ANNUAL FINANCIAL REPORT as at 31/12/2017

This English version of Tecnoinvestimenti’s 2017 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

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CORPORATE DATA and COMPOSITION OF CORPORATE BODIES

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

Parent Company Legal Information
Resolved Share Capital Euro 47,207,120 - subscribed and paid-in Share Capital Euro 46,573,120
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 and Related Parties 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	**Operational Offices**
Piazza Sallustio 9 - 00187 Rome	Via Principi d'Acaja, 12 – 10143 Turin
	Via Meravigli 7 – 20123 Milan

SUMMARY OF GROUP RESULTS

Summary economic data *(In thousands of Euro)*	**31/12/2017**	**31/12/2016**[1]	**Change**	**Change %**
Revenue	181,018	147,325	33,693	22.9%
EBITDA[2]	40,631	29,274	11,357	38.8%
Operating profit	27,243	17,418	9,825	56.4%
Net profit	20,310	11,605	8,706	75.0%
Adjusted net profit[3]	21,633	15,917	5,715	35.9%
Earnings per share (in Euro)	0.44	0.31	0.13	41.6%
Adjusted earnings per share (in Euro)[4]	0.47	0.42	0.04	9.9%
Dividend	6,520	4,047	2,473	61.1%
Dividend per share (in Euro)[5]	0.14	0.0875	0.0525	60.0%

Summary equity-financial data *(In thousands of Euro)*	**31/12/2017**	**31/12/2016**	**Change**	**Change %**
Share capital	46,573	46,256	317	0.7%
Shareholders' equity	143,317	129,921	13,397	10.3%
Net financial debt	104,563	71,230	33,332	46.8%

[1] The comparative data of 2016 were recalculated following completion, during the first half of 2017, of the activities to identify the fair value of the assets and liabilities of the Visura group, fully consolidated starting from 1 July 2016. It should also be noted that, in 2017, allocations to the Provision for Agents' Leaving Indemnity were reclassified from the item "Provisions" to the item "Cost of services"; allocations relating to personnel disputes were also reclassified from the item "Provisions" to the item "Personnel costs". In order to ensure a better comparison of the results, these reclassifications were also carried out for the related items of the 2016 Financial Statements.

2 EBITDA is calculated as "Net profit" before "Taxes", "Net financial income (expenses)", "Portion of profits from equity-accounted investments", "Amortisation/depreciation", "Provisions" and "Impairment", or as "Revenue" before "Raw material costs", "Service costs", "Personnel costs" and "Other operating costs".

3 Calculated like "Net profit" net of non-recurring components and amortisation of the intangible assets recognised upon allocation of the price paid for business combinations, net of tax effect. This indicator reflects the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

[4] The adjusted EPS is obtained from the ratio of adjusted net income and the weighted average number of ordinary shares outstanding of 46,326,468 in 2017 and 37,466,769 in 2016.

[5] The *dividend per share* is obtained from the ratio of *dividend* and the number of shares at the reporting date, equal to 46,573,120 in 2017 and 46,256,120 in 2016.

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 2017, which may be considered significant for the investments made in new acquisitions and for restructuring of the internal Business Units, seeking greater operating synergies, thus laying the groundwork to further strengthen growth in the Group's results.

In the year just ended, various extraordinary transactions were carried out which made it possible to strengthen the platform of services offered by Tecnoinvestimenti to its business customers.

Therefore, we summarise them briefly:

In March 2017, the Group exercised its call options on the non-controlling interests of the subsidiaries Ribes and Assicom, thereby obtaining full control of the two companies which operate in the Credit Information & Management Division: a decision that made it possible to proceed, in July, with the integration of the two companies with a view to facing growing competition and taking best advantage of the opportunities offered by the market in both the corporate and financial sectors.

Tecnoinvestimenti simultaneously acquired direct control of RE Valuta, one of the key players in the real estate valuations sector, of which it now holds 83.1% of the share capital.

In April, the subsidiary InfoCert, leading European Certification Authority increased its stake in Sixtema, an ICT company specialised in the production of software for the artisanal sector and micro-companies, from 35% to 80%. InfoCert thus strengthened its existing expertise in the implementation of trusted solutions provided through Sixtema to SMEs, trade associations, professional firms, and financial institutions and intermediaries, as part of the technological innovation process of the Industry 4.0 programme.

In July, Tecnoinvestimenti purchased an additional 10% of the company Co.Mark S.p.A., bringing its investment in the leader in Temporary Export Management services for the internationalisation of small and medium-sized Italian companies to 80%.

In October, strategic shareholder Cedacri exercised the first instalment of the 2016-2019 Tecnoinvestimenti Warrants, corresponding to 317,000 ordinary shares of Tecnoinvestimenti S.p.A. (equal to 0.685% of the share capital). Following said exercise, Tecnoinvestimenti's share capital increased to 46,573,120 shares.

At the end of November, Tecnoinvestimenti acquired, for a value of Euro 33.9 million, 70% of Warrant Group, leader in subsidised financial services. Of the remaining portion, 30% is subject to Put&Call options exercisable in 2019-2020.

As one can see, the external growth activity was intensive and conducted following the guidelines of a strategic plan focusing on key sectors of the economy, which have the highest demand for solutions that quicken and simplify business, with the use of safe and reliable technologies.

At the same time, within a context of gradual but slow economic recovery, the Group's priority was to optimise the internal structure to improve operations, encouraging synergy and cross-selling activities among the various companies and to enhance the product platform, strengthening the position as market leader, with a view to fully meeting customer needs with a significant degree of innovation.

The 2018-2020 Business Plan calls for significant growth, confirming the strategy intended to create a leading group in value added services, taking advantage of opportunities to expand the asset portfolio as well as opportunities for business integration which will allow for more effective activities in the market as well as increased profitability.

Today, the Group therefore confirms its confidence in the future and the possibility of continuing to grow in economic and financial terms. In this respect, the Board of Directors has proposed a total dividend of Euro 6,520,236.80, equal to Euro 0.14 per share, corresponding to a pay-out of 32.1%. This dividend reflects an increase of 60% over the 2016 dividend.

Milan,
March 14, 2018

Enrico Salza
Chairman

DIRECTORS’ REPORT ON OPERATIONS

INTRODUCTION

This Report on Operations relates to the Separate Parent Company and Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, 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 2017.
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, Credit Information & Management and Sales & Marketing services. The Group has developed rapidly in recent years, due to both organic growth and acquisitions, aimed at expanding the portfolio of products/services and extending the offering to market sectors considered strategic and synergistic.

The Group operates through three Business Units (BUs):

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 regulation) and customer and sector compliance standards, through various products and services such as certified e-mail (CEM), electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through the InfoCert group and the Visura group.

   For the purpose of carrying out activities as a manager of certified 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 its subsidiary Lextel are active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions and resale services of products such as certified e-mail, digital signature and electronic invoicing like InfoCert; they also offer telematic services and manage approximately 450 thousand client lists including professionals, professional firms, public administrations, professional associations and companies; through the ISI subsidiary, the Visura group also offers products and services in the IT sector for professional associations such as electronic filing, CAF Facile (the filing of 730 tax return statements and related documents) and certified e-mail.

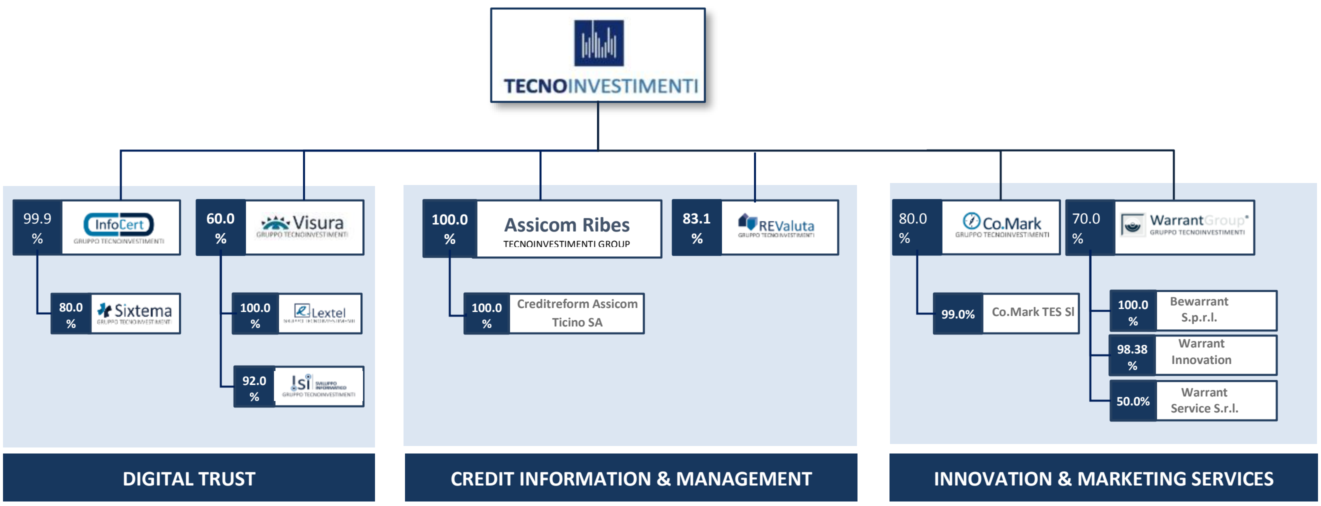
   Sixtema, 80%-owned by InfoCert since April 2017, provides IT and management services to companies, entities, associations and institutions, with a particular focus on the world of CNAs - Confederazione Nazionale dell’Artigianato (National Confederation of Craftsmen). It has its own data centre through which it provides software services via ASP and/or SaaS. Moreover, as service provider, it provides an integrated technological infrastructure service. Its offer comprises software solutions to comply with all tax obligations, employment legislation and other regulations in general.

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.
   As part of Credit Information & Management, the Group operates through Assicom Ribes S.p.A. (created from the merger of the two companies in 2017), its subsidiary Creditreform Assicom Ticino and RE Valuta.
   Assicom Ribes provides a complete range of IT services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services, through a business model characterised by the integration of services, with the aim of supporting SMEs at every stage of the credit management and recovery cycle. Assicom Ribes also controls Creditreform Assicom Ticino, company belonging to the Creditreform network, an international organisation operating in the sector of commercial information and credit recovery. RE Valuta realizes and provides assessment services regarding the actual value of real estate collateral during the granting of loans.

3. With the introduction of Warrant Group, acquired in November 2017, the Sales & Marketing Solutions BU, which included Co.Mark S.p.A., changed its name to Innovation & Marketing Services. Predominantly through a team of TES® (Temporary Export Specialists®), Co.Mark provides value-added services aimed at supporting small and medium-sized companies or networks of companies in their internationalisation, in the search for customers and in creating business opportunities abroad as well as in Italy. In July 2015, Co.Mark TES S.L. was established in Barcelona with the objective of developing the innovative export model, also in support of the Spanish SMEs, which operate in a market very similar to the Italian one.

   Warrant Group and its subsidiaries predominantly offer consulting services to companies that invest in productivity and R&D innovation to obtain subsidised and integrated loans, also through tools provided by the European Union, the Ministry of Economic Development and the Regions, and tools provided by the National Industry Plan 4.0. Warrant offers specific support to companies in managing relations with banks and in analysing company ratings in order to identify the most critical variables on which to implement actions to improve the company in view of Basel 2. Warrant Innovation Lab focuses on promoting the sharing of knowledge, ideas, products, technologies and methodologies among companies, universities and research centers, in order to systematically generate and support industrial innovation.

The following chart shows the structure of the Tecnoinvestimenti Group, including controlling equity investments, as at 31 December 2017.



ECONOMIC CONTEXT

The activities of the Tecnoinvestimenti Group are currently concentrated, with small exceptions, in Italy, where the latest forecasts[6] envisage economic growth in terms of Gross Domestic Product for 2017 of +1.6% and for 2018 of +1.4%. Expected growth in 2019 and 2020 is approximately 1.3%.
According to the expectations, interest rates will rise gradually during the period 2018-2020: short-term rates, currently negative, will increase by about 60 basis points overall and yields on ten-year government bonds by about 110 basis points.

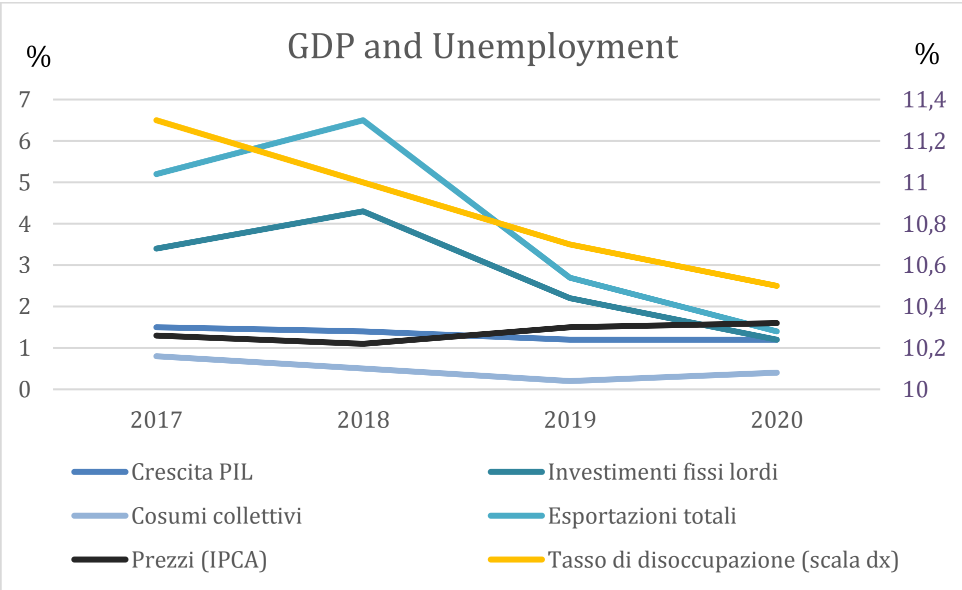
The main hypotheses underlying the forecasts by the Bank of Italy are the following:

a) international trade, which increased by 5.4% in 2017, will slow down to just over 4% on average over the three-year period 2018-2020; the weighted foreign demand for Italian export destination markets should grow at rates similar to those of world trade;

b) despite the significant weakness in the US currency recorded at the beginning of 2018, the USD exchange rate against the Euro should remain at around $1.20/€1 during the period 2018-2020;

c) the price of crude oil (Brent), equal to 54 dollars a barrel on average in 2017 and 70 dollars at the end of January 2018, is estimated at around 66 dollars in 2018 and 60 dollars in 2020;

d) the three-month Euribor, negative since April 2015 and equal to -0.3% in 2017-2018, is expected to gradually rise to +0.3% on average in 2020;



Source: Bank of Italy, January. Economic Bulletin 1/2018

Economic activity in 2018 should be driven predominantly by internal demand; the contribution of net foreign demand may be slightly negative in 2018, but positive in 2019-2020. In 2020, GDP is expected to recover approximately 90% of the decline suffered between 2008 and 2013, but it will remain about 1.5% lower than in 2007.

The 2018 trend in GDP should benefit from support by economic policies, which continue to be expansive, although to a relatively lesser extent than in the past. This reflects, on the one hand, gradual removal of the monetary stimulus (of the ECB) expected by the markets, and on the other, growing autonomous support to

[6] The macroeconomic projects presented here are based on those published by the Bank of Italy and the OECD.

internal demand from the improvement in forecasts of households' disposable income and reduction in the unused capacity of companies.

Consumption by households should continue to benefit from improvement in the labour market and low real interest rates, growing slightly less than GDP and disposable income. Employment growth should continue to expand in a relatively steady manner (on average by approximately 1.0% per year), predominantly reflecting the favourable trend in economic activity. Increased participation in the labour market, attributable to the cyclical improvement and progressive increase in pensionable age, should lead to an only gradual decrease in the unemployment rate, which will amount to 11.0% in 2018 (from 11.3% in 2017), reaching 10.5% in 2020.

Exports should grow by over 6% in 2018 and, on average, over 3% per year during the period 2018-2020, reflecting both the hypotheses of favourable performance of international trade, as well as the effect of appreciation of the Euro recorded in the last few quarters. Growth in imports, particularly marked in 2017 and then gradually slowing, should follow the trend of investments in manufacturing and exports. The current account surplus of the balance of payments remains high: it will fall to 2.3% in 2018 and will remain at an average of around 2.5% over the three-year period, essentially in line with the value of the 2015-2017 period.

Inflation should drop from 1.3% to 1.1%, to then gradually rise again. The expected decline in 2018 is predominantly due to the end of the effect of the increase in energy and food prices that was recorded at the beginning of 2017. Contributing to the future recovery of inflation will be a gradual rise in wages, including public wages, and the progressive elimination of contributory discounts on permanent hirings from 2015; these trends should be more gradually reflected in consumer prices.

Source: Inflation.eu

SME Sector

With regard to the small and medium enterprise (SME) sector, which is the focus of the Tecnoinvestimenti Group, we note that almost all economic indicators of Italian companies in the last quarter of 2017 improved: turnover and added value grew by over 3 percentage points (3.2% and 3.1%), investments by +8.2% and profitability (8.4% to 8.5%) and sustainability of debt showed slight increases. Capitalisation stable at 33.8%.

During the last quarter of 2017, the business confidence indicators continued to improve, reaching their highest levels since 2007. Significant increases were recorded in services (particularly retail sales) as well as manufacturing, while confidence was essentially stable in construction. According to the quarterly survey conducted in December by the Bank of Italy in collaboration with Il Sole 24 Ore, opinions on the general economic scenario, although slightly down, remain largely positive. Expectations on demand have further improved in industry in the strict sense and in services, while the construction sector has observed some deterioration[7]. In the first nine months of 2017, the assessments of companies with regard to level of orders, taken from the economic survey on manufacturing companies by ISTAT, have progressively improved in the Centre-North, where opinions on internal demand continue to be aligned with those on foreign orders, benefiting from the recovery of domestic consumption. In the South, more favourable expectations were only

[7] ABI. The economy of the Italian regions. Recent trends and structural aspects, November 2017

expressed in the third quarter, supported exclusively by the internal component. Production ratings have also improved gradually during this year, especially in the Centre-North[8]; growth was more pronounced in the North-East, the first macro-area to show positive ratings since the crisis began in 2008.
The trend in credit continues to be impacted by performance of investments and of the economic cycle, while the intensity is limited. Despite these positive signs, the real value of fixed gross investments is clearly below the pre-crisis levels.

In October 2017, the Italian government confirmed all of the "Industry 4.0" incentives in the 2018 Finance Law, a positive element for Italian companies in the manufacturing and tertiary sectors. Similarly, the implementation of incentives such as Patent Box and an acceleration of the national plan for Ultra-Broadband could potentially unlock incremental investments and thus give an important boost to the Italian economy, both for large companies and SMEs.

SIGNIFICANT EVENTS DURING THE PERIOD

Below is a summary of the most significant events that occurred in 2017:

1. On 28 March 2017, the Board of Directors of Tecnoinvestimenti approved exercising of the call options on the minorities of the two subsidiaries Ribes and Assicom, which operate in the Strategic Business Unit (SBU) of Credit Information & Management, obtaining full control over the two companies.
   The decision allowed Tecnoinvestimenti to promote integration of the two companies with a view to facing growing competition and the opportunities offered by the market in both the corporate and financial sectors. Exercising of the call option for 12.5% of minorities of Ribes took place in the first eligible window envisaged contractually, while the acquisition of 32.5% of Assicom, owned by Quaranta Holding and Capitoloundici, was partly anticipated with respect to the contractual agreements that provided for the options to be exercised in two tranches, the first upon approval of the 2016 financial statements and the second upon approval of the 2017 financial statements.
2. On 3 April 2017, the shareholders' meeting of Ribes S.p.A. resolved the distribution of an extraordinary dividend in kind to Tecnoinvestimenti S.p.A. and Coesa S.p.A. shareholders, equal to 95% of the share capital of RE Valuta S.p.A., for a nominal amount of Euro 190,000, in proportion to the stake held in Ribes S.p.A. As a result of this distribution, Tecnoinvestimenti S.p.A. owns a portion equal to a nominal amount of Euro 166,250 (83.125%) of the share capital of RE Valuta S.p.A. and Coesa S.p.A. owns a portion equal to a nominal amount of Euro 23,750 (11.875%). The share held by Coesa S.p.A. is subject to put-and-call option rights exercisable after approval of the 2018 or 2019 financial statements of RE Valuta.
3. On 13 April 2017, InfoCert S.p.A. signed the purchase agreement to increase its stake in Sixtema S.p.A., ICT company specialised in the production of software for the SME sector, to 80% (compared to the prior 35% stake). The transaction enabled the acquisition of 45% of Sixtema's capital with an initial outlay equal to Euro 2,150 thousand paid at the closing date (20 April 2017) and a variable component, between Euro 250 thousand and Euro 1,750 thousand, to be paid upon approval of the financial statements of Sixtema for the year 2018. Put&Call option rights have been stipulated on the remaining 20% owned by the minority shareholders, exercisable once after approval of the 2018 financial statements.
4. Acquisition of the residual 12.5% of Ribes S.p.A. was formalised on 13 April 2017, exercising a call option. The economic outlay was Euro 7 million.
5. On 27 April 2017, the companies Tecnoinvestimenti S.p.A., Ribes S.p.A. and Assicom S.p.A. stipulated with Cariparma and Friuladria a refinancing of the residual debt amount still outstanding as at 31 March 2017 equal to Euro 27.5 million with a significant benefit in terms of lower financial expenses

[8] Bank of Italy, Economic Bulletin 1/2018

which will be achieved in the upcoming years. The main terms of the contract are as follows:

a. Term loan facility to replace the previous one for a total of Euro 30 million, with maturity on 30 June 2023 and repayment of semi-annual instalments at the 6-month Euribor plus a margin of 130 bps. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin shall be determined based on the Debt Cover Ratio (hereafter “DCR”, namely the ratio of NFP to EBITDA, defined contractually) as follows: *DCR* ≥ 3 margin 145 bps; *DCR* < 3 and ≥ 1 margin 130 bps; *DCR* < 1 margin 115 bps.

b. An additional Capex facility available upon request for Euro 15 million, Euro 10 million of which used at 31 December 2017, at the 6-month Euribor rate plus 160 bps, with maturity on 30 June 2023. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin shall be determined based on the Debt Cover Ratio (hereafter “DCR”, namely the ratio of NFP to EBITDA, defined contractually) as follows: DCR ≥ 3 Margin 175 bps; DCR < 3 and ≥ 1 Margin 160 bps; DCR < 1 margin 145 bps

c. Modification of the covenants calculated on the Consolidated Financial Statements of the Tecnoinvestimenti Group, every six months on a pro forma basis, consolidating the extraordinary transactions (acquisitions). Tecnoinvestimenti S.p.A. has agreed, starting from 30 June 2017 and for each half-year in question, to respect the following limits: maximum DCR threshold of 3.5 and NFP/SE of 2.0.

d. Elimination of the guarantees providing security to the syndicate of banks (pledge of Ribes and InfoCert shares).

6. A centralised Group treasury management system (cash pooling) was launched on 1 July 2017 by Parent Company Tecnoinvestimenti S.p.A. The Group companies participating in the cash pooling are Assicom S.p.A., Co.Mark S.p.A., InfoCert S.p.A., ISI S.r.l., Lextel S.p.A., RE Valuta S.p.A., Ribes S.p.A. and Visura S.p.A., and from November, Sixtema S.p.A.

7. On 6 July 2017, Tecnoinvestimenti S.p.A. completed the purchase of an additional 10% of the Co.Mark S.p.A. subsidiary, which operates in the sector of Sales & Marketing Solutions (now renamed Innovation & Marketing Services) for a total amount of Euro 6,655 million, following the exercising of the first put option by minority shareholders within the contractually envisaged times. The initial acquisition contract for 70% of the share capital indeed envisaged that the remaining 30%, held by the founding shareholders, be subject to Put&Call option rights, 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. Tecnoinvestimenti’s stake in Co.Mark S.p.A. has thus risen to 80%.

8. The merger of Ribes into Assicom was approved on 25 July 2017, giving rise to Assicom Ribes S.p.A. The merger transaction, planned for 2018, was accelerated following the purchase, between March and April 2017, by Parent Company Tecnoinvestimenti, of the minority stakes in two companies operating in the Strategic Business Unit (SBU) of Credit Information & Management. The merger of Assicom and Ribes meets Tecnoinvestimenti S.p.A.’s objective of creating a single operator, able to actively face the market, increasing its competitive positioning. Indeed, the revenue and cost synergies will permit the company to progressively invest in expanding its IT base and extending its product range in all markets in which it operates (financial, corporate, SMEs and professionals) as well as in Credit Information and Credit Management services.

9. On 22 September 2017, Tecnoinvestimenti S.p.A. received from Cedacri S.p.A. - which held 4.95% of the share capital of Tecnoinvestimenti S.p.A. as at that date - the request to exercise the first tranche of warrants held by it, for the maximum envisaged number of 317,000 warrants, corresponding to

317,000 new ordinary shares of Tecnoinvestimenti S.p.A. at the subscription price of Euro 3.40 per share. Simultaneously upon making the request, Cedacri S.p.A. paid the amount of Euro 1,077,800 (of which Euro 760,800 as a premium).

10. On 11 October 2017, pursuant to Art. 85-bis of Consob Regulation no. 11971/1999 ("Issuers' Regulation") and 2.6.2, paragraph 1, letter a) of the Stock Market Regulations organised and managed by Borsa Italiana S.p.A., Tecnoinvestimenti S.p.A. announced the new composition of share capital, fully subscribed and paid-in, equal to Euro 46,573,120, subdivided into 46,573,120 ordinary shares.

11. On 23 November, the deed for the merger by incorporation of Ribes S.p.A. into Assicom S.p.A. was stipulated. Starting from 31 December 2017, date in which the merger became fully effective, the resulting company adopted the name "Assicom Ribes S.p.A.".
    The merger is part of a strategic plan that will enable the creation of one of the key players in the sector of Business Information and Credit Management, with a turnover of approximately Euro 60 million, over 300 employees and a portfolio of over 9,000 customers. As already highlighted, the merger will optimise on the operational and management integration of the two companies, continuing investments in the databases and in the development of innovative products in order to create greater value of the medium term.

12. On 30 November 2017, Tecnoinvestimenti completed the acquisition of 70% of the share capital of Warrant Group S.r.l. ("WG"), a leader in corporate advisory services for subsidised financial transactions, at a price equal to a maximum of Euro 33.9 million, in the presence of a Net Financial Position equal to (or close to) zero. The remaining 30% of the share capital will be subject to Put & Call options that may be exercised upon the approval of the 2018 financial statements and the 2019 financial statements, at a price predetermined on the basis of the achievement of agreed WG EBITDA objectives.
    In this context, the new "Innovation & Marketing Services" Business Unit was created, which will incorporate not only WG but also Co.Mark S.p.A., acquired in 2016. The acquisition and integration of WG will allow the development of important synergies through the coordinated commercial development of activities on a considerably widened customer base. Also taking into consideration of Assicom and Ribes (Credit Information & Management Business Unit), the Tecnoinvestimenti Group will be able to exploit the potential synergies in terms of cross-selling on an estimated customer base of over 12,000 SMEs.

DEFINITION OF PERFORMANCE INDICATORS

Tecnoinvestimenti management evaluates the performance of the Group and of the business segments also on the basis of a number of indicators not envisaged by the IFRS.

With regard to said indicators, on 3 December 2015, CONSOB issued Communication no. 0092543/15, authorising application of the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), regarding their presentation in the regulated information disclosed or in the statements published starting from 3 July 2016. These guidelines are intended to promote the usefulness and transparency of the alternative performance indicators included in the regulated information or in the statements falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility, when such indicators are not defined or envisaged by the financial reporting framework.

The criteria used to calculate these indicators are provided below, in line with the aforementioned communications.

EBITDA: Calculated as “Net profit” before “Taxes”, “Net financial income (expenses)”, “Portion of profits from equity-accounted investments”, “Amortisation/depreciation”, “Provisions” and “Impairment”, or as “Revenue” before “Raw material costs”, “Service costs”, “Personnel costs” and “Other operating costs”.

Operating profit: Although the IFRS do not contain a definition of Operating profit, it is presented in the Statement of profit/(loss) and other components of the comprehensive statement of income and is calculated starting from EBITDA, net of “Amortisation/depreciation”, “Provisions” and “Impairments”.

Adjusted net profit: Calculated like “Net profit” net of non-recurring components and amortisation of the intangible assets recognised upon allocation of the price paid for business combinations, net of tax effect. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

Adjusted EPS: obtained from the ratio of adjusted net income and the weighted average number of ordinary shares outstanding during the year.

Net financial position (debt): Determined in accordance with Consob Communication no. 6064293 of 28 July 2006 and the ESMA/2013/319 Recommendation, subtracting “Other current financial liabilities”, “Derivative financial instruments payable” and “Other non-current financial liabilities” from “Cash and cash equivalents”, “Other current financial assets” and “Current derivative financial instruments receivable”.

Total net financial position (debt): Calculated by adding the Net financial position (debt), Non-current derivative financial instruments receivable and Other non-current financial assets.

Free Cash Flow: represents the cash flow available for the Group and is equal to the difference between the cash flow from operating activities and the cash flow for investments in capital assets. It is equal to the difference between “Cash and cash equivalents generated by operating activities” and the sum of “Investments in property, plant and equipment” and “Investments in intangible assets” included in the Cash flow statement.

Net non-current assets: The difference between “Non-current assets” and “Non-current liabilities”, with the exception of:

- “Non-current derivative financial instruments payable”
- “Other non-current financial liabilities”

- "Non-current receivables from customers"

Net working capital: The difference between "Current assets" and "Current liabilities", including "Non-current receivables from customers" and excluding:

- "Current derivative financial instruments receivable"
- "Other current financial assets"
- "Cash and cash equivalents"
- "Current derivative financial instruments payable"
- "Other current financial liabilities"

Net invested capital: The algebraic sum of *Net non-current assets* and *Net working capital*.

GROUP ECONOMIC RESULTS

The Group closed the year 2017 with Revenue equal to Euro 181,018 thousand, up by Euro 33,693 thousand or 22.9% compared to the previous year. EBITDA increased from Euro 29,274 thousand in 2016 to Euro 40,631 thousand in 2017, with growth of Euro 11,357 thousand or 38.8%. Operating profit and Net profit grew by 56.4% and 75.0%, respectively. The year 2017 is confirmed as another successful year for the Tecnoinvestimenti Group. As indicated in the "Significant events during the period" section, the Group continued its acquisition policy with the introduction of Sixtema S.p.A. (acquired by InfoCert S.p.A), fully consolidated from 1 April 2017, and the Warrant group, consolidated line-by-line from 1 December 2017.

Below is a table with the economic results for the year 2017, compared with the previous year:

Summary Income Statement ***(in thousands of Euro)***	**31/12/2017**	**%**	**31/12/2016**	**%**	**Change**	**% Change**
Revenue	181,018	*100.0%*	147,325	*100.0%*	33,693	*22.9%*
EBITDA	40,631	*22.4%*	29,274	*19.9%*	11,357	*38.8%*
Operating profit	27,243	*15.1%*	17,418	*11.8%*	9,825	*56.4%*
Net profit	20,310	*11.2%*	11,605	*7.9%*	8,706	*75.0%*

The table below outlines the economic results net of the non-recurring items:

Income statement net of non-recurring items ***(in thousands of Euro)***	**31/12/2017**	**%**	**31/12/2016**	**%**	**Change**	**% Change**
Revenue	174,790	*100.0%*	146,920	*100.0%*	27,870	*19.0%*
EBITDA	38,853	*22.2%*	30,246	*20.6%*	8,607	*28.5%*
Operating profit	25,466	*14.6%*	18,391	*12.5%*	7,075	*38.5%*
Net profit	18,454	*10.6%*	12,445	*8.5%*	6,009	*48.3%*

Non-recurring items

During 2017, revenues of Euro 6,228 thousand and relative expenses of Euro 409 thousand were recorded, following the sentence on 24 January 2017 by the Bologna Court of Appeals, sentencing the Territory Agency, now Revenue Agency, to pay compensation for damages to Ribes S.p.A. (now Assicom Ribes S.p.A.) for anti-competitive conduct. The amount was collected on 24 October 2017 and is final, as the deadline for recourse by the Revenue Agency in the Court of Cassation has expired. The revenue and expenses, net of taxes, were considered as non-recurring items.

Additional non-recurring items during the year amount to Euro 4,042 thousand and refer to the costs of the merger of companies Assicom and Ribes, which involved expenses of Euro 2,481 thousand (of which Euro 2,106 thousand for reorganisation of personnel and Euro 375 thousand for strategic consulting services connected to the reorganisation), expenses for valuation of target companies for Euro 1,260 thousand and expenses for reorganisation of personnel of the company Sixtema, for Euro 299 thousand.

Moreover, the non-recurring items also included the revenue earned in acquiring control of Sixtema S.p.A., recognised under Financial income for Euro 747 thousand.

The non-recurring expenses recognised in 2016 amounted to Euro 1,377 thousand (ancillary expenses for the acquisitions of the Co.Mark and Visura Groups, and costs for listing in the MTA market, STAR segment of Borsa Italiana), offset by non-recurring revenues of Euro 405 thousand.

Net of the non-recurring items, Revenues were up by 19.0%, EBITDA by 28.5%, Operating profit by 38.5% and Net profit by 48.3%.

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Provided below is the method to calculate the Adjusted Net profit, used to represent the Group's operating performance, excluding non-recurring items and amortisation of intangible assets that emerged during allocation of the price paid in business combinations, net of the tax effect. This indicator reflects the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business, thus allowing a more homogeneous analysis of the Group's performance in the periods under comparison.

Summary income statement (*in thousands of Euro*)	**31/12/2017**	**31/12/2016**	**Change**	**% Change**
Net profit	**20,310**	**11,605**	**8,706**	**75.0%**
Non-recurring revenues	-6,228	-405	-5,823	
Non-recurring service costs	1,999	1,378	621	
Non-recurring personnel costs	2,405	-	2,405	
Other non-recurring operating costs	46	-	46	
Amortisation of intangibles recognised upon cost allocation (PPA)	4,453	5,095	-641	
Non-recurring financial income	-747	-	-747	
Tax effect	-607	-1,755	1,148	
Adjusted net profit	**21,633**	**15,917**	**5,715**	**35.9%**

The adjusted net profit is up by Euro 5,715 thousand compared to 2016, corresponding to +35.9%.

The following table provides details of the 2017 income statement.

Consolidated Income Statement (in thousands of Euro)	**31/12/2017**	**%**	**31/12/2016**	**%**	**Change**	**%**
Revenue	**181,018**	**100.0%**	**147,325**	**100.0%**	**33,693**	**22.9%**
Total operating costs	**140,387**	**77.6%**	**118,051**	**80.1%**	**22,336**	**18.9%**
Raw material costs	5,176	2.9%	5,849	4.0%	-673	-11.5%
Service costs	69,663	38.5%	61,249	41.6%	8,414	13.7%
Personnel costs	63,777	35.2%	49,221	33.4%	14,556	29.6%

Other operating costs	1,772	1.0%	1,732	1.2%	39	2.3%
EBITDA	**40,631**	**22.4%**	**29,274**	**19.9%**	**11,357**	**38.8%**
Amortisation/depreciation, write-downs and provisions	13,388	7.4%	11,855	8.0%	1,532	12.9%
Operating profit	**27,243**	**15.1%**	**17,418**	**11.8%**	**9,825**	**56.4%**
Financial income	3,444	1.9%	727	0.5%	2,718	374.1%
Financial charges	1,921	1.1%	1,769	1.2%	152	8.6%
Result of Investments at SE	4	0.0%	13	0.0%	-8	-65.5%
Income taxes	8,460	4.7%	4,784	3.2%	3,676	76.8%
Net profit	**20,310**	**11.2%**	**11,605**	**7.9%**	**8,706**	**75.0%**

Revenues increased from Euro 147,325 thousand in 2016 to Euro 181,018 thousand in 2017, with an increase of 22.9% or Euro 33,693 thousand. Net of the non-recurring revenue relative to the Ribes compensation mentioned above, revenues show an increase of 19.0%, predominantly due to expansion of the scope of consolidation compared to 2016; specifically, line-by-consolidation of the Co.Mark group from 1 April 2016, of the Visura group from 1 July 2016, of Sixtema S.p.A. starting from 1 April 2017 and of the Warrant group from 1 December 2017; in the month of December alone, the contribution of the Warrant group was Euro 4,963 thousand.

Operating costs rose Euro 22,336 thousand from Euro 118,051 thousand in 2016 to Euro 140,387 thousand in 2017, an increase of 18.9%. Net of the non-recurring items, the increase would have been equal to 16.5%. The variation is due to a large extent, as already indicated with regard to revenues, to expansion of the scope of consolidation. The percent increase in operating costs, lower than the increase in revenues, resulted in an overall improvement in margins. The EBITDA margin in 2017 was 22.4%, compared to 19.9% in 2016. Net of the non-recurring items, the EBITDA margin in 2017 was 22.2%, compared to 20.6% in 2016.

The item **Amortisation/depreciation, provisions and impairments** totalling Euro 13,388 thousand, which increased by Euro 1,532 thousand (+12.9%), consists of:

- Depreciation of tangible assets for Euro 2,848 thousand, an increase over the previous year of Euro 352 thousand.
- Amortisation of intangible assets for Euro 8,679 thousand, an increase of Euro 348 thousand over the same period of 2016. Amortisation of intangible assets arising upon allocation of the excess cost paid in business combinations amounts to Euro 4,453 thousand (Euro 5,095 thousand in 2016).
- Impairments of trade receivables for Euro 1,424 thousand, up by Euro 396 thousand compared to 2016.
- Impairment of goodwill allocated to the Creditreform CGU for Euro 417 thousand. In 2018, negotiations began, which should be completed within the first half of the year, for the sale of the company Creditreform Ticino SA, to which goodwill was allocated. An impairment was recognised on the goodwill taking into account the likely sale price of the CGU, net of disposal costs.

Financial income for the year 2017 amounts to Euro 3,444 thousand compared to a 2016 balance of Euro 727 thousand, for an increase of Euro 2,718 thousand. Of the considerable increase, Euro 2,475 thousand is due to the income from elimination of the potential consideration to be recognised to sales staff of Co.Mark S.p.A. based on 2018 results, given the current forecasts on the Co.Mark group's expected performance. Mention also goes to the non-recurring income of Euro 747 thousand from the acquisition of control of Sixtema S.p.A.

Financial expenses for 2017 amounted to a total of Euro 1,921 thousand, essentially in line with the amount of the prior year, equal to Euro 1,769 thousand. The increase is largely due to interest accrued on the Euro 25 million loan obtained by Controlling ShareholderTecno Holding S.p.A. during 2016.

Income taxes for the period, calculated based on tax rates applicable for the year under current tax regulations, amounted to Euro 8,460 thousand, compared to 4,784 in the corresponding period of the previous year. The tax rate is 29.4%, essentially in line with the prior year.

Results by business segment

The results of the business segments are measured through the analysis of performance of Revenues and EBITDA.
In particular, management believes that EBITDA provides a good indication of performance as it is not influenced by tax regulations and amortisation policies.

The growth trends by segment are shown in the table below, which illustrates the Revenue and EBITDA, compared to the prior year:

Summary Income Statement by business segment	*31/12/2017*	*% EBITDA 31/12/2017*	*31/12/2016*	*% EBITDA 31/12/2016*	*Change*	% Change		
						Total	Organic	Perimeter
Revenue								
Digital Trust	*82,738*		*59,218*		*23,520*	*39.7%*	*8.5%*	*31.2%*
Credit Information & Management	*76,107*		*74,863*		*1,245*	*1.7%*	*1.8%*	*-0.2%*
Innovation & Marketing Services	*22,170*		*13,053*		*9,117*	*69.8%*	*-3.9%*	*73.7%*
Other segments (Parent Company)	*3*		*191*		*-188*	*-98.6%*	*-98.6%*	*0.0%*
Total Revenue	***181,018***		***147,325***		***33,693***	***22.9%***	***3.9%***	***19.0%***
EBITDA								
Digital Trust	*20,924*	*25.3%*	*14,831*	*25.0%*	*6,094*	*41.1%*	*16.3%*	*24.8%*
Credit Information & Management	*16,580*	*21.8%*	*13,871*	*18.5%*	*2,709*	*19.5%*	*19.5%*	*0.0%*
Innovation & Marketing Services	*9,247*	*41.7%*	*5,231*	*40.1%*	*4,016*	*76.8%*	*-10.1%*	*86.9%*
Other segments (Parent Company)	*-6,121*	*n.a.*	*-4,658*	*n.a.*	*-1,463*	*31.4%*	*31.4%*	*0.0%*
Total EBITDA	***40,631***	***22.4%***	***29,274***	***19.9%***	***11,357***	***38.8%***	***10.7%***	***28.1%***

The table summarising the economic results by business segment net of the non-recurring items is provided below:

Summary Income Statement by business segment net of non-recurring items	*31/12/2017*	*% EBITDA 31/12/2017*	*31/12/2016*	*% EBITDA 31/12/2016*	*Change*	% Change		
						Total	Organic	Perimeter
Revenue								
Digital Trust	*82,738*		*59,218*		*23,520*	*39.7%*	*8.5%*	*31.2%*
Credit Information & Management	*69,879*		*74,458*		*-4,579*	*-6.1%*	*-6.0%*	*-0.2%*
Innovation & Marketing Services	*22,170*		*13,053*		*9,117*	*69.8%*	*-3.9%*	*73.7%*
Other segments (Parent Company)	*3*		*191*		*-188*	*-98.6%*	*-98.6%*	*0.0%*

Total Revenue	***174,790***		***146,920***		***27,870***	***19.0%***	***-0.1%***	***19.0%***
EBITDA								
Digital Trust	*21,224*	*25.7%*	*14,831*	*25.0%*	*6,394*	*43.1%*	*18.3%*	*24.8%*
Credit Information & Management	*13,446*	*19.2%*	*13,466*	*18.1%*	*-20*	*-0.1%*	*-0.1%*	*0.0%*
Innovation & Marketing Services	*9,247*	*41.7%*	*5,231*	*40.1%*	*4,016*	*76.8%*	*-10.1%*	*86.9%*
Other segments (Parent Company)	*-5,065*	*n.a.*	*-3,281*	*n.a.*	*-1,784*	*54.4%*	*54.4%*	*0.0%*
Total EBITDA	***38,853***	***22.2%***	***30,246***	***20.6%***	***8,607***	***28.5%***	***1.3%***	***27.2%***

Comments on the results of the individual business segments net of the non-recurring items are provided below.

