consolidated financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the consolidated financial statements of the Tecnoinvestimenti Group as at and for the year ended 31 December 2016.

Rome, 6 April 2017

KPMG S.p.A.

(signed on the original)

Marco Giordano
Director of Audit

KPMG S.p.A.
Revisione e organizzazione contabile
Via Ettore Petrolini, 2
00197 ROMA RM
Telefono +39 06 809611
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Tecnoinvestimenti S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of Tecnoinvestimenti S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the separate financial statements

The company's directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the company's financial position as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the separate financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the company's directors, with the separate financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the separate financial statements of Tecnoinvestimenti S.p.A. as at and for the year ended 31 December 2016.

Rome, 6 April 2017

KPMG S.p.A.

(signed on the original)

Marco Giordano
Director of Audit

TECNOINVESTIMENTI S.p.A.

Registered office in Rome, Piazza Sallustio no. 9

Share Capital resolved Euro 47,207,120.00

Share Capital subscribed and paid up Euro 46,256,120.00

Enrolled with the Companies' Register of Rome no. 10654631000

R.E.A. of Rome no. 1247386

==

Report of the Board of Statutory Auditors to Shareholders' Meeting pursuant to article 153 T.U.F. and article 2429, paragraph 2, of the Italian Civil Code

*** * ***

To the Shareholders' Meeting of Tecnoinvestimenti S.p.A.

Dear Shareholders,

during the financial year ended December 31, 2016, the Board of Statutory Board carried out the supervisory activity as required by the applicable legislation, supervising, to the extent of its responsibilities, the compliance with the Law and with the Bylaws, the compliance with the principles of correct management, the adequacy of the organizational structure, internal audit and accounting systems, as well as the reliability of the latter in representing correctly the management events and the modalities of practical implementation of the governance rules.

During the financial year, Borsa Italiana allowed the admission to list the ordinary shares of Tecnoinvestimenti S.p.A. on the Electronic Stock Market (*Mercato Telematico Azionario),* Star segment, starting from August 30, 2016.

1. Reference Legal Framework

The performance of the functions assigned to us as Board of Statutory Auditors has been carried out in compliance with the laws, and in particular with the provisions set forth under article 149 T.U.F.

More generally, we acknowledge that we assumed as inspiring values of our institutional activities the principles contained in the code of conduct of the Board of Statutory Auditors of listed companies issued by the Italian National Board of Chartered and Public Accountants (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), the recommendations of the National Commission for Companies and the Stock Exchange (CONSOB) regarding corporate control and activities of the Board of Statutory Auditors, as well as the guidelines of the Corporate Governance Code of the Italian Stock Exchange.

2. THE ACTIVITY OF THE BOARD OF STATUTORY AUDITORS

2.1. The modality of the activities carried out by the Board of Statutory Auditors

The Board of Statutory Auditors scheduled its activity in the light of the legal framework, as well as carrying out the verifications considering most suitable in relation to the structural size of the Company and to the nature and the modalities in order to pursue the company's purpose.

In particular, the performance of the auditing activities has been carried out also by means of:

- periodic meetings with the Heads of the different corporate departments, organized in order to acquire the useful and proper information and data;
- attendance at meetings of the corporate bodies, in particular of the Board of Directors and the Shareholders' Meeting;
- the periodic exchange of information with the Auditing Firm, also in compliance with applicable Law;
- exchange of information with the Board of Statutory Auditors of Controlled Companies;
- attendance of the Chairman of the Board of Statutory Auditors at the meetings of the Remuneration Committee and the Risk and Control Committee;
- acquisition of significant information and the evaluation of the outcomes of the activity carried out by the Supervisory Board *ex* Legislative Decree no. 231/2001. In this regard, the Chairman of the Board of Statutory Auditors was invested with the office of Chairman of the Supervisory Body.

The Board of Statutory Auditors carried out its activities with a *risk based* approach, which is aimed to identify and evaluate the possible most critical elements, with a graduated intervention frequency in accordance with the importance of the perceived risk.

In drafting this report, the Board of Statutory Auditors performed the self-assessment of its work, recognizing the adequacy of its members to perform the assigned functions in term of professional, competence, time availability and independence requirements, as well as mutually acknowledging the absence of remunerated works and other patrimonial relationships of such members, that could be an effective risk for the independence requirement.

2.2. Frequency and number of the meetings of the Board of Directors, of the Executive Committee and of the Board of Statutory Auditors

We attended all 20 meetings of the Board of Directors held in 2016, acquiring, in accordance with the provisions set forth under article 2381, paragraph 5, of the Italian Civil Code and under the Corporate Bylaws, timely and suitable information on the general management trend and on the Company's foreseeable evolution, as well as on the most significant transactions, for their size or characteristics, carried out by the Company. In particular, the decision making process of the Board of Directors has appeared properly inspired to the respect of the fundamental principle to act on an informed basis.

We attended 5 Shareholders' Meetings held during the year. In this regard, the Board of Statutory Auditors verified the regularity of the abovementioned meetings, together with the compliance of the resolutions taken by the Board of Directors and by the Shareholders' Meeting with the provisions of the Italian Civil Code and with the current Bylaws. The adopted resolutions appeared to comply with the principles of prudence and correct management and such resolutions were not in conflict with any provisions set forth under the laws or the Bylaws.

We held a central role in the overall control system, carrying out the supervisory activities through 12 meetings of the Board of Statutory Auditors.

2.3. Comments in relation to the most relevant economic, financial and patrimonial transactions carried out by the Company and their compliance with the Law and the articles of association

The information gathered in relation to the most relevant economic, financial and patrimonial transactions carried out by the Company and its subsidiaries, allowed us to ascertain their compliance with the Law, the Bylaws and the conformity with the corporate interest.

In this respect, we consider that such transactions have been exhaustively described in the Management Report. In particular, the following transactions have been illustrated:

a) the acquisition of 70% of the share capital of Co.Mark S.p.A by Tecnoinvestimenti S.p.A.. In relation to the remaining 30% of the share capital, owned by the founder shareholders, put & call option rights are provided which may be exercised in three tranches on annual basis, each for 10% of the share capital, at a price to be calculated through the application of a variable multiple on the annual EBITDA, based on the registered growth rates;
b) merger by incorporation of the company Ecomind App Factory S.r.l. into InfoCert S.p.A.;
c) merger by incorporation of the companies Co.Mark Centro Sud S.r.l., Ventitre S.r.l. and Diciotto S.r.l. into Co.Mark S.p.A.;
d) acquisition by Tecnoinvestimenti S.p.A. of the 60% of Visura S.p.A.'s share capital, company mainly operating in the sale of Telematic Trust Solutions, as well as in the distribution of commercial information by means of web-based owner platforms. In relation to the remaining 40% of the share capital, owned by the founding shareholders, put & call option rights have been granted which may be exercised in a single act, after the approval of the 2018 financial statements;
e) merger by incorporation of Datafin S.r.l. into Assicom S.p.A..

We have verified the shareholdings acquisition process and we have ascertained that the Company has adopted an internal procedure with reference to the extraordinary transactions in order to ensure the full awareness in the risk-taking for the protection of company value.

Within the most relevant transactions implemented during the financial year, the Board of Statutory Auditors deems appropriate to draw the main steps regarding the listing process. In this respect, we acknowledge that we have monitored in details the structural and organizational adjustments adopted by the Company, referred to in the paragraph 3.2 and followings of this report.

In particular, we point out that:

- on April 19, 2016 the Board of Directors has examined the draft for admission to trade the Company's ordinary shares on the Electronic Stock Market (*Mercato Telematico Azionario*), STAR segment, organized and managed by Borsa Italiana S.p.A.;
- on April 20, 2016 the Controlling Shareholder Tecno Holding S.p.A. disclosed to have completed the sale of 6,974,000 ordinary shares of Tecnoinvestimenti S.p.A.. Following the completion of such transaction, that was aimed at increasing the free float and the liquidity of the security and in consideration of the fact that Tecnoinvestimenti S.p.A. had started the

project for listing the shares on the regulated market Electonic Stock Market (MTA), Tecno Holding S.p.A. disclosed that it held approximately 56.86% of the share capital of Tecnoinvestimenti S.p.A., which were subject to a lock –up commitment for 180 days;

- on May 31, 2016, pursuant to the article 2443 of the Italian Civil Code, the Extraordinary Shareholders' Meeting of Tecnoinvestimenti S.p.A. granted, for a period of 18 months from such resolution, the Board of Directors with the power to increase the share capital on a paid-in , non divisible basis, in one or more tranches, including a possible share premium, up to an overall maximum amount of Euro 50,000,000.00. The proposed share capital increase was subscribed for 99.82%, corresponding to a total value equal of about Euro 49,500,000.00.

Following the authorization orders issued by the competent stock exchange and governmental authorities, the Company's shares were admitted for listing on the Electronic Stock Market starting from August 30, 2016.