Digital Trust

Revenues of the Digital Trust segment amount to Euro 82,738 thousand in 2017. The increase over 2016 amounts to 39.7%, or Euro 23,520 thousand in absolute terms, consisting of 8.5% due to organic growth and 31.2% as a result of growth by acquisitions due to the contribution of the Visura group in the first half of 2017 and of the company Sixtema S.p.A. in the second, third and fourth quarters of 2017.

EBITDA for the segment was Euro 21,224 thousand in 2017. The increase over the 2016 EBITDA amounts to 43.1%. Organic growth amounted to 18.3%, while the contribution of the Visura group and Sixtema S.p.A. during the periods already mentioned was at 24.8%. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 25.7% in 2017, with a 0.7% increase compared to 2016.

Growth trends are confirmed compared to the prior year, with very positive operating results in the segment. The higher turnover volumes are due to a general increase in sales recorded by almost all company products and services in the Mass market (web site) as well as in the Solution market (Major Customers). Growth in the Solution market is attributable to the growing capacity of InfoCert to not only act as Certification Authority on the market, but also as promoter of innovative solutions to support the business processes of business customers. The business trend, in terms of revenues as well as orders to be filled, is particularly positive for the TOP (Trusted Onboarding Platform) product, in which InfoCert is recording significant growth, even abroad.

The results achieved, apart from what is described above, are also the result of industrial and commercial synergies developed between the two Groups (InfoCert and Visura) and aimed at directing the Digital Trust offering also the world of trade associations and professionals. New impulse for growth, particularly toward the world of CNAs, is being implemented with the integration of Sixtema S.p.A.

Credit Information & Management

Revenues in the Credit Information & Management segment amounted to Euro 69,879 thousand, down by Euro 4,579 thousand or 6.1% compared to the previous year. The decrease is due to the organic decline in activities.

In terms of margins, the EBITDA value is essentially stable compared to the same period of the prior year, amounting to Euro 13,446 thousand. Despite the presence of a decline in revenues, the Business Unit, thanks to a careful cost control policy and to the industrial synergies achieved, was able to increase the EBITDA margin from 18.1% in 2016 to 19.2% in the current period, limiting the percent reduction compared to the corresponding period of the prior year to 0.1%.

The difficulties recorded in the Credit Information & Management area during the year are mainly attributable to market trends that show stagnant demand, consolidation of the main players, achieved predominantly through external growth policies, and introduction into the competitive scenario of players using particularly aggressive pricing policies.
To offset the unfavourable elements that have characterised the market in recent years and to invert the related performance trends of companies Assicom S.p.A. and Ribes S.p.A., the Parent Company, together with management of the two companies, has invested in a major development project that began with the merger and continued with major investments already partly implemented and partly in progress, whose operation will enable the achievement of major growth objectives as early as in 2018.
Note that the merger by incorporation of the company Ribes S.p.A. into Assicom S.p.A. had legal effect on 31 December 2017, with accounting effect from 1 January 2017.
The company Re Valuta S.p.A. closed the year 2017 with revenues below forecasts (-10%) and slightly up (+1.5%) compared to the prior year; the year just ended was penalised by the drop in turnover, compared to the forecasts in the plan, achieved with the leading customer in the banking segment. However, the higher volumes developed across all banking areas of interest (Cedacri, BCC and national banks) allowed elimination of the significant gap compared to the prior year.

Innovation & Marketing Services

In 2017, the sector previously known as “Sales & Marketing Solution” was renamed “Innovation & Marketing Services” and incorporates, in addition to the Co.Mark group consolidated from 1 April 2016, also the Warrant group, acquired on 30 November 2017 and consolidated from 1 December of the same year. The Co.Mark group works in the company internationalisation sector and offers Temporary Export management services to companies searching for new customers and for the creation of commercial networks in Italy and abroad. Warrant Group S.r.l., lead company of the Warrant group, is a company specialised in promoting and supporting the innovation and development processes of companies, identifying finance opportunities, in particular subsidised ones. Warrant provides consulting services to companies in every sector in the areas of: Subsidised Finance (regional, national and European), Corporate Finance, Internationalisation of Business, Energy (Energy Diagnosis, Recovery of Excise Duties, Energy Facilities).

The results of the sector reached Euro 22,170 thousand in 2017, an increase of Euro 9,117 thousand compared to 2016 or 69.8%. EBITDA amounted to Euro 9,247 thousand in 2017 compared to Euro 5,231 thousand in 2016, marking a growth of 76.8%.
On a like-for-like basis, revenues were down 3.9% and EBITDA 10.1%. The cause for this decrease, attributable to Co.Mark, was the delay in the subscription of new contracts due to postponement of publication of the decree granting the “Internationalisation vouchers” published by the Ministry of Economic Development only at the end of September 2017. The market’s expectation of this grant caused the delay in the signing of new contracts. Starting from November, interested companies were able to benefit, thus resulting in an attractive forecast of increased revenues expected by Co.Mark S.p.A. during 2018. The decrease in variable costs only partly offset the revenues achieved; indeed, during 2016, the company was structured to sustain growing revenue volumes expected to be achieved in the upcoming months. Moreover, the development of business by subsidiary Co.Mark TES S.l. continues, with growing margins.

The Warrant group, consolidated from the month of December 2017, contributed to the results of the sector with revenues of Euro 4,963 thousand and EBITDA of Euro 2,768 thousand, corresponding to an EBITDA margin of 55.8%.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP

We provide below the balance sheet of the Group as at 31 December 2017 with comparison data as at 31 December 2016:

In thousands of Euro

	31/12/2017	% of net invested capital/Total sources	31/12/2016	% of net invested capital/Total sources	Change	% Change
Intangible assets and goodwill	252,693	101.9%	200,690	99.8%	52,003	25.9%
Property, plant and equipment	8,287	3.3%	7,050	3.5%	1,237	17.5%
Other net non-current assets and liabilities	-16,758	-6.8%	-9,686	-4.8%	-7,072	73.0%
Net non-current assets	**244,221**	**98.5%**	**198,054**	**98.5%**	**46,167**	**23.3%**
Inventories	2,072	0.8%	1,001	0.5%	1,071	107.0%
Trade and other receivables*	80,543	32.5%	51,084	25.4%	29,460	57.7%
Current tax assets	1,990	0.8%	3,659	1.8%	-1,669	-45.6%
Assets held for sale	199	0.1%	199	0.1%	0	0.0%
Trade and other payables and def. revenue and income	-74,318	-30.0%	-50,917	-25.3%	-23,401	46.0%
Current employee benefits	-360	-0.1%	-182	-0.1%	-178	97.9%
Current tax liabilities	-6,125	-2.5%	-1,481	-0.7%	-4,644	313.5%
Provisions for current risks and charges	-342	-0.1%	-265	-0.1%	-77	29.1%
Net working capital	**3,659**	**1.5%**	**3,097**	**1.5%**	**562**	**18.1%**
Total uses - Net invested capital	**247,880**	**100.0%**	**201,151**	**100.0%**	**46,729**	**23.2%**
Shareholders’ equity	143,317	57.8%	129,921	64.6%	13,397	10.3%
Net financial debt	104,563	42.2%	71,230	35.4%	33,332	46.8%
Total sources	**247,880**	**100.0%**	**201,151**	**100.0%**	**46,729**	**23.2%**

* 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:

In thousands of Euro

Other net non-current assets and liabilities	31/12/2017	31/12/2016	Change	% Change
Investments recognised with the equity method	25	2,471	-2,446	-99.0%
Equity investments carried at cost or fair value	49	11	38	346.2%
Other financial assets except for derivative fin. instruments	543	2,898	-2,355	-81.3%
Financial derivatives	40	0	40	100.0%
Deferred tax assets	5,556	2,898	2,658	91.7%
Other receivables	385	210	175	83.1%
Non-current assets	**6,598**	**8,488**	**-1,890**	**-22.3%**
Provisions	-1,598	-1,279	-319	24.9%
Deferred tax liabilities	-9,345	-10,163	818	-8.0%
Employee benefits	-10,977	-6,186	-4,791	77.5%
Deferred revenue and income	-1,437	-546	-891	163.1%
Non-current liabilities	**-23,356**	**-18,174**	**-5,183**	**28.5%**
Other net non-current assets and liabilities	**-16,758**	**-9,686**	**-7,072**	**73.0%**

The change in *Net non-current assets* compared to 31 December 2016 is first of all due to acquisition of the Warrant group, whose goodwill was recorded on a provisional basis under the item *Intangible assets and goodwill* for Euro 52,987 thousand. Moreover, the decrease in *Equity investments carried at equity* due to the acquisition of control of Sixtema S.p.A. by virtue of the investment in associated companies held as at 31 December 2016 is recorded under *Other net non-current assets and liabilities*.

The trend in *Net working capital* shows no change compared to the prior year; it amounts to Euro 3,659 thousand for the year just ended, an increase of Euro 562 thousand compared to 2016.

Shareholders' equity increased by Euro 13,397 thousand, from Euro 129,921 thousand in 2016 to Euro 143,317 thousand in 2017. The change is mainly due to the payment of dividends for a total of Euro 6,977 thousand, to the negative adjustment of Put options on minority interests for Euro 1,050 thousand, to the capital increase of Euro 1,078 thousand subscribed by shareholder Cedacri to exercise the Warrants (as described in notes 9 and 10. *Significant events during the period*) and to the profit accrued as at 31 December 2017 for Euro 20,310 thousand.

Group Net Financial Debt

The table below shows a breakdown of the Group's net financial debt as at 31 December 2017 and a comparison with the same position as at 31 December 2016:

In thousands of Euro

	31/12/2017	31/12/2016	Change	%
A Cash	36,953	60,377	-23,424	-39%
B Cash equivalents	34	54	-20	-37%
D Liquid assets (A+B)	**36,987**	**60,431**	**-23,444**	**-39%**
E Current financial receivables	4,311	6,352	-2,042	-32%
F Current bank debt	-1,364	-2,812	1,448	-51%
G Current portion of non-current debt	-7,288	-7,303	15	0%
H Other current financial debt	-13,071	-26,832	13,762	-51%
I Current financial debt (F+G+H)	**-21,723**	**-36,947**	**15,224**	**-41%**
J Net current financial debt (D+E+I)	**19,574**	**29,836**	**-10,262**	**-34%**
K Non-current bank debt	-43,058	-22,869	-20,188	88%
L Other non-current financial debt	-81,079	-78,198	-2,881	4%
M Non-current financial debt (K+L)	**-124,137**	**-101,067**	**-23,070**	**23%**
N Net financial position (debt) (J+M) (*)	**-104,563**	**-71,230**	**-33,332**	**47%**
O Other non-current financial assets	584	2,898	-2,314	-80%
P Total net financial position (debt) (N+O)	**-103,979**	**-68,333**	**-35,646**	**52%**

(*) *Net financial debt computed in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and consistent with the ESMA/2013/319 Recommendation*

Net financial debt increased from Euro 71,230 thousand as at 31 December 2016 to Euro 104,563 thousand as at 31 December 2017, for an increase of Euro 33,332 thousand. The Net financial debt as at 31 December 2017 includes: Euro 50,572 thousand in liabilities linked to the purchase of minority interests for Put options, Euro 4,014 thousand in liabilities for potential consideration linked to the acquisitions and Euro 11,083 thousand in liabilities for price deferments granted by sellers.

The main factors impacting the change in Net financial debt are summarised below.

Net financial debt as at 31/12/2016	**71,230**
Free Cash Flow	-25,665
Dividends resolved	6,977
Consolidation of Warrant group	52,873
Consolidation of Sixtema	1,487
Adjustment of liabilities for purchase of minority interests	1,050
Net financial income (charges)	-878
Reclassification of financial assets, Visura group	-2,306
Capital increase	-1,078
Other residual	872
Net financial debt as at 31/12/2017	**104,563**

- The Free Cash Flow generated during the year amounted to Euro 25,665 thousand, of which Euro 32,151 thousand in net cash and cash equivalents generated by operating activities net of Euro 6,486 thousand absorbed by investments in property, plant and equipment and intangible assets.

- Consolidation of the Warrant group, at the date of 1 December 2017, involved an increase of Net financial debt of Euro 52,873 thousand, broken down as follows:

In thousands of Euro	
Cash and cash equivalents	25,700
Price deferment	5,106
Contingent consideration	2,759
Fair value Put&Call options	23,745
Net financial debt, Warrant group	-4,437
Increase in net financial debt	**52,873**

- Consolidation of Sixtema S.p.A. at the date of 1 April 2017 resulted in an increase of the Net financial debt of Euro 1,487 thousand, as broken down below:

In thousands of Euro	
Cash and cash equivalents	2,150
Contingent consideration	696
Fair value Put&Call options	1,108
Net financial debt, Sixtema S.p.A.	-2,467
Increase in net financial debt	**1,487**

- *Net financial income (expenses)* exclude the revenue from consolidation of Sixtema S.p.A. for Euro 747 thousand, as well as the financial component of employee benefits for Euro 102 thousand.

- During the period, the multi-year capitalisation insurance contracts entered into with companies Visura S.p.A. and I.S.I. S.r.l., equal to Euro 2,306 thousand as at 31 December 2017, were reclassified under Current financial receivables, following resolution by the Board of Directors of the respective companies that resolved early termination.

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.

ECONOMIC RESULTS OF THE PARENT COMPANY

Amounts in thousands of Euro	31/12/2017	31/12/2016	Change	% Change
Revenue	**503**	**617**	**-114**	**-18.5%**
Total operating costs	**6,467**	**4,840**	**1,628**	**33.6%**
Raw material costs	0	0	0	-
Service costs	2,814	2,554	260	10.2%
Personnel costs	3,540	2,220	1,320	59.5%
Other operating costs	113	65	48	73.4%
EBITDA	**-5,964**	**-4,223**	**-1,742**	**41.3%**
Amortisation/depreciation, write-downs and provisions	60	69	-9	-12.8%
Operating profit	**-6,025**	**-4,291**	**-1,733**	**40.4%**
Financial income	18,257	10,134	8,123	80.2%
Financial charges	1,671	1,524	147	9.6%
Profit before tax	**10,562**	**4,318**	**6,244**	**144.6%**
Income taxes	-1,407	-1,613	206	-12.8%
Net profit	**11,968**	**5,931**	**6,037**	**101.8%**

BALANCE SHEET AND INCOME STATEMENT OF THE PARENT COMPANY

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

In thousands of Euro

	31/12/2017	% of net invested capital/Total sources	31/12/2016	% of net invested capital/Total sources	Change	% Change
Intangible assets	117	0.1%	71	0.0%	47	65.9%
Property, plant and equipment	88	0.0%	81	0.1%	7	8.2%
Other net non-current assets and liabilities	226,722	100.1%	153,174	99.0%	73,548	48.0%
Net non-current assets	**226,928**	**100.1%**	**153,326**	**99.1%**	**73,602**	**48.0%**
Trade and other receivables	878	0.4%	601	0.4%	276	45.9%
Current tax assets	1,167	0.5%	2,083	1.3%	-916	-44.0%
Trade and other payables and def. revenue and income	-2,076	-0.9%	-1,333	-0.9%	-742	55.7%
Current employee benefits	-360	-0.2%	0	0.0%	-360	n.a.
Net working capital	**-391**	**-0.2%**	**1,351**	**0.9%**	**-1,742**	**-128.9%**
Total uses - Net invested capital	**226,537**	**100.0%**	**154,677**	**100.0%**	**71,860**	**46.5%**
Shareholders' equity	121,532	53.6%	112,524	72.7%	9,008	8.0%
Net financial debt	105,005	46.4%	42,153	27.3%	62,851	149.1%
Total sources	**226,537**	**100.0%**	**154,677**	**100.0%**	**71,860**	**46.5%**

Other net non-current assets and liabilities	31/12/2017	31/12/2016	Change	% Change
Equity investments recognised at cost	226,588	152,972	73,616	48%
Other financial assets except for derivative fin. instruments	10	0	10	25967%
Financial derivatives	29	0	29	n.a.
Deferred tax assets	622	383	240	63%
Other receivables	25	38	-13	-35%
Non-current assets	**227,275**	**153,392**	**73,883**	**48%**
Deferred tax liabilities	-23	-23	0	1%
Employee benefits	-529	-195	-334	172%
Non-current liabilities	**-552**	**-218**	**-334**	**154%**
Other net non-current assets and liabilities	**226,722**	**153,174**	**73,548**	**48%**

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

Amounts in thousands of Euro

	31/12/2017	31/12/2016	Change	%
A Cash	23,266	30,026	-6,760	-22.5%
B Cash equivalents	0	0	0	0.0%
D Liquid assets (A+B)	**23,266**	**30,026**	**-6,760**	**-22.5%**
E Current financial receivables	29	0	29	100.0%
F Current bank debt	-31	-266	235	-88.3%
G Current portion of non-current debt	-3,467	-4,475	1,008	-22.5%
H Other current financial debt	-39,383	-2,788	-36,594	1312.4%
I Current financial debt (F+G+H)	**-42,881**	**-7,529**	**-35,351**	**469.5%**
J Net current financial debt (D+E+I)	**-19,585**	**22,497**	**-42,082**	**-187.1%**
K Non-current bank debt	-34,962	-14,963	-19,999	133.7%
L Other non-current financial debt	-50,457	-49,687	-770	1.6%
M Non-current financial debt (K+L)	**-85,419**	**-64,650**	**-20,769**	**32.1%**
N Net financial position (debt) (J+M) (*)	**-105,005**	**-42,153**	**-62,851**	**149.1%**
O Other non-current financial assets	40	0	40	99196.3%
P Total net financial position (debt) (N+O)	**-104,965**	**-42,153**	**-62,812**	**149.0%**

(*) *Net financial debt computed in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and consistent with the ESMA/2013/319 Recommendation*

BUSINESS OUTLOOK

Tecnoinvestimenti confirms its strategy of external growth which lays the foundations for solid growth in the near future. Based on the current scope of consolidation, the Company has reported the following expectations for 2018:

- growth in consolidated results of approximately 20% compared to 2017, exceeding Euro 215 million
- growth in consolidated EBITDA more than proportional with revenue.

In the Strategic Guidelines approved by the Board of Directors on 31 January 2018, it is specified that the Tecnoinvestimenti Group will continue its policy to integrate Group companies, maximising growth opportunities and synergies. At the same time Tecnoinvestimenti will also continue its strategy to grow via acquisitions, which remains a central element of its development. In particular, the Group intends to expand the existing high value services platform for business customers by using the following tools incorporated in the Strategic Overview of each Business Unit:

- constant strengthening of areas of specialisation, through a focus on innovation and quality of services;
- expansion of the services offering that can support the value chain of business customers and, lastly,
- the international development of Group operations.

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 and through use of a cash pooling system among companies of the Group.

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 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 the compensation action for “monitoring of parties” brought by Ribes S.p.A. against the Revenue Agency (formerly Territory Agency), it is noted that the deadline for recourse by the Revenue Agency before the Court of Cassation has expired.

It is also noted that after the modifications to the corporate structure of Assicom Ribes Spa in 2017, the Creditreform SA investment is no longer considered strategic and negotiations are underway to sell the affiliated company, expected to be completed within the first half of 2018. A potential purchaser has been identified and the disposal should initially take place for 70% of the share capital. A Call option will be envisaged for the remaining 30%, exercisable by the purchaser. On the basis of the probable sale price, an impairment was recognised on the goodwill allocated to the Creditreform CGU already as at 31 December 2017.

On 8 February 2018, Cedacri, shareholder of Tecnoinvestimenti, completed the placement of 4.25% of the share capital at Euro 6.70 per share. Following the disposal, achieved through an accelerated order collection procedure reserved for institutional investors, Cedacri holds 1.4% of Tecnoinvestimenti, with regard to which it has undertaken a 180-day lock-up commitment.

On 13 March 2018, InfoCert S.p.A. received a petition from Thron S.p.A. demanding the payment of Euro 200 thousand as a penalty due to the failure to comply with a confidentiality agreement, in addition to Euro 21,780 thousand due to greater damages suffered for alleged undue use of software. In acknowledging this judicial initiative, Tecnoinvestimenti S.p.A., for its part, having consulted with the management of InfoCert S.p.A., highlights the groundlessness of the arguments supporting the claims made. To that end, all appropriate judicial initiatives shall be taken.

HUMAN RESOURCES

As at 31 December 2017, the Group had 1,187 employees compared to 898 as at 31 December 2016.

The Group has an average annual workforce (FTE) of 990.1 annual workers, broken down by category as set out below.

Number of employees	*Annual average*		*31 December*	
	2017	**2016**	**2017**	**2016**
Senior Management	30.4	27.8	32	30
Middle Management	144.1	106.3	164	108
Employees	815.5	681.5	991	760
Total	**990.1**	**815.6**	**1,187**	**898**

The national labour contracts applied are:

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

INFORMATION ON THE ENVIRONMENT

The Parent Company and the other Group companies operate in an environmentally responsible and respectful manner in order to reduce the impact of their activities externally. However, matters relating to environmental aspects are not crucial considering the services sector in which the Group carries on business.

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 14 March 2018, 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 "Transactions with related parties" 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 2017, 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 the needs generated from private and public markets.

OTHER INFORMATION

As at 31 December 2017, 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 2017 at a price of Euro 5.99 per share, compared to Euro 4.53 per share as at 31 December 2016, with a gain in the share price of Euro 1.46 or 32.2%. The significant increase in the stock value confirms the solidity of the strategy proposed by Management and approved by the Board of Directors and is justified by growth in the Group's size and value through company acquisition transactions and subsequent integration with other Group companies, as part of a strategic plan aimed at increasing the Company's value over the long term.

From the date of listing on the MTA STAR segment on 30 August 2016 to 29 December 2017[9], the Tecnoinvestimenti share recorded an absolute increase of +51.3%[10] (+32.2%[11] in 2017), compared with the

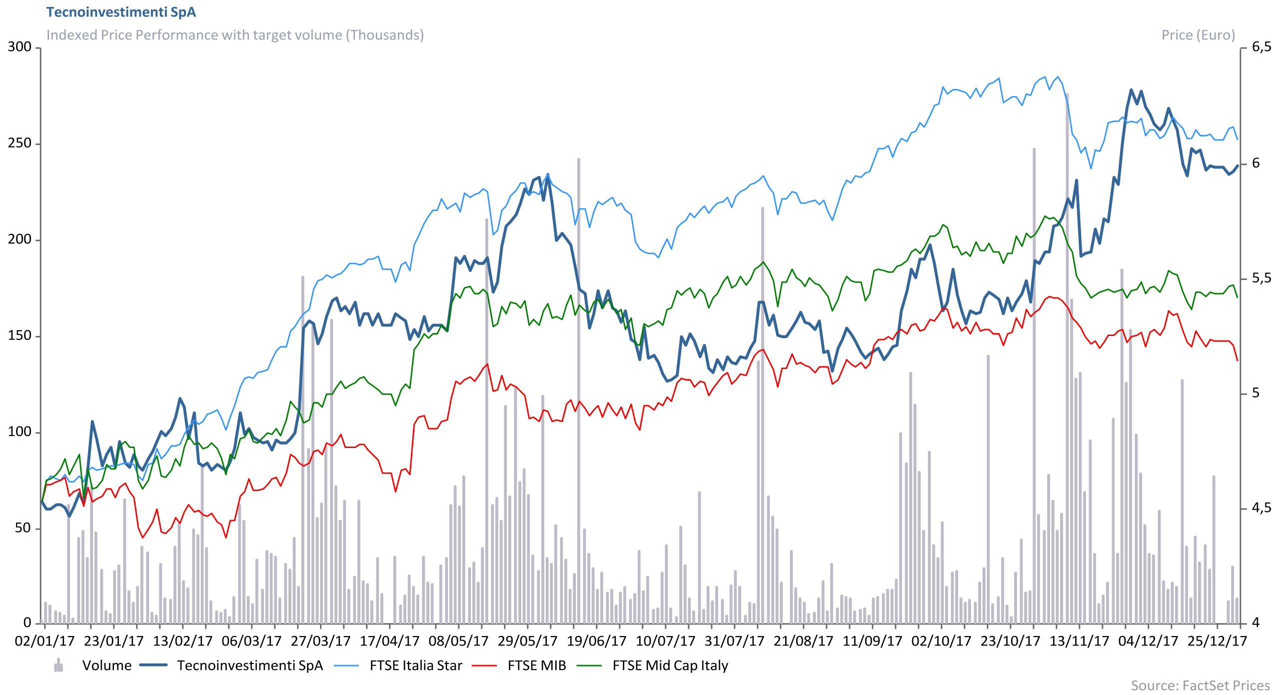
[9] Last trading day of 2017.

[10] Performance calculated on closing prices of 29 August 2016 and 29 December 2017, of Euro 3.96 and Euro 5.99, respectively (source: Bloomberg).

[11] Performance calculated on closing prices of 30 December 2016 and 29 December 2017, of Euro 4.53 and Euro 5.99, respectively (source: Bloomberg).

FTSE MIB index which gained 13.6%[12] in 2017. The share's minimum closing price of Euro 4.47 was recorded on 9 January. The reference period's maximum closing price of Euro 6.32 was recorded on 28 November. In the course of 2017, trading of Tecnoinvestimenti shares in the market reached an average daily value of Euro 234,736[13] and an average daily volume of 42,921 shares. As at 31 December 2017, the market capitalisation was Euro 279.0 million[14] (Euro 209.5[15] million on 31 December 2016).
The dividend paid in 2016 amounted to Euro 0.0875 per share. The Board of Directors resolved to propose to the Shareholders' Meeting the distribution of a dividend for the year 2017 of Euro 0.14 per share.

Source: Elaboration by Intermonte



Investor Relations activities increased substantially during the year 2017 compared to 2016. The Company met with investors in Italy and in the main European markets, participated in conferences organised by financial intermediaries, held 3 conference calls with the market and organised 2 independent roadshows, in Switzerland and France. For its investor relations activities, the Company is supported by Mediobanca as Corporate Broker and Intermonte, as Specialist.

Activities continued in 2018 with roadshows in Milan, Paris and London.

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[12] Performance calculated on reference values of 30 December 2016 and 29 December 2017, of 19,234.58 points and 21,853.34 points, respectively (source: Bloomberg).
[13] Average weighted value of daily volumes multiplied by the reference VWAPs (source: Bloomberg).
[14] Capitalisation calculated as the product of the closing price (Euro 5.99) and the number of shares as at 29 December 2017 (46,573,120).
[15] Capitalisation calculated as the product of the closing price (Euro 4.53) and the number of shares as at 30 December 2016 (46,256,120).

Prezzo @ 29/12/2017 (Eur)	**5,99**
No. azioni (mn)	46,6
Mkt Cap (Eur mn)	**279,0**

	Prezzo Medio Ponderato (Eur)			
	1 Mese	3 Mesi	6 Mesi	12 Mesi
da (incluso)	1-dic-17	2-ott-17	3-lug-17	2-gen-17
a (incluso)	29-dic-17	29-dic-17	29-dic-17	29-dic-17
Media Semplice	6,080	5,759	5,501	5,319
Max	*6,233*	*6,335*	*6,335*	*6,335*
Min	*5,949*	*5,303*	*5,045*	*4,491*

	Volumi medi giornalieri			
	1 Mese	3 Mesi	6 Mesi	12 Mesi
da (incluso)	1-dic-17	2-ott-17	3-lug-17	2-gen-17
a (incluso)	29-dic-17	29-dic-17	29-dic-17	29-dic-17
N. azioni	**37.810**	**56.879**	**44.518**	**42.921**
Controvalore (Eur)	**229.631**	**331.514**	**251.595**	**234.736**
VWAP (Eur)	**6,073**	**5,828**	**5,652**	**5,469**

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 as at 31 December 2017, Group Shareholders' equity was Euro 21,248 thousand higher than that of Tecnoinvestimenti S.p.A. and the Group's Net profit of Euro 20,233 thousand, was Euro 8,265 thousand higher than that of Tecnoinvestimenti S.p.A.

Statement of reconciliation of equity and profit of the Parent Company and the corresponding consolidated data

In thousands of Euro	2017 net profit	Shareholders' Equity 31/12/2017	2016 net profit	Shareholders' Equity 31/12/2016
Tecnoinvestimenti S.p.A.	**11,968**	**121,532**	**5,931**	**112,524**
Equity of the consolidated companies and allocation of their results	27,381	77,244	18,372	65,223
Book value of consolidated equity investments		-226,588	0	-153,016
Recognition of liabilities for put options		-49,396	0	-65,740
Allocation of goodwill		203,698	0	150,711
Allocation of intangible assets	-2,803	16,966	-3,088	19,769
Recognition income statement adjustment of contingent consideration	2,432	0	326	0
Recognition income statement ancillary expenses acquisition of shareholdings	-157	0	-436	0
Derecognition of infra-group dividends	-18,243	0	-10,110	0
Use of tax consolidation of non-deductible interest expense	19	397	378	378
Other consolidation adjustments	-287	-536	237	72
Net equity and income for the year attributable to minorities	-78	-537	-58	-187
Tecnoinvestimenti Group_Consolidated Financial Statements	**20,233**	**142,780**	**11,553**	**129,734**

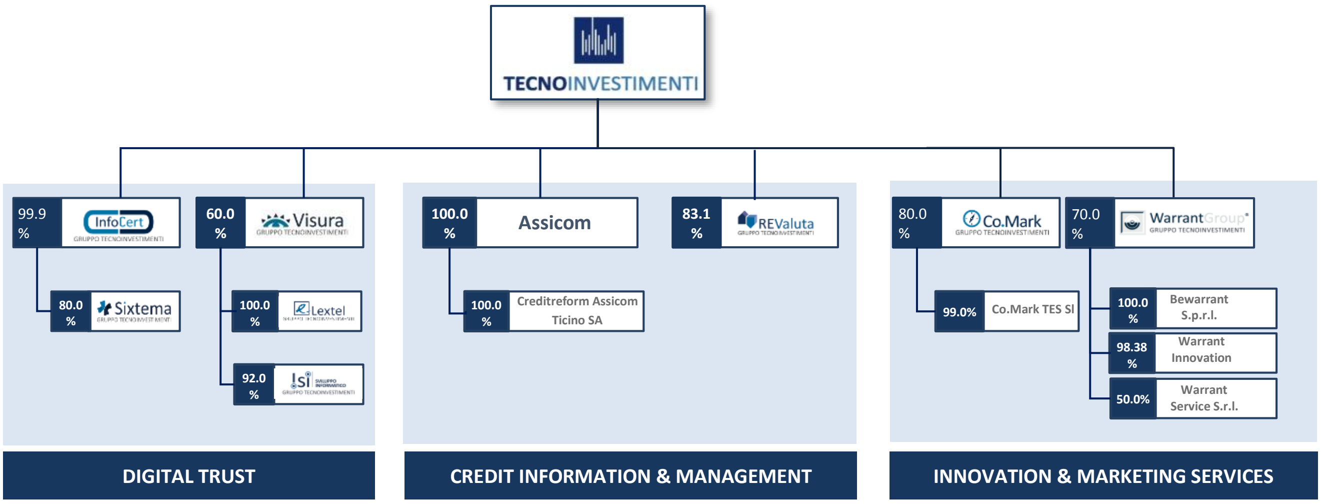
CONSOLIDATED NON-FINANCIAL DECLARATION 2017

METHODOLOGICAL NOTE

The Tecnoinvestimenti Group (hereinafter also Tecnoinvestimenti) falls within the scope of application of Legislative Decree 254/2016 - issued in implementation of European Parliament and Council Directive 2014/95/EU of 22 October 2014 - which envisages the obligation of non-financial disclosures within the Report on Operations, in reference to the year ended 31 December 2017.
Therefore, this Declaration constitutes Tecnoinvestimenti's commitment to report on the social and environmental impact of its actions, respect of human rights and its policies in these areas and with regard to diversity and the fight against corruption, in accordance with the provisions of the Legislative Decree 254/2016.
With the objective of respecting the reporting criteria with regard to non-financial information, as envisaged by Legislative Decree 254/2016, Tecnoinvestimenti has adopted, as its reference guidelines, the GRI Standards issued in 2016 by the Global Reporting Initiative, which is the most widespread reference at the international level for sustainability reporting.
The "Reconciliation Table" section of this Declaration provides a table containing a brief correlation between the information reported by the Tecnoinvestimenti Group and the GRI indicators, in terms of level of application to the Referenced method.

Scope of the consolidated non-financial declaration

The following chart shows the structure of the Tecnoinvestimenti Group, including controlling equity investments, as at 31 December 2017.



Within its scope of reporting under this Declaration, the Tecnoinvestimenti Group takes into consideration the following companies:

- Tecnoinvestimenti S.p.A.;
- InfoCert S.p.A.;
- Sixtema S.p.A.;
- Assicom Ribes S.p.A.;
- Re Valuta S.p.A.;
- Co.Mark S.p.A.;
- Visura group.

The following companies are not included within the scope of reporting:

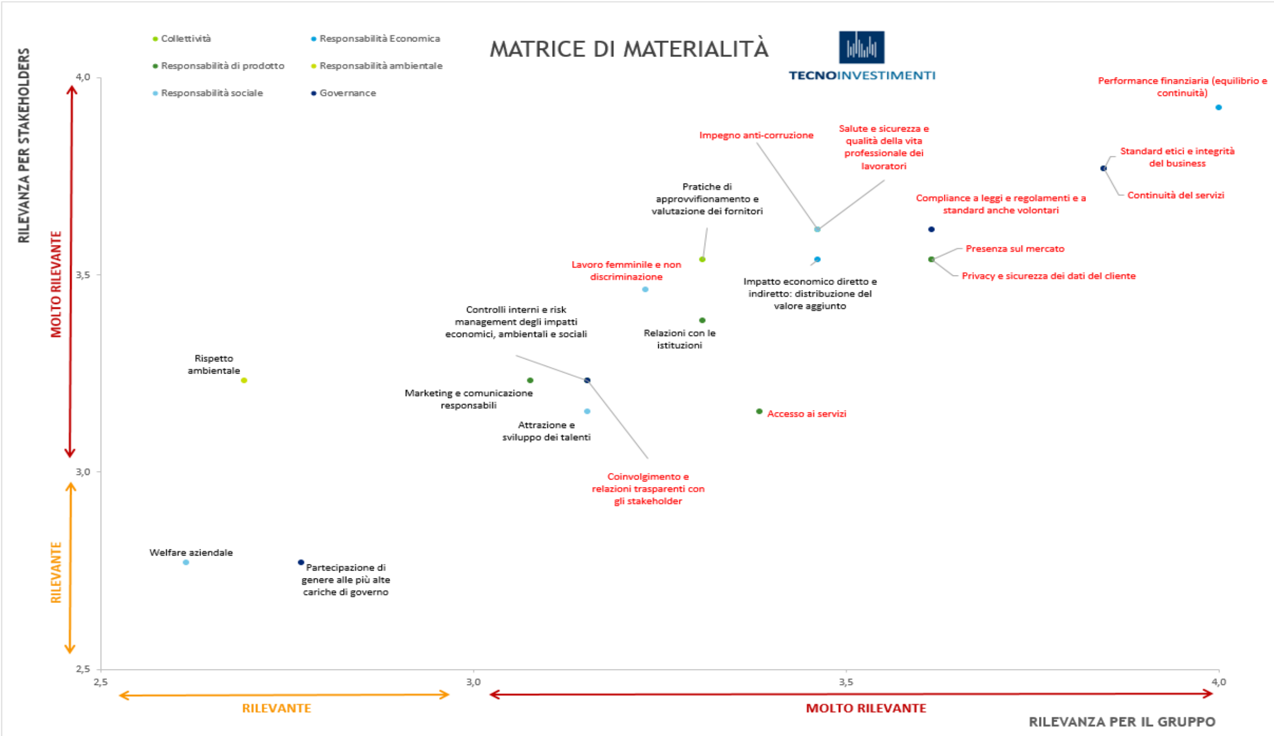
- Creditreform Assicom Ticino SA;
- Co.Mark TES SI;
- ISI Sviluppo Informatico S.r.l.;
- Warrant Group S.r.l.

These exclusions are supported by the limited contribution of these companies in terms of turnover and employees, compared to total consolidated amounts. This possibility is permitted by art. 4 of Legislative Decree no. 254/2016, according to which the non-financial declaration may exclude companies that, although included in the scope of accounting consolidation, are not necessary for an understanding the Group's activities, its performance, its results and the impact of such activities.
With regard to the Warrant group, its exclusion is justified by the fact that it was acquired by Tecnoinvestimenti in November 2017.

Materiality analysis

The Tecnoinvestimenti Group has defined a process - described below - to identify the reference stakeholders and the key issues for them and for the Group.
The main categories of stakeholders identified by Tecnoinvestimenti are:
- shareholders;
- internal collaborators;
- customers;
- direct service providers;
- commercial partners;
- institutions and regulatory bodies.

The process for determining material issues was carried out by filling in a questionnaire (the so-called materiality questionnaire) and through benchmarking, to complete the materiality analysis, in order to identify the issues considered most significant, both for the Tecnoinvestimenti Group and its stakeholders, and which will be reported on in this Declaration.
The materiality analysis was carried out with the direct participation of the representatives of the individual companies included in the scope of reference for the consolidated non-financial declaration, to whom a questionnaire was distributed containing a series of issues relating to six macro areas: Governance, Collectivity, Economic Responsibility, Product Responsibility, Social Responsibility and Environmental Responsibility.
Each representative was responsible for assigning a score from 1 to 4 for each topic, based on their perception and sensitivity to the topic in question, in order to highlight the significant issues for the Group.
With regard to the issues considered significant for stakeholders, as a first reporting exercise, this activity was carried out indirectly: the representatives who received the questionnaire were asked to give a score, also from 1 to 4, based on the importance that Tecnoinvestimenti stakeholders assign to the individual issues under examination.
Lastly, again to identify the most important issues, the representatives were asked to indicate, based on their own subjective opinion, the 10 issues considered to be the most important ("Top 10").
Processing of the completed questionnaires resulted in the creation of a materiality matrix, with the average values of each relevant topic for the Tecnoinvestimenti Group along the x-axis and the average values of each relevant topic for stakeholders, with particular focus on issues within the “Top 10”, along the y-axis.
The Group's materiality matrix resulting from the above analysis is shown below; the topics relating to the "Top 10" classification are shown in red, as determined from the examination of materiality questionnaires compiled by the representatives.



The significant aspects identified will be analysed at the beginning of the following chapters:

- Corporate governance;
- Responsible management of human resources and human rights;
- Responsible management of the environment;
- Fight against corruption and compliance with regulations;
- Responsible management of the service;
- Responsible management of the supply chain;
- Economic and financial responsibility.

Considering the nature of the business, namely the providing of services, although very complex and diversified among the companies of the Group, the value chain of Tecnoinvestimenti is at the initial supply level (necessary services such as, for example, the supply of software and data servers) and to the end customer (public or private, natural or legal person).

Reporting process

The contents of this consolidated non-financial declaration have been validated and approved as follows:

- A restricted work group was identified, headed by the strategic departments of the Parent Company, Tecnoinvestimenti S.p.A., represented by the following functions:

    - Administration and Finance
    - Internal Audit
    - Investor Relations and Communication
    - Corporate and Legal Affairs
    - Human Resources

- Each company within the scope of reporting contributed to providing the required information (both qualitative and numeric), identifying a data owner and having their Managing Director or General Manager validate the contents of each data collection sheet.

- The consolidated information and data were then collected and aggregated by the heads of the aforementioned functions, each to the extent of their responsibility.
- Lastly, the final contents were approved by the Managing Director and Board of Directors of the Parent Company Tecnoinvestimenti S.p.A. on 14 March 2018.
- The contents of this Declaration have been reviewed and verified by the designated auditor, in accordance with the methods envisaged by standard ISAE 3000 (Limited Assurance".
- This declaration is published, together with the Report on the Financial Statements of the Tecnoinvestimenti Group, in the section Investor Relations - Financial statements and reports, on the web site www.tecnoinvestimenti.it.

CORPORATE GOVERNANCE

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
- Involvement and transparent relations with stakeholders. - Internal controls and risk management of the economic, environmental and social impacts.	Tecnoinvestimenti Management identifies as the main risk that of underestimating the environmental and social impacts connected to one's business, as a result of not listening to the expectations of stakeholders and of ineffective internal control with regard to said issues.	- Commitment, starting from the next year, to conduct an analysis to map reference stakeholders in order to develop, in upcoming years, an ongoing and constant process of stakeholder engagement over time, in order to ensure more realistic and accurate representation of materiality and management of risk connected to environmental and social issues along the value chain.

Corporate model

Tecnoinvestimenti has adopted and implemented a business model focused on three Business Units, described in the previous sections of this Report on Operations and in the Report on corporate governance and ownership structures.

The corporate governance system of Tecnoinvestimenti S.p.A., structured according to the traditional model, is focused: on the leading role in strategic direction assigned to the Board of Directors; the transparency of management decisions within the Company as well as with respect to the market; the efficiency and effectiveness of the internal control system; on the rigorous discipline of potential conflicts of interest; on solid principles of conduct in carrying out transactions with related parties[16].

It comprises the following bodies:

- BOARD OF DIRECTORS: 9 members, of which 3 women (1 chairman, 1 managing director, 2 employed directors and 5 independent directors);
- BOARD OF STATUTORY AUDITORS: 5 members, of which 2 women (1 chairman, 2 standing auditors and 2 alternate auditors);
- REMUNERATION COMMITTEE: 3 members, of which 1 woman;
- CONTROL AND RISKS COMMITTEE: 3 members, of which 2 women;
- SUPERVISORY BOARD: 3 members, of which 1 woman, both from within as well as outside of the company.

[16] Report on corporate governance and ownership structures for 2017 of Tecnoinvestimenti S.p.A.- Available at www.tecnoinvestimenti.it.