2.4. Related Party transactions. Indication of the possible existence of atypical and/or unusual transactions, including intragroup or Related parties transactions

During 2016, the Board of Directors carried out a significant review of the Procedure on the Related Party Transactions– replacing the procedure previously adopted – which has come into effect from the start of the negotiation of the Company's Ordinary Shares on the Electronic Stock Market (MTA). The Control and Risk Committee has been appointed also as Related Parties Committee, called to carry out a preliminary exam and to provide an opinion concerning the various typologies of Related Party transactions, with exceptions of the transactions excluded in accordance to the aforesaid procedure.

In this respect, the Board of Statutory Auditors acknowledges that the Related Party Committee's members declared to meet the independence requirements set forth under article 148, paragraph 4, of the Consolidated Law on Finance and article 3 of the Corporate Governance Code of Borsa Italiana.

We acknowledge that we have verified the substantial suitability of the adopted procedure. However, we suggest the Company to regularly update the list of Related Parties by means of a specific procedure.

As a result of our control activities and the attendance of the Board of Directors meetings, we acquired appropriate information on infra-group and Related Party transactions that are adequately described in the Management Report and in the explanatory notes, in compliance with the indications to be provided in this context on the basis of the Consob Resolution no. 17221 of March 12, 2010, as amended by Resolution no. 17389 of June 23, 2010.

These transactions consist of:

(i) before the listing on the Electronic Stock Market (MTA), the issuance by Tecnoinvestimenti S.p.A. of no. 951,000 *warrants*, named “Warrant Tecnoinvestimenti 2016-2019”, offered free of charge to the shareholder Cedacri. The share capital increase against payment shall be carried out by issuing maximum no. 951,000 ordinary shares, to serve the exercise of warrants Tecnoinvestimenti 2016-2019, issued as a result of the Shareholders’ Meeting held on February 4, 2016, which resolved upon the above-mentioned share capital increase and offered free of charge to the shareholder Cedacri. Such *warrants* will not be transferable and will grant the right to subscribe new shares at a ratio of 1 share for each *warrant* held, to be exercised in three tranches and in three timeframes (between July 5 and September 30 for each of the years 2017 – 2018 – 2019), following the achievement of certain annual turnover revenue targets for the financial years 2016/2018. The issue price of Tecnoinvestimenti shares to serve the exercise of the *warrants* is defined, within the limits permitted by applicable Law, to be Euro 3.40 per share. The deadline for the possible exercise of the *warrants* and, therefore, for the subscription of the new shares is September 30, 2019;

(ii) before the listing on the Electronic Stock Market (MTA), the stipulation with the Controlling shareholder Tecno Holding S.p.A, on March 2, 2016, of an interest-bearing loan agreement of maximum amount of Euro 25,000,000.00, for the acquisition of Co.Mark S.p.A.. The loan was disbursed in two tranches, and in particular Euro 15,000,000.00 in March and the residual Euro 10,000,000.00 in December 2016. The loan must be repaid within June 30, 2019, according to the loan agreement, with the opportunity for early repayment without the application of penalties. The loan accrues interest semi-annually calculated on the basis of the Euribor365 on 6 month rate (basic rate) plus two percentage points, it being specified that the rate of interest applied shall never be lower than 2% on an annual basis.

We acknowledge that in carrying out the transactions with Related parties, the Board of Directors has received the favorable opinion of the respective Committee whose regulations, as already observed, is provided in respect of internal rules, in force at the time, adopted by the Company.

We also acknowledge that the transactions described above have been carried out in accordance with Law and the Bylaws and taken in conformity with the corporate interest, as well as the absence of situations which might need further considerations and comments.

During the Boards' meetings, the Board of Directors has drafted and provided the periodic disclosure on the transactions with Related parties pursuant to article 2391-*bis* of the Italian Civil Code.

The Company has not carried out any infra-group, related party, or third party transactions which are atypical and/or unusual during the financial year.

2.5. Adequacy of the information provided, in the Management Report drafted by the Directors, with regard to atypical and/or unusual transactions, including those carried out infra-group and with Related parties

In relation to the atypical and/or unusual transactions carried out during the financial year, the Board of Statutory Auditors recalls the listing of the shares of the Company on the Electronic Stock Market (*Mercato Telematico Azionario)*, as described in the previous paragraph 2.3.

2.6. Remarks on the possible significant issues arising out during the meetings with the Auditors pursuant to article 150, paragraph 3, of the Consolidated Law on Finance

The Board of Statutory Auditors held no. 4 meetings with the Auditing Firm during which no relevant aspects have emerged that need to be underlined in this report.

2.7. Remarks and proposals on the remarks and information requirements contained in the Auditing Firm's Report

The Auditing Firm has reported about the auditing activity and the absence of uncertain situations or of possible limitations in the auditing activities carried out.

The Board of Statutory Auditors has been made aware of the report drafted by the Auditing Firm on the consolidated and parent company financial statements and, in this regard, the Board points out that such report expresses a favorable opinion without any exceptions or requests of specific disclosure.

2.8. Indication of the assignments conferred on the Auditing Firm and relevant costs

The fees of the Auditing Firm KPMG S.p.A. are equal to Euro 341,500 and include the costs the auditing engagement concerning the auditing activity and the engagement the issuance of the comfort letter concerning the listing procedure.

2.9. Indication of the possible appointment granted to third parties which have relationships with the Auditing firm on a continuous basis and relative costs

During the financial year, in accordance with the decision taken by the Company to be listed on the Electronic Stock Market (MTA), consultancy, assistance and advisory assignments have been granted to entities belonging to the network of KPMG S.p.A. in the period prior to the listing.

In this respect, the Board of Statutory Auditors acknowledges that such assignments refer to the issue of the comfort letter concerning the listing procedure, whose fees are equal to Euro 53,000.

We are not aware of any further appointments granted to Shareholders, Directors, members of the control bodies or employees of the Auditing Firm or its subsidiaries and affiliates.

2.10 Indication of the potential submission of complaints pursuant to article 2408 of the Italian Civil Code, of the potential initiatives taken and their relevant outcomes

We acknowledge that during the 2016 financial year no complaints pursuant to article 2408 of the Italian Civil Code have been submitted to the Board of Statutory Auditors.

2.11 Indication of the potential submission of petition, of the potential initiative taken and their relative outcomes

We acknowledge that during the 2016 financial year no petitions have been submitted by anyone.

2.12 Indication of the existence of opinions, proposals and remarks issued in compliance with Law during the financial year.

The Board of Statutory Auditors acknowledges to have issued the following opinions:

- remarks pursuant to article 2441 of the Italian Civil Code in connection with the Share Capital Increase with exclusion of the option right serving the holders of *warrants* issued by the Company;
- opinion in connection with the remunerations granted by the Board of Directors to the Directors granted with specific offices;
- reasoned proposal in connection with the appointment of the Company KPMG S.p.A. as auditing firm for the 2016-2024 period;
- opinion in connection with the co-optation of a director;
- favorable opinion in connection with the proposal of resolution regarding the Share Capital increase pursuant to article 2443 of the Italian Civil Code and, for this purpose, statement pursuant to article 2438, paragraph 1, of the Italian Civil Code certifying that the share capital is subscribed, paid up and existing, as well as the Shares previously issued have been fully paid up and that the Company is not in the conditions set forth under articles 2446 and 2447 of the Italian Civil Code;
- the report concerning the compliance of the Management Control System with the Regulation of Borsa Italiana, in accordance with article 149 of the Legislative Decree no. 58/1998 which grants the Board of Statutory Auditors with the supervisory function upon the adequacy of the organizational structure and the internal control system (ICS) which includes the Management Control System (MCS), as well as with the similar provisions set forth under the Regulation of Borsa Italiana;
- opinion in connection with the appointment of the Manager charged with preparing a company's financial reports, pursuant to article 154 *bis*, paragraph 1, of the Legislative Decree no. 58/1998.

3. SUPERVISORY ACTIVITY CARRIED OUT BY THE BOARD OF STATUTORY AUDITORS

In relation to the supervision activities assigned to the Board of Statutory Auditors, we acknowledge that we have carried out the following controls.

3.1 Remarks regarding the compliance with the principles of correct management

We acquired information and supervised, to the extent of our responsibilities, on the compliance with the fundamental standard of sound and prudent management of the Company and with the more general principle of diligence, all the above on the basis of the attendance at the Board of Directors' meetings, of the documentation and timely information directly received by the various management bodies with regard to the transactions carried out by the Group and through analysis and specific tests. The acquired information allowed us to verify the compliance with the law and the Bylaws of the activities resolved and implemented and that such activities were not manifestly imprudent or risky.

The delegated Body has acted within the extent of the powers granted to it. The Board of Directors has received by the delegated Body appropriate quarterly reporting on the management trend of the Company and its Subsidiaries.

The Board of Directors has acted in compliance with the fundamental principle of acting on an informed basis. In this respect, the Board of Statutory Auditors suggested the Company to arrange an annual calendar of the boards meetings, with specific indication of the items of the agenda to be discussed from time to time, in order to allow the individual corporate functions involved to be aware of the predefined deadline for the production of the preliminary documents and of the flow of information required by the Board of Directors and the interested internal Committees. We also recommended to strengthen the informative process through the timely circulation of the material for the Board of Directors and internal Committees meetings .