For additional information on the corporate bodies, internal committees and internal control and risk management system, see the Report on corporate governance and ownership structures published on the site www.tecnoinvestimenti.it.

Governance bodies, subdivided by gender (%) - Tecnoinvestimenti Group						
Board of Directors	2017			2016		
	Men	Women	Total	Men	Women	Total
	78%	22%	100%	74%	26%	100%

Members of governance bodies, subdivided by age (%)								
Board of Directors	2017				2016			
	< 30 yrs	30-50 yrs	> 50 yrs	Total	< 30 yrs	30-50 yrs	> 50 yrs	Total
	0%	38%	63%	100%	0%	47%	53%	100%

With regard to non-financial reporting, the organisational governance is ensured by the flow illustrated above.

Policies, management systems and organisational models

The Tecnoinvestimenti Group has implemented the following corporate management systems and internal organisational models:

- Organisation, management and control model pursuant to Legislative Decree 231/2001: for all Group Companies within the scope of reporting;
- Code of Ethics: for all Group Companies within the scope of reporting[17];
- Organisational model pursuant to Law 262/2005: for all Group Companies within the scope of reporting;
- ISO 9001, ISO 27001, ISO 20000, ISO14001 and ETSI EN 319 401 certifications adopted by InfoCert S.p.A., demonstrating the willingness to always offer customers the utmost service levels, even in terms of safety, quality and protection of the environment.

All Group Companies, in pursuing the promotion and dissemination of the culture of risk prevention and commitment to respect ethical values, have adopted an Organisational Model pursuant to Legislative Decree 231/2001, with the aim of implementing a risk prevention and management system in line with the provisions of the Decree and suitable in preventing and reducing the risk of crime, ensuring strengthening of corporate governance and of the internal control system in general.
The Model and subsequent additions were approved by the Board of Directors; the procedures, processes and models implemented by the Group, in accordance with Legislative Decree 231/01, are subject to verification and supervision by the Supervisory Board. The entire structure is informed through publication of the same documents on the company Intranet.

The organisation, management and control model pursuant to Legislative Decree 231/01 is broken down into two parts:

- General Section containing specific information on the qualifying contents of Legislative Decree. 231/2001 and subsequent additions, objectives and structure of the Model, requirements, functions and powers of the Supervisory Body, information flows to the same, disciplinary and sanctioning regime connected to violations of the provisions of the Model;
- Special Sections, comprising a series of specific protocols in relation to the different types of relevant crimes among those envisaged by Legislative Decree no. 231/2001, which for Tecnoinvestimenti have been identified as the following: crimes in relations with Public Administration and corruption between private individuals; corporate crimes; transnational crimes; organised crime; violations of accident prevention and occupational health and safety regulations; receiving, laundering and use of

[17] For Tecnoinvestimenti, the Code of Ethics is published at www.tecnoinvestimenti.it Governance - Corporate documents section.

money, goods or utilities of unlawful origin as well as self-laundering; computer crimes; employment of illegal third-country nationals and illegal intermediation and labour exploitation; market abuse.

In its risk assessment, the Group acts based on the following three policies:

1) definition and approval of the budget and the strategic plan, with the connected monitoring of the degree of achievement of the established targets, by the Board of Directors;
2) implementation of the audit activities carried out by the Group's Internal Audit function, so as to guarantee the maintenance and updating of adequate control protocols intended to mitigate risks linked to financial reporting, in compliance with Law 262/2005. The reports issued by Internal Audit are brought to the attention of the Board of Directors;
3) adoption of the Organisation, management and control model pursuant to Legislative Decree 231/2001, which for the Board of Directors represents an instrument for monitoring the risk of offences pursuant to the above-mentioned decree, receiving suitable instructions and formal reports from the Supervisory Board.

Tecnoinvestimenti has adopted and implemented its own Code of Ethics (hereinafter the "Code"), which is an integral part of the Organisation, management and control model pursuant to Legislative Decree 231/2001, published on the company web site, which describes the moral and professional standards to be observed in carrying out the various business activities.
The values and standards indicated in the Code include a number expressly defined for respect of the environment, relations with customers and suppliers and for the definition of social issues aimed at the relationship with other human resources within the company.
The Code applies to each player in the organisation, including: (i) directors, statutory auditors, accountants; (ii) managers, employees, collaborators, consultants; (iii) any customers, suppliers, business partners and anyone else who, directly or indirectly, on a stable or temporary basis, establishes collaboration relationships or works on behalf of the Company; (iv) shareholders[18].
The Code states that all Tecnoinvestimenti workers, in the performance of their activities and exercise of their responsibilities, must behave in a proper, transparent and objective manner; furthermore, all company activities must take place in compliance with the laws in effect and with company procedures, as well as in accordance with the criteria of diligence, honesty, collaboration, fairness and loyalty.
Every violation shall be reported to the Supervisory Board and to the internal control bodies and may result in disciplinary, civil and/or penal consequences.
Based on the Group regulations, all subsidiaries of the Tecnoinvestimenti Group are subjected by the central internal audit function to the following three types of mandatory audits:

- on administrative and accounting procedures, in order to ensure accuracy of the Parent Company's Consolidated Financial Statements, with a view to mitigating risk in terms of corporate crime;
- on company level controls (corporate controls), in order to verify respect within the individual internal control systems of the principles implicit in the COSO Framework;
- on IT controls relative to the corporate IT systems, aimed at financial reporting.

This mandatory approach is, on a case-by-case basis, supplemented by the performance of specific controls and verifications with regard to issues or risks that arise in meetings of the company Supervisory Boards or as requested by the Managing Directors and/or General Managers of the subsidiaries.
Lastly, the company InfoCert S.p.A. conducts the compliance audit on certifications held.

In order to guarantee the utmost transparency in communications and in information to third parties and to the market, the web site www.tecnoinvestimenti.it provides specific procedures, in particular: the Procedure for the public disclosure of Privileged Information, the Procedure for management of the Register of

[18] TECNOINVESTIMENTI S.P.A. Code of ethics and conduct

individuals with access to Privileged Information, the Procedure for compliance with the obligations on Internal Dealing and the Procedure for transactions with Related Parties.
With regard to the activities of listening, dialogue and involvement of other stakeholders, identified within the categories of customers, suppliers, employees and commercial partners, one of the key communication tools used is the internet site, which provides, in addition to all of the information on the activities carried out by the Group, information on Corporate Governance as well.
Customers of InfoCert S.p.A. are interviewed and involved through specific, annual online or telephone surveys on customers' satisfaction with the product, on an annual basis, on satisfaction with assistance whenever technical assistance is required and on the purchasing process each time a purchase is made.
The Visura group, providing online services based on access to the main databases of Public Administration, contacts professional associations, freelancers, companies and individuals on a periodic basis, through commercial and marketing activities such as calls, mailings, personal meetings, events and online questionnaires; the company Sixtema S.p.A. involves and listens to its customers through the organisation of annual conferences and direct meetings with its customers based on their needs.

RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES AND HUMAN RIGHTS

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
- Attraction and development of talent; - Company welfare; - Health, safety and quality of the professional life of workers; - Gender representation in the higher governance positions; - Female employment and non-discrimination;	Tecnoinvestimenti Management identifies and assesses the risks to which workers and interested parties may be subject, defining the appropriate prevention measures. Such risks include: - Increase in turnover and loss of competent and key personnel; - Increase in accident rate; - Increase in the level of work-related stress; - No generational turnover in technical and professional skills; - Lack of monitoring in relation to cases of gender discrimination in career development.	- Harmonising the uniform incentives system; - Improving and enriching the company welfare plan in order to cover all Group companies, as well as support work-home balance; - Promoting new flexible working methods (smart working) among employees, where applicable; - Development of coordination and supervision of the training activities by the Parent Company, in order to identify the training requirements of the individual categories of employees and increase awareness on training issues; - Continuing with the actions undertaken in terms of training, career development, professional growth opportunities; - Implementing and expanding initiatives for the prevention, awareness and protection of employee health (e.g., use of ear plugs); - Increasing the percentage of women in the Board of Directors and of female executives in the subsidiaries.

Management policy and model

At Tecnoinvestimenti, people represent the true capital: to preserve and improve its characteristics, people are continuously stimulated and directed onto a path of personal and professional growth, ensuring equal opportunities and work conditions to mitigate the risk of discrimination.
Tecnoinvestimenti promotes respect for labour and workers by committing to abolish child and forced labour, promoting equality in employment opportunities and treatment, avoiding all forms of discrimination and ensuring full respect for fundamental human rights, in accordance with the principles contained in the UN Declaration of Human Rights.
All Group companies are required to strictly comply with the laws and regulations in effect, in order to ensure compliance with the principle of non-discrimination, and each Group company has adopted a Code of Ethics

which establishes the general principle against any form of discrimination based on race, colour, gender, age, religion, physical condition, marital status, sexual orientation, citizenship, ethnic origin or any other discrimination contrary to the law.
The policies and procedures followed by Tecnoinvestimenti for the management of employment relationships are based on the provisions in the various National Collective Labour Contracts, to which the individual companies refer. 100% of the Group's workers are covered by National Collective Labour Contracts.

Tecnoinvestimenti's Management is committed to defining and implementing a management system that ensures that each employee is able to work in the best possible conditions, within a comfortable and safe work environment and, at the same time, that they are made aware of the importance of their and others' health and safety in the workplace, their individual obligations and the consequences of their work activities.

The organisational system for company health and safety of the Tecnoinvestimenti Group is set up in accordance with the national legislation in effect (Legislative Decree no. 81/08 and subsequent amendments and additions): each Company has an "RSPP" (*Responsabile del Servizio di Prevenzione e Protezione* - Head of Prevention and Protection Service), as well as an "RLS" (*Rappresentante dei Lavoratori per la Sicurezza* - Workers' Safety Representative) and the relative physician responsible for health monitoring.
The Risk Valuation Document (RVD) has been drawn up for all Group companies and periodically updated, identifying and assessing the risks to which employees and interested parties may be subject, along with the appropriate prevention measures. Furthermore, all workers, once hired, and periodically every five years, are trained on company risks, as per the regulations.
External operators, where present, are not subject to health monitoring, as envisaged by the regulations; monitoring of the work environments is considered the only restriction to ensure the proper execution of activities by said parties.
There are no specific risks within the workplaces (offices) to which any employees, outside workers or visitors may be exposed.

The company InfoCert S.p.A. has decided to adopt a health and safety management system compliant with the UNI-INAIL guidelines to ensure greater efficiency and effectiveness in relation to health and safety in the workplace.

Results obtained

Human Resources

Breakdown of staff

Total number of employees, subdivided by employment contract and gender						
Type of contract	**2017**			**2016**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Permanent	451	506	**957**	399	412	**811**
Contract	11	31	**42**	11	48	**59**
Total	**462**	**537**	**999**	**410**	**460**	**870**

Total number of employees, subdivided by type of position and gender						
Type of position	**2017**			**2016**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Full-time	443	355	**798**	401	318	**719**
Part-time	19	182	**201**	9	142	**151**
Total	**462**	**537**	**999**	**410**	**460**	**870**

Total number of employees, subdivided by gender						
Personnel	2017			2016		
	Men	Women	Total	Men	Women	Total
Senior Management	93%	7%	100%	93%	7%	100%
Middle Management	72%	28%	100%	79%	21%	100%
Employees	40%	60%	100%	39%	61%	100%
Total	46%	54%	100%	47%	53%	100%

Total number of employees, subdivided by age								
Personnel	2017				2016			
	< 30 yrs	30-50 yrs	> 50 yrs	Total	< 30 yrs	30-50 yrs	> 50 yrs	Total
Senior Management	0%	55%	45%	100%	0%	66%	34%	100%
Middle Management	1%	58%	40%	100%	0%	77%	23%	100%
Employees	16%	70%	14%	100%	21%	65%	14%	100%
Total	13%	68%	19%	100%	17%	67%	16%	100%

Benefits and Work-life balance

All Group employees, regardless of their contractual status, are provided with the benefits provided for under the various national collective labour contracts, including health insurance, meal vouchers, parental leave and mobile phones on loan for use.
In addition to the above, the company offers Senior Management of the Parent Company life insurance, company car and accommodation allowance for travel.

With regard to initiatives promoted in terms of Work-life balance:
- InfoCert S.p.A. experimented smart working during the year, on a sample of 14 employees. This initiative will be extended in 2018 to all those who request it, upon approval by their direct supervisor;
- Sixtema S.p.A. introduced, in the new supplementary contract in effect since 1 January 2018, regulations on smart working with possible conversion into a welfare plan; moreover, it adopted flexible management of working hours, in terms of entry and exit times, as well as for the hours of overtime to be recovered through the "hour bank" system.

Training

Training is provided transversally to all company functions: all employees, including senior management, have completed the mandatory training for Listed Companies, namely courses on Regulation 231 and on health and safety in the workplace. Moreover, in some companies, meetings were held on the issue of Law 262 with the department heads, and training on the accounting standards was provided to some members of the Administration and Finance department.
During 2017, Parent Company Tecnoinvestimenti S.p.A. implemented all of the measures aimed at creating an area dedicated to employee training, which will allow ad hoc courses to be held, based on the necessities of the individual employee categories.
In the company InfoCert S.p.A., an analysis of the training requirements is conducted each year, based on which the annual training plan is defined. The training programmes mainly regard specialised and transversal/behavioural training, and significant attention is also paid to language training, as it is considered essential to the internationalisation objectives.

Number of hours of training provided to employees annually, subdivided by employment category and gender						
Category	2017			2016		
	Men	Women	Total	Men	Women	Total
Senior management	540.50	23.50	564.00	542.00	0.00	542.00

Middle Management	2,094.00	782.25	**2876.25**	1,266.50	206.50	**1,473.00**
Employees	5490.00	4734.25	**10,244.25**	3,363.00	2,210.00	**5,573.00**
Total	**8,124.50**	**5,540.00**	**13,664.50**	**5,171.50**	**2,416.50**	**7,588.00**

Average number of hours of training provided to employees annually, subdivided by employment category and gender		
	2017	**2016**
Total number of hours of training provided to employees	13,664.50	7,588.00
Total number of employees	999	870
Average hours of training provided to employees	**13,68**	**8.72**
Total number of hours of training provided to employees women	5,540.00	2,416.50
Total number of employees women	537	460
Average hours of training provided to employees women	**10.32**	**5.25**
Total number of hours of training provided to employees men	8,124.50	5,171.50
Total number of employees men	462	410
Average hours of training provided to employees men	**17.59**	**12.61**
Total number of hours of training provided to senior management	564.00	542
Total number of Senior Managers	29	29
Average hours of training provided to Senior Management	**19.45**	**18.69**
Total number of hours of training provided to middle management	2,876.25	1,473.00
Total number of Middle Managers	154	131
Average hours of training provided to Middle Management	**18.68**	**11.24**
Total number of hours of training provided to employees	10,224.25	5,573.00
Total number of employees	816	710
Average hours of training provided to Employees	**12.53**	**7.85**

Health and safety

In line with the provisions on health and safety, the Group ensures that all employees take mandatory medical check-ups and that general and specific training courses are provided, including those for emergency and first aid officers;

Nearly all companies within the scope of reporting do not have trade union or unitary representation, nor any other forms of agreements covering aspects linked to workplace health and safety.

Number of days missed

Number of days missed (employees)						
Number of days	**2017**			**2016**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Days missed for occupational illness and accidents	1,012	898	**1.910**	486	762	**1,248**

With regard to workers who are not employees, note that 5 days of absence involving collaborators of the company Sixtema S.p.A. were recorded*.

Cases of occupational illness

Occupational illness (employees)						
Number of accidents	**2017**			**2016**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Occupational illness	0	3	**3**	-	1	**1**

For the two-year period in question, no cases of occupational illness were identified among workers who are not employees*.

Number and type of accidents

Number of accidents (employees) subdivided by gender						
Number of accidents	2017			2016		
	Men	Women	Total	Men	Women	Total
Accidents	6	3	**9**	1	2	**3**
Work-related fatalities	-	-	-	-	2	**2**

Type of accidents (employees) subdivided by gender						
Type of accident	2017			2016		
	Men	Women	Total	Men	Women	Total
Accidents on the job	-	-	-	-	-	-
Accidents while commuting	6	3	**9**	1	2	**3**

No cases of accidents involving workers who are not employees were recording during the reporting period*.

** Data on workers who are not employees or outside workers solely refer to the companies InfoCert S.p.A. and Sixtema S.p.A.*

Human rights

It is deemed that, based on the activities carried out, the geographical location, the markets served and the composition of the workforce, the risk of violation of human rights in companies of the Tecnoinvestimenti Group is remote; therefore, no specific courses on this matter have been organised.
In 2017, no incidents related to discrimination were recorded in any Group Companies within the scope of reporting.
For the year in question, there were no transactions subject to review with regard to human rights or assessment of the impact on human rights, as the activities of the Companies within the scope of reporting are conducted in Italy, where the protection of human rights is guaranteed by law.

RESPONSIBLE MANAGEMENT OF THE ENVIRONMENT

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
- Environmental respect	In virtue of the sector in which the Group operates and the materiality analysis conducted, we can affirm that the environmental issue does not involve any significant risk for Tecnoinvestimenti.	- Increasing awareness and attention on responsible use of water and energy resources; - Commitment to implement, in future years, a procedure to monitor and collect data on energy and water consumption.

Management policy and model

Tecnoinvestmenti Management has agreed to define and implement a system to ensure a healthy and safe work environment for all employees, also aimed at increasing awareness on the possible impact that individuals may cause to the environment.

The Group has approved a specific policy on travel, board and lodgings, effective for all Group Companies from March 2016. To limit the use of automobiles as much as possible and, consequently, the number of trips around the country, investments were made in prior years on sophisticated latest generation video conference systems. Preference is given to video conferencing and, if this is not possible, travel takes place by train; therefore, the use of automobiles is limited to cases where there is no other possible solution.

This policy has a triple advantage: reducing cost reimbursements based on km travelled, reducing indirect greenhouse gas emissions and increasing employee health and safety.

Both the Parent Company and the other companies within the scope of reporting operate with responsible and respectful behaviour towards the environment, in order to reduce the external impact of their activities. Maximum attention is paid to rational consumption of energy resources (although limited to lighting of the offices and use of IT equipment) and reduction of water consumption, despite its use being exclusively domestic and for sanitation purposes. Moreover, particular attention is paid to disposal of waste through separate collection.

Results obtained

During the two-year period in question, there were no cases of non-compliance with laws or regulations at the environmental level.

In the “Smart Working” Project, with InfoCert S.p.A. as lead company of the initiative within the Group, non-use of an automobile to reach the workplace by 14 participating employees - for one day a week - generated a reduction of 7,894 Kg of CO_2, corresponding to 49,000 Km not travelled (figure relating to the period 1 July 2016 – 30 June 2017).

Another activity worthy of mention with regard to this issue is the launch of the “Paperless Channel” Project, also by InfoCert S.p.A., whose main objective is the sale and release of products through a fully digital channel, with consequent elimination of paper documentation.

Thanks to the digital signature and electronic email services provided by InfoCert S.p.A., benefits were recorded from both the economic and environmental standpoint: in particular, it was estimated that one year’s worth of paper collection in digital mode generates for InfoCert S.p.A. - and for the environment - savings of approximately 520,000 sheets (corresponding to about 7 trees) for a total of Euro 75 thousand (this

value considers management of the sheets and of the folders in which they are kept, along with the number of boxes necessary for storage, which must be kept in physical warehouses for 20 years).
In the period 2016-2017, the Padua branch of InfoCert S.p.A. implemented an ambitious project of compartmentalisation of the Datacenter ("Green IT" project), which resulted in greater efficiency of systems and, therefore, lower environmental impact.
In general, thanks to these initiatives that began in 2016, a 7.3% reduction was recorded in electricity consumption (equal to about 46,500 less kWh consumed), compared to consumption prior to the start of the project.
The positive trend of reduction in electricity consumption and relative CO_2 emissions continues in 2017.

FIGHT AGAINST CORRUPTION AND COMPLIANCE WITH REGULATIONS

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
Anti-corruption commitment; Compliance with laws, regulations and standards, even on a voluntary basis; Ethical standards and business integrity; Relations with institutions.	Tecnoinvestimenti Management identifies and assesses the related risks, defining the appropriate prevention measures. Such risks include: Risks relative to crimes linked to corruption; Risks linked to corporate crimes; Risks relative to non-compliance or violation of the reference regulations.	Continuing to monitor compliance with Legislative Decree 231/2001 and respect of the laws of the Countries in which the Group operates, including those ratifying international conventions, which prohibit the bribery of public or private parties; Continuing to support and train employees in order to offset any risks of corruption; Strengthening organisational oversight in terms of the legal, compliance and audit function within the individual subsidiaries, through the hiring of dedicated resources, coordinated by the corresponding central functions.

Management policy and model

One of the key factors of Tecnoinvestimenti's reputation is the capacity to conducts its business with integrity, transparency, legality, impartiality, prudence and respect of the laws and regulations, even on a voluntary basis.
Tecnoinvestimenti commits to fighting corruption in all its forms, including extortion and bribery. Under no circumstance shall the pursuit of interests or advantages for the company, at Group level, justify unethical, dishonest or unlawful conduct; therefore, the fight against corruption, both active and passive, is considered essential.
All companies of the Tecnoinvestimenti Group have adopted an organisation model pursuant to Legislative Decree 231/2001 and a Code of Ethics that describes principles and policies aimed at mitigation of the risk of active and passive corruption involving public and private parties, as well as management of conflict of interest situations, including transactions with related parties.
The processes within which the impact of corruption risk was evaluated are the following:

- management of relations with public and/or regulatory authorities (Consob, Borsa Italiana, etc.);
- sales process;
- purchasing process;
- administrative, Human Resources, IT management;
- management of gifts and sponsorships.

As set out by the Code of Ethics, it is strictly prohibited - for all personnel of the Group, for its business partners and for anyone else carrying out activities in favour or on behalf of the Parent Company and the Group itself - to promise, offer, pay or accept, directly or indirectly, money or other benefits, with the goal of obtaining or maintaining a deal and ensuring an unjust advantage.

The Anti-Corruption Policy, included in the organisational and management models of each Group company, is disclosed on the company Intranet and guaranteed by express behavioural provisions included in the Code of Ethics, delivered to all employees upon hiring; moreover, anti-corruption training is compulsory for all employees in order to ensure dissemination and awareness of the principles, procedures and rules of conduct aimed at mitigating the risk of corruption.
Particular attention is also paid to compliance with the laws and regulations applicable to the Group, through procedures defined by the Parent Company and which involved all companies included within the scope of consolidation.
The control system implemented by Tecnoinvestimenti in order to mitigate the risks of fraud and corruption envisage the adoption of the following principles:

- segregation of tasks;
- existence of company provisions/formal procedures;
- authorisation and signing powers;
- tracking of transactions.

Results obtained

100% of the members of the Boards of Directors of the Group companies, as well as 100% of the Group's employees, have been informed on the principles of the adopted Model pursuant to Legislative Decree 231/2001 and the Code of Ethics, the documents of which are available on the Intranet of the individual Companies.
Some 88% of suppliers and almost all customers of the Group have read, through the contractual documentation, the principles contained in the Code of Ethics.
During the course of the year, there were no confirmed cases of corruption, nor any situations of non-compliance with provisions or regulations; moreover, no monetary or non-monetary sanctions were imposed for non-respect of laws and regulations in the social and economic area, with the exception of Co.Mark S.p.A., which paid minor amounts as sanctions for disability exemptions for approximately Euro 17 thousand.

RESPONSIBLE MANAGEMENT OF THE SERVICE

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
- Access to services; - Continuity of services; - Customer privacy and security; - Responsible marketing and communications.	Tecnoinvestimenti Management identifies and assesses the risks connected to the products and services offered. Such risks include: - Risk of violation of IT security; - Risk of data loss/damage to datacentres; - Reputation risk.	- To constantly innovate through the design of technologically advanced solutions with maximum usability.

Management policy and model

The integrated offer of Tecnoinvestimenti represents an enabling platform for companies that have the desire to and are able to grow. Tecnoinvestimenti aims to accompany them towards growth, offering services for the management and innovative collection of information and for their transformation into knowledge as a lever of competitiveness for the company[19].

Group Management aims to present its products in a transparent and responsible manner, through forms of marketing that allow customers to rediscover their distinctive characteristics over time and which also allow, thanks to differentiation in the range of services offered, full accessibility based on customer needs.

Results obtained

Given the nature of Group companies, all of which are companies providing services, no environmental or social impacts and/or risks were identified.
Furthermore, customers are provided with instructions on the proper and safe use of the service.

No cases of non-compliance with regulations and/or voluntary codes on marketing, advertising, promotion and sponsorship were identified, or any cases of non-compliance of products or services that involved the application of sanctions, fines or penalties. In 2017, InfoCert S.p.A. recorded 16 episodes of non-compliance with the regulations, leading to a warning, 10 more than in 2016.

During 2017, there were no complaints and/or disputes by customers with regard to the issue of privacy.

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Table - Material issues

MATERIAL ISSUES	RELATED RISKS	IMPROVEMENT OBJECTIVES
- Procurement practices and screening of suppliers.	Tecnoinvestimenti Management identifies and assesses the risks connected to this issue. Such risks include: - Risk that the materials/services requested are not compliant with the required quality standards; - Risk that supplies are not delivered/carried out within the times envisaged.	- Creation of a "supplier rating" whereby each supplier, in line with the company's qualitative standards, is assigned a score based on the existence or lack of policies related to sustainability issues.

Management policy and model

In managing the supply relationships, the Group always aims at maximum quality and efficiency, preferring Italian and local suppliers.
Accompanying its suppliers towards standards of excellence is a priority of the Group: given the diversified nature of its services, Tecnoinvestimenti often has to deal with external professionals and commercial partners who must guarantee the same service quality standards to the final customer.

[19] www.tecnoinvestimenti.it Profile section

Results obtained

No significant changes were recorded in the Group's supply chain which, in selecting its suppliers, does not use social or environmental criteria. The percentage of suppliers selecting using such criteria, therefore, is 0%.

ECONOMIC AND FINANCIAL RESPONSIBILITY

With regard to the policies, management models and risks connected to economic issues, see the information included in the Financial Statements package of the Tecnoinvestimenti Group.

In terms of the direct and indirect economic impact and generation/distribution of economic value, the following table shows the reclassification of the value added income statement relative to the entire scope of financial consolidation:

Economic value generated and distributed		
Values in thousands of Euro	**31/12/2017**	**31/12/2016**
Revenue	172,781.88	145,461.49
Other income	8,201.28	1,863.33
Financial income	3,439.28	744
Income/charges from the sale of tangible and intangible assets	19.55	- 8.44
Total economic value generated by the Group	**184,441.99**	**148,060.37**
Operating costs	- 76,135.63	- 68,388.77
Remuneration of personnel	- 52,351.58	- 39,984.25
Remuneration of lenders	- 1,920.92	- 1,768.88
Remuneration of shareholders*	-	- 6,977
Remuneration of Public Administration**	- 20,134.93	- 14,305.01
External donations	- 146.37	- 147.48
Total economic value distributed by the Group	**- 150,689.43**	**- 131,571.39**
Provision for bad debt	- 1,487.71	- 1,029.49
Impairment losses	- 417.07	-
Unrealised exchange rate differences	4.82	- 17.49
Adjustments to tangible and intangible assets	- 0.08	-
Adjustments to financial assets	4.32	12.50
Depreciation and amortisation	- 11,526.39	- 10,826.93
Accruals to provisions	- 20	-
Reserves	- 20,310.44	- 4,627.58
Economic value withheld by the Group	**-33,752.55**	**- 16,488.98**

**As the exact value of remuneration to shareholders in 2017 shall be discussed during approval of the Consolidated Financial Statements by the Board of Directors, for the moment, the entire profit for 2017 was allocated to reserves, on a prudent basis.*
***Remuneration of Public Administration also includes deferred taxes*

During the course of 2017, companies InfoCert S.p.A., Sixtema S.p.A., Assicom Ribes S.p.A. and Co.Mark S.p.A. received financial assistance from the Public Administration for a total of Euro 862,407, +63% compared to the prior year, while no political contributions in kind or of a financial nature were made by the Group.

With regard to projects to support investments and infrastructural services, there are initiatives in place only in the companies InfoCert S.p.A. and Sixtema S.p.A., outlined in the table below.

Investments in infrastructure and services of public utility			
	Name of project/charitable organisation	**Initiative**	**Donation amount for 2017**
INFOCERT S.P.A.	AIRC	Donation	**3,000 €**
		Donation for Christmas card	**7,534 €**
	Dr. Ambrosoli Memorial Hospital Foundation	Donation	**2,000 €**
SIXTEMA S.P.A.	Wolters Kluwer Italia	Forum Lavoro Event	**5,000 €**
	Res Srl	Confires Event	**6,200 €**
	Fedart	Sponsorship of Confidi event	**10,000 €**
	Ceslar	Sponsorship of Modena work event	**1,000 €**

Moreover, the majority of companies participated in a series of outside initiatives during the year, including the following:

- InfoCert S.p.A. sponsored a series of events, in some cases participating directly with exhibition stands, such as: Institute of Knowledge & Networking, Fleming events, Forrester, Gastaldi Congressi SRL, ABI Servizi SP, IKN S.r.L and Fondazione studi consulenti del lavoro.
- Re Valuta S.p.A. sponsored an Alba Leasing conference in 2017.
- Co.Mark S.p.A. provided funds to sponsor the Bergamo Basket sports team.
- Sixtema S.p.A. sponsored the SMAU event, key event in the “Innovation and Digital” sectors, aimed at companies and local entities, in addition to a series of conferences and initiatives relative to:
    - the world of credit organisation and financial intermediaries (Fedart and Confire);
    - the world of labour consultants (Ceslar Modena and Forum Lavoro, WKI).

Lastly, also with regard to 2017, the individual companies included within the scope of reporting of the consolidated non-financial declaration are registered with the following associations:

Membership in Associations				
InfoCert S.p.A.	**Sixtema S.p.A.**	**Assicom Ribes S.p.A.**	**Co.Mark S.p.A.**	**Visura Group**
Ruling companies; Consorzio ABI_LAB; ETSI; EEMA; Oracle.	Assonime; Assosoftware.	Confindustria; Unirec; Ancic; Confcommercio; Assolombarda; Compagnia delle Opere.	Confindustria.	A.N.C.I.C. (Visura); AssoGestionali (Lextel).

GRI Content Index*

In accordance with the Referenced application method.

As this is the first year of publication of the Non-Financial Declaration, Tecnoinvestimenti has decided not to publish the data relating to the year 2015 as laid out in the GRI Referenced principles, so as to increase the reliability of this document's content.

Title GRI Standard	Indicator number GRI	GRI indicator number	Page number/Notes	Omissions
GRI 102: General Disclosures 2016 - Organisational Profile	**102-1**	Name of the organisation	Financial Statement cover page	
	102-2	Activities, brands, products and services	Group Activities, pgs. 5-6	
	102-3	Location of headquarters	Group Activities, pgs. 5-6	
	102-4	Location of operations	Group Activities, pgs. 5-6	
	102-5	Ownership and legal form	Non-financial declaration, pg. 30	
	102-6	Markets served	Group Activities, pgs. 5-6	
	102-7	Scale of the organisation	Non-financial declaration, pgs. 37-38	
	102-8	Information on employees and other workers	Non-financial declaration, pgs. 37-38 Indicator reported on partly, information is not available with respect to the subdivision by geographical area.	
	102-9	Supply chain	The main categories of suppliers regard the procurement of primary assets necessary for the business (servers, data centres and IT systems) and outsourcing of professional services such as appraisals and legal consulting.	
	102-10	Significant changes to the organisation and its supply chain	No significant changes were recorded in the Group's supply chain compared to the prior year.	
	102-11	Precautionary principle or approach	The Group, in compliance with statutory regulations and STAR segment requirements, applies a prudential approach.	
	102-12	External initiatives	Non-financial declaration, pg. 46	
	102-13	Membership in associations	Non-financial declaration, pg. 46	
GRI 102: General Disclosures 2016 - Strategy	**102-14**	Statement from senior decision-maker	Letter to shareholders, pgs. 3-4	
GRI 102: General Disclosures 2016 - Ethics and integrity	**102-15**	Key impact, risks, and opportunities	Group main risks and uncertainties _ pg. 25	
	102-16	Values, principles, standards, and norms of behaviour	Non-financial declaration, pg. 34	

	102-17	Mechanisms for advice and concerns about ethics and integrity	Each Supervisory Board of each company has a collective email address to which employees as well as non-employees (customers, suppliers, etc.) may report.	
GRI 102: General Disclosures 2016 - Governance	**102-18**	Governance structure	Non-financial declaration, pg. 33	
	102-21	Consulting stakeholders on economic, environmental and social topics		
	102-22	Composition of the highest governance body and its committees	Non-financial declaration, pgs. 33, 34	
	102-24	Nominating and selecting the highest governance body and its committees	Report on corporate governance and ownership structures - Available at www.tecnoinvestimenti.it.	
	102-30	Effectiveness of risk management processes	Non-financial declaration pgs. 34-36	
GRI 102: General Disclosures 2016 - Stakeholder engagement	**102-40**	List of stakeholder groups	Non-financial declaration, pg. 31	
	102-41	Collective bargaining agreements	Non-financial declaration, pg. 37	
	102-43	Approach to stakeholder engagement	Non-financial declaration pgs. 33-36	
	102-44	Key topics and concerns raised	Non-financial declaration pgs. 31-32 No critical issues with regard to material topics emerged during the year.	
GRI 102: General Disclosures 2016 - Reporting practice	**102-45**	Entities included in the Consolidated Financial Statements	Non-financial declaration, pg. 30	
	102-46	Defining report content and topic boundaries	Non-financial declaration pgs. 30-33	
	102-47	List of material topics	Non-financial declaration, pg. 32	
	102-48	Restatements of information	N.a.	
	102-49	Significant changes in reporting	N.a.	
	102-50	Reporting period	1/1/2017 – 31/12/2017	
	102-51	Date of most recent report	N.a.	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	Corporate data and composition of corporate bodies _ pg. 1	
	102-54	Claims of reporting in accordance with the GRI Standards	Non-financial declaration, pg. 30	
	102-55	GRI content index	Non-financial declaration pgs. 47-50	
	102-56	External assurance	To be added to the financial statements package after the	

			independent auditors' report on the separate financial statements.	
GRI 103: Management approach 2016	**103-1**	Explanation of the material topic and its Boundary	Non-financial declaration, pgs. 30-33	
GRI 201: Economic performance 2016	**201-1**	Direct economic value generated and distributed	Non-financial declaration, pg. 45 Indicator partly covered	
	201-4	Financial assistance received from government	Non-financial declaration, pg. 45	
GRI 203: Indirect Economic Impacts 2016	**203-1**	Infrastructure investments and services supported	Non-financial declaration, pgs. 45-46	
GRI 205: Anti-corruption 2016	**205-1**	Operations assessed for risks relating to corruption	Non-financial declaration, pg. 42	
	205-2	Communication and training about anti-corruption policies and procedures	Non-financial declaration, pgs. 42-43	
	205-3	Confirmed incidents of corruption and actions taken	Non-financial declaration, pg. 43	
GRI 307: Environmental Compliance 2016	**307-1**	Non-compliance with environmental laws and regulations	During the two-year period in question, there were no cases of non-compliance with laws or regulations at the environmental level.	
GRI 308: Supplier Environmental Assessment 2016	**308-1**	New suppliers that were screened using environmental criteria	No suppliers have been screened using environmental criteria.	
GRI 401: Employment 2016	**401-2**	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Non-financial declaration, pgs. 38-39	
GRI 403: Occupational Health and Safety 2016	**403-1**	Workers representation in formal joint management-worker health and safety committees	Non-financial declaration, pg. 39	
	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Non-financial declaration, pgs. 39-40	
	403-4	Health and safety topics covered in formal agreements with trade unions	Non-financial declaration, pg. 39	
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	Non-financial declaration, pg. 39	
GRI 405: Diversity and equal opportunity 2016	**405-1**	Diversity of governance bodies and employees	Non-financial declaration, pgs. 34, 37-38	
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	Non-financial declaration, pgs. 36-37, 40	
GRI 414: Supplier Social Assessment 2016	**414-1**	New suppliers that were screened using social criteria	Non-financial declaration, pgs. 44-45	

GRI 415: Public Policy 2016	**415-1**	Political contributions	Non-financial declaration, pg. 45	
GRI 417: Marketing and labelling 2016	**417-1**	Requirements for product and service information and labelling	Non-financial declaration, pg. 44	
	417-2	Incidents of non-compliance concerning product and service information and labelling	Non-financial declaration, pg. 44	
	417-3	Incidents of non-compliance concerning marketing communications	Non-financial declaration, pg. 44	
GRI 418: Customer privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Non-financial declaration, pg. 44	
GRI 419: Socioeconomic compliance 2016	**419-1**	Non-compliance with laws and regulations in the social and economic area	Non-financial declaration, pg. 43	

**In accordance with the Referenced application method*

RECONCILIATION TABLE

AREAS	MATERIAL ASPECTS FOR TECNOINVESTIMENTI	REQUIRED GRI STANDARDS
Anti-corruption	Anti-corruption commitment	205-1,2,3
	Compliance with laws, regulations and standards, even on a voluntary basis	419-1
	Relations with institutions	415-1 403-4
	Ethical standards and business integrity	102-16
Human rights	Non-discrimination	406-1
Personnel	Female employment and Gender representation in the higher governance positions	102-8,41 405-1
	Company welfare Attraction and development of talent	401-2 404-1 412-2
	Health, safety and quality of the professional life of workers	403-1,2
Environment	Environmental respect	307-1
Value chain	Procurement practices and screening of suppliers	102-9,10 308-1 414-1
Economic responsibility	Financial performance Direct and indirect economic impact: distribution of added value	201-1,4 203-1
	Presence on the market	102-6
Service	Access to services and continuity of services	417-1,2
	Customer privacy and security	418-1
	Responsible marketing and communications	417-3
Corporate governance	Involvement and transparent relations with stakeholders	102-40,42,43
	Internal controls and risk management of economic, environmental and social impacts	102-30

PROPOSED ALLOCATION OF THE 2017 PROFIT 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 11,968,265.59, as follows:

- 5% of the profit for the year to legal reserve, for an amount of Euro 598,413.28;
- Euro 6,520,236.80 to dividend distribution, equal to Euro 0.14 per share;
- Euro 4,849,615.51 to profits carried forward.

Milan,
14 March 2018

Enrico Salza
Chairman

CONSOLIDATED FINANCIAL STATEMENTS 2017
Statements and Notes

Consolidated Financial Statements

Consolidated Statement of Financial Position

In thousands of Euro	Notes	31/12/2017	31/12/2016 [20]
ASSETS			
Property, plant and equipment	14	8,287	7,050
Intangible assets and goodwill	15	252,693	200,690
Equity investments carried at equity	16	25	2,471
Equity investments carried at cost or fair value	16	49	11
Other financial assets, excluding financial derivatives	17	543	2,898
Financial derivatives	23	40	0
Deferred tax assets	18	5,556	2,898
Trade and other receivables	19	643	351
NON-CURRENT ASSETS		**267,836**	**216,368**
Inventories	20	2,072	1,001
Other financial assets, excluding financial derivatives	17	4,311	6,352
Current tax assets	22	1,990	3,659
- *amount with related parties*	*40*	*1,167*	*2,083*
Trade and other receivables	19	80,285	50,948
- *amount with related parties*	*40*	*563*	*237*
Cash and cash equivalents	24	36,987	60,431
Assets held for sale	14	199	199
CURRENT ASSETS		**125,843**	**122,590**
TOTAL ASSETS		**393,679**	**338,958**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		46,573	46,256
Reserves		96,207	83,478
Shareholders' equity attributable to the Group		*142,780*	*129,734*
Shareholders' equity attributable to non-controlling interests		*537*	*187*
TOTAL SHAREHOLDERS' EQUITY	**25**	**143,317**	**129,921**
LIABILITIES			
Provisions	26	1,598	1,279
Employee benefits	27	10,977	6,186
Financial liabilities, excluding financial derivatives	28	123,935	100,839
- *amount with related parties*	*40*	*25,000*	*25,000*
Financial derivatives	23	202	228
Deferred tax liabilities	18	9,345	10,163
Trade and other payables		0	5
Deferred revenue and income	30	1,437	546
NON-CURRENT LIABILITIES		**147,493**	**119,245**
Provisions	26	342	265
Employee benefits	27	360	182
Financial liabilities, excluding financial derivatives	28	21,723	36,947
- *amount with related parties*	*40*	*252*	*156*
Trade and other payables	29	47,725	33,185
- *amount with related parties*	*40*	*242*	*188*
Deferred revenue and income	30	26,593	17,732
Current tax liabilities	22	6,125	1,481
- *amount with related parties*	*40*	*2,395*	*608*
CURRENT LIABILITIES		**102,869**	**89,792**
TOTAL LIABILITIES		**250,362**	**209,037**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**393,679**	**338,958**

[20] The comparative data as at 31 December 2016 were restated in relation to the completion in the first half of the year 2017 of the activities for the identification of the fair value of the assets and liabilities of the Visura group, consolidated on a line-by-line basis as of 1 July 2016. The effects are described in the Notes.

Consolidated Statement of Profit or Loss and other comprehensive income

		For the year ended 31 December	
In thousands of Euro	**Notes**	**2017**	**2016**[21]
Revenue	**31**	**181,018**	**147,325**
- *amount with related parties*	*40*	*2,007*	*1,043*
- *amount from nonrecurring transactions*	*31*	*6,228*	*405*
Raw material costs	32	5,176	5,849
Service costs	33	69,663	61,249
- *amount with related parties*	*40*	*1,688*	*1,067*
- *amount from nonrecurring transactions*	*33*	*1,999*	*1,378*
Personnel costs	34	63,777	49,221
- *amount from nonrecurring transactions*	*34*	*2,405*	*0*
Other operating costs	35	1,772	1,732
- *amount with related parties*	*40*	*18*	*67*
- *amount from nonrecurring transactions*	*35*	*46*	*0*
Depreciation and amortisation	36	11,526	10,827
Accruals to provisions	36	20	0
Impairment losses	36	1,841	1,029
Total costs		**153,775**	**129,907**
OPERATING PROFIT		**27,243**	**17,418**
Financial income	37	3,444	727
- *amount from nonrecurring transactions*	*37*	*747*	*0*
Financial charges	37	1,921	1,769
- *amount with related parties*	*40*	*500*	*243*
Net financial income (charges)		**1,523**	**-1,042**
Pro rata interest in the result of investee companies carried at equity, net of tax effect	16	4	13
PROFIT BEFORE TAXES		**28,771**	**16,389**
Income taxes	38	8,460	4,784
- *amount from nonrecurring transactions*	*38*	*668*	*-132*
RESULT FROM CONTINUING OPERATIONS		**20,310**	**11,605**
Result from discontinued operations		0	0
NET PROFIT		**20,310**	**11,605**
Other comprehensive income			
Items that will not be reversed to net profit			
Actuarial gains (losses) of employee benefit provisions	27	-67	-243
Equity-accounted investees – share of OCI			
Tax effect		16	63
Total items that will not be reversed to net profit		**-51**	**-180**
Items that may be reversed to net profit:			
Exchange rate differences from the translation of foreign financial statements		-22	0
Profits (losses) from measurement at fair value of derivative financial instruments	23	38	-51
Equity-accounted investees – share of OCI			
Tax effect		-8	12
Total items that may be reversed to net profit		**8**	**-39**
Total other items of comprehensive income, net of tax		**-43**	**-219**
Total comprehensive income		**20,267**	**11,386**
Net profit attributable to:			
Group net profit		20,233	11,553
Net profit of non-controlling interests		78	51
Total comprehensive income for the period attributable to:			
Owners of the Company		20,189	11,336
Non-controlling interests		78	50
Earnings per share			
Basic EPS (Euro)	39	0.44	0.31
Diluted EPS (Euro)	39	0.43	0.31

[21] The results for 2016 were restated in relation to the completion in the first half of the year 2017 of the activities for the identification of the fair value of the assets and liabilities of the Visura group, consolidated on a line-by-line basis as of 1 July 2016. The effects are described in the Notes.

Consolidated Statement of Changes in Equity

In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Non-controlling interests	Consolidated Shareholders' Equity
									For the year ended 31 December 2017
Balance as at 1 January 2017	46,256	1,136	53,156	-173	-343	29,701	129,734	187	129,921
Comprehensive income									
Net profit						20,233	20,233	78	20,310
Other comprehensive income				30	-51	-22	-44	1	-43
Total comprehensive income	*0*	*0*	*0*	*30*	*-52*	*20,211*	*20,189*	*78*	*20,267*
Transactions with shareholders									
Dividends						-6,949	-6,949	-28	-6,977
Legal reserve allocation		297				-297	0		0
Adjustment of put options on non-controlling interests						-1,050	-1,050		-1,050
Capital increase	317		761				1,078		1,078
Acquisitions of non-controlling interests in subsidiaries						-210	-210		-210
Change in scope of consolidation				-10		10	0	299	299
Other changes						-11	-11		-11
Total transactions with shareholders	*317*	*297*	*761*	*-10*	*0*	*-8,507*	*-7,142*	*271*	*-6,871*
Balance as at 31 December 2017	46,573	1,433	53,917	-154	-394	41,405	142,780	537	143,317

In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedge derivative reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Non-controlling interests	Consolidated Shareholders' Equity
									For the year ended 31 December 2016
Balance as at 1 January 2016	31,700	773	19,173	-135	-164	25,751	77,098	96	77,194
Comprehensive income									
Net profit						11,553	11,553	51	11,605
Other comprehensive income				-39	-178		-217	-2	-219
Total comprehensive income	*0*	*0*	*0*	*-39*	*-178*	*11,553*	*11,336*	*50*	*11,386*
Transactions with shareholders									
Dividends						-3,820	-3,820	-29	-3,849
Legal reserve allocation		363				-363	0		0
Adjustment of put options on non-controlling interests						-4,427	-4,427		-4,427
Capital increase	14,556		34,935				49,491		49,491
Capital increase costs			-951				-951		-951
Other changes						1,005	1,005	69	1,074
Total transactions with shareholders	*14,556*	*363*	*33,983*	*0*	*0*	*-7,604*	*41,298*	*40*	*41,338*
Balance as at 31 December 2016	46,256	1,136	53,156	-173	-343	29,701	129,734	187	129,921

Consolidated Statement of Cash Flows

	Notes	2017	2016
	for the year ended 31 December		
	Notes	**2017**	**2016**
Cash flow from operating activities			
Net profit		20,310	11,605
Restatements for:			
- Depreciation of property, plant and equipment	36	2,848	2,496
- Amortisation of intangible assets	36	8,679	8,331
- Write-downs (Revaluations)	36	1,841	1,029
- Accruals to provisions	36	20	0
- Net financial charges (income)	37	-1,523	1,042
- *amount with related parties*	*40*	*500*	*243*
- Pro rata interest in the result of investee companies carried at equity	16	-4	-13
- Income taxes	38	8,460	4,784
Changes in:			
- Inventories		16	-372
- Trade and other receivables		-12,869	1,940
- *amount with related parties*		*-326*	*212*
- Trade and other payables		5,982	-2,318
- *amount with related parties*		*54*	*85*
- Provisions and employee benefits		1,171	-505
- Deferred revenue and income, including government grants		2,901	1,241
Cash and cash equivalents generated by operating activities		**37,831**	**29,260**
Income taxes paid		-5,680	-9,222
Net cash and cash equivalents generated by operating activities		**32,151**	**20,038**
Cash flow from (used in) investing activities			
Interest collected		52	91
Proceeds from the sale of financial assets	21	4,423	0
Investments in property, plant and equipment	14	-1,286	-2,882
Investments in other financial assets	23	-85	0
Investments in intangible assets	15	-5,200	-2,863
Change in scope of consolidation, net of acquired cash	13	-17,035	-36,893
Cash and cash equivalents generated/(absorbed) by investing activities		**-19,131**	**-42,547**
Cash flow from (used in) financing activities			
Acquisitions of non-controlling interests in subsidiaries	28	-41,728	0
Interest paid		-1,578	-1,108
- *amount with related parties*		*-404*	*-87*
MLT bank loans taken out	28	21,998	0
Repayment of MLT bank loans	28	-5,150	-4,920
Repayment of ST loans		-18	0
Loans taken out by controlling shareholder	28	0	25,000
- *amount with related parties*		*0*	*25,000*
Repayment of price deferment liabilities on acquisitions of equity investments	28	-1,400	-100
Repayment of contingent consideration liabilities	28	-909	0
Change in current bank payables	28	-1,214	-403
Change in other financial payables	28	-446	-279
Repayment of finance lease liabilities	28	-119	-99
Capital increase	25	1,078	48,179
Capital increases by subsidiaries		0	1,175
Dividends paid		-6,977	-3,820
Cash and cash equivalents generated/(absorbed) by financing activities		**-36,464**	**63,625**
Net increase (decrease) in cash and cash equivalents		-23,444	41,115
Cash and cash equivalents at 1 January		60,431	19,316
Cash and cash equivalents as at 31 December		**36,987**	**60,431**

Notes to the Consolidated Financial Statements as at 31/12/2017

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tecnoinvestimenti S.p.A. (the "Parent Company") has its offices in Italy. These Consolidated Financial Statements as at 31 December 2017 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 Innovation & Marketing Services sectors. These Consolidated Financial Statements as at 31 December 2017 were approved and authorised for publication by the Board of Directors of Tecnoinvestimenti S.p.A. at its meeting of 14 March 2018.

The shares of the Parent Company are listed on the Electronic Equity Market (MTA) managed by Borsa Italiana S.p.A., STAR segment. At the date of preparation of these Consolidated Financial Statements, Tecno Holding S.p.A. (the 'Controlling Shareholder') is the shareholder that holds the absolute majority of the shares of Tecnoinvestimenti S.p.A. The Controlling Shareholder does not exercise any management and coordination activities for Tecnoinvestimenti.

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 Note 40. *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, as at 31 December 2017 is provided in the following table:

Company	Registered Office	as at 31 December 2017					
		Share capital		% held	via	% contribution to the Group	Consolidation method
		Amount (in thousands)	Currency				
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,573	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	-	99.99%	Line-by-line
Assicom Ribes S.p.A.	Buja (UD)	3,000	Euro	100.00%	-	100.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	80.00%	-	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	83.13%	-	95.00%	Line-by-line
Warrant Group S.r.l.	Correggio (RE)	58	Euro	70.00%	-	100.00%	Line-by-line
Creditreform Assicom Ticino S.A.	Switzerland	100	CHF	100.00%	Assicom Ribes S.p.A.	100.00%	Line-by-line
Co.MarK TES S.L.	Spain	36	Euro	99.00%	CoMark 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	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
Warrant Innovation Lab Scarl	Correggio (RE)	25	Euro	98.38%	Warrant Group S.r.l.	98.38%	Line-by-line
Warrant Service S.r.l.	Correggio (RE)	40	Euro	50.00%	Warrant Group S.r.l.	50.00%	Line-by-line
Bewarrant S.r.l.	Belgium	12	Euro	100.00%	Warrant Group S.r.l.	100.00%	Line-by-line
Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Shareholders' equity
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Group S.r.l.	30.00%	Shareholders' 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 on which the control was acquired. In particular, the Warrant group was consolidated on 1 December 2017; Sixtema S.p.A. was consolidated as of 1 April 2017.
All the financial statements used for the preparation of the Consolidated Financial Statements were drafted as at 31 December 2017 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 net profit for the period that pertains to them; these portions are shown separately within the equity and the income statement.
- Business combinations are recognised 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 non-controlling 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 non-controlling interests, after control has been obtained, the positive differential between acquisition cost and carrying amount of the non-controlling 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 tax adjustments 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 on 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:

- *Digital Trust*
- *Credit Information & Management*
- *Innovation & Marketing Services*

Compared to 2016, the economic figures changed due to:

- the consolidation as of 1 April 2016 of the Co.Mark group (fully allocated to the *Innovation & Marketing Services* sector);
- the consolidation as of 1 July 2016 of the Visura group (fully allocated to the *Digital Trust* sector);
- the line-by-line consolidation as of 1 April 2017 of the company Sixtema S.p.A. (fully allocated to the *Digital Trust* sector), previously consolidated at equity.

- the consolidation as of 1 December 2017 of the Warrant group (fully allocated to the *Innovation & Marketing Services* sector).

The results of the operating segments are measured and revised periodically by the management by analysing trends in EBITDA, defined as "Net profit" before "Taxes", "Net financial income (expenses)", "Portion of profits from equity-accounted investments", "Amortisation/depreciation", "Provisions" and "Impairment", i.e., as "Revenue" net of "Raw material costs", "Service costs", "Personnel costs" and "Other operating costs".

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.

Amounts in thousands of Euro	***Digital Trust***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other units (Parent Company)**		***Total***	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Segment revenue	83,168	59,278	76,373	75,043	22,170	13,053	503	617	182,214	147,991
Intra-unit revenue	430	60	265	181	0	0	500	426	1,196	667
Revenue from external customers	**82,738**	**59,218**	**76,107**	**74,863**	**22,170**	**13,053**	**3**	**191**	**181,018**	**147,325**
EBITDA	**20,924**	**14,831**	**16,580**	**13,871**	**9,247**	**5,231**	**-6,121**	**-4,658**	**40,631**	**29,274**
Am., prov. and impairment									13,388	11,855
Operating profit									**27,243**	**17,418**
Net financial income (charges)									1,523	-1,042
Income from equity investments									4	13
Profit before taxes									**28,771**	**16,389**
Income taxes									8,460	4,784
Net profit									**20,310**	**11,605**

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

Amounts in thousands of Euro	***Digital Trust***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other units (Parent Company)**		***Total***	
	31/12/17	**31/12/16**	**31/12/17**	**31/12/16**	**31/12/17**	**31/12/16**	**31/12/17**	**31/12/16**	**31/12/17**	**31/12/16**
Unit assets	90,683	78,783	159,634	163,688	138,134	62,905	5,228	33,582	**393,679**	**338,958**
Unit liabilities	63,272	45,631	63,905	101,591	94,834	34,476	28,352	27,339	**250,362**	**209,037**

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, modernisation 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 being separately classified as assets or part of an asset. . Any public contributions to tangible assets are recorded as deferred revenue and recognised 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 on 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 amortisation 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, amortisation 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 Ribes Group, now merged into Assicom Ribes S.p.A., 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, 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 amortised 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, it is believed may exhaust its future utility in a period of 14 years from 2015;
    - ✓ of the former subsidiary Infonet S.r.l., today merged into Assicom 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, 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 Ribes 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, it is believed may exhaust its future utility in a period of 5 years from 2016.
    - ✓ of the Visura group, carried out in June 2016, which has involved the recognition of an intangible asset for customer lists for an amount of Euro 7,212 thousand that, on the basis of the rate of turnover of clients, it is believed may exhaust its future utility in a period of 5 years from 2016.

IMPAIRMENT 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 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. 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 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 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 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising 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 categorised 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.

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 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 recognised 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 recognised in the income statement.
Listing costs not relating to the issue of new shares are recognised 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 recognised as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognised in the income statement. Costs related to both transactions are recognised as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognised 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 at least more than 12 months after the date of the annual or infra-annual periodic financial statements.

PUT OPTIONS ON NON-CONTROLLING 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.

INCOME 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 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 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 was approved in 2015 and 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.
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 provided their activity 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 ("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 net 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 net 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 net 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 COMPANY

a) *From 1 January 2017, the Group adopted the following new accounting standards:*

- "*Disclosure initiative Amendments to IAS 7 - Statement of cash flows*". Endorsement by the EU took place on 6 November 2017 with Regulation no. 1990. The amendments introduce new information obligations for changes in liabilities and assets deriving from financing activities.
- "*Amendments to IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*". Endorsement by the EU took place on 6 November 2017 with Regulation no. 1989. The clarified how to account for deferred tax assets related to debt instruments measured at fair value.
- "*Annual Improvements to IFRS Standards 2014-2016 Cycle*". Endorsement by the EU took place on 7 February 2018 with Regulation no. 182. 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 ventures*. Amendments to IFRS 12 apply to financial statements relating to years beginning on 1 January 2017, or later. The amendments to IFRS 1 and IAS 28 apply to financial statements relating to years beginning on 1 January 2018 or later; earlier application, which the Company has not opted for, is permitted only with reference to IAS 28.

b) *Accounting standards and interpretations on standards effective for the financial years after 2017 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 at 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 provisions contained therein define the criteria for the recognition of 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.
- In addition, 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 recognised. This document, adopted by the European Union by means of Regulation no. 1987 of 9 November 2017, is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.

- 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 lessee 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. Endorsement by the EU took place on 31 October 2017 with Regulation no. 1986.
- 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. Endorsement by the EU took place on 26 February 2018 with Regulation no. 289.
- 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. Endorsement by the EU took place on 3 November 2017 with Regulation no. 1988.

The Group is estimating the impact that the initial application of IFRS 9 and IFRS 15 will have on the Consolidated Financial Statements. The estimated impact deriving from the adoption of these standards on Consolidated Shareholders' Equity as at 1 January 2018 are based on assessments carried out to date and described below. These impacts could change for the following reasons:

- the Group has not completed its verification and assessment of the controls on the IT system updates;
- the new accounting policies could be subject to amendments until the point when the Group presents its first financial statements that will include the effects of initial application;
- the impact deriving from the adoption of IFRS 15 for the Warrant Group (acquired on 30 November 2017) is still being estimated;
- the impact deriving from the adoption of IFRS 9 is still being estimated, with particular reference to the impairment model to be applied to the trade receivables recorded in the financial statements.

IFRS 15

The Group intends to opt for the retrospective application of IFRS 15, accounting for the cumulative effect of the initial application as at 1 January 2018 with reference only to contracts that had not been completed at the date of initial application.

In the Digital Trust Business Unit, the recognition of Euro 7.4 million in lower equity reserves is expected as at 1 January 2018 as a result of the recognition over time of point in time services in accordance with IAS 18 in relation to the model based on the transfer of risks and rewards and the correlation with costs incurred. This impact is mitigated by the early recognition of unrecognised rights (breakage) in the presence of services that require advance payment, with an expected effect on Shareholders' equity at 1 January 2018 of Euro 0.3 million in greater reserves. Digital Trust also includes the impact deriving from the recognition over time, throughout the expected term of the contract, of the initial consideration (and correlated costs) charged to the customer and which may not be reimbursed relating to some solutions that provide the possibility for customers to access an ad-hoc platform from which they can take advantage of a series of services within a period of time. Such income is currently recognised in correlation with costs incurred to provide access to the platform. With respect to this last situation, activities are still under way to determine the impact on Shareholders' equity as at 1 January 2018.

In the Innovation & Marketing Business Unit the recognition of an increase of Euro 0.2 million in Shareholders' equity reserves is expected at 1 January 2018, due to the different trend in the amortisation, pursuant to IFRS 15, of contractual costs linked to obtaining contracts.

In the Credit Information & Management Business Unit no significant effects are expected on Shareholders' equity as at 1 January 2018.

IFRS 9

As previously stated, the estimate of the impact deriving from the adoption of IFRS 9 is still being estimated with particular reference to the impairment model to be applied to the trade receivables recorded in the financial statements. Based on the information available to date, the Group expects that the adoption of this standard will not have significant effects.

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

At the date of the approval of these Consolidated 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 18 May 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces the current IAS 4. The new standard on insurance contracts aims to boost transparency on sources of profit and on the quality of earnings and to guarantee high comparability of results, by introducing a single standard for the recognition of revenues that reflects the services provided. IFRS 17 applies to financial statements relating to years beginning on 1 January 2021, or later. EFRAG's Endorsement Process is still under way.
- 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. Ratification by the EU is expected in the first quarter of 2018.
- On 7 June 2017, the IASB published the interpretation IFRIC 23 – "Uncertainty over Income Tax Treatments", which provides indications on how to reflect uncertainties on the tax treatment of a given transaction or circumstance in accounting for income taxes. IFRIC 23 applies to financial statements relating to years beginning on 1 January 2019, or later. Ratification by the EU is expected in the third quarter of 2018.
- 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. Ratification by the EU is expected in the first quarter of 2018.
- On 12 October 2017, the IASB published some amendments to IFRS 9 "Financial Instruments". The document "Prepayment features with Negative Compensation (Amendments to IFRS 9)" aims to amend the requirements of IFRS 9 with reference to the following two situations: (i) financial assets which contain prepayment options through negative compensation may now be valued at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9; (ii) new accounting criteria are introduced in the case of non-substantial amendments that do not entail a derecognition in the case of modifications or exchanges of fixed-rate financial liabilities. The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. Ratification by the EU is expected in the first quarter of 2018.

- On 12 October 2017, the IASB published some amendments to IAS 28 "Investments in associates and joint ventures". The document "Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)" aims to clarify several aspects in cases in which companies finance associates and joint ventures with preference shares or through loans for which repayment is not required in the foreseeable future ("Long-Term Interests" or "LTI"). The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. The conclusion of the Endorsement Process by the EFRAG is expected for the first quarter of 2018, while endorsement by the EU is expected to take place in 2018.
- On 12 December 2017, the IASB published the document "Annual Improvements to IFRS Standards 2015-2017 Cycle". The amendments introduced, falling within the ordinary activity of rationalisation and clarification of international accounting standards, are related to the following standards: (i) IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements: the IASB clarified how to account for increases in interests in a business that is a joint operation; (ii) IAS 12 - Income Taxes: the IASB clarified that the tax effects correlated with the payment of dividends (including payments relating to financial instruments classified in shareholders' equity) are recognised consistently with the underlying transactions or events that generated the amounts subject to distribution (e.g., recognition in the statement of profit/(loss), in OCI or in shareholders' equity); (iii) IAS 23 - Borrowing Costs: the IASB clarified that general borrowings for the calculation of borrowing costs to be capitalised on qualifying assets do not include the borrowings that are specifically relative to qualifying assets in the construction or development phase. When such qualifying assets are available for use, the relative borrowings are considered general borrowings for the purposes of IAS 23. The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. The conclusion of the Endorsement Process by the EFRAG is expected for the first quarter of 2018, while endorsement by the EU is expected to take place by the end of 2018.
- On 7 February 2018, the IASB published some amendments to IAS 19 "Employee Benefits". The document "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)" clarifies several accounting aspects relating to amendments, reductions or settlements of defined benefit plans. The amendments apply for amendments, curtailments or settlements taking place as of 1 January 2019 or the date on which they are applied for the first time (early application is permitted). The conclusion of the Endorsement Process by the EFRAG is expected for the second quarter of 2018, while endorsement by the EU is expected to take place in 2018.

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 the exception of what has already been stated with 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.

- *Allocation of the price paid for the acquisition of control over an entity (Purchase price allocation):* in terms of business combinations, in exchange for the consideration transferred for the acquisition of control over a company, the identifiable assets acquired and the liabilities assumed are recognised in the consolidated financial statements at current values (fair value) at the acquisition date, through a purchase price allocation process. During the measurement period, the determination of such current values entails the assumption of an estimate by the directors relating to the information available on all facts and circumstances existing at the date of acquisition which may have effects on the value of the assets acquired and the liabilities assumed.

- *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 and other hedging derivative financial instruments outstanding as at 31 December 2017 is provided in Note *23. Financial derivatives.* 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. As at 31 December 2017, 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 gradually more targeted actions (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 table provided in Note *19. Trade and Other Receivables* provides a breakdown of current trade receivables from customers as at 31 December 2017, grouped by maturity, gross and net of the related bad debts provision.

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.

Liquidity risk is managed through careful management and monitoring of operating cash flows and recourse to a cash pooling system between the Group companies. The liquidity requirements of the Group are monitored by the Group treasury function, with the objective of ensuring that 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 Group to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity.

In Note *28. Financial liabilities, excluding financial derivatives* the financial liabilities recognised in the financial statements as at 31 December 2017 are summarised and classified according to the contractual expiry.

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**	**40**	**0**	**1,186**	**0**	**0**	**1,227**
Other financial assets, excluding financial derivatives	0	0	0	0	543	0	0	**543**
Financial derivatives	0	0	40	0	0	0	0	**40**
Trade and other receivables	0	0	0	0	643	0	0	**643**
CURRENT ASSETS	**0**	**1,674**	**0**	**0**	**117,602**	**2,306**	**0**	**121,582**
Other financial assets, excluding financial derivatives	0	1,674	0	0	330	2,306	0	**4,311**
Trade and other receivables	0	0	0	0	80,285	0	0	**80,285**
Cash and cash equivalents	0	0	0	0	36,987	0	0	**36,987**
NON-CURRENT LIABILITIES	**0**	**45,695**	**202**	**0**	**0**	**0**	**78,239**	**124,137**
Financial liabilities, excluding financial derivatives	0	45,695	0	0	0	0	78,239	**123,935**
Financial derivatives	0	0	202	0	0	0	0	**202**
CURRENT LIABILITIES	**0**	**8,891**	**0**	**0**	**0**	**0**	**60,558**	**69,448**
Financial liabilities, excluding financial derivatives	0	8,891	0	0	0	0	12,832	**21,723**
Trade and other payables	0	0	0	0	0	0	47,725	**47,725**

12. FAIR VALUE HIERARCHY

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

In thousands of Euro	*Fair value*			
	Level 1	*Level 2*	*Level 3*	***Total***
NON-CURRENT ASSETS	**0**	**40**	**0**	**40**
Financial derivatives		*40*		
Interest Rate Floor Options		40		
CURRENT ASSETS	**1,674**	**0**	**2,306**	**3,980**
Other financial assets, excluding financial derivatives	*1,674*	*0*	*2,306*	*3,980*
Capitalisation policy			2,306	
Financial assets at fair value recognised in the income statement	1,674			
NON-CURRENT LIABILITIES	**0**	**202**	**45,695**	**45,897**
Other financial assets, excluding financial derivatives	*0*	*0*	*45,695*	*45,695*
Liabilities for put options			44,820	
Contingent consideration			876	
Financial derivatives	*0*	*202*	*0*	*202*
Interest rate swap		202		
CURRENT LIABILITIES	**0**	**0**	**8,891**	**8,891**
Other financial liabilities, except for derivative financial instruments	*0*	*0*	*8,891*	*8,891*
Liabilities for put options			5,752	
Contingent consideration			3,138	

13. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS 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 allowed 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 21.9 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 consideration for the acquisition, upon acquisition a mark-up equal to 30% of the 2016 profit of Visura S.p.A. was established. The price mark-up, equal to Euro 909 thousand, was paid on 26 April 2017. 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.
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 recognised as goodwill.

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

Amounts in thousand Euro	
Cash and cash equivalents for 60%	21,900
Contingent consideration on 60%	853
Fair value of Put & Call options on 40%	10,423
Total compensation paid	**33,175**

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

Amounts in thousand Euro	Book values	Fair value adjustments	Fair value
Property, plant and equipment	684		684
Intangible assets	1,066	7,212	8,278
Other non-current financial assets	3,624		3,624
Deferred tax assets	58		58
Inventories	212		212
Other current financial assets	1,939		1,939
Current tax assets	21		21
Trade and other receivables	1,533		1,533
Cash and cash equivalents	7,189		7,189
Total Assets Acquired	**16,327**	**7,212**	**23,539**
Employee benefits	320		320
Deferred tax liabilities	14	2,078	2,093
Other current financial liabilities	2,383		2,383
Trade and other payables	4,551		4,551
Deferred revenue and income	5,460		5,460
Current tax liabilities	667		667
Total Liabilities Undertaken	**13,395**	**2,078**	**15,474**

Net Assets Acquired	**2,931**	**5,134**	**8,065**

The recognition at fair value of the acquisition of the Visura group's assets and liabilities resulted in the recognition of an intangible asset for customer lists for an amount of Euro 7,212 thousand (before taxes), which, according to the customer turnover rate, is deemed may deplete its future useful life in a period of 5 years starting from 2016.

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

Amounts in thousand Euro	
Total compensation paid	33,175
Net Assets Acquired	8,065
Net Assets Acquired of minority shareholders	-81
Goodwill	**25,191**

As required by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 1 July 2016, with the consequent modification and integration of the balance sheet and income statement values included in the Consolidated Financial Statements for the year ended 31 December 2016.

Acquisition Sixtema S.p.A.

On 13 April 2017, InfoCert S.p.A. signed the sale agreement to obtain 80% of the share capital (compared to its previous 35%) of Sixtema S.p.A., therefore acquiring control over this ICT company specialised in the production of software for the SME sector. This transaction allowed for the acquisition of 45% of the share capital of Sixtema on the basis of a fixed component, equal to Euro 2,150 thousand paid on the closing date (20 April 2017), and a variable component, between a minimum of Euro 250 thousand and a maximum amount of Euro 1,750 thousand, to be paid by the approval of the financial statements of the company Sixtema relating to the year 2018, on the basis of the change in turnover for the period 2016-2018 achieved with respect to a specific group of customers compared to the same turnover achieved in 2015. Put&Call option rights have been stipulated for the remaining 20% by the minority shareholders, at a price calculated on the same basis as the earn-out, which may be exercised in a lump sum after approval of the 2018 financial statements.

Sixtema, founded in February 2008, now has more than 130 employees and 4 operating offices in Italy and provides integrated ICT services to entrepreneurial associations of SMEs, their service companies, various entities, including the National Confederation for the Craft Sector (CNA) and through them for the benefit of artisanal and commercial companies and SMEs in general. Specifically, Sixtema offers its 5,000 customers integrated software, connectivity, cloud computing and application software/system/network/desktop management services, as well as all InfoCert products, helping businesses to interpret and meet all tax, labour legislation and regulatory obligations in general, including through the Interpreta® division, recognised by the world of associations, financial intermediaries and professional firms.

The company was consolidated line-by-line as of 1 April 2017.

As at 31 March 2017, the valuation with the equity method of the 35% interest in Sixtema S.p.A. amounted to Euro 2,461 thousand. The fair value at the acquisition date of the 35% interest held as at 31 March 2017 amounted to Euro 2,213 thousand. The loss recognised following the measurement of the interests at fair value therefore amounts to Euro 248 thousand.

Please note that starting from the date of initial consolidation (1 April 2017), Sixtema S.p.A. generated revenue of Euro 10,731 thousand and a profit of Euro 10 thousand, which were consolidated by the Tecnoinvestimenti Group. Management believes that if the company had been consolidated line-by-line on 1 January 2017, consolidated revenue of the Tecnoinvestimenti Group would have increased a further Euro 3,570 thousand

and the consolidated profit for the period would have increased by Euro 12 thousand. In calculating these amounts, no adjustments have been made to the results to eliminate infra-group transactions of the first three months of 2017.

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

Amounts in thousand Euro	
Cash and cash equivalents for 45%	2,150
Contingent consideration on 45%	696
Fair value of 35% interests	2,213
Fair value of Put & Call options on 20%	1,108
Total compensation paid	**6,167**

The following is a summary of the amounts recognised with reference to the assets acquired and liabilities undertaken at the acquisition date. The fair value of assets acquired and contingent liabilities was determined according to IFRS 3:

Amounts in thousand Euro	**Book values**	**Fair value adjustments**	**Fair value**
Property, plant and equipment	2,334	(108)	2,226
Intangible assets	1,104	447	1,551
Other non-current financial assets	8		8
Deferred tax assets	61	30	91
Inventories	44		44
Other current financial assets	17		17
Trade and other receivables	6,223		6,223
Cash and cash equivalents	3,274		3,274
Total Assets Acquired	**13,065**	**369**	**13,434**
Provisions	40		40
Employee benefits	2,080		2,080
Non-current financial liabilities	562		562
Financial derivatives	10		10
Deferred tax liabilities	82	125	207
Current financial liabilities	252		252
Trade and other payables	2,342		2,342
Deferred revenue and income	641		641
Current tax liabilities	137		137
Total Liabilities Undertaken	**6,147**	**125**	**6,272**
Net Assets Acquired	**6,917**	**244**	**7,162**

The recognition at fair value of the assets and liabilities acquired of Sixtema S.p.A. entailed:

- the recognition of a higher value of intangible assets for an amount of Euro 447 thousand (before taxes), relating to the “Paghe” and “Pandora” software developed internally by the company, which it is deemed may deplete its future useful life in a period of 7 years;
- the recognition of a lower value for real estate which is owned and under finance lease for an amount of Euro 108 thousand before taxes.

No goodwill arising from the acquisition of Sixtema S.p.A. was recognised since, as shown in the following table, income was recognised, calculated as follows:

Amounts in thousand Euro	
Total compensation paid	6,167

Net Assets Acquired	7,162
Income from a good business deal	**995**

The income in question, totalling Euro 995 thousand, was recognised under *Other financial income*, net of the measurement at fair value of the 35% interests which, as reported above, amounted to Euro 248 thousand.

The net cash flow deriving from the consolidation of Sixtema S.p.A. is shown below:

In thousands of Euro	
Consideration paid	- 2,150
Cash and cash equivalents acquired	3,274
Net cash flow deriving from consolidation	**1,124**

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS NOT BEEN COMPLETED

Acquisition Warrant Group Srl.

On 30 November 2017, the acquisition was completed of 70% of Warrant Group Srl. Warrant Group Srl controls the following companies: Warrant Innovation Lab Scarl (98.4%), BeWarrant Sprl, incorporated under Belgian law (100%), Warrant Service Srl (50%); it also has significant influence over Innovazione 2 Sagl, incorporated under Swiss law (30%).

The Warrant Group offers integrated low-interest finance advisory services to businesses that invest in research and development innovation activities. The consideration for the acquisition of 70% of the capital of Warrant Group was set at a maximum of Euro 33,880 thousand, of which Euro 25,700 thousand was paid at the closing date, up to Euro 2,830 thousand (in the presence of a net financial position, determined in the contract, equal to 0) to be paid within 30 days of the approval of the 2017 financial statements of Warrant Group on the basis of the results achieved, and Euro 5,350 thousand to be paid in five yearly instalments starting on 15 January 2019. For the remaining 30% held by the selling shareholders, Put & Call option rights are provided exercisable in two tranches after approval of the 2018 financial statements and the 2019 financial statements, respectively, at a price calculated on the basis of a multiple on the 2018 consolidated EBITDA of Warrant Group, taking into account the net financial position.

The Euro 25.7 million paid at the closing date was financed by making recourse to a line of credit already existing with Crédit Agricole Cariparma S.p.A. for Euro 10 million (**Cariparma Line B Loan**), as well as by using Euro 10 million from a new line of credit granted by Unione di Banche Italiane S.p.A (**UBI Loan**). The conditions of the two lines of credit both lay out a maturity at 30 June 2023 and an interest rate calculated as the sum of the 6M Euribor plus a spread of 160 basis points (for more details on loans obtained, refer to Note *28. Financial liabilities, excluding financial derivatives*).

On the payment deferment granted by the selling shareholders, the Group defined an implicit interest rate equal to 1.49% taking into consideration the rate established on the unsecured **UBI Loan** obtained by Tecnoinvestimenti S.p.A. for the loan and fees on the guarantee to back the deferment obtained. The discounted value was equal to Euro 5,106 thousand at the acquisition date.

The company was consolidated line-by-line as of 1 December 2017.

In December 2017, the Warrant group generated revenue of Euro 4,963 thousand and a profit of Euro 1,785 thousand.

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

Amounts in thousand Euro	
Cash and cash equivalents for 70%	25,700
Price deferment on 70%	5,106
Contingent consideration on 70%	2,759
Fair value of Put & Call options on 30%	23,745
Total compensation paid	**57,310**

The following is a summary of the book values recognised with reference to the assets acquired and liabilities undertaken at the acquisition date:

Amounts in thousand Euro	**Book values**
Property, plant and equipment	406
Intangible assets	1,019
Equity investments at cost or fair value	43
Other non-current financial assets	29
Deferred tax assets	2,009
Inventories	1,043
Other current financial assets	14
Trade and other receivables	11,874
Cash and cash equivalents	7,663
Total Assets Acquired	**24,099**
Provisions	26
Employee benefits	1,858
Non-current financial liabilities	1,285
Deferred tax liabilities	169
Current financial liabilities	1,955
Trade and other payables	6,212
Deferred revenue and income	6,210
Current tax liabilities	1,762
Total Liabilities Undertaken	**19,477**
Net Assets Acquired	**4,623**

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

In thousands of Euro	
Total compensation paid	57,310
Net Assets Acquired	4,623
Net Assets Acquired of minority shareholders	-299
Goodwill recognised on a provisional basis	**52,987**

The net cash flow deriving from the consolidation of the Warrant group is shown below:

In thousands of Euro	
Consideration paid	-25,700
Cash and cash equivalents acquired	7,663
Net cash flow deriving from consolidation	**-18,037**

Acquisition of Eurofidi business unit

On 31 October 2017, Ribes S.p.A. (now Assicom Ribes S.p.A.) entered into the contract for the acquisition of a business unit of the company Eurofidi Società Consortile di garanzia collettiva Fidi S.C. a r.l. - in liquidation. The contract established a purchase price of Euro 405 thousand, Euro 122 thousand of which disbursed in 2017, Euro 203 thousand to be paid in the course of 2018 and Euro 81 thousand to be disbursed in 2019. The Parties also agreed that, in addition to the purchase price, the transferee company will need to pay Eurofidi an additional price of up to Euro 150 thousand if the turnover recorded by the transferee in 2018, in relation to the transferred business unit, is no lower than Euro 1,100 thousand.

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

Amounts in thousand Euro	
Cash and cash equivalents	122
Price deferment	284
Contingent consideration	135
Total compensation paid	**540**

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

Amounts in thousand Euro	
Total compensation paid	540
Net Assets Acquired (Software)	10
Goodwill recognised on a provisional basis	**530**

The net cash flow deriving from the acquisition of the business unit is a negative Euro 122 thousand.

Information on the Statement of Financial Position

Below are notes on the items of the Consolidated Statement of Financial Position as at 31 December 2017. The values as at 31 December 2016 were restated (as indicated in note *13. Business Combinations*) in relation to the completion in the first half of the year 2017 of the activities for the identification of the fair value of the assets and liabilities of the Visura group, consolidated on a line-by-line basis as of 1 July 2016.

Below are the effects of the restatement on balance sheet values as at 31 December 2016:

In thousands of Euro	**31/12/2016**	*Completion of Visura Business Combination*	**31/12/2016 Restated**
ASSETS			
Property, plant and equipment	7,050		7,050
Intangible assets and goodwill	199,225	1,465	200,690
Equity investments carried at equity	2,471		2,471
Equity investments carried at cost or fair value	11		11
Other financial assets, excluding financial derivatives	2,898		2,898
Deferred tax assets	2,898		2,898
Trade and other receivables	351		351
NON-CURRENT ASSETS	**214,904**	**1,465**	**216,368**
Inventories	1,001		1,001
Other financial assets, excluding financial derivatives	6,352		6,352

Current tax assets	3,659		3,659
Trade and other receivables	50,948		50,948
Cash and cash equivalents	60,431		60,431
Assets held for sale	199		199
CURRENT ASSETS	**122,590**	**0**	**122,590**
TOTAL ASSETS	**337,493**	**1,465**	**338,958**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	46,256		46,256
Reserves	83,985	-507	83,478
Shareholders' equity attributable to owners of the Parent	*130,241*	*-507*	*129,734*
Shareholders' equity attributable to non-controlling interests	*131*	*56*	*187*
TOTAL SHAREHOLDERS' EQUITY	**130,372**	**-451**	**129,921**
LIABILITIES			
Provisions	1,279		1,279
Employee benefits	6,186		6,186
Financial liabilities, excluding financial derivatives	100,839		100,839
Financial derivatives	228		228
Deferred tax liabilities	8,292	1,871	10,163
Trade and other payables	5		5
Deferred revenue and income	546		546
NON-CURRENT LIABILITIES	**117,374**	**1,871**	**119,245**
Provisions	265		265
Employee benefits	182		182
Financial liabilities, excluding financial derivatives	36,902	45	36,947
Financial derivatives	0		0
Trade and other payables	33,185		33,185
Deferred revenue and income	17,732		17,732
Current tax liabilities	1,481		1,481
CURRENT LIABILITIES	**89,747**	**45**	**89,792**
TOTAL LIABILITIES	**207,122**	**1,915**	**209,037**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**337,493**	**1,465**	**338,958**

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 (of the values estimated on a provisional basis of assets and liabilities acquired in the acquisition of the Warrant group and the Eurofidi business unit) as described in Note *13. Business Combinations.*

14. PROPERTY, PLANT AND EQUIPMENT

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

Amounts in thousand Euro	31/12/2016	Investments	Divestments	Depreciation and amortisation	Reclassifications	Change in scope	Revaluations	Impairment losses	31/12/2017
Land									
Cost	148	0	0	0	13	0	0	0	*161*
Net value	**148**	**0**	**0**	**0**	**13**	**0**	**0**	**0**	**161**
Leased land									
Cost	157	0	0	0	0	147	0	0	*303*
Net value	**157**	**0**	**0**	**0**	**0**	**147**	**0**	**0**	**303**
Buildings									
Cost	1,037	0	-161	0	-13	637	0	0	*1,499*
Accumulated Depreciation	-212	0	31	-40	0	-227	0	0	*-447*
Net value	**825**	**0**	**-130**	**-40**	**-13**	**410**	**0**	**0**	**1,052**
Leased buildings									
Cost	2,312	0	0	0	0	641	0	0	*2,953*

Accumulated Depreciation	-967	0	0	-83	0	-120	0	0	*-1,170*
Net value	**1,345**	**0**	**0**	**-83**	**0**	**520**	**0**	**0**	**1,783**
Plants and machinery									
Cost	679	120	0	0	60	4,110	0	0	*4,969*
Accumulated Depreciation	-568	0	0	-382	-46	-2,979	0	0	*-3,976*
Net value	**111**	**120**	**0**	**-382**	**14**	**1,131**	**0**	**0**	**994**
Industrial and commercial equipment									
Cost	169	60	0	0	-48	80	0	0	*261*
Accumulated Depreciation	-109	0	0	-25	41	-58	0	0	*-151*
Net value	**60**	**60**	**0**	**-25**	**-7**	**22**	**0**	**0**	**110**
Leasehold improvements									
Cost	1,478	117	0	0	124	94	0	0	*1,813*
Accumulated Depreciation	-931	0	0	-185	0	-21	0	0	*-1,137*
Net value	**548**	**117**	**0**	**-185**	**124**	**72**	**0**	**0**	**676**
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	15,223	1,168	-568	0	-103	1,541	0	-2	*17,257*
Accumulated Depreciation	-11,367	0	538	-2,133	157	-1,244	0	0	*-14,048*
Net value	**3,857**	**1,168**	**-30**	**-2,133**	**54**	**296**	**0**	**-2**	**3,209**
Other leased assets									
Cost	65	0	0	0	0	0	0	0	*65*
Accumulated Depreciation	-65	0	0	0	0	0	0	0	*-65*
Net value	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Property, plant and equipment	**7,050**	**1,466**	**-160**	**-2,848**	**185**	**2,599**	**0**	**-2**	**8,287**

The investments in other assets are attributable in the amount of roughly Euro 790 thousand to the Digital Trust business unit and refer mainly to acquisitions of hardware and electronic devices required for the functioning of company data centres.

15. INTANGIBLE ASSETS AND GOODWILL

This item includes intangible assets with indefinite (goodwill) or defined (intangible assets) useful life.