With reference to the listing project, the Company implemented some adjustments to its organizational structure and to its corporate governance system, in compliance with the rules provided for the companies listed on the Electronic Stock Market (*Mercato Telematico Azionario*), as well as with the market practice for listed companies.

In such respect, we underline that the Company decided to adopt the Corporate Governance Code drafted by the Committee for Corporate Governance of Listed Companies. In this respect, we confirm that Tecnoinvestimenti S.p.A. has released a proper Report regarding the compliance of the Corporate Governance System, concerning the comparison between the Issuer's corporate governance system at the date of the beginning of trading of the ordinary shares on the Electronic Stock Market (MTA) and the recommendations set forth under the same Code.

In addition, we certify that, in compliance with the principles set forth under the Corporate Governance Code of the Listed Companies with reference to the remuneration of the executive directors and in line with the international best practices, the Company has set and regulated a plan of virtual stock options, in order to introduce a medium-long term remuneration system which encourages the alignment of the interests of senior executives with strategic responsibilities of the Group and the interests of the investors. In our opinion, the plan is an appropriate instrument for the development of a remuneration system related to the growth of the market value of the stock.

At the procedural level, we noted that the Company adopted internal regulations in order to meet the needs arising from the listing on the Electronic Stock Market (*Mercato Telematico Azionario*). In this respect we deem appropriate to recall:

- the procedure for the transactions with Related Parties;
- the procedure for public disclosure of Priviledged Information;
- the procedure for the management of the Register of the Group of persons who have access to Priviledged Information;
- the procedure for the fulfillment of obligations regarding internal dealing;
- the Regulation of the Group regarding the assignment of new tasks to the Auditing Firm.

The Board of Auditors certifies that the Company has adopted the "*Memorandum sul Sistema di Controllo di Gestione (SCG)*" of the Tecnoinvestimenti Group, structured in order to represent the main features of the processes and of useful and appropriate tools to collect, monitor and analyze the Group's business information and, therefore, to provide the management, the officers and the Board of Directors with the essential elements to make strategic and operational choices as well as, in general, to exercise its direction and coordination activities.

Finally, the Board of Statutory Auditors has noted that the continuous adjustments made by the Company are in line and appropriate for the goals of a governance system advanced and compatible with the Electronic Stock Market (MTA).

With reference to the Legislative Decree no. 231/2001, the Supervisory Body (*Organismo di Vigilanza*) has carried out the control activities relating to the adequacy, the observance and the updating of the Organizational Model (*Modello Organizzativo*). In relation to the significant evolution of the organizational and procedural structures that have affected the Company, the Supervisory Board has announced that it deemed essential to request the execution of an assessment gap analysis and a review of the Model and of the protocols contained therein, in order to ensure the maximum adherence of the same, both in organizational terms and under the relevant legal framework, defining at the same time a matrix that, moving from sensitive areas through the identification of any behavior likely to configure the types of crimes, allows to associate any such behavior to the alleged offenses with activated controls.

3.2. Remarks on the adequacy of the organizational structure

During the financial year at stake, we acquired information and supervised, to the extent of our responsibilities, on the adequacy of the Company's organizational structure in relation to the size and nature of the Company activities, having in this regard no particular remarks to report.

The Company centralized the protection, direction, coordination and monitoring activities of the subsidiaries.

We acknowledge that, in view of the listing procedure, the role of the Manager charged with preparing a company's financial reports has been created, and we have issued a favorable opinion for the appointment of the same pursuant to art. 154-*bis*, paragraph 1, of the Legislative Decree No. 58 of 1998.

With reference to the changes that have interested the organizational structure in conjunction with the listing process, the Board of Statutory Auditors certifies that the Company has continued to consolidate its organizational structure – necessary in order to support the growth of the Group – by means of the introduction of new management personnel, essential to ensure the adequacy of the organizational structure and the correct segregation of roles and of the responsibilities of the operational functions towards the control functions. In particular, during the 2016 financial year, the Company appointed the Investor relator, as information reference and responsible for the relations with Borsa Italiana, to which the latter may refer in order to obtain information regarding the Company or the Group, or in order to request the disclosure of data or information necessary for a proper market disclosure. During the first months of the 2017, therefore, the Organizational Human Resources Manager has been appointed, as further fundamental organizational tool to ensure effective design of organizational processes of the Company and of the Group as well as to define and govern the reward remuneration systems.