Amounts in thousand Euro	**31/12/16**	**Invest-ments**	**Disinvest-ments**	**Amort-isation**	**Reclass-ifications**	**Reval-uations**	**Impairment losses**	**Change in scope**	**Alloc a-tions**	**Exchange rate Delta**	**31/12/17**
Goodwill											
Original cost	160,198	0	0	0	0	0	-417	0	53,518	0	213,298
Net value	**160,198**	**0**	**0**	**0**	**0**	**0**	**-417**	**0**	**53,518**	**0**	**213,298**
Other intangible assets with indefinite useful life											
Original cost	279	97									376
Bad debts provision	0										0
Net value	**279**	**97**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**376**
Patent and intellectual property rights											
Original cost	32,270	3,355		0	627			10,120			46,373
Accumulated amortisation	-26,771	0		-3,794	0			-8,453			-39,018
Net value	**5,499**	**3,355**	**0**	**-3,794**	**627**	**0**	**0**	**1,667**	**0**	**0**	**7,355**
Concessions, licences, trademarks and similar rights											

Original cost	192	6		0	0			78			276
Accumulated amortisation	-165	0		-4	0			-12			-181
Net value	**27**	**6**	**0**	**-4**	**0**	**0**	**0**	**66**	**0**	**0**	**95**
Other intangible assets from consolidation											
Original cost	41,565	0		0	0			0			41,565
Accumulated amortisation	-8,159	0		-4,453	0			0			-12,612
Net value	**33,406**	**0**	**0**	**-4,453**	**0**	**0**	**0**	**0**	**0**	**0**	**28,952**
Assets in progress and advances											
Original cost	870	1,614		0	-1,432			649			1,701
Net value	**870**	**1,614**	**0**	**0**	**-1,432**	**0**	**0**	**649**	**0**	**0**	**1,701**
Databases											
Original cost	2,044	128									2,171
Accumulated amortisation	-1,669			-280							-1,949
Net value	**375**	**128**	**0**	**-280**	**0**	**0**	**0**	**0**	**0**	**0**	**223**
Other											
Original cost	2,153				620			560			3,333
Accumulated amortisation	-2,116			-148				-377		2	-2,640
Net value	**37**	**0**	**0**	**-148**	**620**	**0**	**0**	**182**	**0**	**2**	**693**
Intangible assets with definite and indefinite useful life	**200,690**	**5,200**	**0**	**-8,679**	**-185**	**0**	**-417**	**2,564**	**53,518**	**2**	**252,693**

Goodwill

As at 31 December 2017, the item amounts to Euro 213,298 thousand and can be broken down as follows among CGU/Operating segments:

In thousands of Euro		31/12/2017	31/12/2016	Change
CGU	***Operating segments***			
Goodwill Assicom Ribes	(Credit Information & Management)	83,630	87,678	-4,048
Goodwill RE Valuta	(Credit Information & Management)	4,578	0	4,578
Goodwill Creditreform	(Credit Information & Management)	222	639	-417
Goodwill Co.Mark	(Innovation & Marketing Services)	46,663	46,663	0
Goodwill Warrant	(Innovation & Marketing Services)	52,987	0	52,987
Goodwill Ecomind	(Digital Trust)	27	27	0
Goodwill Visura	(Digital Trust)	25,191	25,191	0
	Goodwill	**213,298**	**160,198**	**53,100**

Following the reorganisation within the Credit Information & Management sector, which involved the contribution of the RE Valuta equity investment to Tecnoinvestimenti by the subsidiary Ribes (through an extraordinary distribution of dividends in kind), the goodwill originally allocated to the CGU group (Ribes and

RE Valuta) of Euro 18,677 thousand was allocated to the individual Ribes and RE Valuta CGUs, using the approach of the relative value of the CGUs at the reorganisation date, considering the fact that they separately represent the minimum level within the entity at which goodwill is monitored for internal management purposes. The remaining goodwill of Euro 14,099 thousand allocated to the Ribes CGU was allocated to the Assicom Ribes CGU as a result of the merger between the two companies, which gave rise to a single legal entity. The goodwill allocated to the Assicom Ribes CGU also includes the increase of Euro 530 thousand due to the acquisition of the Eurofidi business unit (for the details of this transaction, please refer to Note *13. Business Combinations*).

The change in goodwill allocated to the Creditreform CGU is due to the impairment loss recognised in light of the impairment test. In 2018, negotiations were launched, which are currently in the advanced phase but are still ongoing, for the sale of the company Creditreform Ticino SA to which the goodwill was allocated, which should be completed by the end of the first half of the year. The impairment test on goodwill, conducted taking into account the likely sale price of the CGU, net of disposal costs, resulted in an impairment loss of Euro 417 thousand.

The goodwill allocated to the Warrant CGU was recognised following the acquisition of the Warrant group; for the details of this transaction, please refer to Note *13. Business Combinations.* It is noted that the allocation of goodwill in the Warrant group is determined in a provisional manner, as the measurement at fair value of net assets acquired is underway.

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 and represent the minimum level at which goodwill is monitored for internal management purposes.

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 or group of companies.

The related recoverable amount was determined on the basis of an estimate of the value in use, as the fair value of the individual CGUs could not be determined in a reliable manner, with the exception of the Creditreform CGU, due to what was already described above.

The value in use 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 three years as from 2018 to 2020. The cash flows used for the determination of the value in use 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 three 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 1.8%, equal to the gross average return of the Italian ten-year BTP;
- market risk premium of 5.9% used for mature economies in the valuation processes;
- additional risk factor equal to 2.0%;

- sector beta levered of 0.90, determined considering a list of comparable listed companies;
- financial structure of the Company equal to 19%, considering the average of the D/E ratio recorded by comparable companies;
- cost of debt applicable to the Group, equal to 4.6%.

The impairment test as at 31 December 2017 did not identify any goodwill impairments to be recognised, with the exception of what has already been noted with respect to the Creditreform CGU impairment loss.

The plans underlying the impairment tests mentioned above were approved by the Boards of Directors of the individual companies, or sub-groups, to which goodwill has been allocated. The impairment tests were approved by the Board of Directors of Tecnoinvestimenti on 14 March 2018.

Since the Warrant group was acquired near the end of the year, the goodwill allocated on a provisional basis to the CGU was not tested for impairment. Indeed, it is deemed that the assessment conducted upon acquisition has remained unchanged.

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		
CGU	***Operating segments***	**31/12/2017**
Goodwill Assicom Ribes	(Credit Information & Management)	10,931
Goodwill RE Valuta	(Credit Information & Management)	12,235
Goodwill Co.Mark	(Innovation & Marketing Services)	36,456
Goodwill Visura	(Digital Trust)	36,889
	Total	**96,511**

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			
CGU	***Operating segments***	**WACC +0.5%**	***g-rate* -0.5%**
Goodwill Assicom Ribes	(Credit Information & Management)	2,549	3,578
Goodwill RE Valuta	(Credit Information & Management)	11,123	11,265
Goodwill Co.Mark	(Innovation & Marketing Services)	30,571	31,302
Goodwill Visura	(Digital Trust)	32,935	33,438
	Total	**77,178**	**79,583**

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, with all other parameters used in the respective impairment tests remaining the same.

%			
CGU	***Operating segments***	**WACC**	***g-rate***

Goodwill Assicom Ribes	(Credit Information & Management)	8.7	0.2
Goodwill RE Valuta	(Credit Information & Management)	26.8	-35.2
Goodwill Co.Mark	(Innovation & Marketing Services)	12.9	-5.2
Goodwill Visura	(Digital Trust)	19.4	-16.2

Other intangible assets with indefinite useful life

The item *Other intangible assets with indefinite useful life* consists of the value of the press review database called AZ Press attributable to Assicom Ribes 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 as at 31 December 2017 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 investments for the year are attributable in the amount of Euro 1,859 thousand to the Credit Information & Management BU, primarily for the expenses for maintenance and development of the platform related to the software application for the management of databases and Euro 1,464 thousand to the Digital Trust BU.

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	**31/12/2017**	**31/12/2016**	**Change**
Customer list & backlog order Assicom	11,410	12,558	-1,148
Customer list Ribes	5,424	5,785	-362
Customer list Infonet	4,654	5,012	-358
Customer list Visura group	5,048	6,491	-1,442
Customer list & backlog order Co.Mark	1,974	2,963	-989
Customer list Datafin	442	575	-133
Know how Expert Links	0	21	-21
Other intangible assets from consolidation	**28,952**	**33,406**	**-4,453**

The decrease recognised during the year can be attributed to amortisation.
Assets in progress and advances

Assets in progress rose by Euro 1,614 thousand primarily for a business information database implementation project that will be completed in early 2018. This project called for the establishment of the initial structure, already partially completed in 2017, and requires constant updating of positions in the proprietary archives through constant annual investments. The justifications of this investment are: the possibility of developing an offering aligned with market demand, which calls for the launch of innovative products and the proposition of the associated additional services; independence in the procurement phases from the main competitors and the possibility of guaranteeing the highest quality standards with respect to the depth of the data underlying the analyses and the accuracy guaranteed by their continuous updating.

16. EQUITY INVESTMENTS

Equity investments carried at equity

During the period, there was a net decline of Euro 2,461 thousand due to the elimination of the equity investment in Sixtema S.p.A., following its line-by-line consolidation, starting from 1 April 2017, as a result of the acquisition of control over that company, as commented on above in Note *13. Business Combinations.* As at 31 December 2016, this equity investment amounted to a 35% stake and was recognised, on the basis of the equity method, at a carrying amount of Euro 2,459 thousand. Following the above-mentioned acquisition, both the measurement with the equity method as at 31 March 2017 equal to Euro 2 thousand and the loss recognised following the measurement at fair value of the 35% stake held before the acquisition of control for Euro 248 thousand, recognised in *Other financial income*, were recognised in 2017, net of the income deriving from the acquisition of control.

As at 31 December 2017, the item in question includes the following equity investments in affiliated companies:

- eTuitus S.r.l., a university spin-off established in October 2014, of which InfoCert S.p.A. holds 24% of the share capital.
- Innovazione2 Sagl, a Swiss company in which Warrant Group S.r.l. holds a 30% stake.

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	31/12/2016	Increases/Decreases in the income statement	Change in scope of consolidation	31/12/2017	% ownership
Sixtema S.p.A.	35%	2,459	2	-2,461	0	80%
eTuitus S.r.l.	24%	12	2	0	14	24%
Innovazione2 Sagl	30%	0	0	11	11	30%
Shareholdings in affiliated companies		**2,471**	**4**	**-2,450**	**25**	

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

	eTuitus S.r.l. *In thousands of Euro*	**Innovazione2 Sagl** *In thousands of CHF*
Registered office	Fisciano (SA)	SWITZERLAND
Share capital	50	20
Shareholders' equity	95	42
Revenue	381	
Profit/(loss)	8	

Equity investments recognised at cost

The item in question includes investments in other companies for Euro 49 thousand (Euro 11 thousand as at

31 December 2016) and refers to non-controlling interests in companies/consortia. The increase is represented by non-controlling interests resulting from the consolidation of the Warrant group for Euro 32 thousand and the consolidation of Sixtema S.p.A. for Euro 6 thousand.

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

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Other financial assets, excluding financial derivatives	**543**	**2,898**	**-2,355**

The decrease in this item is attributable to the reclassification to Other current financial assets of multi-year capitalisation insurance contracts entered by Visura S.p.A. and I.S.I. S.r.l., amounting to Euro 2,310 thousand as at 31 December 2016, based on the resolution of the Board of Directors of the respective companies that passed a resolution for their early termination. The remaining amount mainly includes receivables for security deposits.

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:

Amounts in thousand Euro						
Deferred tax assets:	**31/12/2016**	**Allocations (Releases) Inc. Statement**	**Allocations (Releases) Comprehensive Inc. Statement**	**Allocations (Releases) Shareholders' equity**	**Change in scope**	**31/12/2017**
Deductible goodwill	**386**	-18	0	0	0	**367**
Provisions for risks and charges	**172**	45	0	0	0	**217**
Impairments of fixed assets	**34**	-2	0	0	0	**32**
Impairment of receivables and inventory	**441**	57	0	0	84	**582**
Decreases in hedging financial instruments	**55**	0	-8	0	0	**47**
Differences between statutory and tax amortisation rates	**659**	202	0	0	86	**947**
Interest expenses	**386**	19	0	0	0	**405**
AIM listing costs	**125**	-48	0	0	0	**77**
Employee benefits	**150**	73	17	0	83	**323**
Losses that can be carried forward for tax purposes	**196**	290	0	0	0	**486**
Other temporary differences	**294**	-37	0	0	1,815	**2,072**
Total Deferred tax assets	**2,898**	**580**	**9**	**0**	**2,068**	**5,556**
Deferred tax liabilities:	**31/12/2016**	**Allocations (Releases) Inc. Statement**	**Allocations (Releases) Comprehensive Inc. Statement**	**Allocations (Releases) Shareholders' equity**	**Change in scope**	**31/12/2017**
Difference between the book value and the fair values of assets and liabilities acquired from business combinations	**9,439**	-1,238	0	0	0	**8,201**
Increases in hedging financial instruments	**0**	0	0	0	0	**0**
Early and excess amortisation	**0**	-15	0	0	207	**191**
Other temporary differences	**506**	-16	0	0	136	**626**

Employee benefits	**0**	0	0	0	0	**0**
Deductible goodwill	**218**	108	0	0	0	**326**
Total deferred tax liabilities	**10,163**	**-1,161**	**0**	**0**	**343**	**9,345**
Net Balance	**-7,265**	**1,741**	**9**	**0**	**1,726**	**-3,789**

The increase in deferred tax assets refers to the consolidation of Warrant Group, specifically the differences concerning revenue recognition emerging upon conversion to international accounting standards.

Deferred tax liabilities refer primarily to the fair value of assets emerging on the allocation of the excess cost paid in business combinations.

19. TRADE AND OTHER RECEIVABLES

The item *Trade and other receivables* totalled Euro 80,928 thousand (Euro 51,298 thousand as at 31 December 2016) and can be detailed as follows:

in thousands of Euro	31/12/2017	31/12/2016	Change
Receivables from customers	258	136	122
Deferred assets	313	142	170
Receivables from others	72	72	0
Trade receivables and other non-current receivables	**643**	**351**	**292**
Receivables from customers	70,115	44,285	25,830
Receivables from controlling shareholder	0	4	-4
Receivables from affiliated companies	0	222	-222
Receivables from others	1,779	1,141	638
VAT credit	1,619	466	1,153
IRPEF credit	7	7	0
Other tax receivables	577	489	87
Deferred assets	6,046	4,276	1,770
Accrued assets	3	8	-5
Contract work in progress	140	48	91
Trade and other current receivables	**80,285**	**50,948**	**29,338**
of which with Related parties	***563***	***237***	***326***
Trade receivables and other receivables	**80,928**	**51,298**	**29,630**

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

The increase in current receivables from customers was impacted by the balances resulting from the consolidation of the Warrant group and Sixtema S.p.A. which, as at 31 December 2017, amounted respectively, net of the related bad debts provision, to Euro 13,015 thousand and Euro 5,560 thousand.

The following table provides a breakdown of current trade receivables from customers as at 31 December 2017, grouped by maturity brackets, gross and net of the related bad debts provision:

Amounts in thousand Euro	**31/12/2017**	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	**73,729**	43,486	16,628	4,802	4,467	4,347
Bad debts provision	**3,614**	111	188	171	521	2,624
% Bad debts provision	4.9%	0.3%	1.1%	3.6%	11.7%	60.4%
Net value	**70,115**	43,375	16,440	4,631	3,946	1,723

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

Amounts in thousand Euro	
Bad debts provision as at 31 December 2016	**2,509**
Allocation 2017	1,426
Releases 2017	-2
Uses 2017	-1,337
Change in scope of consolidation	1,017
Bad debts provision as at 31 December 2017	**3,614**

Prepaid expenses represent charges accrued after the cash flows and/or documentation have been exchanged; they do not depend on 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 InfoCert S.p.A., as well as the commissions due to agents and the unused portion of prepaid supply contracts of Assicom Ribes S.p.A., as well as commissions to the agents of Co.Mark S.p.A. The increase in deferred assets compared to 31 December 2016 was impacted by the balances resulting from the consolidation of the Warrant group and Sixtema S.p.A. which, as at 31 December 2017, amounted to Euro 491 thousand and Euro 458 thousand, respectively.

The balance of receivables from other as at 31 December 2017 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 595 thousand; the remaining balance is due primarily to advances to suppliers and agents.

Tax receivables mainly refer to the receivable for the IRES reimbursement recognised following the presentation of the request for reimbursement for non-deduction of IRAP relating to expenses for employees and similar (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	**31/12/2016**	Increase for revenue	Decreases for invoicing	Impairment losses	**31/12/2017**
Contract work in progress	**48**	2,083	-1,953	-40	**140**

The impairment loss for the period relates to the loss on a finished order, which is expected to be completed by the end of the subsequent year; the loss was recognised under *Other operating costs*.

20. INVENTORIES

Inventories as at 31 December 2017 amounted to Euro 2,072 thousand (Euro 1,001 thousand as at 31 December 2016) and can be broken down as follows:

in thousands of Euro	**31/12/2017**	**31/12/2016**	**Change**
Raw and ancillary materials and consumables	860	871	-10
Finished products and goods	183	130	53
Pending costs	1,029	0	1,029
Inventories	**2,072**	**1,001**	**1,071**

Inventories of raw materials are mainly attributable to the Digital Trust sector and consist mainly 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 Euro 106 thousand; said provision did not change during the year. Inventories of finished products and goods are also attributable to the Digital Trust sector and relate to inventories of readers of digital signatures, smart cards and business keys.

On the other hand, pending costs refer to the Innovation & Marketing Service sector, particularly the Warrant group, consolidated as of 1 December 2017, and represent production costs relating to the provision of advisory services for which the relative revenue has not yet been received.

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

Other current financial assets amounted to Euro 4,311 thousand as at 31 December 2017 (Euro 6,352 thousand as at 31 December 2016).

The decrease recognised during the year was due to the collection of Euro 3,423 thousand relating to a multi-year insurance contract of InfoCert S.p.A. that reached its natural maturity on 1 April 2017, recognised as at 31 December 2016 in the amount of Euro 3,405 thousand, as well as the collection by Lextel S.p.A. of government bonds (BTP) for Euro 1 million, which matured in November.

During the period, as already noted in Note *17. Other non-current financial assets*, multi-year capitalisation insurance contracts entered by Visura S.p.A. and I.S.I. S.r.l., amounting to Euro 2,306 thousand as at 31 December 2017, based on the resolution of the Board of Directors of the respective companies that passed a resolution for their early termination, were reclassified to *Other current financial assets*.

The remaining balance as at 31 December 2017 includes Euro 1,674 thousand related to specific financial assets classified as “Financial assets at fair value recognised in the income statement”.

22. CURRENT TAX ASSETS AND LIABILITIES

As at 31 December 2017, the Group showed an overall net debt position for current taxes equal to Euro 4,135 thousand (net credit position of Euro 2,178 thousand as at 31 December 2016) as detailed below:

in thousands of Euro	**31/12/2017**	**31/12/2016**	**Change**
Current tax assets	1,990	3,659	-1,669
of which with Related parties	***1,167***	***3,659***	***-2,492***
Current tax liabilities	6,125	1,481	4,644
of which with Related parties	***2,395***	***608***	***1,788***
Net current tax assets	**-4,135**	**2,178**	**-6,313**

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 as at 31 December 2017 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.

23. DERIVATIVE FINANCIAL INSTRUMENTS

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

In thousands of Euro	**31/12/2017**	**31/12/2016**	**Change**
Non-current financial assets for hedging derivatives	40	0	40
Non-current financial liabilities for hedging derivatives	202	228	-26
Liabilities for net hedging derivative financial instruments	**162**	**228**	**-66**

Non-current financial liabilities for hedging derivatives relate primarily to Interest Rate Swap (IRS) agreements entered into by the Group to cover the risk of variability in cash flows due to fluctuating interest rates on a portion of the **Cariparma line A1 loan** and on a portion of the **Cariparma line A2 loan** (referred to in Note *28. Financial liabilities, excluding financial derivatives*), subject to renegotiation during the period in question. The hedging strategy on the original loans maturing in 2020 was supplemented to adjust it to the renegotiation of the loans, both maturing on 30 June 2023, by entering into two additional Interest Rate Swap agreements. Below is a table with the details of the IRSs outstanding as at 31 December 2017:

In thousands of Euro

	Company	**Counterparty bank**	**Notional**	**Maturity**	**Rate received**	**Rate paid**	**Fair value as at 31/12/2017**	**Fair value as at 31/12/2016**
IRS	Tecnoinvestimenti S.p.A.	Crédit Agricole Cariparma	3,508	31/12/2020	Euribor 6 months	0.576%	-49	-76
IRS	Tecnoinvestimenti S.p.A.	Banca Popolare dell'Emilia Romagna	3,203	31/12/2020	Euribor 6 months	0.576%	-45	-69
IRS	Tecnoinvestimenti S.p.A.	Iccrea Banca Impresa	915	31/12/2020	Euribor 6 months	0.576%	-13	-20
IRS	Tecnoinvestimenti S.p.A.	Crédit Agricole Cariparma	4,947	30/06/2023	Euribor 6 months	0.600%	-38	n.a.
IRS	Assicom Ribes S.p.A.	Crédit Agricole Cariparma	1,277	31/12/2020	Euribor 6 months	0.595%	-19	-29
IRS	Assicom Ribes S.p.A.	Banca Popolare dell'Emilia Romagna	1,166	31/12/2020	Euribor 6 months	0.595%	-17	-26
IRS	Assicom Ribes S.p.A.	Iccrea Banca Impresa	333	31/12/2020	Euribor 6 months	0.595%	-5	-8
IRS	Assicom Ribes S.p.A.	Crédit Agricole Cariparma	1,154	30/06/2023	Euribor 6 months	0.640%	-9	n.a.
Total Interest Rate Swap "hedging instruments"			**16,500**				**-195**	**-228**

To adapt the derivatives already outstanding as at 31 December 2016 to the conditions of the renegotiated loans, and therefore make the hedge fully effective, Interest Rate Floor options with a notional value of 0 equal to that of the above-mentioned Interest Rate Swaps were purchased for a total of Euro 85 thousand. These floors, the details of which are shown below, are recognised as *Non-current financial assets for hedging derivatives*.

In thousands of Euro

	Company	Counterparty bank	Notional	Maturity	Hedged rate	Strike	Fair value as at 31/12/2017	Fair value as at 31/12/2016
Floor	Tecnoinvestimenti S.p.A.	Crédit Agricole Cariparma	7,625	31/12/2020	Euribor 6 months	0.001%	29	n.a.
Floor	Assicom Ribes S.p.A.	Crédit Agricole Cariparma	2,775	31/12/2020	Euribor 6 months	0.001%	11	n.a.
Total Floor Option "hedging instruments"			**10,400**				**40**	**0**

The remaining Euro 7 thousand in *Non-current financial liabilities for hedging derivatives* may be attributed to an Interest Rate Cap resulting from the consolidation of Sixtema S.p.A. relating to a hedging strategy on a finance lease.

In thousands of Euro

	Company	Counterparty bank	Notional	Maturity	Hedged rate	Strike	Fair value as at 31/12/2017	Fair value as at 31/12/2016
Cap	Sixtema S.p.A.	Credem	569	01/04/2019	Euribor 3 months	2.000%	-7	n.a.
Total Cap Option "hedging instruments"			**569**				**-7**	**0**

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

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to Euro 36,987 thousand as at 31 December 2017 (Euro 60,431 thousand as at 31 December 2016) and the breakdown is as follows:

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Bank and postal deposits	36,929	60,357	-23,429
Cheques	34	54	-20
Cash and cash equivalents	24	20	5
Cash and cash equivalents	**36,987**	**60,431**	**-23,444**

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

25. SHAREHOLDERS' EQUITY

Consolidated Shareholders' equity as at 31 December 2017 amounted to Euro 143,317 thousand (Euro 129,921 thousand as at 31 December 2016) and can be analysed as follows:

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Share capital	**46,573**	**46,256**	**317**
Legal reserve	1,433	1,136	297
Share premium reserve	53,917	53,156	761
Reserve from valuation of hedging derivatives	-154	-173	19
Defined-benefits plan reserve	-394	-343	-51
Other reserves	21,173	18,148	3,024
Profit (loss) for the Group	20,233	11,553	8,680
Total Consolidated Shareholders' equity	**142,780**	**129,734**	**13,047**

Capital and reserves attributable to minorities	459	136	324
Profit (loss) attributable to non-controlling interests	78	51	26
Total equity attributable to non-controlling interests	**537**	**187**	**350**
Total Shareholders' equity	**143,317**	**129,921**	**13,397**

On 11 October 2017, the Board of Directors of Tecnoinvestimenti S.p.A. approved the share capital increase of 317,000 shares with no nominal value, for an amount equal to Euro 317 thousand, following the exercise of the right of conversion of the first tranche of the "*Warrant Tecnoinvestimenti 2016-2019*" held by the shareholder Cedacri S.p.A. at the price of Euro 3.40 for a total of Euro 1,077,800, of which Euro 761 thousand recognised in the *Share premium reserve*. In this respect, please recall that on 4 February 2016 Tecnoinvestimenti's Extraordinary Shareholders' Meeting approved the issue of 951,000 Warrants named "*Warrant Tecnoinvestimenti 2016-2019*" to be offered free of charge for subscription to the shareholder Cedacri following the achievement of specific annual turnover objectives for the years 2016-2018 to be exercised in three instalments and in as many time frames (between 5 July and 30 September inclusive in the years 2017 - 2018 - 2019).

The *Reserve from valuation of hedging derivatives* refers to the fair value valuation of hedging derivatives (referred to in Note *23. Financial derivatives*).

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

26. PROVISIONS

Provisions were equal to Euro 1,940 thousand as at 31 December 2017 (Euro 1,545 thousand as at 31 December 2016) and broken down as follows:

In thousands of Euro	31/12/2016	Accruals to provisions	Uses	Releases	Change in scope	31/12/2017
Provision for pensions	**745**	223	-158	-7	0	**802**
Other non-current provisions	**535**	267	-52	-20	66	**796**
Non-current provisions	**1,279**	**490**	**-210**	**-27**	**66**	**1,598**
Other current provisions	**265**	292	-57	-158	0	**342**
Current provisions	**265**	**292**	**-57**	**-158**	**0**	**342**
Provisions	**1,545**	**782**	**-267**	**-186**	**66**	**1,940**

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. Provisions net of releases are recognised by nature in *Costs of services*.

The items Other current and non-current provisions include disputes with current employees or employees who have stopped working as at 31 December 2017. Provisions for disputes with employees, net of releases, are recognised by nature in *Personnel costs* for an overall effect during the year of Euro 227 thousand.

Please note that in the course of the year the civil proceedings established by Ribes S.p.A. (now Assicom Ribes S.p.A.) against the Territory Agency to obtain 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" concluded positively. The suit also aimed to inhibit the Agency from continuation of said conduct. With ruling no. 183/2017 handed down on 24 January 2017, the appeal of

Ribes S.p.A. was accepted. On 24 October 2017, the Territory Agency (now the Revenue Agency) provided compensation of Euro 6,228 thousand to Ribes S.p.A., including Euro 2,785 thousand for emerging damages, Euro 3,397 thousand for loss of profit, Euro 35 thousand for compensation for legal expenses and Euro 12 thousand for interest. This ruling should be considered final as the deadline for any challenge by the Revenue Agency has passed.

27. EMPLOYEE BENEFITS

Employee benefits were equal to Euro 11,337 thousand as at 31 December 2017 (Euro 6,367 thousand as at 31 December 2016) and can be broken down as follows:

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Employee severance indemnity	10,322	6,141	4,181
Other non-current employee benefits	655	45	610
Non-current employee benefits	**10,977**	**6,186**	**4,791**
Other current employee benefits	360	182	178
Current employee benefits	**360**	**182**	**178**
Employee benefits	**11,337**	**6,367**	**4,969**

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	2017	2016	Change
Liabilities at the beginning of the year	**6,141**	**4,958**	**1,183**
Change in scope of consolidation	3,939	929	3,010
Current service cost	841	591	250
Financial charges	102	110	-8
Benefits paid	-768	-685	-83
Actuarial (profits)/losses recognised in the year	67	243	-176
Other changes	0	-4	4
Liabilities at the end of the year	**10,322**	**6,141**	**4,181**

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

Discount rate	1.30%
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	10% - 1%
Advances expected	1.0% - 2.5%

Below is a sensitivity analysis of the main actuarial assumptions included in the calculation model considering as the 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 summarised in the following table:

In thousands of Euro	**31/12/2017**
Turnover rate +1%	10,207
Turnover rate -1%	10,363
Inflation rate +0.25%	10,456
Inflation rate -0.25%	10,108
Discount rate +0.25%	10,042
Discount rate -0.25%	10,527

The item *Other employee benefits* includes the liability accrued 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 payment of deferred sums corresponding to the growth in the value of the Company's shares. The current liability, relating to the first tranche of Stock Options that may be exercised starting from 31 January 2018, is equal to Euro 360 thousand; the non-current liability, relating to the second tranche of Stock Options that may be exercised starting from 31 July 2019, amounts to Euro 332 thousand.

The item *Other non-current employee benefits* includes the provision equal to Euro 323 thousand relating to a long-term incentive program for the management of InfoCert S.p.A., the payment of which is expected in 2020.

28. FINANCIAL LIABILITIES, EXCLUDING FINANCIAL DERIVATIVE 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:

Amounts in thousand Euro	**31/12/2017**	**31/12/2016**	**Change**
Current portion of bank loans	7,360	7,648	-287
Non-current portion of bank loans	43,058	22,869	20,188
Other current bank payables	1,292	2,467	-1,175
Liabilities to purchase non-controlling interests, current	5,752	21,868	-16,116
Liabilities to purchase non-controlling interests, non-current	44,820	43,828	992
Liabilities for current contingent consideration	3,138	884	2,254
Liabilities for non-current contingent consideration	876	3,180	-2,304
Current price deferment liabilities	1,689	1,508	181
Non-current price deferment liabilities	9,394	5,600	3,794
Liabilities to controlling shareholder for current loans	252	156	96
Liabilities to controlling shareholder for non-current loans	25,000	25,000	0
Liabilities for the purchase of current leased assets	134	91	43
Liabilities for the purchase of non-current leased assets	785	358	427
Current payables to other lenders	2,106	2,326	-220
Non-current payables to other lenders	3	4	-1
Current financial liabilities	**21,723**	**36,947**	**-15,224**
of which with Related parties	**252**	**156**	***96***
Non-current financial liabilities	**123,935**	**100,839**	**23,096**
of which with Related parties	***25,000***	***25,000***	***0***
Total	**145,658**	**137,787**	**7,871**

The expiry of non-current financial liabilities is expected within 5 years from the date of the financial statements in the amount of Euro 6,324 thousand, of which Euro 4,858 thousand for bank loans, Euro 1,054 thousand for price deferments and Euro 413 thousand for finance leases. The following is a summary of the financial liabilities recognised in the financial statements as at 31 December 2017, classified according to the contractual expiry:

Amounts in Euro	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years	Book value as at 31/12/2017
Bank loans	7,360	8,989	9,914	9,632	9,665	4,858	**50,418**
Other current bank payables	1,292						**1,292**
Liabilities for purchase of non-controlling interests	5,752	33,637	11,183				**50,572**
Liabilities for contingent consideration	3,138	876					**4,014**
Price deferment liabilities	1,689	2,471	2,408	2,423	1,038	1,054	**11,083**
Liabilities to controlling shareholder for loans	252	25,000					**25,252**
Liabilities for the purchase of leased assets	134	138	135	65	34	413	**919**
Payables to other lenders	2,106	3					**2,109**
Total financial liabilities	**21,723**	**71,114**	**23,639**	**12,120**	**10,738**	**6,324**	**145,658**

Bank loans

The following is a breakdown of *Bank loans* in place as at 31 December 2017 with evidence of the current and non-current portion. The current portion includes any accrued interest.

Bank loans *In thousands of Euro*	Counterparty	Rate	Expiry date	Current portion	Non-current portion	Residual value as at 31 December 2017
Loan line of credit A1	Cariparma S.p.A.	Euribor 6 months + spread 1.30%.	30/06/2023	3,468	15,227	**18,695**
Loan line of credit A2	Cariparma S.p.A.	Euribor 6 months + spread 1.30%.	30/06/2023	1,084	4,765	**5,848**
Loan line of credit A3	Cariparma S.p.A.	Euribor 6 months + spread 1.60%	30/06/2023	450	1,993	**2,443**
Loan line of credit B	Cariparma S.p.A.	Euribor 6 months + spread 1.60%	30/06/2023	1	9,854	**9,855**
UBI loan	UBI Banca S.p.A.	Euribor 6 months + spread 1.60%	30/06/2023	1	9,882	**9,883**
MPS loan	MPS S.p.A.	0.81% p.a. / Euribor 6 months + 0.85% spread	31/03/2019	500	125	**625**
Warrant Group loans				1,840	1,178	**3,018**
Other minor loans				17	35	**52**
				7,360	**43,058**	**50,418**

The **Cariparma line A1**, **Cariparma line A2** and **Cariparma line A3** loans were taken out on 27 April 2017 in order to renegotiate the loan obtained on 16 December 2014 in the amount of Euro 36.5 million entered into with a pool of banks, of which Crédit Agricole Cariparma was lead bank. The Group obtained a significant benefit in terms of borrowing costs. The main terms of the contract are as follows:

a. Term loan facility for a total of Euro 30 million, maturing on 30 June 2023 (to replace the previous loan of Euro 27.5 million as at 31 March 2017, with the resulting collection of Euro 2.5 million at the stipulation date), repayment in half-yearly instalments at the 6M Euribor rate plus a margin of 130 bps; starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the Debt

Cover Ratio ("DCR"; ratio between NFP and EBITDA defined in the contract) as follows: DCR ≥ 3 Margin 145 bps; DCR < 3 and ≥ 1 Margin 130 bps; DCR < 1 margin 115 bps

b. Granting of a further Capex facility line (**Cariparma line B loan**) available upon request for Euro 15 million at the 6M Euribor rate plus 160 bps used to the extent of Euro 10 million as at 31 December 2017 as a result of the disbursement on 29 November 2017 to cover part of the investment in Warrant Group S.r.l. (described in more detail in Note *13. Business Combinations*). The repayment of principal will take place in half-yearly instalments starting from 31 December 2019, maturing on 30 June 2023, and interest will be paid on a half-yearly basis starting from 31 December 2017. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the DCR as follows: DCR ≥ 3 Margin 175 bps; DCR < 3 and ≥ 1 Margin 160 bps; DCR < 1 margin 145 bps On the unused portion (Euro 5 million as at 31 December 2017) there is a non-use fee, starting from 1 January 2018, equal to 15 bps, which will rise to 25 bps from 1 July 2018 and 35 bps from 1 January 2019.
c. Modification of the covenants calculated on the Consolidated Financial Statements of the Tecnoinvestimenti Group, every six months on a pro forma basis, taking into account extraordinary transactions. Starting from 30 June 2017, Tecnoinvestimenti S.p.A. undertook, for each reference half-year, to respect the following limits: maximum DCR threshold of 3.5 and NFP/SE ratio of 2.0. As at 31 December 2017 these parameters were met.
d. Elimination of the guarantees providing security to the pool (pledge of Ribes and InfoCert shares).

To support the investment in Warrant Group S.r.l., the Parent Company obtained a further loan of Euro 10 million from Banca UBI (**UBI loan**), which was disbursed on 30 November 2017. The loan was disbursed at the 6M Euribor rate plus 160 bps and requires repayment of principal in half-yearly instalments starting from 30 June 2019 and maturing on 30 June 2023, and interest will be paid on a half-yearly basis starting from 31 December 2017. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the Leverage Ratio (LR; ratio between NFP and EBITDA defined in the contract) as follows: LR ≥ 3 Margin 175 bps; LR < 3 and ≥ 1 Margin 160 bps; LR < 1 margin 145 bps Starting from 30 June 2017 and for each reference half-year period, the Parent Company will need to meet the following financial limits: LR less than 3.5 and Gearing Ratio (ratio between NFP and Shareholders' Equity) lower than 2.0. As at 31 December 2017 these parameters were met.

The **MPS loan** was obtained on 7 January 2016 by Assicom S.p.A. (now Assicom Ribes S.p.A.) for the original amount of Euro 1,500 thousand, 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 **Warrant Loans** refer to the loans outstanding as at 31 December 2017, with different banking institutions, recognised following the consolidation of the Warrant group.

The changes in *Bank loans* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	**31/12/2016**	**Collections**	**Principal payments**	**Interest paid**	**Accrued interest**	**Change in scope**	**31/12/2017**
Bank loans	**30,517**	21,998	-5,150	-877	737	3,193	**50,418**

Other current bank payables

Other current bank payables as at 31 December 2017 amount to Euro 1,292 thousand and refer to bank overdrafts of Euro 1,239 thousand used by the Group to meet temporary liquidity needs.

Liabilities for purchase of non-controlling interests

The item *Liabilities for purchase of non-controlling interests* includes the liabilities for put options granted by the Group to the non-controlling shareholders of RE Valuta S.p.A. (11.875%), Co.Mark S.p.A. (20%), Visura S.p.A. (40%), Sixtema S.p.A. (20%) and Warrant Group Srl (30%). 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. As at 31 December 2017, 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	**31/12/2017**	*31/12/2017*		**31/12/2016**	*31/12/2016*		**Change**
		Current	*Non-current*		*Current*	*Non-current*	
RE Valuta Put Options	**1,024**		*1,024*	**0**			**1,024**
Co.Mark Put Options	**11,990**	*5,752*	*6,238*	**21,278**	*6,274*	*15,004*	**-9,288**
Visura Put Options	**12,480**		*12,480*	**10,832**		*10,832*	**1,648**
Sixtema Put Options	**1,176**		*1,176*	**0**			**1,176**
Warrant Group Put Options	**23,901**		*23,901*	**0**			**23,901**
Assicom Put Options	**0**			**26,850**	*8,858*	*17,992*	**-26,850**
Ribes Put Options	**0**			**6,736**	*6,736*		**-6,736**
Total liabilities for purchase of minority shares	**50,572**	*5,752*	*44,820*	**65,696**	*21,868*	*43,828*	**-15,124**

The decrease during the period can primarily be ascribed to the exercise of the Assicom (32.5%), Ribes (12.5%) and Co.Mark (10%) options. The overall financial outlay was equal to Euro 41,728 thousand, inclusive of transaction costs, of which Euro 28,037 thousand for Assicom, Euro 7,020 thousand for Ribes and Euro 6,671 thousand for Co.Mark.

In the course of the year, liabilities for the acquisition of non-controlling interests were recognised on the acquisitions completed during the period, of Sixtema S.p.A. and Warrant Group Srl. For details, please refer to Note *13. Business Combinations.*

Liabilities for contingent consideration

Liabilities for contingent consideration connected to acquisitions were determined at the present value of the amounts to be paid at the contractual expiries. As at 31 December 2017, 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	31/12/2017	31/12/2017		31/12/2016	31/12/2016		Change
		Current	Non-current		Current	Non-current	
Eco-Mind Apgs. . Factory contingent consideration	**361**	*361*		**213**		*213*	**148**
Sixtema contingent consideration	**739**		*739*	**0**			**739**
Warrant Group contingent consideration	**2,777**	*2,777*		**0**			**2,777**
Eurofidi contingent consideration	**137**		*137*	**0**			**137**
Assicom contingent consideration	**0**			**492**		*492*	**-492**
Co.Mark contingent consideration	**0**			**2,475**		*2,475*	**-2,475**
Visura contingent consideration	**0**			**884**	*884*		**-884**
Total liabilities for contingent consideration	**4,014**	*3,138*	*876*	**4,064**	*884*	*3,180*	**-50**

Changes in contingent consideration are recognised in the Income Statement under *Financial income/Financial expenses*.
In the course of the year, there was growth in liabilities in relation to the contingent consideration established on the acquisitions completed during the period, of Sixtema S.p.A. and Warrant Group Srl. For details, please refer to Note *13. Business Combinations.* The decrease in liabilities relates to:

- the elimination of the Assicom contingent consideration following the redefinition of agreements for the early exercise of the acquisition of minorities;
- the elimination of the Co.Mark contingent consideration, the payment of which was planned in the second half of 2019, linked to the results of the Co.Mark group in 2018, on the basis of current forecasts, recognised in the amount of Euro 2,475 thousand as at 31 December 2016;
- the payment on 26 July 2017 of the price mark-up to the selling shareholders of Visura S.p.A. for a total amount of Euro 909 thousand.

Price deferment liabilities

Price deferment liabilities represent the payable at the reporting date referring to deferments obtained from the selling shareholders of Co.Mark S.p.A. (Euro 5,687 thousand), Warrant Group S.r.l. (Euro 5,113 thousand) and Eurofidi for the disposal of the business unit (Euro 284 thousand).

The changes in *Price deferment liabilities* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	31/12/2016	Principal payments	Interest paid	Accrued interest	New no cash-flow liabilities	31/12/2017
Price deferment liabilities	**7,108**	-1,400	-140	125	5,390	**11,083**

As part of the acquisition of Warrant Group, the Parent Company obtained a payment deferment backed by a bank guarantee, which calls for the payment of five annual instalments starting from 15 January 2019 of Euro 1,070 thousand. On the deferment, the Group defined an implicit interest rate equal to 1.49% taking into consideration the rate established on the unsecured UBI Loan obtained by Tecnoinvestimenti S.p.A. to finance the acquisition of Warrant Group (**UBI Loan**) and the fees on the guarantee to back the deferment obtained. The discounted value was equal to Euro 5,106 thousand as at 30 November 2017.

Liabilities to controlling shareholder for loans

The item *Liabilities to the controlling shareholder* refers to the loan of Euro 25 million, maturing on 30 June 2019, granted by the Controlling Shareholder Tecno Holding S.p.A. in two tranches in 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 changes in *Liabilities to controlling shareholder for loans* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	31/12/2016	Interest paid	Accrued interest	31/12/2017
Liabilities to controlling shareholder for loans	**25,156**	-404	500	**25,252**

Liabilities for the purchase of leased assets

The increase of *Liabilities for the purchase of leased assets* relates to the consolidation of the balances of Sixtema S.p.A. for an amount at 30 June 2017 of Euro 589 thousand concerning the remaining financial liability on a finance lease agreement with a duration of 18 years, maturing in 2030, concerning a portion of the property in Modena where the company office is located. The remaining amount of the liability can be ascribed to the extent of Euro 377 thousand to the remaining financial liability on a finance lease agreement on a property located in Buja (UD), where the company Assicom S.p.A. is headquartered.

The changes in *Liabilities for the purchase of leased assets* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	31/12/2016	Principal payments	Interest paid	Accrued interest	Change in scope	31/12/2017
Liabilities for the purchase of leased assets	**449**	-119	-25	25	589	**919**

Payables to other lenders

The item *Current payables to other lenders* is related for Euro 1,751 thousand (Euro 1,587 thousand as at 31 December 2016) to prepaid amounts paid by customers to purchase stamps and fees not yet used at the date of 31 December 2017 and Euro 354 thousand to payables to customers for amounts recovered to be relegated as part of credit recovery activities of the Credit Information & Management Business Unit (Euro 732 thousand as at 31 December 2016).

The changes in *Payables to other lenders* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	31/12/2016	Change in scope	Change during the period	31/12/2017
Payables to other lenders	**2,330**	225	-446	**2,109**

29. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other current payables* totalled Euro 47,725 thousand (Euro 33,185 thousand as at 31 December 2016) and can be detailed as follows:

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Payables to suppliers	26,865	18,453	8,412
Payables to controlling shareholder	106	51	55
Payables to affiliated companies	88	77	11
Due to Social security	4,745	3,553	1,192
VAT liability	909	1,136	-227
Payable for withholding taxes to be paid	2,685	1,577	1,108
Other tax liabilities	0	500	-500
Due to others	11,864	7,785	4,079
Accrued sales charges	464	52	412
Trade and other current payables	**47,725**	**33,185**	**14,540**
of which with Related parties	***242***	***188***	***54***

The increase in *Payables to suppliers* was impacted by the balances resulting from the consolidation of the Warrant group and Sixtema S.p.A. which, as at 31 December 2017, amounted respectively to Euro 3,637 thousand and Euro 832 thousand.

The item *Payables to others* mainly includes payables to employees for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid for a total of Euro 10,842 thousand. Also in this case, the increase in *Payables to others* was attributable in the first place to the balances resulting from the consolidation of the Warrant group and Sixtema S.p.A. which, as at 31 December 2017, amounted respectively to Euro 814 thousand and Euro 834 thousand.

30. DEFERRED REVENUE AND INCOME

This item was equal to Euro 28,030 thousand as at 31 December 2017 (Euro 18,278 thousand as at 31 December 2016) and can be broken down as follows:

Amounts in thousand Euro	31/12/2017	31/12/2016	Change
Non-current deferred liabilities	1,437	546	891
Current advances	4,055	3,371	683
Current deferred liabilities	22,538	14,360	8,178
Non-current deferred revenue and income	**1,437**	**546**	**891**
Current deferred revenue and income	**26,593**	**17,732**	**8,861**
Deferred revenue and income	**28,030**	**18,278**	**9,752**

The increase in the item *Deferred revenue and income* compared to 31 December 2016 is primarily attributable to the consolidation of the balances of the Warrant group (Euro 6,204 thousand as at 31 December 2017) and Sixtema S.p.A. (Euro 398 thousand as at 31 December 2017).

Information on the comprehensive income statement

With respect to 2016, the consolidated figures of 2017 include the balances from the first quarter of 2017 of the Co.Mark group (Innovation & Marketing Services sector) consolidated as of 1 April 2016, the first half of 2017 of the Visura group (Digital Trust sector) consolidated as of 1 July 2016, the months from April to December of Sixtema S.p.A. (Digital Trust sector) consolidated as of 1 April 2017 and the month of December of the Warrant group (Innovation & Marketing Services sector) consolidated as of 1 December 2017; therefore, the increase in the income statement items, unless otherwise indicated, is attributable to the contribution of the acquisitions mentioned above.

Please note that, as already commented on extensively 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 the Visura group the comparative balances for 2016 were restated. In 2017 some non-monetary employee benefits, recognised previously mainly in *Costs of services*, were reclassified to *Personnel costs*; allocations to the Provision for Agents' Leaving Indemnity (FISC) were reclassified from the item *Provisions* to the item *Cost of services*; allocations relating to personnel disputes were also reclassified from the item *Provisions* to the item *Personnel costs*. In order to ensure a better comparison of the results, these reclassifications were also made to the comparative balances for 2016, as illustrated in the table below:

In thousands of Euro	2016	*Completion of Business Combination Visura*	*Reclassification of FISC allocation*	*Reclassification of personnel disputes allocation*	*Reclassification of employee benefits*	*Other reclassifications*	2016 restated
Revenue	**147,325**						**147,325**
Raw material costs	**6,105**					-256	**5,849**
Service costs	**61,804**		201		-719	-37	**61,249**
Personnel costs	**48,153**			265	799	3	**49,221**
Other operating costs	**1,522**				-80	290	**1,732**
Depreciation and amortisation	**10,106**	721					**10,827**
Accruals to provisions	**466**		-201	-265			**0**
Impairment losses	**1,029**						**1,029**
Total costs	**129,185**	**721**	**0**	**0**	**0**	**0**	**129,907**
OPERATING RESULT	**18,140**	**-721**	**0**	**0**	**0**	**0**	**17,418**
Financial income	**727**						**727**
Financial charges	**1,767**	2					**1,769**
Net financial income (charges)	**-1,041**	**-2**	**0**	**0**	**0**	**0**	**-1,042**
Pro rata interest in the result of investee companies carried at equity, net of tax effect	**13**						**13**
PROFIT BEFORE TAXES	**17,111**	**-723**	**0**	**0**	**0**	**0**	**16,389**
Income taxes	**4,992**	-208					**4,784**
RESULT FROM CONTINUING OPERATIONS	**12,120**	**-515**	**0**	**0**	**0**	**0**	**11,605**
Result from discontinued operations	**0**						**0**
NET PROFIT	**12,120**	**-515**	**0**	**0**	**0**	**0**	**11,605**
Group	**12,062**	-509					**11,553**
Non-controlling interests	**58**	-6					**51**

31. REVENUE

Revenue as at 31 December 2017 equal to Euro 181,018 thousand rose compared to the previous year by 22.9% (Euro 147,325 thousand as at 31 December 2016), 3.9% of which attributable to organic growth and 19.0% to the change in the scope of consolidation and can be broken down as follows:

In thousands of Euro	2017	2016	Change
Revenue	172,782	145,461	27,320
Other revenue	8,236	1,863	6,373
Revenue	**181,018**	**147,325**	**33,693**
of which with Related parties	***2,007***	***1,043***	***964***
of which non-recurring	***6,228***	***405***	***5,823***

The following table summarises details of revenue by operating segment:

In thousands of Euro	***Digital Trust***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other units (Parent Company)**		***Total***	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Segment revenue	83,168	59,278	76,373	75,043	22,170	13,053	503	617	182,214	147,991
Intra-unit revenue	430	60	265	181	0	0	500	426	1,196	667
Revenue from external customers	**82,738**	**59,218**	**76,107**	**74,863**	**22,170**	**13,053**	**3**	**191**	**181,018**	**147,325**

The item *Other revenue* includes the non-recurring revenue relating to the compensation of Euro 6,228 thousand obtained from the Revenue Agency following Court of Appeal of Bologna ruling 183/2017 relating to the case against the Territory Agency. Please refer to Note *26. Provisions* for more details.

The item *Other revenue* also includes contributions for operating expenses of Euro 873 thousand (Euro 528 thousand in 2016) and grants related to assets of Euro 45 thousand (0 in 2016).

32. RAW MATERIAL COSTS

Raw material costs as at 31 December 2017 equal to Euro 5,176 thousand declined compared to the previous year by 11.5% (Euro 5,849 thousand as at 31 December 2016), 14.6% of which attributable to an organic decline and +3.1% to the change in the scope of consolidation. The item relates almost entirely to the Digital Trust sector and mainly includes the amounts related to the purchase of IT products for resale to customers.

In thousands of Euro	2017	2016	Change
Hardware, software	4,903	4,675	228
Production consumption	305	1,584	-1,278
Change in inventory of raw and ancillary materials, consumables and goods	-33	-409	376
Other general consumption	1	0	1
Raw material costs	**5,176**	**5,849**	**-673**

33. SERVICE COSTS

Service costs as at 31 December 2017 equal to Euro 69,663 thousand rose compared to the previous year by 13.7% (Euro 61,249 thousand as at 31 December 2016), 1.0% of which attributable to organic growth and 12.7% to the change in the scope of consolidation and can be broken down as follows:

In thousands of Euro	2017	2016	Change
Purchase of access to databases	20,975	20,217	758
Technical services	12,869	11,130	1,739
Costs for agent network	7,725	7,398	326
Costs for use of third-party assets	5,063	3,698	1,364
Specialist professional services	3,387	2,819	568
Travel, assignments, and lodging expenses	2,481	1,947	534
Maintenance costs	2,315	2,607	-292
IT structure costs	2,394	1,228	1,165
Advertising, marketing and communication	2,022	1,866	156
Help desk services	1,626	1,362	264
Consultancy	1,538	1,607	-69
Network and connectivity costs	1,324	120	1,204
Software development	530	760	-230
Insurance	421	359	62
Independent auditors' fees for audit and other services	628	487	141
Statutory auditors' fees	358	362	-5
Utilities and telephone costs	892	758	134
Banking costs	646	480	166
Other service costs	3,152	2,900	253
Capitalised service costs	-684	-856	173
Service costs	**69,663**	**61,249**	**8,414**
of which with Related parties	***1,688***	***1,067***	***621***
of which non-recurring	***1,999***	***1,378***	***621***

Technical services represent professional and technical services relating to the Group's ordinary operations, which can be potentially insourced and are activated only for technical and organisational reasons or business practice. These include Euro 7,059 thousand for Digital Trust, Euro 4,893 thousand for Credit Information & Management and Euro 916 thousand for Innovation & Marketing Services.

Non-recurring *Service costs* incurred in 2017 amounted to Euro 1,999 thousand, of which:

- Euro 1,104 thousand incurred for the evaluation of possible target companies recognised under *Specialist professional services* for Euro 915 thousand and under *Independent auditors' fees for other services* for Euro 189 thousand;
- Euro 363 thousand in legal expenses incurred for the conclusion of the dispute referred to above with the Territory Agency recognised under *Consultancy*;
- Euro 375 thousand in strategic advisory services connected to the company reorganisation project in the Credit Information & Management sector recognised under *Consultancy*;
- Euro 156 thousand of ancillary expenses for the acquisition of the Warrant group in *Specialist professional services.*

34. PERSONNEL COSTS

Personnel costs as at 31 December 2017 equal to Euro 63,777 thousand rose compared to the previous year by 29.6% (Euro 49,221 thousand as at 31 December 2016), 6.3% of which attributable to organic growth and 23.2% to the change in the scope of consolidation and can be broken down as follows:

In thousands of Euro	2017	2016	Change
Wages and salaries	41,058	32,608	8,450
Social security contributions	11,425	9,236	2,189
Employee severance indemnity	2,787	2,047	740
Retirement incentives	1,754	336	1,418
Provisions for disputes with personnel	227	265	-39
Provisions for stock options	647	45	603
Other personnel expenses	2,400	2,169	230
Capitalised personnel costs	-972	-738	-235
Directors' fees	4,249	2,993	1,256
Ongoing partnerships	202	259	-58
Personnel costs	**63,777**	**49,221**	**14,556**
of which non-recurring	***2,405***	***0***	***2,405***

The increase in personnel costs compared to the previous year is in line with the change in the average number of employees compared to 2016:

Number of employees	***Annual average***	
	2017	**2016**
Senior Management	30.4	27.8
Middle Management	144.1	106.3
Employees	815.5	681.5
Total	**990.1**	**815.6**

The item *Capitalised personnel costs* mainly refers to the capitalisation among intangible assets of software development activities carried out in the Credit Information & Management sector.

Stock Option Plan Allocations includes the allocation for the year of Euro 647 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 payment of deferred sums corresponding to the growth in the value of the Tecnoinvestimenti shares.

Non-recurring *Personnel costs* incurred in 2017 amounted to Euro 2,405 thousand, of which:

- Euro 854 thousand recognised as *Remuneration to Directors* incurred for the disbursement of extraordinary compensation recognised to the previous CEOs of Assicom and Ribes following the acquisition of the minorities and the resulting reorganisation of the Credit Information & Management sector;
- Euro 1,252 thousand for *Retirement incentives* and *Provisions for disputes with personnel* for the reorganisation of the Credit Information & Management sector, taking form in the merger between Assicom and Ribes;

- Euro 299 thousand for *Retirement incentives* and *Provisions for disputes with personnel* for the reorganisation of Sixtema S.p.A. following the acquisition.

35. OTHER OPERATING COSTS

Other operating costs as at 31 December 2017 equal to Euro 1,772 thousand rose compared to the previous year by 2.3% (Euro 1,732 thousand as at 31 December 2016), 19.6% of which attributable to the change in the scope of consolidation, net of the organic decline of 17.3%. This item includes Euro 46 thousand in costs incurred for the conclusion of the dispute referred to above with the Territory Agency.

36. AMORTISATIONS/DEPRECIATION, PROVISIONS AND IMPAIRMENTS

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

In thousands of Euro	2017	2016	Change
Depreciation of property, plant and equipment	2,848	2,496	352
Amortisation of intangible assets	8,679	8,331	348
Depreciation and amortisation	**11,526**	**10,827**	**699**
Accruals to provisions	**20**	**0**	**20**
Impairment losses	**1,841**	**1,029**	**813**

Amortisation/depreciation amounted to Euro 11,526 thousand as at 31 December 2017 (Euro 10,827 thousand as at 31 December 2016), of which Euro 2,848 for *Property, plant and equipment* and Euro 8,679 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 Notes *14* and *15*.

Amortisation of *intangible assets* is attributable for Euro 4,453 thousand to *Other intangible assets from consolidation* (Euro 5,095 thousand as at 31 December 2016) arising from intangible asset recognition upon the calculation of the fair value of assets acquired as part of business combinations.

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

Impairments in the period refer to trade receivables considered unrecoverable amounting to Euro 1,424 thousand; in this regard, reference is made to Note *19. Trade and other receivables*. The remaining Euro 417 thousand refers to the impairment on part of the goodwill recognised on the Creditreform CGU (Credit Information & Management sector), information on which is provided in Note *15. Intangible assets and goodwill.*

37. NET FINANCIAL INCOME (CHARGES)

Net financial charges amounted to Euro 1,523 thousand as at 31 December 2017 (*Net financial charges* of Euro 1,042 thousand as at 31 December 2016). The item in question as at 31 December 2017 includes *Financial charges* for Euro 1,921 thousand (Euro 1,769 thousand as at 31 December 2016), net of *Financial income* for Euro 3,444 thousand (Euro 727 thousand as at 31 December 2016).

In thousands of Euro	2017	2016	Change
Financial income	3,444	727	2,718
of which non-recurring	*747*	*0*	*747*
Financial charges	1,921	1,769	152

of which with Related parties	*500*	*243*	*257*
Net financial income (charges)	**1,523**	**-1,042**	**2,566**

Financial income

In thousands of Euro	**2017**	**2016**	**Change**
Bank and postal interest	44	96	-53
Positive adjustment to the fair value of contingent consideration	2,475	498	1,976
Positive adjustment to financial instruments at fair value	11	8	3
Income on financial assets at amortised cost	135	124	11
Other financial income	779	0	779
Financial income	**3,444**	**727**	**2,717**
of which non-recurring	***747***	***0***	***747***

The increase in financial income compared to the previous year is attributable to the elimination of the fair value of contingent consideration to be paid to the selling shareholders of Co.Mark S.p.A. For details, reference is made to what is discussed in Note *28. Financial liabilities, excluding financial derivatives*.

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.*

Other financial income includes non-recurring income recognised as a result of the consolidation of Sixtema S.p.A., equal to Euro 747 thousand. For details on how income is calculated, please refer to Note *13. Business Combinations.*

Financial charges

In thousands of Euro	**2017**	**2016**	**Change**
Interest expenses to controlling shareholder for loans	500	233	267
Interest expenses on bank loans	533	820	-287
Amortised cost on bank loans	203	185	18
Interest expenses on price deferments	124	116	8
Interest expenses on leasing	25	6	19
Financial component employee benefits	102	110	-8
Negative adjustment to the fair value of contingent consideration	235	172	63
Negative adjustment to financial instruments at fair value	15	19	-4
Charges on hedging derivatives	136	96	40
Other interest expenses	11	9	2
Other financial charges	36	4	32
Financial charges	**1,921**	**1,769**	**152**
of which with Related parties	***500***	***243***	***257***

The increase in *Interest expenses to controlling shareholder for loans* compared to the previous year is due to the interest accrued on the loan of Euro 25 million granted by the Controlling Shareholder Tecno Holding in two tranches in 2016 (for details, reference is made to note *28. Financial liabilities, excluding financial derivatives*).

The decrease in *Interest expenses on bank loans* was impacted by the reduction in the spread on the **Cariparma line A** loans following the renegotiation on 27 April 2017. For more details, please refer to Note

28. Financial liabilities, excluding financial derivatives. The total financial charges in the year related to bank loans also include Euro 203 thousand for expenses accrued by applying the effective interest criterion, and Euro 136 thousand for *Charges on hedging derivatives*. The ineffective component of *Charges on hedging derivatives* amounts to Euro 23 thousand and relates primarily to the Time Value component on the Cariparma floors pursuant to Note *23. Financial derivatives.*

The *Negative adjustment of the fair value of contingent consideration* precisely reflects the adjustment of contingent consideration to be paid to the selling shareholders of Eco-Mind App Factory, Sixtema S.p.A., Visura S.p.A. and Warrant Group S.r.l. with respect to what was estimated as at 31 December 2016 or the date of the respective acquisitions (if subsequent) and due to the passing of time. For details, reference is made to what is discussed in note *28. Financial liabilities, excluding financial derivatives*.

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. INCOME TAXES

Taxes were equal to Euro 8,460 thousand as at 31 December 2017 and can be broken down as follows:

In thousands of Euro	**2017**	**2016**	**Change**
IRES	9,825	7,686	2,139
IRAP	1,922	1,198	724
Current foreign taxes	15	19	-4
Deferred tax liabilities	-1,161	-1,764	604
Deferred tax assets	-580	-452	-128
Income taxes related to previous years	-21	90	-111
Proceeds from tax consolidation	-1,539	-1,993	453
Income taxes	**8,460**	**4,784**	**3,676**
of which non-recurring	***668***	***-132***	***800***

The effective tax rate on the pre-tax result is 29.4%, up slightly compared to the previous year (29.2%).

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. Deferred tax assets and liabilities.*

The item *Income from tax consolidation* refers to the recognition of the credit from the Controlling Shareholder Tecno Holding S.p.A. for the tax losses transferred to it by Tecnoinvestimenti S.p.A. (Euro 1,161 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. This item also includes income of Euro 378 thousand recognised by InfoCert S.p.A. for the gross operating profit transferred to the tax consolidation.

Please note that in order to take advantage of the tax relief pursuant to art. 1, paragraphs 37-45 of Italian Law no. 190 of 23 December 2014 ("Patent Box") for the year 2015 and the four subsequent years, on 23 December 2015 InfoCert S.p.A. electronically sent to the Revenue Agency the Form "Option for the facilitated taxation system on income deriving from the use of intangible assets", approved by Measure of the Director of the Revenue Agency of 10 November 2015, Prot. 144042.
On 29 December 2015, it also submitted an application for the prior definition, in joint consultation, of the methods and criteria for calculating the economic contribution to the generation of corporate income of the

direct use of the assets pursuant to article 6 of the Decree of the Minister of Economic Development jointly with the Minister of Economy and Finance of 30 July 2015, containing the implementing provisions of article 1, paragraphs 37-45, of Italian Law no. 190 of 23 December 2014.
Lastly, please note that on 26 May 2016 InfoCert S.p.A. submitted a supplemental application ("Documentation supplement" pursuant to Point 6.1 of Measure of 1 December 2015, Prot. no. 2015/154278).

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):

	2017	2016
Group net profit (*thousand Euro*)	20,233	11,553
Weighted average number of outstanding ordinary shares	46,326,468	37,466,769
Basic earnings per share (*Euro*)	**0.44**	**0.31**

Diluted earnings per share of Euro 0.43 per share includes the effect of the 2016-2019 Tecnoinvestimenti Warrants for a total of 634,000 shares granted to the shareholder Cedacri S.p.A. by the Extraordinary Shareholders' Meeting held on 4 February 2016, which includes an issue price of shares for the Warrants of Euro 3.40 per share, compared with an average 2017 price, weighted by volume, equal to Euro 5.47 per share:

	2017	2016
Group net profit (*thousand Euro*)	20,233	11,553
Weighted average number of diluted shares	46,566,391	37,536,733
Diluted earnings per share (*Euro*)	**0.43**	**0.31**

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 as at 31 December 2017 and the relative comparative figures as at 31 December 2016:

	31/12/2017					
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 tax liabilities**
Controlling Shareholder	1,167	20	25,000	252	106	2,395
Affiliated companies					63	
Other Related parties		543			72	
Total Related parties	***1,167***	***563***	***25,000***	***252***	***242***	***2,395***
Total financial statement item	**1,990**	**80,285**	**123,935**	**21,723**	**47,725**	**6,125**
% Incidence on Total	*58.6%*	*0.7%*	*20.2%*	*1.2%*	*0.5%*	*39.1%*

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 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***	***608***
Total financial statement item	**3,659**	**50,948**	**100,839**	**36,947**	**33,185**	**1,481**
% Incidence on Total	*56.9%*	*0.5%*	*24.8%*	*0.4%*	*0.6%*	*41.1%*

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. As at 31 December 2017, the Parent Company and InfoCert S.p.A. adhere to the tax consolidation. This three-year participation agreement was approved in 2015 and 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.

The item Financial liabilities to the Controlling Shareholder refers to the loan payable of Euro 25 million, with maturity 30 June 2019, granted by Tecno Holding S.p.A. in two tranches in 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 decrease in *Trade receivables and other receivables* from affiliates can be attributed to the line-by-line consolidation during the year of Sixtema S.p.A., an affiliate as at 31 December 2016.

Below is the summary table of all economic transactions and the incidence on the related items of the 2017 income statement and the relative comparative figures of 2016:

2017				
In thousands of Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial charges**
Controlling Shareholder		439	4	500
Affiliated companies	166	351		
Other Related parties	1,841	898	13	
Total Related parties	**2,007**	**1,688**	**18**	**500**
Total financial statement item	**181,018**	**69,663**	**1,772**	**1,921**
% Incidence on Total	*1.1%*	*2.4%*	*1.0%*	*26.0%*
2016				
In thousands of Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial charges**
Controlling Shareholder	159	262	16	243
Affiliated companies	865	402	10	
Other Related parties	19	403	41	
Total Related parties	**1,043**	**1,067**	**67**	**243**
Total financial statement item	**147,325**	**61,249**	**1,732**	**1,769**
% Incidence on Total	*0.7%*	*1.7%*	*3.9%*	*13.7%*

Service costs to the controlling shareholder mainly relate to lease contracts in place for the offices used by the Parent Company (Rome and Milan) and InfoCert S.p.A. Financial charges to the Controlling Shareholder refer to interest accrued on the loan mentioned above.

Transactions with the affiliates in 2017 refer to Sixtema S.p.A., until it was consolidated line-by-line on 1 April 2017, and Etuitus, and are exclusively commercial in nature and depend on InfoCert S.p.A.

Service costs to other related parties refer primarily to costs for lease fees of the offices of Co.Mark S.p.A. and the Visura group.

41. NET FINANCIAL DEBT

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group's Net financial debt as at 31 December 2017 is provided below:

	31/12/2017	*of which with Related parties*	31/12/2016	*of which with Related parties*
A Cash	36,953		60,377	
B Cash equivalents	34		54	
C Securities held for trading	0		0	
D Liquidity (A+B+C)	**36,987**		**60,431**	
E Current financial receivables	**4,311**		**6,352**	
F Current bank debt	-1,297		-2,812	
G Current portion of non-current debt	-7,355		-7,303	
H Other current financial debt	-13,071	*-252*	-26,832	*-156*
I Current financial debt (F+G+H)	**-21,723**		**-36,947**	
J Net current financial debt (D+E+I)	**19,574**		**29,836**	
K Non-current bank debt	-43,058		-22,869	
L Bonds issued	0		0	
M Other non-current financial payables	-81,079	*-25,000*	-78,198	*-25,000*
N Non-current financial debt (K+L+M)	**-124,137**		**-101,067**	
O Net financial debt (J+N)	**-104,563**		**-71,230**	

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	430	34	139	3	58	**664**
Statutory Auditors	105	0	0	0	19	**124**
General Manager	274	0	0	0	0	**274**
Other Key Management Personnel	246	0	73	5	2	**326**

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: The fees shown in the table, applicable to the year 2017, are those agreed upon in the contract, inclusive of any index-linking (but not out-of-pocket expenses, any supervisory contribution and VAT).

In thousands of Euro		KPMG S.p.A.	KPMG network entities	Total KPMG
Audit services		**314**		**314**
- Parent company Tecnoinvestimenti S.p.A.		*88*		***88***
- Subsidiaries		*225*		***225***
Attestation services		**18**		**18**
- Parent company Tecnoinvestimenti S.p.A.		*18*		***18***
Non-audit services		**221**	**16**	**237**
- Parent company Tecnoinvestimenti S.p.A.		*221*	*0*	***221***
for IFRS 15 GAP analysis		46		**46**
for due diligence		168		**168**
for other activities		7		**7**
- Subsidiaries		*0*	*16*	***16***
for other activities			16	**16**
	Total	**553**	**16**	**569**

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 the deadline has now passed for the Revenue Agency to appeal before the Court of Cassation.

In addition, after the changes made in 2017 to the corporate structure of Assicom Ribes Spa, the Creditreform SA investment is no longer considered strategic and negotiations are under way for the sale of the investee, which is expected to take place by the end of the first half of 2018. A potential purchaser has been identified and the disposal should take place initially for an amount equal to 70% of the share capital. A call option will be provided on the remaining 30%, to be exercised by the purchaser. On the basis of the probable sale price, an impairment was recognised on the goodwill allocated to the Creditreform CGU already as at 31 December 2017.

On 8 February 2018, Cedacri, the Tecnoinvestimenti shareholder, completed the placement of 4.25% of the share capital at Euro 6.70 per share. After the disposal, carried out through an accelerated order collection procedure reserved to institutional investors, Cedacri holds 1.4% of Tecnoinvestimenti, a share on which it entered into a 180-day lock-up commitment.

On 13 March 2018, InfoCert S.p.A. received a petition from Thron S.p.A. demanding the payment of Euro 200 thousand as a penalty due to the failure to comply with a confidentiality agreement, in addition to Euro 21,780 thousand due to greater damages suffered for alleged undue use of software. In acknowledging this judicial initiative, Tecnoinvestimenti S.p.A., for its part, having consulted with the management of InfoCert S.p.A., highlights the groundlessness of the arguments supporting the claims made. To that end, all appropriate judicial initiatives shall be taken.

Milan,
March 14, 2018

Enrico Salza
Chairman

SEPARATE PARENT COMPANY FINANCIAL STATEMENTS 2017

Statements and Notes

Separate Financial Statements of Tecnoinvestimenti S.p.A.

Statement of financial position

in Euro	Notes	31/12/2017	31/12/2016
ASSETS			
Property, plant and equipment	10	88,003	81,310
Intangible assets	11	117,304	70,705
Equity investments recognised at cost	12	226,588,063	152,971,623
Other financial assets, excluding financial derivatives		10,427	40
Financial derivatives	20	29,292	0
Deferred tax assets	13	622,294	382,734
Trade and other receivables	14	24,566	37,545
- *amount with related parties*	*29*	*1,300*	*2,600*
NON-CURRENT ASSETS		**227,479,948**	**153,543,957**
Other financial assets, excluding financial derivatives		29,194	0
Current tax assets	15	1,166,898	2,082,970
- *amount with related parties*	*29*	*1,166,898*	*2,082,970*
Trade and other receivables	14	877,769	601,451
- *amount with related parties*	*29*	*144,689*	*60,108*
Cash and cash equivalents	16	23,266,008	30,026,107
CURRENT ASSETS		**25,339,869**	**32,710,528**
TOTAL ASSETS		**252,819,817**	**186,254,485**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		46,573,120	46,256,120
Reserves		74,959,124	66,267,757
TOTAL SHAREHOLDERS' EQUITY	**17**	**121,532,244**	**112,523,877**
LIABILITIES			
Employee benefits	18	528,986	194,756
Financial liabilities, excluding financial derivatives	19	85,274,473	64,485,117
- *amount with related parties*	*29*	*41,000,000*	*41,000,000*
Financial derivatives	20	144,777	165,210
Deferred tax liabilities	13	23,181	22,930
NON-CURRENT LIABILITIES		**85,971,416**	**64,868,013**
Employee benefits	18	359,765	0
Financial liabilities, excluding financial derivatives	19	42,880,617	7,405,231
- *amount with related parties*	*29*	*35,119,111*	*316,932*
Financial derivatives	20	0	124,001
Trade and other payables	21	2,075,775	1,333,363
- *amount with related parties*	*29*	*100,423*	*57,514*
Deferred revenue and income		0	0
Current tax liabilities		0	0
CURRENT LIABILITIES		**45,316,157**	**8,862,595**
TOTAL LIABILITIES		**131,287,573**	**73,730,608**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**252,819,817**	**186,254,485**

Statement of Profit or Loss and other comprehensive income

			for the year ended 31 December
in Euro	**Notes**	**2017**	**2016**
Revenue	**22**	**502,688**	**617,074**
- *amount with related parties*	*29*	*500,000*	*613,821*
Raw material costs		0	0
Service costs	23	2,814,092	2,554,422
- *amount with related parties*	*29*	*169,219*	*108,764*
- *amount from nonrecurring transactions*	*23*	*900,397*	*942,187*
Personnel costs	24	3,540,079	2,220,007
Other operating costs	25	113,015	65,177
- *amount with related parties*	*29*	*35,000*	*0*
Depreciation and amortisation	26	60,018	68,827
Accruals to provisions		0	0
Impairment losses		0	0
Total costs		**6,527,204**	**4,908,433**
OPERATING RESULT		**-6,024,516**	**-4,291,359**
Financial income	27	18,257,133	10,133,774
- *amount with related parties*	*29*	*18,242,725*	*10,110,045*
Financial charges	27	1,670,950	1,524,433
- *amount with related parties*	*29*	*931,912*	*563,616*
Net financial income (charges)		**16,586,184**	**8,609,341**
PROFIT BEFORE TAXES		**10,561,668**	**4,317,982**
Income taxes	28	-1,406,598	-1,613,088
- *amount from nonrecurring transactions*	*28*	*-216,095*	*-259,102*
NET PROFIT		**11,968,266**	**5,931,070**
Other comprehensive income			
Items that will not be reversed to net profit			
Actuarial gains (losses) of employee benefit provisions	18	-8,701	12,538
Tax effect		2,088	-3,009
Total items that will not be reversed to income statement		**-6,613**	**9,529**
Items that may be reversed to net profit:			
Profits (losses) from measurement at fair value of derivative financial instruments	20	21,480	-36,059
Tax effect		-5,155	8,654
Total items that may be reversed to net profit		**16,325**	**-27,405**
Total other comprehensive income, net of tax effects		**9,712**	**-17,876**
Total comprehensive income		**11,977,978**	**5,913,194**

Statement of Changes in Equity

							For the year ended 31 December 2017
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 2017	46,256,120	1,136,257	53,156,403	-125,561	-33,110	12,133,767	112,523,877
Comprehensive income statement for the year							
Profit for the year						11,968,266	11,968,266
Other comprehensive income				16,325	-6,613		9,712
Total comprehensive income	*0*	*0*	*0*	*16,325*	*-6,613*	*11,968,266*	*11,977,978*
Transactions with shareholders							
Legal reserve allocation		296,553				-296,553	0
Dividends						-4,047,411	-4,047,411
Capital increase	317,000		760,800				1,077,800
Total transactions with shareholders	*317,000*	*296,553*	*760,800*	*0*	*0*	*-4,343,964*	*-2,969,611*
Balance as at 31 December 2017	46,573,120	1,432,810	53,917,203	-109,236	-39,722	19,758,069	121,532,244

							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 as at 1 January 2016	31,700,000	773,501	19,172,960	-98,155	-42,640	9,101,453	60,607,119
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

Statement of Cash Flows

	Notes	2017	2016
		for the year ended 31 December	
Cash flow from operating activities			
Net profit		11,968,266	5,931,070
Restatements for:			
- Depreciation of property, plant and equipment	26	22,925	28,834
- Amortisation of intangible assets	26	37,092	39,993
- Net financial charges (income)	27	-16,586,184	-8,609,341
- *amount with related parties*	*29*	*-17,310,814*	*-9,546,428*
- Income taxes	28	-1,406,598	-1,613,088
Changes in:			
- Trade and other receivables		-262,868	-54,316
- *amount with related parties*		*-83,281*	*304,742*
- Trade and other payables		742,412	383,140
- *amount with related parties*		*42,909*	*26,843*
- Provisions and employee benefits	18	683,390	-34,618
- Deferred revenue and income, including government grants		0	-5,417
- *amount with related parties*		*0*	*-5,417*
Cash and cash equivalents generated/(absorbed) by operating activities		**-4,801,565**	**-3,933,743**
Income taxes paid		2,084,040	1,032,281
Net cash and cash equivalents generated/(absorbed) by operating activities		**-2,717,525**	**-2,901,462**
Cash flow from (used in) investing activities			
Dividends collected	27	17,118,350	10,110,045
- *amount with related parties*	*29*	*17,118,350*	*10,110,045*
Interest collected		104	17,641
Investments in shareholdings	12	-67,584,960	-47,784,987
Investments in property, plant and equipment	10	-31,690	-52,214
Investments in other financial assets	20	-60,900	0
Investments in intangible assets	11	-83,691	-5,999
Cash and cash equivalents generated/(absorbed) by investing activities		**-50,642,787**	**-37,715,514**
Cash flow from (used in) financing activities			
Interest paid		-1,572,372	-730,603
- *amount with related parties*		*-723,561*	*-246,685*
Change in other current bank payables	19	17,725	0
Bank loans taken out	19	21,997,946	0
Bank loans repaid	19	-3,158,333	-2,850,000
Loans taken out by controlling shareholder and subsidiaries	19	13,500,000	25,000,000
- *amount with related parties*	*29*	*13,500,000*	*25,000,000*
Repayment of price deferment liabilities	19	-1,400,000	0
Repayment of contingent consideration liabilities	19	-908,973	0
Current accounts with subsidiaries	19	21,093,830	0
- *amount with related parties*	*29*	*21,093,830*	*0*
Capital increase	17	1,077,800	48,178,746
Dividends paid		-4,047,411	-2,536,000
Cash and cash equivalents generated/(absorbed) by financing activities		**46,600,212**	**67,062,143**
Net increase (decrease) in cash and cash equivalents		-6,760,099	26,445,167
Cash and cash equivalents at 1 January		30,026,107	3,580,940
Cash and cash equivalents as at 31 December		**23,266,008**	**30,026,107**

Notes to the Separate Parent Company Financial Statements as at 31 December 2017

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tecnoinvestimenti S.p.A. (the Company) 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, primarily in Italy, with diversified and customisable services through three business units: Digital Trust, Credit Information & Management and Innovation & Marketing Services.

At the date of preparation of these Financial Statements, Tecno Holding S.p.A. (the 'Controlling Shareholder') is the shareholder that holds the absolute majority of the shares of Tecnoinvestimenti S.p.A. The Controlling Shareholder does not exercise any management and coordination activities for the Company.

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 authorised for publication by the Board of Directors of the Company at its meeting on 14 March 2018.

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).

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 Note *29. 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 on 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 amortisation 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, amortisation 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:

• *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 (CGU) 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, affiliates 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 realisation 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 upon 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 an 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 is recognised at the acquisition date, as an increase of the shareholding to which it refers, 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 testing 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 test 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 test 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 on a half-yearly basis, as at 30 June and as at 31 December, 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 (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, maximising the use of relevant observable inputs and minimising 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 categorised 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 is 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.

As of 1 July 2017, a centralised group treasury management system (cash pooling) was activated by the Company. The direct and indirect subsidiaries participating in the cash pooling are Assicom Ribes S.p.A., InfoCert S.p.A., Sixtema S.p.A., Co.Mark S.p.A., RE Valuta S.p.A., Visura S.p.A., Lextel S.p.A. and ISI S.r.l. The debt balance to the subsidiaries is recognised under current financial liabilities, while the credit balance to subsidiaries is recognised under current financial assets.

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 recognised 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 recognised in the income statement.

Listing costs not relating to the issue of new shares are recognised 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 recognised as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognised in the income statement. Costs related to both transactions are recognised as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognised 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 right to extinguish its obligations more than 12 months after 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 relationships related to current IRES taxes with 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 ("Defined-benefits plan 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 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 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 a 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

a) From 1 January 2017, the Company adopted the following new accounting standards:

- "*Disclosure initiative Amendments to IAS 7 - Statement of cash flows*". Endorsement by the EU took place on 6 November 2017 with Regulation no. 1990. The amendments introduce new information obligations for changes in liabilities and assets deriving from financing activities.
- "*Amendments to IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*". Endorsement by the EU took place on 6 November 2017 with Regulation no. 1989. The clarified how to account for deferred tax assets related to debt instruments measured at fair value.
- "*Annual Improvements to IFRS Standards 2014-2016 Cycle*". Endorsement by the EU took place on 7 February 2018 with Regulation no. 182. 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 ventures*. Amendments to IFRS 12 apply to financial statements relating to years beginning on 1 January 2017, or later. The amendments to IFRS 1 and IAS 28 apply to

financial statements relating to years beginning on 1 January 2018 or later; earlier application, which the Company has not opted for, is permitted only with reference to IAS 28.

b) *Accounting standards and interpretations on standards effective for the financial years after 2017 and not adopted in advance 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 at 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. The Company expects that the adoption of this standard will not have significant effects.
- 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 provisions contained therein define the criteria for the recognition of 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. The Company expects that the adoption of this standard will not have significant effects.
- In addition, 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 recognised. This document, adopted by the European Union by means of Regulation no. 1987 of 9 November 2017, is applicable for years beginning on or after 1 January 2018. Earlier application is permitted.
- 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 lessee 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. Endorsement by the EU took place on 31 October 2017 with Regulation no. 1986.
- 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. Endorsement by the EU took place on 26 February 2018 with Regulation no. 289.

- 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. Endorsement by the EU took place on 3 November 2017 with Regulation no. 1988.

c) *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 18 May 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces the current IAS 4. The new standard on insurance contracts aims to boost transparency on sources of profit and on the quality of earnings and to guarantee high comparability of results, by introducing a single standard for the recognition of revenues that reflects the services provided. IFRS 17 applies to financial statements relating to years beginning on 1 January 2021, or later. EFRAG's Endorsement Process is still under way.
- 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. Ratification by the EU is expected in the first quarter of 2018.
- On 7 June 2017, the IASB published the interpretation IFRIC 23 – "Uncertainty over Income Tax Treatments", which provides indications on how to reflect uncertainties on the tax treatment of a given transaction or circumstance in accounting for income taxes. IFRIC 23 applies to financial statements relating to years beginning on 1 January 2019, or later. Ratification by the EU is expected in the third quarter of 2018.
- 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. Ratification by the EU is expected in the first quarter of 2018.
- On 12 October 2017, the IASB published some amendments to IFRS 9 "Financial Instruments". The document "Prepayment features with Negative Compensation (Amendments to IFRS 9)" aims to amend the requirements of IFRS 9 with reference to the following two situations: (i) financial assets which contain prepayment options through negative compensation may now be valued at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9; (ii) new accounting criteria are introduced in the case of non-substantial amendments that do not entail a derecognition in the case of modifications or exchanges of fixed-rate financial liabilities. The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. Ratification by the EU is expected in the first quarter of 2018.

- On 12 October 2017, the IASB published some amendments to IAS 28 "Investments in associates and joint ventures". The document "Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)" aims to clarify several aspects in cases in which companies finance associates and joint ventures with preference shares or through loans for which repayment is not required in the foreseeable future ("Long-Term Interests" or "LTI"). The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. The conclusion of the Endorsement Process by the EFRAG is expected for the first quarter of 2018, while endorsement by the EU is expected to take place in 2018.
- On 12 December 2017, the IASB published the document "Annual Improvements to IFRS Standards 2015-2017 Cycle". The amendments introduced, falling within the ordinary activity of rationalisation and clarification of international accounting standards, are related to the following standards: (i) IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements: the IASB clarified how to account for increases in interests in a business that is a joint operation; (ii) IAS 12 - Income Taxes: the IASB clarified that the tax effects correlated with the payment of dividends (including payments relating to financial instruments classified in shareholders' equity) are recognised consistently with the underlying transactions or events that generated the amounts subject to distribution (e.g., recognition in the statement of profit/(loss), in OCI or in shareholders' equity); (iii) IAS 23 - Borrowing Costs: the IASB clarified that general borrowings for the calculation of borrowing costs to be capitalised on qualifying assets do not include the borrowings that are specifically relative to qualifying assets in the construction or development phase. When such qualifying assets are available for use, the relative borrowings are considered general borrowings for the purposes of IAS 23. The amendments apply to financial statements relating to years beginning on 1 January 2019 or later; earlier application is permitted. The conclusion of the Endorsement Process by the EFRAG is expected for the first quarter of 2018, while endorsement by the EU is expected to take place by the end of 2018.
- On 7 February 2018, the IASB published some amendments to IAS 19 "Employee Benefits". The document "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)" clarifies several accounting aspects relating to amendments, reductions or settlements of defined benefit plans. The amendments apply for amendments, curtailments or settlements taking place as of 1 January 2019 or the date on which they are applied for the first time (early application is permitted). The conclusion of the Endorsement Process by the EFRAG is expected for the second quarter of 2018, while endorsement by the EU is expected to take place in 2018.

The potential consequences of the accounting standards, amendments and interpretations scheduled to be applied on the financial information provided by the Group are being studied and quantified, with the exception of what has already been stated with reference to IFRS 15 and IFRS 9.

6. USE OF ESTIMATES

As part of the preparation of these separate 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:

- *Equity investments recognised at cost:* equity investments recognised at cost, the carrying amount of which is higher than the relative shareholders' equity, are 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 investment by estimating the value in use or the fair value net of disposal costs; if the recoverable amount is less than the carrying amount, the investment is written down. The calculation of the recoverable amount of the equity investments 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.