In line with the provisions set forth under article 148, paragraph 3, of the Consolidated Law on Finance, as referred to in article 147-*ter*, paragraph 4, the Company has also aligned the composition of the Board of Directors in order to ensure the presence, *inter alia*, of at least three independent directors - however already foreseen in the previous composition - and two directors appointed from the minority lists as from the first renewal of the Board of Directors.

3.3. Remarks on the adequacy of the internal control system and in particular on the activity carried out by the persons in charge of Internal Control. Illustration of any corrective action taken and/or to be taken.

We monitored the Internal Control system in its polycentric structure and its extension to the subsidiaries, assuming a primary role of coordination. We believe that such system is appropriate for the management characteristics of the Company and meets the requirements of efficiency and effectiveness in the management of risks and in compliance with the procedures and internal and external provisions. The Company's control system is based on first, second and third level controls: the first level controls are inherent in the procedures with the involvement of the relevant Functions, as well as the "Process owner"; second level controls are attributed to the management control; third level controls, instead, are entrusted to the Internal Audit function.

We verified, preliminarily, the adequacy of the Internal Audit plan, providing where appropriate, certain advices and ascertaining that the Head properly carried out its updating during the year in order to take into account the need for control occurred with the listing process on the Electronic Stock Market (MTA).

As to the existence of an effective system of internal control and risk management – aimed at ensuring the protection of the corporate assets, the efficiency of the business processes, the reliability of the financial information and, more generally, the compliance with the Laws, Bylaws and internal procedures – we certify to have assessed the appropriateness of the Management Control System noting that:

- the planning process is supported by adequate informative systems and procedures allowing to reliably match the key economic and financial information with the outcomes of the informative systems used within each subsidiary;
- the process ensures the accuracy and integrity of such information.

We also consider it appropriate to strengthen the separation between the management control activities and the planning activities.

3.4. Remarks on the adequacy of the administrative/accounting system and its reliability to correctly represent management events

We assessed, to the extent of our responsibilities, the reliability of the administrative and accounting system to point out and correctly represent management events either by examining directly the company documents, by acquiring information directly from the Heads of the various Functions and through regular meetings with the Auditing Firm and the examination of the work plan carried out by the same.

As for the accounting reporting profiles, we acknowledge that we have been informed that the Company activated a realignment process of the account matrices in order to ensure an appropriate supply of information. The Company has adopted an advanced system as well as an unified software for the management and control of financial and business performance, aimed at ensuring adequate information in order to detect any deviations from the forecast data.

3.5. Remarks on the adequacy of the instructions issued by the Company to its subsidiaries pursuant to article 114, paragraph 2, of the Consolidated Law on Finance.

In this regard we stayed in contact with the Supervisory Bodies of the Subsidiaries, in order to optimize, by means of constant coordination and sharing activities, matters having an impact on all the entities belonging to the Group, notwithstanding the protection of each management autonomy.

In our capacity as Board of Statutory Auditors of the Parent Company we reserved to further investigate the rank of compliance with the set of internal procedures, as crucial activity of realignment.

3.6. Information regarding the adherence of the Company to the Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies

As mentioned above in paragraph 3.1, the Company has decided to adhere to the Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies, by means of the resolution adopted by the Board of Directors during the meeting held on May 17, 2016.

3.7. Final evaluations concerning the supervisory activity carried out, as well as to omissions, reprehensible facts or irregularities detected performing such activity

We certify that our supervisory activity, carried out during the 2016 financial year, has been performed under normal circumstances, and that it has not revealed any significant events that would require a specific mention in this report.

3.8. Indication of possible proposal to be submitted to the Shareholders' Meeting in accordance with article 153, paragraph 2, of the Consolidated Law on Finance upon the matter which falls within the responsibilities of the Board of Statutory Auditors

Except for the provisions provided in the following chapter, the Board of Statutory Auditors deems to have no further proposals or comments.

4. ROLE OF THE COMMITTEE FOR INTERNAL CONTROL AND AUDITING ACTIVITY

Pursuant to article 19 of Legislative Decree no. 39/2010, the Board of Statutory Auditors holds the office of the Internal Control and Audit Committee, and in that capacity carried out the activities provided for under the applicable provisions of Law as amended by the Legislative Decree no. 135 of 17 July 2016 implementing the Directive 2014/56/EU which amended Directive 2006/43/EC.

Preliminary, the Board of Statutory Auditors acknowledges that it has ascertained the independence of the Auditing Firm, in accordance with Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the aforementioned Legislative Decree no. 39/2010.