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 realised 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 and other hedging derivative financial instruments outstanding as at 31 December 2017 is provided in *Note 20. Financial derivatives.*
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. As at 31 December 2017, 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 main factors that influence the liquidity of the Company are:
(i) the financial resources generated or absorbed by operating and investing activities;
(ii) the financial resources generated or absorbed by the direct and indirect subsidiaries, given the group's centralised treasury management system (cash pooling);
(iii) the maturity of financial debt.
The liquidity requirements of the Company and the Group are monitored by the treasury function, with the objective of ensuring that 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.

In Note *19. Financial liabilities, excluding financial derivatives* the financial liabilities recognised in the financial statements as at 31 December 2017 are summarised and classified according to the contractual expiry.

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:

Amounts in thousand 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**	**29**	**0**	**35**	**0**	**0**	**64**
Other financial assets, excluding financial derivatives	0	0	0	0	10	0	0	**10**
Financial derivatives	0	0	29	0	0	0	0	**29**
Trade and other receivables	0	0	0	0	25	0	0	**25**
CURRENT ASSETS	**0**	**0**	**0**	**0**	**24,144**	**0**	**0**	**24,144**
Other financial assets, excluding financial derivatives	0	0	0	0	29	0	0	**29**
Trade and other receivables	0	0	0	0	878	0	0	**878**
Cash and cash equivalents	0	0	0	0	23,266	0	0	**23,266**
NON-CURRENT LIABILITIES	**0**	**0**	**145**	**0**	**0**	**0**	**85,274**	**85,419**
Financial liabilities, excluding financial derivatives	0	0	0	0	0	0	85,274	**85,274**
Financial derivatives	0	0	145	0	0	0	0	**145**
CURRENT LIABILITIES	**0**	**2,777**	**0**	**0**	**0**	**0**	**42,179**	**44,956**
Financial liabilities, excluding financial derivatives	0	2,777	0	0	0	0	40,103	**42,881**
Trade and other payables	0	0	0	0	0	0	2,076	**2,076**

9. 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**	**29**	**0**	**29**

Financial derivatives		*29*		*29*
Interest rate floor		29		29
NON-CURRENT LIABILITIES	**0**	**145**	**0**	**145**
Financial derivatives		*145*		*145*
Interest rate swap		145		145
CURRENT LIABILITIES	**0**	**0**	**2,777**	**2,777**
Other financial liabilities, except for derivative financial instruments			*2,777*	*2,777*
Contingent consideration			2,777	2,777

Information on the statement of financial position

10. PROPERTY, PLANT AND EQUIPMENT

Amounts in Euro	31/12/2016	Investments	Divestments	Depreciation and amortisation	Reclassifications	Impairment losses	31/12/2017
Leasehold improvements							
Cost	27,658						*27,658*
Accumulated Depreciation	-27,658						*-27,658*
Net value	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other assets							
Cost	123,688	32,554	-1,127			-2,402	*152,713*
Accumulated Depreciation	-42,378		263	-22,925		330	*-64,710*
Net value	**81,310**	**32,554**	**-864**	**-22,925**	**0**	**-2,072**	**88,003**
Property, plant and equipment	**81,310**	**32,554**	**-864**	**-22,925**	**0**	**-2,072**	**88,003**

Impairment losses for the period refer to the contingent liability recognised following the theft of several company assets recognised in *Other operating costs*.

11. INTANGIBLE ASSETS

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

Amounts in Euro	31/12/2016	Investments	Divestments	Amortisation	Reclassifications	31/12/2017
Patent and intellectual property rights						
Cost	115,837	12,000				*127,837*
Accumulated Amortisation	-45,132			-37,092		*-82,224*
Net value	**70,705**	**12,000**	**0**	**-37,092**	**0**	**45,613**
Concessions, licences, trademarks and similar rights						
Cost	8,000					*8,000*
Accumulated Amortisation	-8,000					*-8,000*
Net value	**0**	**0**	**0**	**0**	**0**	**0**
Assets in progress and advances						
Net value	**0**	**71,691**	**0**	**0**	**0**	**71,691**
Intangible assets	**70,705**	**83,691**	**0**	**-37,092**	**0**	**117,304**

The increase during the period in the item *Assets in progress* relates to capitalised costs for the implementation of the new ERP that will begin operating in 2018.

12. EQUITY INVESTMENTS RECOGNISED AT COST

The net increase of Euro 73,616 thousand compared to the value as at 31 December 2016 is due to the acquisitions of non-controlling interests in the companies Assicom S.p.A, Ribes S.p.A. and Co.Mark S.p.A. as well as the acquisition during the year of the controlling shareholdings in Warrant Group S.r.l.

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 as at 31 December 2017.

Amounts in Euro	1/1/2017				Changes in the year					31/12/2017			
	% share-holding	Cost	Accumulated impairment	Net Balance	Investments	Impair-ment losses	Revalua tions	Mergers	Other Changes	% share-holding	Cost	Accumulated impairment	Net Balance
InfoCert SpA	99.99	18,238,589		*18,238,589*						99.99	18,238,589		*18,238,589*
Ribes SpA	87.50	23,480,715		*23,480,715*	7,019,886			-30,500,601		-	0		*0*
Assicom Ribes SpA	67.50	53,153,052		*53,153,052*	28,037,007			30,500,601	-570,925	100.00	111,119,735		*111,119,735*
Co.Mark SpA	70.00	35,183,523		*35,183,523*	6,671,284				-2,474,924	80.00	39,379,883		*39,379,883*
Visura SpA	60.00	22,915,743		*22,915,743*					69,617	60.00	22,985,361		*22,985,361*
RE Valuta SpA	-								1,124,375	83.13	1,124,375		*1,124,375*
Warrant Group Srl	-				33,721,964				18,156	70.00	33,740,120		*33,740,120*
Equity investments		**152,971,623**	**0**	**152,971,623**	**75,450,141**	**0**	**0**	**0**	**-1,833,701**		**226,588,063**	**0**	**226,588,063**

Amounts in Euro	% shareholding	Cost	Registered office	Share Capital as at 31/12/2017	Shareholders' equity as at 31/12/2017	Profit for the year 2017
InfoCert SpA	99.99	18,238,589	Rome	17,704,890	29,833,755	9,220,952
Assicom Ribes SpA	100.00	111,119,735	Buja (UD)	3,000,000	24,868,822	7,318,829
Co.Mark SpA	80.00	39,379,883	Milan	150,000	7,834,473	4,162,959
Visura SpA	60.00	22,985,361	Rome	1,000,000	4,501,337	2,840,027
RE Valuta SpA	83.13	1,124,375	Milan	200,000	2,762,767	790,635
Warrant Group Srl	70.00	33,740,120	Correggio (RE)	57,692	9,846,707	9,657,775

With reference to the equity investments for which the cost value is higher than the relative shareholders' equity, please note that impairment tests were conducted in relation to the carrying amounts as at 31 December 2017.

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

The value in use has been determined by using the discounted cash flow method, in the unlevered version, applied to forecasts prepared by the Directors of each company in relation to the period of three years as from 2018 to 2020. The cash flows used for the determination of the value in use are related to the operational management of each company 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 three 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 companies 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 1.8%, equal to the gross average return of the Italian ten-year BTP;
- market risk premium of 5.9% used for mature economies in the valuation processes;
- additional risk factor equal to 2.0%;
- sector beta levered of 0.90, determined considering a list of comparable listed companies;
- financial structure of the Company equal to 19%, considering the average of the D/E ratio recorded by comparable companies;
- cost of debt applicable to the Group, equal to 4.6%.

The plans underlying the impairment tests mentioned above were approved by the Boards of Directors of the individual investees. The impairment tests were approved by the Board of Directors of Tecnoinvestimenti on 14 March 2018.

Since the Warrant Group was acquired near the end of the year, the equity investment was not tested for impairment. Indeed, it is deemed that the assessment conducted upon acquisition has remained unchanged. The impairment tests carried out on shareholdings for which the cost value is higher than the related equity have not revealed any impairment loss.

Changes during the year recognised in the item are illustrated below:

Assicom Ribes S.p.A.

On 28 March 2017, the contract was signed for the acquisition of the non-controlling interests of Assicom owned by the shareholders
Capitoloundici S.p.A. (10%) and Quaranta Holding S.r.l. (22.5%) for a total of Euro 27,976 thousand plus ancillary expenses of Euro 61 thousand. The purchase agreement called for the elimination of the contingent consideration, the payment of which should have originally taken place in the first half of 2018, estimated as at 31 December 2016 at Euro 447 thousand.
On 13 April 2017, the acquisition of the remaining 12.5% of Ribes S.p.A. was formalised through the exercise of the call option. The financial outlay was equal to Euro 7 million, plus ancillary expenses of Euro 20 thousand.
On 23 November 2017, the deed of merger by incorporation of Ribes S.p.A. into Assicom S.p.A., both wholly owned by Tecnoinvestimenti, was entered into in accordance with the resolutions of the respective shareholders' meetings held on 19 September 2017. As of 31 December 2017, the date on which the merger became fully effective, the company took on the name "Assicom Ribes S.p.A.". The accounting and tax effects were backdated to 1 January 2017.

Co.Mark S.p.A.

On 6 July 2017, Tecnoinvestimenti S.p.A. completed the acquisition of an additional 10% of the subsidiary Co.Mark S.p.A. for a total of Euro 6,655 million, plus charges of Euro 16 thousand, following the exercise of the first put option by the minority shareholders within the terms laid out in the contract. The contract for the acquisition of 70% envisaged that the remaining 30%, held by the founding shareholders, would be subject to Put&Call option rights, 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. Therefore, Tecnoinvestimenti’s shareholding in Co.Mark S.p.A. rose to 80%.

The decrease in the value of this investment, recognised in *Other changes*, is attributable to the elimination of the contingent consideration, the payment of which was planned for 2019, linked to the results of the Co.Mark Group in 2018, on the basis of current forecasts, recognised in the amount of Euro 2,475 thousand as at 31 December 2016.

Re Valuta S.p.A.

On 3 April 2017, the shareholders' meeting of the subsidiary Ribes S.p.A. approved the distribution of an extraordinary dividend in kind to the shareholders Tecnoinvestimenti S.p.A. and Coesa S.p.A. equal to 95% of the share capital of RE Valuta S.p.A., in proportion with the shareholding held in Ribes S.p.A. As a result of that distribution, Tecnoinvestimenti S.p.A. owns 83.125% of the share capital of RE Valuta S.p.A., and Coesa S.p.A. a stake of 11.875%. As this is a transaction between entities under common control, the Company opted for the book value accounting approach in the recognition of the extraordinary dividend, and therefore recognised the investment in RE Valuta at the book value previously recorded by Ribes, in proportion with the share transferred.
On the share held by the shareholder Coesa S.p.A., there are put&call option rights that may be exercised after the approval of the 2018 RE Valuta financial statements.

Warrant Group S.r.l.

On 30 November 2017, the Company completed the acquisition of 70% of Warrant Group S.r.l. The Warrant Group offers integrated low-interest finance advisory services to businesses that invest in research and development innovation activities. The consideration for the acquisition of 70% of the capital of Warrant Group was set at up to Euro 33,880 thousand, of which Euro 25,700 thousand paid at the closing date, up to Euro 2,830 thousand (in the presence of a net financial position, determined in the contract, equal to 0) to be paid within 30 days of the approval of the 2017 financial statements of Warrant Group on the basis of the results achieved and Euro 5,350 thousand to be paid in five yearly instalments starting on 15 January 2019. On the payment deferment granted by the selling shareholders, the Company defined an implicit interest rate equal to 1.49% taking into consideration the rate established on the unsecured **UBI Loan** obtained by Tecnoinvestimenti S.p.A. to finance the transaction (pursuant to Note. *19 Financial liabilities, excluding financial derivatives*) and for the fees on the guarantee to back the deferment obtained. The discounted value was equal to Euro 5,106 thousand at the acquisition date.

The following is a summary of the items relating to the investment for the acquisition of 70% of Warrant Group S.r.l.:

Warrant Group Srl Investment	*Amounts in thousand Euro*
Cash and cash equivalents	25,700
Price deferment	5,106
Discounted contingent consideration	2,759
Ancillary expenses	157
Total Investment	**33,722**

The remaining 30% of the share capital of Warrant Group S.r.l. will be subject to put&call options that may be exercised in two annual tranches of 15% each upon approval of the 2018 and 2019 financial statements, respectively. These amounts will be subject to a verification that agreed Warrant Group EBITDA objectives have been met.

Visura S.p.A.

On 26 April 2017, the price mark-up was paid to the selling shareholders of Visura S.p.A. for a total amount of Euro 909 thousand. The adjustment of the contingent consideration estimated as at 31 December 2016 at Euro 840 thousand was recognised under *Other changes*.

13. DEFERRED TAX ASSETS/LIABILITIES

Below is the breakdown and changes compared to 31 December 2016 of deferred tax assets and liabilities:

Amounts in Euro	31/12/2016	Allocations Inc. Statement	Releases Inc. Statement	Allocations Comprehensive Inc. Statement	Releases Comprehensive Inc. Statement	Allocations to Shareholders' Equity	Releases fr. Shareholders' Equity	31/12/2017
Deferred tax assets:								
Impairments of shareholdings	**20,202**							**20,202**
Decreases in hedging financial instruments	**39,650**				-4,904			**34,746**
Differences between statutory and tax amortisation rates	**2,519**		-782					**1,737**
AIM listing costs	**124,905**		-48,350					**76,555**
Employee benefits	**4,669**	176						**4,845**
Losses that can be carried forward for tax purposes	**190,789**	293,420						**484,209**
Other temporary differences	**0**							**0**
Total Deferred tax assets	**382,734**	**293,596**	**-49,132**	**0**	**-4,904**	**0**	**0**	**622,294**
Deferred tax liabilities:								
Increases in hedging financial instruments	**0**			251				**251**
Revaluations of shareholdings	**22,930**							**22,930**
Total deferred tax liabilities	**22,930**	**0**	**0**	**251**	**0**	**0**	**0**	**23,181**

Allocations to the Income Statement of Deferred tax assets, relating to the item *Losses that can be carried forward for tax purposes*, refer to the ACE benefit (Decree Law 201/2011) accrued during the year which, based on current assessments, cannot be offset by the tax base of the tax consolidation headed by the Controlling Shareholder Tecno Holding S.p.A.

Deferred tax assets have been recorded as at 31 December 2017 as the management of the Company has deemed them to be recovered in future years.

14. TRADE AND OTHER RECEIVABLES

The item *Trade and other receivables* totalled Euro 887 thousand (Euro 639 thousand as at 31 December 2016) and can be detailed as follows:

Amounts in Euro	**31/12/2017**	**31/12/2016**	**Change**
Deferred assets	24,566	37,545	-12,979
Trade receivables and other non-current receivables	**24,566**	**37,545**	**-12,979**
of which with Related parties	***1,300***	***2,600***	***-1,300***
Receivables from controlling shareholder	0	4,366	-4,366
Receivables from subsidiaries	123,054	54,441	68,613
Receivables from others	29,158	17,149	12,009
VAT credit	551,529	454,666	96,863
Deferred assets	174,028	70,828	103,200
Trade and other current receivables	**877,769**	**601,451**	**276,319**
of which with Related parties	***144,689***	***60,108***	***84,581***
Trade receivables and other receivables	**902,335**	**638,995**	**263,339**

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

15. CURRENT TAX ASSETS AND LIABILITIES

Amounts in Euro	**31/12/2017**	**31/12/2016**	**Change**
Current tax assets	1,166,898	2,082,970	-916,072
of which with Related parties	*1,166,898*	*2,082,970*	*-916,072*
Current tax liabilities	0	0	0
Net current taxes	**1,166,898**	**2,082,970**	**-916,072**

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 was approved in 2015 and 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	**31/12/2017**	**31/12/2016**	**Change**
Bank and postal deposits	23,264,732	30,024,759	-6,760,027
Cash and cash equivalents	1,276	1,348	-72
Cash and cash equivalents	**23,266,008**	**30,026,107**	**-6,760,099**

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

As of 1 July 2017, a centralised group treasury management system (cash pooling) was activated by the Company. The direct and indirect subsidiaries participating in the cash pooling are Assicom Ribes S.p.A., InfoCert S.p.A., Sixtema S.p.A., Co.Mark S.p.A., RE Valuta S.p.A., Visura S.p.A., Lextel S.p.A. and ISI S.r.l. The balance as at 31 December 2017 consisted of a payable to all subsidiaries and is recognised in current financial liabilities (for the details, refer to Note *19. Financial liabilities, excluding financial derivatives*).

The change during the period, as described in more detail in the Statement of cash flows, can be ascribed to the liquidity absorbed by operating activities of Euro 2,718 thousand; the liquidity used in investing activities of Euro 50,643 thousand primarily for the acquisition of equity investments for Euro 67,585 thousand net of dividends collected from the subsidiaries for Euro 17,118 thousand; the liquidity obtained from financing activities for Euro 46,600 thousand, of which Euro 34,594 thousand in liquidity acquired from the subsidiaries through the Group's centralised treasury management (Euro 21,094 thousand) and through short-term borrowings (Euro 13,500 thousand) and Euro 18,840 thousand in liquidity acquired in bank loans (net of the amounts repaid) pursuant to Note *19. Financial liabilities, excluding financial derivatives.*

17. SHAREHOLDERS' EQUITY

The subscribed and paid-in share capital amounts Euro 46,573,120 as at 31 December 2017 and consists of 46,573,120 ordinary shares.

Amounts in Euro	31/12/2017	31/12/2016	Change
Share capital	46,573,120	46,256,120	317,000
Legal reserve	1,432,810	1,136,257	296,553
Share premium reserve	53,917,203	53,156,403	760,800
Extraordinary reserve	8,223,589	8,223,589	0
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	-992,191	-2,579,297	1,587,106
Reserve from valuation of hedging derivatives	-109,236	-125,560	16,325
Defined-benefits plan reserve	-39,722	-33,110	-6,613
Profit (loss) for the year	11,968,266	5,931,070	6,037,196
Total Shareholders' equity	**121,532,244**	**112,523,877**	**9,008,367**

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	31/12/2017	Possibility of use	Available portion	Distributable portion	Summary of uses in the three previous years	
					For loss coverage	For other reasons
Share capital	46,573,120		0	0		
Legal reserve	1,432,810	A, B	1,432,810	0		
Share premium reserve	53,917,203	A, B, C	53,917,203	46,633,802		
Extraordinary reserve	8,223,589	A, B, C	8,223,589	7,231,398		
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	-992,191		-992,191	0		
Reserve from valuation of hedging derivatives	-109,236		0	0		
Defined-benefits plan reserve	-39,722		0	0		
Profit (loss) for the year	11,968,266		11,968,266	11,369,852		
Total	**121,532,244**	**0**	**75,103,689**	**65,235,053**		

On 11 October 2017, the Board of Directors of Tecnoinvestimenti S.p.A. approved the share capital increase of 317,000 shares with no nominal value, for an amount equal to Euro 317,000, following the exercise of the right of conversion of the first tranche of the "*Warrant Tecnoinvestimenti 2016-2019*" held by the shareholder Cedacri S.p.A. at the price of Euro 3.40 for a total of Euro 1,077,800, of which Euro 760,800 recognised in the

Share premium reserve. In this respect, please recall that on 4 February 2016 Tecnoinvestimenti's Extraordinary Shareholders' Meeting approved the issue of 951,000 Warrants named "*Warrant Tecnoinvestimenti 2016-2019*" to be offered free of charge for subscription to the shareholder Cedacri following the achievement of specific annual turnover objectives for the years 2016-2018 to be exercised in three instalments and in as many time frames (between 5 July and 30 September inclusive in the years 2017 - 2018 - 2019).

The *Reserve from valuation of hedging derivatives* refers to the effective component of the change in fair value of the derivatives entered into by the Company to cover the risk of variability in cash flows due to fluctuating interest rates on a portion of the **Cariparma line A1 loan** (for the details, please refer to Note *20. Financial derivatives*).

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

18. EMPLOYEE BENEFITS

Amounts in Euro	31/12/2017	31/12/2016	Change
Employee Severance Indemnity (TFR)	196,811	150,235	46,576
Other non-current employee benefits	332,175	44,521	287,654
Total non-current employee benefits	**528,986**	**194,756**	**334,230**
Other current employee benefits	359,765	0	359,765
Total current employee benefits	**359,765**	**0**	**359,765**

This item refers to the Employee Severance Indemnity (TFR) for Euro 197 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	31/12/2017	31/12/2016	Change
Liabilities at the beginning of the year	**150,235**	**143,929**	**6,306**
Current service cost	45,865	50,892	-5,027
Financial charges	1,903	2,570	-667
Benefits paid	-9,893	-34,618	24,725
Actuarial (profits)/losses recognised in the year	8,701	-12,538	21,239
Liabilities at the end of the year	**196,811**	**150,235**	**46,576**

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

Discount rate	1.30%
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 the 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 summarised in the following table:

Amounts in Euro	**31/12/2016**
Turnover rate +1%	195,491
Turnover rate -1%	198,377
Inflation rate +0.25%	200,013
Inflation rate -0.25%	193,714
Discount rate +0.25%	192,752
Discount rate -0.25%	201,082

The item *Other employee benefits* includes the liability accrued 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 payment of deferred sums corresponding to the growth in the value of the Company's shares. The current liability, relating to the first tranche of Stock Options that may be exercised starting from 31 January 2018, is equal to Euro 360 thousand; the non-current liability, relating to the second tranche of Stock Options that may be exercised starting from 31 July 2019, amounts to Euro 332 thousand.

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	**31/12/2017**	**31/12/2016**	**Change**
Current portion of bank loans	3,469,947	4,730,685	-1,260,739
Non-current portion of bank loans	34,961,793	14,963,269	19,998,524
Other current bank payables	27,819	10,094	17,725
Current price deferment liabilities	1,486,532	1,508,164	-21,633
Non-current price deferment liabilities	9,312,680	5,600,000	3,712,680
Current liabilities for contingent consideration	2,777,209	839,356	1,937,853
Non-current liabilities for contingent consideration	0	2,921,848	-2,921,848
Current liabilities to controlling shareholder for loans	252,055	155,616	96,438
Non-current liabilities to controlling shareholder for loans	25,000,000	25,000,000	0
Current liabilities to subsidiaries for loans	13,766,868	161,315	13,605,553
Non-current liabilities to subsidiaries for loans	16,000,000	16,000,000	0
Negative balance current accounts with subsidiaries	21,100,189	0	21,100,189
Current financial liabilities	**42,880,617**	**7,405,231**	**35,475,386**
of which with Related parties	***35,119,111***	***316,932***	***34,802,180***
Non-current financial liabilities	**85,274,473**	**64,485,117**	**20,789,356**
of which with Related parties	***41,000,000***	***41,000,000***	***0***
Total financial liabilities	**128,155,090**	**71,890,347**	**56,264,743**

The expiry of non-current financial liabilities is expected in more than 5 years from the date of the financial statements, for an amount of Euro 5,147 thousand. The following is a summary of the financial liabilities recognised in the financial statements as at 31 December 2017, classified according to the contractual expiry:

Amounts in Euro	2018	2019	2020	2021	2022	2023	Total
Bank loans	3,469,947	6,570,032	8,056,106	8,099,348	8,143,064	4,093,242	**38,431,740**
Other current bank payables	27,819						**27,819**
Price deferment liabilities	1,486,532	2,389,692	2,407,714	2,422,809	1,038,389	1,054,076	**10,799,212**
Liabilities for contingent consideration	2,777,209						**2,777,209**
Liabilities to controlling shareholder for loans	252,055	25,000,000					**25,252,055**
Liabilities to subsidiaries for loans	13,766,868		16,000,000				**29,766,868**
Negative balance current accounts with subsidiaries	21,100,189						**21,100,189**
Total financial liabilities	**42,880,617**	**33,959,724**	**26,463,820**	**10,522,157**	**9,181,453**	**5,147,319**	**128,155,090**

The changes in Financial liability items are shown below, with the exception of *Other current bank payables*, to allow for a better understanding of cash flows recognised under Financing activities in the Cash Flow Statement:

Amounts in Euro	31/12/2016	Collections	Principal payments	Interest paid	Accrued interest	Other no cash-flow changes	31/12/2017
Bank loans	**19,693,954**	21,997,946	-3,158,333	-619,638	517,811	0	**38,431,740**
Price deferment liabilities	**7,108,164**		-1,400,000	-140,000	124,919	5,106,129	**10,799,212**
Liabilities for contingent consideration	**3,761,204**		-908,973		87,773	-162,795	**2,777,209**
Liabilities to controlling shareholder for loans	**25,155,616**			-403,562	500,000	0	**25,252,055**
Liabilities to subsidiaries for loans	**16,161,315**	13,500,000		-319,999	425,553		**29,766,868**
Negative balance current accounts with subsidiaries	**0**	21,093,830			6,359		**21,100,189**
Total financial liabilities	**71,880,254**	**56,591,776**	**-5,467,306**	**-1,483,199**	**1,662,415**	**4,943,334**	**128,127,271**

Bank loans

The following is a breakdown of *Bank loans* in place as at 31 December 2017 with evidence of the current (inclusive of accrued interest) and non-current portion:

Bank loans *Amounts in Euro*	Counterparty	Rate	Expiry date	Current portion	Non-current portion	Residual value as at 31 December 2017
Loan line of credit A1	Cariparma S.p.A.	Euribor 6 months + spread 1.30%.	30/06/2023	3,468,169	15,227,094	**18,695,263**
Loan line of credit B	Cariparma S.p.A.	Euribor 6 months + spread 1.60%	30/06/2023	889	9,853,324	**9,854,212**
UBI loan	UBI Banca S.p.A.	Euribor 6 months + spread 1.60%	30/06/2023	889	9,881,375	**9,882,264**
				3,469,947	**34,961,793**	**38,431,740**

The **Cariparma line A1 loan** was taken out on 27 April 2017 in order to renegotiate the loan obtained on 16 December 2014 in the amount of Euro 24,000 thousand entered into with a pool of banks, of which Crédit Agricole Cariparma was lead bank. Tecnoinvestimenti S.p.A. obtained a significant benefit in terms of borrowing costs in the coming years. The main terms of the contract are as follows:

a. Term loan facility for a total of Euro 20.8 million, maturing on 30 June 2023 (to replace the previous loan of Euro 18.3 million as at 31 March 2017, with the resulting collection of Euro 2.5 million at the stipulation date), repayment in half-yearly instalments at the 6M Euribor rate plus a margin of 130 bps; starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the Debt Cover Ratio ("DCR"; ratio between NFP and EBITDA determined in the contract) as follows: DCR ≥ 3 Margin 145 bps; DCR < 3 and ≥ 1 Margin 130 bps; DCR < 1 margin 115 bps

b. Granting of a further Capex facility line (**Cariparma line B loan**) available upon request for Euro 15 million at the 6M Euribor rate plus 160 bps used to the extent of Euro 10 million as at 31 December 2017 as a result of the disbursement on 29 November 2017 to cover part of the investment in Warrant Group S.r.l. (described in more detail in Note *12. Equity investments recognised at cost*). The repayment of principal will take place in half-yearly instalments starting from 31 December 2019, maturing on 30 June 2023, and interest will be paid on a half-yearly basis starting from 31 December 2017. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the DCR as follows: DCR ≥ 3 Margin 175 bps; DCR < 3 and ≥ 1 Margin 160 bps; DCR < 1 margin 145 bps On the unused portion (Euro 5 million as at 31 December 2017) there is a non-use fee, starting from 1 January 2018, equal to 15 bps, which will rise to 25 bps from 1 July 2018 and 35 bps from 1 January 2019.
c. Modification of the covenants calculated on the Consolidated Financial Statements of the Tecnoinvestimenti Group, every six months on a pro forma basis, taking into account extraordinary transactions. Starting from 30 June 2017, Tecnoinvestimenti S.p.A. undertook, for each reference half-year, to respect the following limits: maximum DCR threshold of 3.5 and NFP/SE ratio of 2.0. As at 31 December 2017 these parameters were met.
d. Elimination of the guarantees providing security to the pool (pledge of Ribes and InfoCert shares).

To support the investment in Warrant Group S.r.l., the Company obtained a further loan of Euro 10 million from Banca UBI (**UBI loan**), which was disbursed on 30 November 2017. The loan was disbursed at the 6M Euribor rate plus 160 bps and requires repayment of principal in half-yearly instalments starting from 30 June 2019 and maturing on 30 June 2023, and interest will be paid on a half-yearly basis starting from 31 December 2017. Starting from the date of approval of the Consolidated Financial Statements of the Tecnoinvestimenti Group as at 31 December 2017, the applicable margin starting from the interest period subsequent to the date of approval of the above-mentioned Consolidated Financial Statements will be determined on the basis of the value of the Leverage Ratio (LR; ratio between NFP and EBITDA determined in the contract) as follows: LR ≥ 3 Margin 175 bps; LR < 3 and ≥ 1 Margin 160 bps; LR < 1 margin 145 bps Starting from 30 June 2017 and for each reference half-year period, the Company will need to meet the following financial limits: LR less than 3.5 and Gearing Ratio (ratio between NFP and Shareholders' Equity) lower than 2.0. As at 31 December 2017 these parameters were met.

Other current bank payables refer to the debt balance on company credit cards not charged to the current account as at 31 December 2017.

Price deferment liabilities

Price deferment liabilities represent the payable at the reporting date referring to deferments obtained from the selling shareholders of Co.Mark S.p.A. (Euro 5,687 thousand) and Warrant Group S.r.l. (Euro 5,113 thousand). As part of the acquisition of Warrant Group, the Company obtained a payment deferment backed by a bank guarantee, which calls for the payment of five annual instalments starting from 15 January 2019 of Euro 1,070 thousand. On the deferment, Tecnoinvestimenti S.p.A. defined an implicit interest rate equal to 1.49% taking into consideration the rate established on the unsecured UBI Loan obtained by

Tecnoinvestimenti S.p.A. to finance the acquisition of Warrant Group (**UBI Loan**) and the fees on the guarantee to back the deferment obtained.

Liabilities for contingent consideration

Details of *Liabilities for contingent consideration* related to the acquisitions are shown below:

Amounts in Euro	**31/12/2017**	**31/12/2016**	**Change**
Visura contingent consideration	0	839,356	-839,356
Assicom contingent consideration	0	446,924	-446,924
Co.Mark contingent consideration	0	2,474,924	-2,474,924
Warrant Group contingent consideration	2,777,209	0	2,777,209
Liabilities for contingent consideration	**2,777,209**	**3,761,204**	**-983,995**

The agreement for the acquisition of 70% of the Warrant Group, entered into on 30 November 2017, calls for a contingent consideration of up to Euro 2,830 thousand (in the presence of a net financial position, determined in the contract, equal to 0), for which full payment is required, to be paid within 30 days of the approval of the Warrant Group's 2017 financial statements.

Decreases during the period refer to:

- The acquisition of the non-controlling interests of Assicom S.p.A., for which the purchase agreement called for the elimination of the contingent consideration, the payment of which should have originally taken place in the first half of 2018, estimated as at 31 December 2016 at Euro 447 thousand.
- The payment on 26 July 2017 of the price mark-up to the selling shareholders of Visura S.p.A. for a total amount of Euro 909 thousand.
- The elimination of the Co.Mark contingent consideration, the payment of which was planned in the second half of 2019, linked to the results of the Co.Mark group in 2018, given the results forecast in the plan, recognised in the amount of Euro 2,475 thousand as at 31 December 2016.

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%).

Liabilities to the controlling shareholder

The item *Liabilities to the controlling shareholder* refers to the loan of Euro 25 million, maturing on 30 June 2019, granted by the Controlling Shareholder Tecno Holding S.p.A. in two tranches in 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.

Liabilities to subsidiaries for loans

During the period, loans were obtained from the subsidiaries (direct and indirect) for a total of Euro 13.5 million, in addition to the Euro 16 million already obtained from InfoCert S.p.A. in two tranches in 2014 and 2015. The table below provides the details of the loans outstanding as at 31 December 2017. The current portion is inclusive of accrued interest.

Liabilities to subsidiaries for loans					*Amounts in Euro*
Counterparty	**Rate**	**Expiry date**	**Current portion**	**Non-current portion**	**Residual value as at 31 December 2017**
InfoCert S.p.A.	Euribor 6 months + spread 2.00%*	31/12/2020	161,315	16,000,000	**16,161,315**
InfoCert S.p.A.	Euribor 6 months + spread 1.30%*		3,023,075		**3,023,075**
Assicom Ribes S.p.A.	Euribor 6 months + spread 1.30%*		4,031,706		**4,031,706**
Co.Mark S.p.A.	Euribor 6 months + spread 1.30%*		3,023,075		**3,023,075**

Visura S.p.A.	Euribor 6 months + spread 1.30%*	1,511,863		**1,511,863**
Lextel S.p.A.	Euribor 6 months + spread 1.30%*	1,511,863		**1,511,863**
Re Valuta S.p.A.	Euribor 6 months + spread 1.30%*	503,972		**503,972**
		13,766,868	**16,000,000**	**29,766,868**

** The rate applied may never be less than the spread*

Negative balance current accounts with subsidiaries

This item refers to negative balance current accounts with subsidiaries as a result of the application, as of 1 July 2017, of the centralised Group treasury management system (cash pooling) by the Company. The direct and indirect subsidiaries participating in the cash pooling are Assicom Ribes S.p.A., InfoCert S.p.A., Sixtema S.p.A., Co.Mark S.p.A., RE Valuta S.p.A., Visura S.p.A., Lextel S.p.A. and ISI S.r.l. The rate applied on the negative balances to the subsidiaries is equal to the 6M Euribor less 25 bps; the rate applied can be no lower than 0.10%.

20. DERIVATIVE FINANCIAL INSTRUMENTS

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

Amounts in Euro	**31/12/2017**	**31/12/2016**	**Change**
Non-current financial assets for hedging derivatives	29,292	0	29,292
Non-current financial liabilities for hedging derivatives	144,777	165,210	-20,434
Net liabilities for hedging derivative financial instruments	**115,485**	**165,210**	**-49,725**
Current financial liabilities for put options	0	124,001	-124,001

Non-current financial liabilities for hedging derivatives relate primarily to Interest Rate Swap agreements entered into by the Company to cover the risk of variability in cash flows due to fluctuating interest rates on a portion of the **Cariparma line A1 loan** (for the details, please see Note *19. Financial liabilities, excluding financial derivatives*), subject to renegotiation during the period in question. The hedging strategy on the original loan maturing in 2020 was supplemented to adjust it to the renegotiation of the loan, maturing on 30 June 2023, by entering into an additional Interest Rate Swap agreement.

Below is a table with type of contract, notional value and fair value as at 31 December 2017 of the non-current financial liabilities for hedging derivatives:

Derivative instruments	**Bank**	**Notional In thousands of Euro**	**Maturity**	**Rate received**	**Rate paid**	**Fair value in euro as at 31/12/2017**	**Fair value in euro as at 31/12/2016**
IRS	Crédit Agricole Cariparma	3,508	31/12/2020	Euribor 6 months	0.576%	-48,974	-76,341
IRS	Banca Popolare dell'Emilia Romagna	3,203	31/12/2020	Euribor 6 months	0.576%	-44,716	-68,850
IRS	Iccrea Banca Impresa	915	31/12/2020	Euribor 6 months	0.576%	-12,776	-20,019
IRS	Crédit Agricole Cariparma	4,947	30/06/2023	Euribor 6 months	0.600%	-38,312	n.a.
Total Interest Rate Swap "hedging instruments"		**12,572**				**-144.777**	**-165,210**

To adapt the derivatives already outstanding as at 31 December 2016 to the conditions of the renegotiated loan, and therefore make the hedge fully effective, an Interest Rate Floor option with a notional value of 0 equal to that of the above-mentioned Interest Rate Swaps was purchased for Euro 61 thousand. Below is a table with type of contract, notional value and fair value as at 31 December 2017 of the Non-current financial assets for hedging derivatives:

Derivative instruments	Bank	Notional In thousands of Euro	Maturity	Hedged rate	Strike	Fair value in euro as at 31/12/2017	Fair value in euro as at 31/12/2016
Floor	Cariparma	7,625	31/12/2020	Euribor 6 months	0.001%	29,292	n.a.
Total Floor Option "hedging instruments"		**7,625**				**29,292**	**0**

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

Current financial liabilities for put options as at 31 December 2016 related to the valuation 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. When the option was exercised in 2017, the value of the derivative was recognised as a decrease to the above-mentioned investment.

21. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other payables* totalled Euro 2,076 thousand (Euro 1,333 thousand as at 31 December 2016) and can be detailed as follows:

Amounts in Euro	31/12/2017	31/12/2016	Change
Payables to suppliers	1,162,117	740,518	421,599
Payables to controlling shareholder	65,423	14,692	50,731
Payables to subsidiaries	35,000	42,822	-7,822
Due to Social security	211,529	161,082	50,447
Payable for withholding taxes to be paid	133,161	114,752	18,409
Payables to employees	461,215	259,498	201,717
Due to others	7,331	0	7,331
Trade and other current payables	**2,075,775**	**1,333,363**	**742,412**
of which with Related parties	***100,423***	***57,514***	***42,909***

The item *Payables to employees* includes payables for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid.

Information on the comprehensive income statement

In 2017 some non-monetary employee benefits, recognised previously mainly in *Costs of services*, were reclassified to *Personnel costs*. In order to ensure a better comparison of the results, these reclassifications were also made to the comparative balances for 2016, as illustrated in the table below:

		for the year ended 31 December	
in Euro	2016	Reclassifications	2016 reclassified
Revenue	**617,074**		**617,074**
Raw material costs	**0**		**0**
Service costs	**2,652,429**	-98,007	**2,554,422**
Personnel costs	**2,119,383**	100,624	**2,220,007**
Other operating costs	**67,794**	-2,617	**65,177**
Depreciation and amortisation	**68,827**		**68,827**
Accruals to provisions	**0**		**0**
Impairment losses	**0**		**0**
Total costs	**4,908,433**	**0**	**4,908,433**
OPERATING RESULT	**-4,291,359**	**0**	**-4,291,359**

Financial income	**10,133,774**		**10,133,774**
Financial charges	**1,524,433**		**1,524,433**
Net financial income (charges)	**8,609,341**	**0**	**8,609,341**
PROFIT BEFORE TAXES	**4,317,982**	**0**	**4,317,982**
Income taxes	**-1,613,088**		**-1,613,088**
NET PROFIT	**5,931,070**	**0**	**5,931,070**

22. REVENUE

Revenue for 2017 amounted to Euro 503 thousand (Euro 617 thousand for 2016) and can be broken down as follows:

Amounts in Euro	**2017**	**2016**	**Change**
Revenue	500,000	601,291	-101,291
Other revenue	2,688	15,783	-13,095
Revenue	**502,688**	**617,074**	**-114,386**
of which with Related parties	***500,000***	***613,821***	***-113,821***

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

Revenues declined compared to the previous year as a result of the conclusion of the service agreement with the Controlling Shareholder Tecno Holding S.p.A.

23. SERVICE COSTS

Service costs for 2017 amounted to Euro 2,814 thousand (Euro 2,554 thousand for 2016) and can be broken down as follows:

Amounts in Euro	**2017**	**2016**	**Change**
Specialist professional services	952,115	514,148	437,968
Consultancy	661,754	996,166	-334,411
Independent auditors' fees for audit and other services	348,362	243,164	105,198
Statutory auditors' fees	68,932	86,886	-17,954
Advertising, marketing and communication	65,334	103,622	-38,289
Travel, assignments, and lodging expenses	254,396	190,001	64,395
Insurance	17,825	21,027	-3,202
Maintenance costs	6,623	7,210	-587
Costs for use of third-party assets	92,969	97,665	-4,696
Telephone costs	22,534	18,506	4,028
Banking costs	7,814	17,482	-9,667
Other costs for services other than the previous ones	315,433	258,545	56,888
Service costs	**2,814,092**	**2,554,422**	**259,670**
of which with Related parties	***169,219***	***108,764***	***60,455***
of which non-recurring	***900,397***	***942,187***	***-41,790***

Non-recurring costs for the year amount to Euro 900 thousand and relate to assessments of possible target companies.

24. PERSONNEL COSTS

Personnel costs for 2017 amounted to Euro 3,540 thousand (Euro 2,220 thousand for 2016) and can be broken down as follows:

Amounts in Euro	2017	2016	Change
Wages and salaries	1,579,879	1,136,015	443,864
Social security contributions	511,301	333,914	177,387
Employee severance indemnity	84,839	69,342	15,497
Other personnel expenses	193,668	124,429	69,239
Stock Option Plan provisions	647,419	44,521	602,897
Directors' fees	522,974	402,166	120,808
Ongoing partnerships	0	109,620	-109,620
Personnel costs	**3,540,079**	**2,220,007**	**1,320,072**

The following table shows the average number of employees and the number of employees as at 31 December 2017 of Tecnoinvestimenti S.p.A. broken down by category:

Number of employees	Average		Year-end	
	2017	**2016**	**2017**	**2016**
Senior Management	6	4	7	6
Middle Management	2	1	3	-
Employees	7	5	9	6
Total	**15**	**11**	**19**	**12**

Stock Option Plan Allocations includes the allocation for the year of Euro 647 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 payment of deferred sums corresponding to the growth in the value of the Tecnoinvestimenti shares.

25. OTHER OPERATING COSTS

Other operating costs for the year 2017 amounted to Euro 113 thousand (Euro 65 thousand for the year 2016), Euro 35 thousand of which to related parties, and refer to residual items such as consumables, various taxes and duties and contingent liabilities.

26. AMORTISATIONS/DEPRECIATION, PROVISIONS AND IMPAIRMENTS

Amounts in Euro	2017	2016	Change
Depreciation of tangible assets	22,925	28,834	-5,909
Amortisation of intangible assets	37,092	39,993	-2,901
Amortisation/depreciation, provisions and impairments	**60,018**	**68,827**	**-8,810**

For further details regarding amortisation/depreciation, reference is made to as specified in Notes *10* and *11*.