With specific reference to the monitoring of the financial reporting process, the Board of Statutory Auditors, after having also discussed with the Auditing Firm and the Manager charged with preparing a company's financial reports appointed for this purpose, has detected no evidence that could affect its integrity.

During the financial year the Company has adopted a Methodology Manual for the supervision of the financial reporting risk provided under Law 262/2005, which is applicable to Tecnoinvestimenti S.p.A. as well as to all the subsidiaries fully consolidated on a line-by-line basis. In this respect, we noted that the document at issue correctly allows to define the methodological guidelines and operational practices which must inspire the internal financial information control system (so-called SCIIF), in order to ensure the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness in the drawing-up of the financial statements and all other information having financial nature.

We acknowledged that, during the financial year, all the Group's procedures connected to the so-called 262 Model have been subject to review, which are, in particular, the following procedures:

- the procedure on the active cycle,
- the procedure on the passive cycle;
- the procedure on the financial statements and the reporting package;
- the procedure on the fixed assets;
- the procedure on personnel management.

According to the Board of Statutory Auditors, the procedure, as currently structured, is able to guarantee and verify, on a continuous basis, the adequacy and actual application of the administrative and accounting procedures.

The Board of Statutory Auditors has also periodically verified, with the assistance of the Audit Function, the outcome of the checks carried out over the main procedures for the production of the administrative and financial report. In such respect, it must be pointed out that the supervision over the procedure concerning the financial report through the examination of the control system and the procedures of production of information which have, as specific matter, financial data of a strict nature, has been carried out by the Board of Statutory Auditors having regard not only to the informative data but also to the process by means of which the information has been produced and disclosed.

With reference to the conduct of the Auditing Firm, the Board of Statutory Auditors acknowledged the auditing activity made by the same on the basis of the risk assessment carried out in relation to the administrative and accounting system and, more in general, to the internal control system. For this purpose, the Board of Statutory Auditors became aware, acknowledging the adequacy thereof, of the errors or frauds risk evaluation carried out by the auditing firm and of the subsequent plan of its activity with graduation of the depth of the checks proportionate to the intensity of the risk through *(i)* the mere ascertainment of the points of check and the tests inherent to the administrative and accounting system; *(ii)* the re-performing of the checks and the tests carried out by the company; *(iii)* the performance, on a direct basis, of substantial checks.

5. COMMENTS AND PROPOSALS IN RELATION TO THE SEPARATE FINANCIAL STATEMENTS AND THEIR APPROVAL

With reference to the check of the accounting records and the correct reporting of the management activities into the accounting records, as well as the matching verification between the financial statements information and the outcomes of the accounting records and the compliance of the financial statements with the law provisions, it is worth reminding that these duties are conferred to the Auditing Firm.

During the current financial year – pursuant to the provisions set forth under Legislative Decree no. 39 of January 27, 2010, concerning the audit of the annual and consolidated accounts, – in addition to the information given in relation to the supervisory activities on the internal control and risk management systems, in order to carry out their own evaluations, the Board of Statutory Auditors met several times the Auditing Firm, KPMG S.p.A., obtaining adequate information on the conclusions of its periodical audit on the company's accounting records and on the proper reporting, into the accounting records, of the management activities, as well as the audit plan of the accounts relating to the financial statements as of December 31, 2016.

In particular, during such meetings, the Auditing Firm, KPMG S.p.A., reported to the Board of Statutory Auditors that, in the context of its activities and on the basis of the audit procedures performed during the financial year and on the basis of the financial statements as of December 31, 2016, no uncertainties or limitations emerged during the performed tests. On the basis of what has been reported to us, we acknowledge that the "opinion without amendments" given by the auditing firm does not highlight criticalities and does not show remarks or informative complaints.

From our side, we supervised the general approach given to the financial statements at issue.

In particular, having previously ascertained – through meetings with the Heads of the concerned Functions and with the Auditing Firm – the adequacy of the administrative and accounting system in detecting and correctly representing the management activities and in expressing the same into data reliable systems for the production of the external information, we acknowledge that:

- the production, the setting and the presentation formats of the annual financial statements comply with the Law and regulatory measures;
- the financial statements are consistent with the events and the information of which we became aware following the attendance at the meetings of the Company's Bodies which allowed the obtainment of adequate information in relation to the most significant transactions, from an economic, financial and patrimonial standpoint, carried out by the Company;
- the phantom stock option plan is correctly evaluated into the financial statements;
- during the performance of the impairment test procedures, the Company adopted the internal model.

We ascertained that the Management Report is compliant with the laws in force, as well as consistent with the resolutions taken by the Board of Directors and with the information available to the Board of Statutory Auditors; we deem that the report described into said document meets the relevant provisions and contains a true, balanced and exhaustive analysis of the Company's situation, of the management performance and result, as well as the indication of the main risks which the Company is subject to and provides express evidence of the elements which may affect the management development.

With respect to the financial statements as of December 31, 2016, we have no further comments or proposals to submit. The supervisory and control activity carried out by the Board of Statutory Auditors during the financial year, also in relation to the tasks attributed to the same as Committee for the internal control and audit of the accounts, as described in this report, did not highlight further events to be reported to the Shareholders' Meeting.

6. REMARKS REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of Tecnoinvestimenti S.p.A. as of December 31, 2016, consist of the Statement of Financial Position, the Statement of Profit/Lloss) and the other parts of the Comprehensive Income Statement, the Statement of Changes in Balance Sheet, the Statement of Cash Flows and the explanatory notes, and are accompanied by the Management Report. The Consolidated Financial Statements result drafted in compliance with the *International Financial Reporting Standards* (IFRS) and with the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and of the *Standing Interpretations Committee* (SIC), validated by the European Commission and effective at the date of the financial statements, as well as in compliance with the *International Accounting Standards* (IAS).

The Financial Statements present a Consolidated Profit of Euro 12,120 thousands, of which Euro 12,062 thousands of Group Net Profit (after minorities), and a Total Shareholders' equity equal to Euro 130.4 million (vs. Euro 77.2 milliond on December 31, 2015).

InfoCert S.p.A., Ribes S.p.A., Assicom S.p.A., Co.Mark S.p.A., Visura S.p.A., RE Valuta S.p.A., Creditreform Assicom Ticino S.A., Co.Mark TESS S.L., Lextel S.p.A., Isi Sviluppo Informatico S.r.l., Sixtema S.p.A. and Etuitus S.r.l are included within the consolidation perimeter. Compared to 2015, the economic data have undergone some changes due to:

- Co.Mark Group consolidation, starting from April 1, 2016;
- Visura Group consolidation, starting from July 1, 2016;
- the sales consolidation of Datafin S.r.l, which was merged during 2016 into Assicom S.p.A., and EcoMind App Factory S.r.l., which was merged during 2016 into InfoCert S.p.A.. Such

acquisitions have occurred close to the end of the 2015 financial year and therefore were not included inside the 2015 income statement.

Following the supervisory activity carried out on the Consolidated Financial Statements and on the basis of the direct disclosures and the information obtained, the Board of Auditors has ascertained and may acknowledge, that:

- the provisions concerning the establishment and the setting of the Consolidated Financial Statements and of the accompanying Management Report have been complied with;
- no critical issues have emerged in relation to the Tecnoinvestimenti S.p.A. organizational structure, therefore, the suitability of the instructions provided by the competent Parent Company's Function, aimed at obtaining the required data flow for the consolidation by the subsidiaries, some of which, moreover, are subject to the audit activity by KPMG S.p.A., may be confirmed;
- the documents taken as a basis for the full consolidation process are represented by the Financial Statements as of December 31, 2016, as approved by the competent administrative Bodies of the subsidiaries. For the companies whose control has been acquired during the financial year, the relevant financial statements have been consolidated starting from the date in which the control had been acquired;
- no subsidiary has been left out of the consolidation process;
- the perimeter, the evaluation criteria and the consolidation principles adopted, properly outlined by the Directors inside the explanatory notes, comply with the legal provisions and result to be properly applied in accordance to the explanations and clarifications included in the relevant accounting principles;
- the explanatory notes and the Management Report include all the information required by law and by the international accounting principles and are compliant with the financial statements data.

With reference to the audit activity of the consolidated accounts, the Board of Statutory Auditors has acknowledged, based on what has been reported by the Auditing Firm, the absence of a situation of uncertainty as well as of any limited checks.

* * *

CONCLUSIONS

As a result of the supervisory activity carried out during the 2016 financial year and taking into account the findings of the activity performed by the entity in charge of the auditing of the accounts, included in the relevant accompanying report to the financial statements:

a) we acknowledge the adequacy of the organizational, administrative and accounting structure adopted by the company and of its concrete functioning, as well as of the efficiency and effectiveness of the internal controls, internal audit and risk management system;

b) we express, within our responsibilities, a favorable opinion to the approval of the financial statements as of December 31, 2016 and to the proposal made by the Board of Directors regarding the allocation of the profit achieved.

Rome, April 6, 2017

The Board of Statutory Auditors

Mr. Riccardo Ranalli

Mr. Gianfranco Chinellato

Mrs. Domenica Serra