27. NET FINANCIAL INCOME (CHARGES)

Financial income

Financial income for 2017 amounted to Euro 18,257 thousand (Euro 10,134 thousand for 2016) and can be broken down as follows:

Amounts in Euro	2017	2016	Change
Dividends from subsidiaries	18,242,725	10,110,045	8,132,681
Bank and postal interest	14,408	23,729	-9,321
Financial income	**18,257,133**	**10,133,774**	**8,123,359**
of which with Related parties	***18,242,725***	***10,110,045***	***8,132,681***

Below is the breakdown of *Dividends from subsidiaries* recognised in 2017, the year in which the Shareholders' Meetings of the subsidiaries resolved the distribution thereof:

Amounts in Euro	2017	2016	Change
InfoCert S.p.A.	6,828,970	5,412,591	1,416,379
Ribes S.p.A.	3,714,000	2,530,704	1,183,296
Assicom S.p.A.	2,802,677	2,166,750	635,927
Co.Mark S.p.A.	3,079,132	0	3,079,132
Visura S.p.A.	1,817,947	0	1,817,947
Dividends from subsidiaries	**18,242,725**	**10,110,045**	**8,132,681**

The Ribes S.p.A. dividend includes the distribution of the extraordinary dividend in kind of the 83.125% investment in RE Valuta S.p.A. for an amount of Euro 1,124,375, equal to the book value of the investment previously recognised by Ribes S.p.A. For more details concerning this transaction, please refer to Note *12. Equity investments recognised at cost*.

Financial charges

Financial expenses for 2017 amounted to Euro 1,671 thousand (Euro 1,524 thousand for 2016) and can be broken down as follows:

Amounts in Euro	2017	2016	Change
Interest expenses on bank loans	367,233	528,344	-161,111
Amortised cost on bank loans	150,578	126,913	23,665
Interest expenses on loans from controlling shareholder	500,000	242,740	257,260
Interest expenses on loans from subsidiaries	425,553	320,877	104,676
Interest expenses on current accounts with subsidiaries	6,359	0	6,359
Interest expenses on price deferments connected to acquisitions	124,919	108,164	16,754

Financial component employee benefits	1,903	2,570	-667
Charges on hedging derivatives	94,352	70,741	23,611
Negative adjustment to the fair value of options	0	124,001	-124,001
Other bank interest expenses	53	83	-30
Financial charges	**1,670,950**	**1,524,433**	**146,517**
of which with Related parties	***931,912***	***563,616***	***368,295***

The increase in *Financial charges* with respect to the previous year can be mainly attributed to interest expenses on the loan of Euro 25 million disbursed by the Controlling Shareholder Tecno Holding S.p.A. in the course of 2016, as well as Interest expenses on loans from subsidiaries, which rose by Euro 13.5 million during the year.

The decrease in *Interest expenses on bank loans* was impacted by the reduction in the spread (from 2.55% to 1.30%) on the **Cariparma line A1 loan** following the renegotiation on 27 April 2017. For more details, please refer to Note *19. Financial liabilities, excluding financial derivatives*.

On the hedging derivatives (cash flow hedge), the effective component of the **Cariparma line A1 loan** amounts to Euro 77,459, while the ineffective component amounts to Euro 16,893 and relates primarily to the Time Value component on the Cariparma floors pursuant to Note *20. Financial derivatives.*

28. INCOME TAXES

Taxes for 2017 amounted were negative for Euro 1,407 thousand (Euro 1,613 thousand for 2016) and can be broken down as follows:

Amounts in Euro	2017	2016	Change
Deferred tax assets	-244,464	113,288	-357,752
Deferred tax liabilities	0	-7,412	7,412
Income taxes for previous years	-1,070	0	-1,070
Income from tax consolidation	-1,161,064	-1,718,964	557,900
Income taxes	**-1,406,598**	**-1,613,088**	**206,490**
of which non-recurring	***-216,095***	***-259,102***	***43,006***

For a breakdown and changes in the period of deferred tax assets and liabilities, reference is made to what is outlined in Note *13. Deferred tax assets and liabilities.*

The Company closed the year 2017 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 2017 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 -216 thousand, is attributable to the IRES tax effect (24.0%) of non-recurring costs related to assessments of possible target companies, 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	**10,562**	
Current tax on theoretical income	**2,535**	**24.0%**
Decreases		
Dividends from subsidiaries (PEX Regime)	-4,159	
Amortisation non-accounting capital increase 2014	-48	
Other decreases	-1	
Total Decreases	**-4,208**	
Increases		
Dividends in kind (PEX Regime)	102	
Non-deductible interest expense (ROL - Gross operating profit)	397	
Other increases	14	
Total Increases	**513**	
Income from tax consolidation	**-1,161**	**-11.0%**

29. 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 as at 31 December 2017 and the relative comparative figures as at 31 December 2016:

31/12/2017						
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**
Controlling Shareholder		1,166,898	20,335	25,000,000	252,055	65,423
Subsidiaries	1,300		124,354	16,000,000	34,867,057	35,000
Other Related parties						
Total Related parties	**1,300**	**1,166,898**	**144,689**	**41,000,000**	**35,119,111**	**100,423**
Total financial statement item	**24,566**	**1,166,898**	**877,769**	**85,274,473**	**42,880,617**	**2,075,775**
% Incidence on Total	*5.3%*	*100.0%*	*16.5%*	*48.1%*	*81.9%*	*4.8%*
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**
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**
Total financial statement item	**37,545**	**2,082,970**	**601,451**	**64,485,117**	**7,405,231**	**1,333,363**
% Incidence on Total	*6.9%*	*100.0%*	*10.0%*	*63.6%*	*4.3%*	*4.3%*

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 million, with maturity on 30 June 2019, granted by Tecno Holding S.p.A. in two tranches in 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 liabilities to subsidiaries refer to current and non-current loans, equal to Euro 13.5 million and Euro 16 million, respectively, as at 31 December 2017. The details of the loans, with a specification of the counterparty, are provided in Note *19*. *Financial liabilities, excluding financial derivatives.*

Current financial liabilities include the payable equal to Euro 21,100 thousand referring to negative balance current accounts with subsidiaries as a result of the application, as of 1 July 2017, of the centralised Group treasury management system (cash pooling) by the Company. The direct and indirect subsidiaries participating in the cash pooling are Assicom Ribes S.p.A., InfoCert S.p.A., Sixtema S.p.A., Co.Mark S.p.A., RE Valuta S.p.A., Visura S.p.A., Lextel S.p.A. and ISI S.r.l. The rate applied on the negative balances to the subsidiaries is equal to the 6M Euribor less 25 bps; the rate applied can be no lower than 0.10%.

Below is the summary table of all economic transactions and the incidence on the related items of the 2017 income statement and the relative comparative figures of 2016:

2017					
Amounts in Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial income**	**Financial charges**
Controlling Shareholder		145,099			500,000
Subsidiaries	500,000	24,120		18,242,725	431,912
Other Related parties					0
Total Related parties	**500,000**	**169,219**	**35,000**	**18,242,725**	**931,912**
Total financial statement item	**502,688**	**2,814,092**	**113,015**	**18,257,133**	**1,670,950**
% Incidence on Total	*99.5%*	*6.0%*	*31.0%*	*99.9%*	*55.8%*
2016					
Amounts in Euro	**Revenue**	**Service costs**	**Other operating costs**	**Financial income**	**Financial charges**
Controlling Shareholder	159,197	84,692			242,740
Subsidiaries	436,291	24,072		10,110,045	320,877
Other Related parties	18,333				
Total Related parties	**613,821**	**108,764**	**0**	**10,110,045**	**563,616**
Total financial statement item	**617,074**	**2,554,422**	**65,177**	**10,133,774**	**1,524,433**
% Incidence on Total	*99.5%*	*4.3%*	*0.0%*	*99.8%*	*37.0%*

Revenue from subsidiaries is related to the services provided as part of the management holding activities provided by the 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 subsidiaries approved the distribution thereof.

Financial charges with respect to the Controlling Shareholder (Tecno Holding S.p.A.) and to subsidiaries refer to the interest on the loans and cash pooling mentioned above.

30. NET FINANCIAL DEBT

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Company's net financial debt as at 31 December 2017, compared to 31 December 2016, is provided below:

Amounts in Euro	31/12/2017	of which with Related parties	31/12/2016	of which with Related parties
A Cash	23,266,008		30,026,107	
B Cash equivalents	0		0	
C Securities held for trading	0		0	
D Liquidity (A+B+C)	**23,266,008**		**30,026,107**	
E Current financial receivables	**29,194**		**0**	
F Current bank debt	-31,099		-265,779	
G Current portion of non-current debt	-3,466,667		-4,475,000	
H Other current financial debt	-39,382,852	-35,119,111	-2,788,452	-316,932
I Current financial debt (F+G+H)	**-42,880,617**		**-7,529,232**	
J Net current financial debt (D+E+I)	**-19,585,415**		**22,496,876**	
K Non-current bank debt	-34,961,793		-14,963,269	
L Bonds issued	0		0	
M Other non-current financial payables	-50,457,457	-41,000,000	-49,687,058	-41,000,000
N Non-current financial debt (K+L+M)	**-85,419,250**		**-64,650,327**	
O Net financial debt (J+N)	**-105,004,665**		**-42,153,451**	

31. OTHER INFORMATION

Commitments undertaken by the Company

With reference to the **Cariparma line A loan** agreement entered into on 27 April 2017 pursuant to Note *19. Financial liabilities, excluding financial derivatives*, please note that the contract was entered into jointly with the subsidiary Assicom Ribes and that Tecnoinvestimenti S.p.A. bears joint and several liability in the fulfilment of all contractual obligations assumed by the subsidiary by virtue of the contract. The financial liability borne by the subsidiary Assicom Ribes by virtue of the loan is equal to a nominal amount of Euro 9,200 thousand at the renegotiation date.

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 remunerat ion	Remuneration for participation in Committees	Variable remuneration non-equity (Bonus and other incentives)	Non-monetary benefits	Other remunera-tion	Total
Directors	285	34	139	3	46	**507**
Statutory Auditors	37	0	0	0	16	**53**
General Manager	274	0	0	0	0	**274**
Other Key Management Personnel	202	0	73	5	0	**280**

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: The fees shown in the table, applicable to the year 2017, are those agreed upon in the contract, inclusive of any index-linking (but not out-of-pocket expenses, any supervisory contribution and VAT).

In thousands of Euro	KPMG S.p.A.	KPMG network entities	Total KPMG
Audit services	**88**		**88**
Attestation services	**18**		**18**
Non-audit services	**221**		**221**
for IFRS 15 GAP analysis	*46*		*46*
for due diligence	*168*		*168*
for other activities	*7*		*7*
Total	**327**	**0**	**327**

32. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

On 8 February 2018, Cedacri, a Tecnoinvestimenti shareholder, completed the placement of 4.25% of the share capital at Euro 6.70 per share. After the disposal, carried out through an accelerated book building ("ABB") procedure reserved to institutional investors, Cedacri holds 1.4% of Tecnoinvestimenti, on which it entered into a 180-day lock-up commitment.

On 22 February 2018, Tecnoinvestimenti S.p.A. exercised the option for the early repayment of the loans obtained from the subsidiaries in the course of 2017 for a total of Euro 13,500 thousand plus interest, pursuant to Note *19. Financial liabilities, excluding financial derivatives*, already recognised under Current financial liabilities as at 31 December 2017. The actual repayment took place on 12 March 2018, in line with contractual provisions.

Milan,
March 14, 2018

Enrico Salza
Chairman

Certification of the Consolidated Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

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 2017.

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 2017 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.

Milan, 14 March 2018

Pier Andrea Edoardo Chevallard
Chief Executive Officer

Nicola Di Liello
Financial Reporting Manager

Certification of the Separate Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

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 2017.

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

a) administrative and accounting procedures for the preparation of the Financial Statements at 31 December 2017 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.

14 March 2018

Pier Andrea Chevallard
Chief Executive Officer

Nicola Di Liello
Financial Reporting Manager

KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Tecnoinvestimenti S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Tecnoinvestimenti Group (the "Group"), which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Tecnoinvestimenti Group as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Tecnoinvestimenti S.p.A. (the "Company") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Recoverability of goodwill

Notes to the consolidated financial statements: section on accounting policies – paragraph "Impairment losses on property, plant and equipment, investment property and intangible assets (impairment of assets)", note 9 "Use of estimates" and note 15 "Intangible assets and goodwill"

Key audit matter	**Audit procedures addressing the key audit matter**
The consolidated financial statements at 31 December 2017 include goodwill of €213,298 thousand. The directors tested goodwill for impairment in order to identify any impairment losses on the cash-generating units (CGU), to which goodwill is allocated, compared to their recoverable amount. The recoverable amount is based on value in use, calculated using the discounted cash flow model. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: — the expected cash flows, calculated by taking into account the general economic performance and that of the Group's sector, the actual cash flows for recent years and the projected growth rates; — the parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of goodwill is a key audit matter.	Our audit procedures included: — understanding the process adopted to prepare the impairment tests approved by the Company's board of directors. — analysing the criteria used to identify the CGU and trace their carrying amounts to the consolidated financial statements; — understanding the process adopted to prepare the 2018-2020 business plan approved by the Company's board of directors (the "2018-2020 plan") from which the expected cash flows used for impairment testing have been derived, as well as analysing the reasonableness of the assumptions used; — analysing any discrepancies between the business plans' figures and actual figures, in order to check the accuracy of the estimation process; — comparing the cash flows used for impairment testing to the cash flows forecast in the 2018-2020 plan and analysing any discrepancies; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, including by means of comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about goodwill and related impairment tests.

Allocation of the consideration paid for the acquisition of the Visura Group, the Warrant Group and Sixtema S.p.A.

Notes to the consolidated financial statements: note 4 "Consolidation scope and basis of consolidation", note 9 "Use of estimates" and note 13 "Business combinations"

Key audit matter	**Audit procedures addressing the key audit matter**
During 2017, the Group completed the recognition of the fair value of the assets acquired and liabilities assumed with the acquisition of control over the Visura Group and Sixtema S.p.A. on 20 July 2016 and 13 April 2017, respectively. Moreover, the Group provisionally recognised the fair value of the net assets acquired with the acquisition of control over the Warrant Group on 30 November 2017. Assisted by external experts, the Group also measured the fair value of the assets acquired and liabilities assumed using a method that discounts the expected cash flows. The method is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: — the expected cash flows, calculated by taking into account the acquirees' performance and that of the their sector, the actual cash flows for recent years and the projected growth rates; — the parameters used to calculate the discount rate. For the above reasons, we believe that the allocation of the consideration paid for the above acquisitions is a key audit matter.	Our audit procedures included: — understanding the process adopted to allocate the consideration paid for the acquisitions of the Visura Group, the Warrant Group and Sixtema S.p.A.; — analysing the reports prepared by the external experts engaged by the Group to measure the fair value of the assets acquired and liabilities assumed with the acquisitions of the Visura Group and Sixtema S.p.A.; — involving experts of the KPMG network in the assessment of the reasonableness of the allocation models and related assumptions, including by means of comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about the allocation of the consideration paid for the above acquisitions.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Tecnoinvestimenti S.p.A. for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 April 2016, the shareholders of Tecnoinvestimenti S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2016 to 31 December 2024.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Tecnoinvestimenti S.p.A. are responsible for the preparation of the Group's directors' report and report on corporate governance and ownership structure at 31 December 2017 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Group's consolidated financial statements at 31 December 2017 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific 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 at 31 December 2017 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Tecnoinvestimenti S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Rome, 30 March 2018

KPMG S.p.A.

(signed on the original)

Marco Giordano
Director of Audit

KPMG

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Revisione e organizzazione contabile
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PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Tecnoinvestimenti S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Tecnoinvestimenti S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Tecnoinvestimenti S.p.A. as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of Tecnoinvestimenti S.p.A. in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Recoverability of the carrying amount of investments in subsidiaries

Notes to the separate financial statements: section on accounting policies – paragraph "Equity investments", note 6 "Use of estimates" and note 12 "Equity investments recognised at cost"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2017 include investments in subsidiaries of €226,588 thousand recognised at acquisition or incorporation cost. When they identify indicators of impairment, the directors check the recoverability of these equity investments, by comparing their carrying amounts with their value in use calculated using the discounted cash flow model. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: — the subsidiaries' expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; — the financial parameters used to calculate the discount rate. For the above reasons and considering the materiality of the financial statements caption, we believe that the recoverability of the carrying amount of investments in subsidiaries is a key audit matter.	Our audit procedures included: — understanding the process adopted to prepare the impairment tests approved by the Company's board of directors. — understanding the process adopted to prepare the 2018-2020 business plan approved by the Company's board of directors (the "2018-2020 plan") from which the expected cash flows used for impairment testing have been derived, as well as analysing the reasonableness of the assumptions used; — checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process; — comparing the cash flows used for impairment testing to the cash flows forecast in the 2018-2020 plan and analysing any discrepancies for reasonableness; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, including by means of comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about the measurement of investments in subsidiaries.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Tecnoinvestimenti S.p.A. for the financial statements

The 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 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

— conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 April 2016, the shareholders of Tecnoinvestimenti S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2016 to 31 December 2024.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Tecnoinvestimenti S.p.A. are responsible for the preparation of the Company's directors' report and report on corporate governance and ownership structure at 31 December 2017 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Company's separate financial statements at 31 December 2017 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific 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. at 31 December 2017 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, 30 March

2018 KPMG S.p.A.

(signed on the original)

Marco
Giordano
Director of
Audit

Report of the Board of Statutory Auditors

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 46,573,120.00

Enrolled with the Companies' Register of Rome no. 10654631000

R.E.A. of Rome no. 1247386

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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 31 December 2017, the Statutory Board of Auditors carried out the supervisory activity as required by the applicable legislation, in the performance of its own duties, to the extent of its responsibilities, the compliance with Law and with the Articles of Association, 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.

1. Reference Legal Framework

The performance of the functions assigned to us as Board of Statutory Auditors has been carried out in compliance with 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.

The Board of Statutory Auditors is invested with the role of Internal Control and Auditing Committee pursuant to art. 19 of Legislative Decree 39/2010, taking into account the additions and changes to this made by Legislative Decree no. July 17, 2016, n. 135 in implementation of Directive 2014/56 / EU. As the Internal Control Committee, we acknowledge that we have received and examined the additional report pursuant to art. 11 of the EU Regulation n. 537/2014 received from the Auditing Firm, transmitting it to the Board of Directors accompanied by our observations.

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 boards 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, transferring the information gathered to the control body;
- 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 through the

Chairman of the Board of Statutory Auditors, in his capacity as Chairman of the same Supervisory Board.

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 a 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.

The remuneration of the Board was established prior to the listing of the Company and therefore does not take into account the resulting commitment. This has not, however, had any impact on the de facto activity carried out by the same Board.

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 14 meetings of the Board of Directors held during the course of 2017, acquiring, in accordance with the provisions set forth under Article 2381, paragraph 5, of the Italian Civil Code and under the Articles of Association, 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 1 Shareholders' Meeting held during the year. In this regard, the Board of Statutory Auditors verified the regularity of the abovementioned Board and Shareholder 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 Articles of Association. 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 Laws or the Articles of Association.

We held a central role in the overall control system, carrying out the supervisory activities through 13 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 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 Law, the Articles of Association 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) exercise by Tecnoinvestimenti S.p.A. of the option to purchase 12.5% of the minorities of Ribes S.p.A. and 32.5% of the minorities of Assicom SpA, thus obtaining the full control of both companies, aimed at promoting their integration within the strategic business unit of Credit Information & Management;

b) direct acquisition of an 83.1% stake in the indirect subsidiary Re Valuta S.p.A. following the allocation of a dividend in kind by the subsidiary Ribes S.p.A.;

c) acquisition by InfoCert SpA of 45% of the capital of Sixtema S.p.A., an ICT company specialized in the production of software for the artisan sector and micro businesses. Prior to the operation, InfoCert S.p.A. held a 35% stake. The residual 20% participation held by minority shareholders is subject to a put & call option, exercisable in a single solution after the approval of the 2018 financial statements;

d) purchase, by Tecnoinvestimenti S.p.A., of a further 10% of the subsidiary Co.Mark S.p.A.

e) approval, in July 2017 by the Board of Directors of Tecnoinvestimenti, of the merger between Ribes S.p.A. and Assicom S.p.A;

f) purchase, by Tecnoinvestimenti S.p.A., of 70% of the share capital of Warrant Group S.r.l., a leading company in the field of business consulting for subsidized finance operations. The remaining 30% of the capital is subject to put & call option rights exercisable in two tranches, respectively after the approval of the 2018 financial statements and the 2019 financial statements, at a price calculated on the basis of a multiple on the consolidated EBITDA of the 2018 Warrant Group Srl, taking into account the net financial position.

For our part we acknowledge that the work of the Board of Directors effectively responds to the requirement to act informed when taking the relevant resolutions. In particular, the Administrative Body assessed the opportunities and the consequences of the transactions carried out on the basis of forecast estimates, due diligence, the financial impact of the transaction and a preliminary general assessment of the impact deriving from the application of the accounting principle IFRS 3. The transactions were disclosed to the market within the terms and with the required transparency.

2.4. Related Party transactions. Indication of the possible existence of atypical and/or unusual transactions, including intragroup or related parties transactions

The Company adopted a Procedure on Related Party Transactions on 17 May 2016. It results that 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 those transactions which are excluded in accordance to the aforesaid procedure. In this respect, the Board of Statutory Auditors acknowledges that the Committee's members declared that they meet the independence requirements set forth under Article 148, paragraph 3, of the Consolidated Law on Finance and Article 3 of the Corporate Governance Code of Borsa Italiana. For our part we acknowledge that we have found the substantial suitability of the procedure adopted. The mapping of the Related Parties is updated periodically on an annual basis.

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 12 March 2010, as amended by Resolution no. 17389 of 23 June 2010.

These transactions consist of:

(i) the activation, during the year, of a centralized management system of the Group treasury (so-called cash pooling) managed by the Parent Company Tecnoinvestimenti S.p.A. The Group companies participating in the cash pooling are Assicom Ribes S.p.A., Co.Mark S.p.A., InfoCert S.p.A., ISI S.r.l., Lextel S.p.A., RE Currency S.p.A., Visura S.p.A. and, from the month of November, Sixtema S.p.A .;

(ii) the disbursement by subsidiaries of an intragroup loan, bearing interest calculated using the 6-month Euribor 360 rate plus a margin of 130bps, to Tecnoinvestimenti SpA, in order to strengthen the development plan for lines external to benefit of the Group as a whole.

These are transactions with and between subsidiaries of Tecnoinvestimenti, without the involvement of a related third party. Therefore, they fall within the scope of operations excluded from the application of the procedure and the scrutiny of the related Committee.

We also acknowledge the compliance of these transactions with Law and the Articles of Association, their compliance with the company's interest, and the absence of situations that would entail further considerations and comments.

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.

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

During the year no atypical and / or unusual transactions were carried out.

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. The elements emerged are represented in the section of this Report, related to the activity carried out by the Board in its role as Internal Control and Auditing Committee (ICAC), as per the following fourth section.

2.7. Indications on the content of the Auditing Firm's Report and judgment of the Financial Statements

The auditing report for the year ended 31 December 2017 presents important changes, both in terms of its structure and its content. In this regard, we recall the insertion (i) of the paragraph containing the key aspects of the audit (so-called key audit matters); (ii) the paragraph on the responsibilities of the Auditing Firm in order to provide more information on the activities performed in the context of the audit, including communication to the subjects responsible for governance activities; (iii) of the paragraph containing specific statements required by Regulation (EU) no. 537/14; (iv) of the paragraph containing, in addition to the judgment of consistency of the management report with respect to the financial statements, also that of compliance with the law, as well as the declaration on any significant errors found.

The report issued by the Auditing Firm shows a judgment that is qualified "without modification" and that does not contain any informational requests.

2.8. Observations and proposals on the findings and information recalls contained in the audit firm's report

From the report of the Auditing Firm, there are no relevant findings or requests for information.

2.9 Indication of possible conferral of further assignments on the Auditing Firm and related costs

On the basis of the information acquired, the tasks assigned to the Auditing Firm are those reported in the explanatory notes and summarized in the subsequent fourth section.

In this regard, during the year, the Board of Statutory Auditors invited the Administrative Body of Tecnoinvestimenti S.p.A. to solicit the subsidiaries regarding the request and obtaining the approval of an estimate from the Parent Company, in the exercise of the latter's own activity of management and coordination, before commencing the assignment of any mandate to the Group Auditor.

As already mentioned, we specify that, by virtue of the changes made to Legislative Decree no. 39/2010 by Legislative Decree 135/2016 and taking into account the provisions of Regulation (EU) no. 537/2014, and in particular the new tasks that fall under the statutory auditor, KPMG requested a supplement of the amounts originally envisaged as a result of the additional activities to be carried out. In this regard, the College:

- observes that these are activities that derive from the existing audit assignment, even if they involve an increase in the Auditor's duties and an additional commitment;
- notes that this integration is consistent with the criteria for determining the original consideration;
- acknowledges that it has issued an opinion in favor of the supplementary consideration requested by the Auditor, finding its adequacy in consideration of the foreseeable additional commitment and the criteria of the economic commissions envisaged in the initial proposal of the assignment.

2.10. Indication of the possible appointment granted to parties which have relationships with the Auditing firm on a continuous basis and the relative costs

During the financial year, no assignments have been conferred upon entities belonging to the KPMG SpA network.

There have also been no assignments to the shareholders, directors, members of the control bodies or employees of the Audit Firm itself and or to companies controlled or connected to it.

The Auditor Firm issued the declaration on their independence in relation to which reference should be made to the section of this report concerning the activity carried out by the Board in its role as ICAC.

2.11 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 2017 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 2017 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 estimates regarding the assignment of appointments for services other than accounting audits:

- for the preparation of a Vendor Due Diligence Report in relation to a planned transaction for the sale of a business unit for € 98,000, which was followed by the request for integration of the consideration for € 70,000, also subject to prior authorization from the Board of Statutory Auditors;
- for certain audit-related activities to verify the revenue figures achieved in 2016 by Ribes S.p.A. and RE Valuta S.p.A. with respect to Cedacri S.p.A., with the aim of providing information for assessments relating to the "Regulations of the 2016-2019 Tecnoinvestimenti Warrants", for € 7,000.

The Board also notes that it has previously approved, in accordance with the Group regulations adopted, the following conferrals of assignments for services other than auditing, approving:

- by the subsidiary InfoCert S.p.A., for services related to the process of validation of the document research path for € 6,500;
- by the subsidiary Ribes S.p.A. (now Assicom Ribes S.p.A.), for IT risk analysis services, for € 14,000.

The Board also notes that it has issued, in 2017, the following opinions:

- favorable opinion regarding the provision by subsidiaries of € 13,500 thousand of intragroup financing to Tecnoinvestimenti S.p.A., in order to strengthen the development plan for external lines for the benefit of the Group as a whole;

- favorable opinion in relation to the fees paid by the Board of Directors to the Chief Executive Officer, following the review of the parametrization of the variable part of his remuneration;
- favorable opinion for the integration of the fees for the statutory audit assignment pursuant to art. 13 and 16 of Legislative Decree 39/2010.

In order to provide information as complete as possible, we finally acknowledge that, in the first months of the year 2018, we have released the following opinions:

- favorable opinion regarding the assignment to the Auditing Firm of the consulting mandate for the first application project in the Tecnoinvestimenti Group of the new international accounting standard IFRS15, for € 46,000;
- favorable opinion for the independent auditors to carry out the limited examination of the consolidated non-financial statement of the Tecnoinvestimenti Group, drawn up pursuant to Legislative Decree no. 30/12/2016, no. 254, for € 18,000.

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 from 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 Law and the Articles of Association 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 compliance with the Corporate Governance Code prepared by the Committee for the Corporate Governance of Listed Companies, the Company has initiated a self-assessment by the members of the Board of Directors by assigning to a primary standing advisor the relative framework and evaluation of the outcome. For our part, through the Chairman of the Board of Statutory Auditors, we interacted with the advisor, in order to ensure the best effectiveness of the process. Suggestions emerged to improve the effectiveness of the functioning of the Administrative Body.

The Company, since it adheres to the Corporate Governance Code, has issued a specific Report on the compliance of the Corporate Governance System, concerning the comparison of the Issuer's corporate governance system at the start of trading of ordinary shares on the MTA with recommendations contained in the Code itself. This report is currently consistent with the actual situation.

Furthermore, we acknowledge that, in accordance with the principles of the Corporate Governance Code for Listed Companies regarding the remuneration of executive directors and in line with the international best practices on the matter, the Company has a virtual stock option plan that aims to constitute a medium-long term remuneration system favoring the alignment of the interests of senior executives with strategic responsibilities of the Group and with those of investors. In our opinion, the plan is a suitable instrument for developing a remuneration system correlated to the growth of the market value of the shares.

At the procedural level, in ascertaining that the Company has adopted an internal set of rules to meet the requirements deriving from listing on the Mercato Telematico Azionario, we note that, following the changes introduced in the reference regulatory framework, the internal procedures have been modified. in the subject of Market Abuse, redesigned to take into account the MAR

Directive.

We have also requested and obtained the adjustment of the internal model of impairment test.

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).

Independent directors are the majority of Directors. The Board of Statutory Auditors verified the correct application by the Board of Directors of the criteria for assessing the independence of its members.

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*), without noting any critical points.

3.2. Remarks on the adequacy of the organizational structure

First of all, let us note that the composition of the Administrative Body complies with the provisions of Article 148, paragraph 3, of the Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, with reference to the presence in the Board of independent directors drawn from minority lists and gender quotas.

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.

With regard to the changes that affected the organizational structure, the Board of Statutory Auditors certifies that the Company has continued to consolidate the same - necessary to support the Group's growth - through the inclusion of new functions and corresponding staff figures, which are essential to carry out control activities and the exercise of management and coordination in compliance with a strict segregation of duties and responsibilities of the operational functions compared to those of control. In particular, during 2017, the Company has:

1) introduced a Human Resources and Organization function, proceeding to designate the

relative Manager;

2) separate management control activities compared to those relating to planning;

3) appointed a person responsible for computer technology security, which is a fundamental organizational supervisory task so ask to mitigate the Group's cyber risks;

4) established the Compliance function, entrusting it to an external outsourcer.

In this regard, to oversee the activities of the outsourcer for Compliance, we suggest identifying an internal contact person, possibly within the Administrative Body, in accordance with the best practices of the supervised compartments.

The Administrative Body has started an organizational working party, with the assistance of a advisor of primary standing, aimed at redefining the Group's remuneration policies, including the administrative and control bodies to take into account the commitment required of them deriving from the status of listed companies.

Lastly, we monitored the attribution of powers to the Delegated Body and the definition of decision-making powers.

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 of the Group, meeting 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 or entrusted hierarchically with the same Functions; second level controls are attributed to the management control and newly instituted Compliance function; third level controls, instead, are entrusted to the Internal Audit function. The oversight of IT security is also part of the control system.

We verified, preliminarily, the adequacy of the Internal Audit plan, providing where appropriate, certain suggestions.

As to the effectiveness of the internal control and risk management system – 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 Laws, the Articles of Association 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.

As already mentioned, during the year the separation between management control and planning activities was strengthened by assigning them to two separate managers.

We have suggested the adoption of an integrated *tableau de bord* of the interventions undertaken by the control functions that have had a highly important relevance, as well as, with reference to the Compliance function of an internal regulation of the function and a better clarification of the object and levels of service provided by the related outsourcing contract.

We have also suggested that the preparation of the activities plan of the control functions be undertaken in an integrated manner in order to maximize the effectiveness of the interventions and widen the spectrum of action.

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 detect 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.

In this regard the Model created to comply with Law 262 of 2005 and the controls implemented by the Financial Reporting Manager assume fundamental importance, also through the internal control function within the financial administrative governance framework.

The Company, in addition, adopted an evolved system and a software which unified the management and the control of financial and operating performance, with the aim of insuring informational instruments are adequate to intercept possible variations versus forecast data. In this respect we acknowledge that we have taken care to assure the punctual respect of the financial covenants is conducted also in a forecast manner, anticipating as a result that which is foreseen by the Civil Code modifications contained in enabling Law no. 155 of 2017.

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 area we stayed in contact with the Supervisory Bodies of the Subsidiaries, in order to better affront, by means of constant coordination and sharing activities, those matters having a impact on all the diverse entities belonging to the Group, notwithstanding the protection of managerial autonomy of each company.

Finally, we activated a process to monitor the progress achieved of the implementation by the subsidiaries of the internal regulatory framework.

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 17 May 2016.

We recall that the Company has not instituted a Nomination Committee. This is justified by the following facts, which emerged also from the self-valuation undertaken by the Board members: that a majority of Directors of the Board of Directors are independent, that the Chairman is extraneous with respect to the management of the business, and the contribution of the same to ensure the transparency of how Board workings are conducted.

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 2017 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 proposals 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 section, 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 (ICAC), and in that capacity carried out the activities provided for under the normative regulations resulting from the modifications introduced by Legislative Decree no. 135 of 17 July 2016 that implemented the EU Directive 2014/56/ which amended EC Directive 2006/43.

As a preliminary point, the Board declares that it has carried out a specific self-assessment in this regard by recognizing in its comparisons, also in its capacity as members of the ICAC, the possession of the competence requisites with respect to the sector in which the Company operates.

The supervision of the financial reporting process by the Board in its capacity as ICAC is presented below.

- The ICAC monitored the independence of the Auditor, as required by Art. 10-bis of Legislative Decree 39/2010 and Art. 6 of the European Regulation n. 537 of 16 April 2014, to carry out the task in terms of independence and objectivity, definition of appropriate measures to mitigate the risks of independence, availability of competent professional staff, authorization of the person responsible for the assignment to perform the legal audit. In particular, the tasks assigned to the Auditor unrelated to the auditing activity do not pertain to prohibited non-auditing services (so-called NAS) and the activities performed in the past do not involve a risk of self-examination.

- In relation to the above, the table of tasks attributed to the Auditor is reproduced as follows:

Auditing Services	
Statutory audit of the Financial Statements and of the Consolidated Financial Statements as of 31 December 2017	Euro 88,000
Verification of the regular keeping of the social accounting and of the correct recording of management facts in the accounting records	
Statutory audit of the Six Month Financial Report at 30 June 2017	
Tax models	

Certification Services	
Assignment for the limited examination of the Consolidated non-Financial Statement of the Tecnoinvestimenti Group drawn up pursuant to Legislative Decree no. 12/30/2016, n. 254	Euro 18,000

Services other than Audit	
Appointment of a consultant for the first application of the new international accounting standard IFRS15 to the Tecnoinvestimenti Group	Euro 46,000
Vendor Due Diligence Report in relation to a planned sale of a business unit	Euro 168,000
Verification procedures on the turnover figures achieved in 2016 by Ribes S.p.A. and RE Valuta S.p.A. generated by Cedacri, for the purpose of providing information for assessments relating to the "Regulations of the 2016-2019 Tecnoinvestimenti Warrants"	Euro 7,000

- The ICAC monitored the work of the Auditing Firm and, in this regard, acknowledges that it has assessed ex-ante the planning of the activity by the Auditing Firm, and that it is consistent with the size and characteristics of the Company, as well as the risk assessment of errors or frauds conducted by the Auditor himself, appeared consistent with the information available to the ICAC.

- For its part, the evaluation of the financial disclosure carried out by the ICAC is based on the understanding and evaluation of the related process through which information is produced and disseminated.
- With regard to the assessment of the effectiveness of the internal control and risk management systems of the Company related to financial reporting, the ICAC took account of the controls adopted, pursuant to Law 262/2005, by the Financial Reporting Manager and of the improvements the same suggested by the Internal Audit function as a result of the *ad hoc* tests carried out. Specifically, we believe that the decision taken by the Company to adopt a Group ERP (Enterprise Resource Planning) through SAP constitutes a further strengthening of the system of Administrative Financial Governance.
- More in detail, with particular regard to monitoring the financial reporting process, the Board of Statutory Auditors, also in its capacity as ICAC, periodically examined the results of the checks carried out on the main processes for the production of administrative and financial information and on adequacy of the technological infrastructure, noting that the evidence gathered by the function during the reference period and the mitigation actions envisaged allowed to assess the overall residual risk to be an insignificant level and of a nature which doesn’t influence the preservation of the valuation settings and accuracy of accounting records.
- Returning to the Auditor's work, the ICAC took note of the methodologies adopted by the Auditing Firm which are composed of, with risk-adjusted graduation, process evaluations, direct detailed procedures and comparative analysis procedures against the previous year.
- In this regard, the ICAC assessed, when planning the auditing activity, the quantitative level of significance (in relation to the entire financial statements, to individual classes or items, to individual transactions) assumed by the Auditor for carrying out the statutory audit, finding it adequate. Again with reference to the work of the Auditor, the ICAC has verified the absence of objections by the Auditor in relation to

the evaluation methods adopted by the Company with regard to their correctness, to the adequacy of their application with particular regard to coherence with the *de facto* situation of the options exercised and the reasonableness of the parameters assumed.

- The Board of Statutory Auditors, in its capacity as ICAC, notes that it has observed, as has the Auditor, the lack of events or circumstances that could raise significant doubts regarding the continuity of the business, as well as the absence of significant weaknesses in the internal control system for financial information and / or accounting system. To this end, as already indicated, the Board of Statutory Auditors also requested the activation of periodic checks on the forecast compliance with the financial covenants agreed in relation to the credit lines granted to the Company. The checks were successful.
- In its capacity as ICAC, the Board of Statutory Auditors acknowledges that it has not observed, as has the Auditor, the presence of significant matters concerning cases of non-compliance, actual or presumed, with Laws and regulations or provisions of the Articles of Association detected during the audit, deemed important to enable the ICAC to carry out its functions.
- With regard to the key aspects of the audit (so-called key audit matters), the ICAC acknowledges that they were discussed by the Auditor with the Financial Reporting Manager and with the ICAC itself, analyzing in depth the reasons for which key aspects were considered, the related procedures auditing performed in response to these risks and the main observations made by the Company. The key audit matters (KAM) identified by the Auditor relate to:
    - limited to the individual financial statements: recoverability of the value of investments;
    - limited to the consolidated financial statements: recoverability of the goodwill and allocation of the price paid for the acquisition of the Visura Group, the Warrant Group and the company Sixtema.

  With regard to the recoverability of the value of the investments, the Auditing Firm focuses on the fact that the valuation process involves a risk of significant error, as it is based on assumptions that contain a high evaluation component and is linked to the realization of the forecast plans of the reference businesses. In light of the foregoing, the Auditor acknowledges that it has (i) understood the process adopted in preparing the impairment tests approved by the Company's Board of Directors; (ii) including the process adopted in preparing the 2018-2020 Economic Financial Plan, approved by the Company's Board of Directors from which the expected future cash flows that form the basis of the impairment tests are extracted, and analyzed the reasonableness of the assumptions adopted; (iii) examined the discrepancies between the data included in the economic and financial plans of previous years and the definitive results in order to understand the accuracy of the estimation process adopted by the directors; (iv) made a comparison between the cash flows used for the purposes of the impairment tests and the flows envisaged in the 2018-2020 Plan and analyzed any differences; (v) examined, with the involvement of experts from the KPMG network, the reasonableness of the impairment test model and the related assumptions, also through comparison with external data and information; (vi) examined the appropriateness of the information provided in the explanatory notes to the Financial Statements in relation to the valuation of investments in subsidiaries.

In relation to the Key Audit Matters identified at the Consolidated Financial Statements level, with regard to the recoverability of goodwill, the Audit Firm focuses on the fact that the valuation of this intangible asset involves a risk of significant error, as a result of the fact that the recoverability of the same is based on assumptions that contain a high evaluation component and is linked to the realization of the forecast plans of the reference sectors. The Audit Firm acknowledges that it has (i) understood the process adopted in preparing the impairment tests approved by the Parent Company's Board of Directors; (ii) analyzed the criteria for identifying CGUs and reconciling their respective carrying amounts with the financial statements; (iii) including the process adopted in preparing the 2018-2020 Economic Financial plan approved by the Parent Company's Board of Directors from which the expected future cash flows at the basis of the impairment tests are extracted, as well as analyzed the reasonableness of the assumptions adopted; (iv) analyzed the discrepancies between the data included in the economic financial plans and the definitive results in order to understand the accuracy of the estimation process adopted by the directors; (v) compared the cash flows used for the purposes of the impairment test and the financial flows envisaged in the 2018-2020 Plan and analyzed any differences; (vi) examined, with the involvement of experts from the KPMG network, the reasonableness of the impairment test model and related assumptions, also through comparison with external data and information; (vii) examined the appropriateness of the information provided in the Explanatory Notes to the Financial Statements in relation to goodwill and the related impairment tests.

With regard to the allocation of the price paid for the business combinations of the Visura Group, the Warrant Group and the company Sixtema, the Audit Firm draws attention to the fact that the accounting standards of reference provide that the business combinations are accounted for according to the acquisition method, based on which the acquisition cost is represented by the fair value at the acquisition date of the assets sold, liabilities assumed and capital instruments issued. Furthermore, the net assets acquired are recorded at their fair value at the acquisition date. In light of the above, the Independent Auditor acknowledges that it has (i) understood the process adopted by the Company for the allocation of the price paid for the aforementioned acquisitions; (ii) analyzed the reports prepared by the external experts appointed by the company for the determination of the fair value of the assets acquired and the liabilities assumed deriving from the acquisitions; (iii) examined, with the involvement of experts from the KPMG network, the reasonableness of the allocation models and the evaluation of the related assumptions, also through comparison with external data and information; (iv) examined the appropriateness of the information provided in the Explanatory Notes to the Financial Statements in relation to the allocation of the price paid for the aforementioned acquisitions.

The ICAC shares the identified KAMs and acknowledges that the auditing procedures adopted by the Auditor appeared to be adequate relative to the risk.

- With regard to the other significant aspects, the ICAC acknowledges having discussed them with the Auditing Firm, examining the reasons and the related audit procedures implemented in response to these risks. These concern:

- management override of controls;
- valuation of liabilities for the acquisition of minority interests.

The ICAC shares the significant aspects identified, noting that, the first of these is the risk necessarily present in every company, while the latter assumes a characteristic feature for the Company. In this regard, it acknowledges that the control procedures adopted by the Auditor appear to be adequate.

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 reference normative framework , it is worth remembering that these duties are conferred to the Auditing Firm.

The judgment rendered by the Auditing Firm with reference to the Separate Financial Statements and to the Consolidated Financial Statements is “without modification”: it does not evidence, therefore, any critical points, uncertain situations or possible limitations in the verifications, information recalls.

From our side, we supervised the general approach given to the Financial Statements being examined.

In particular, as already stated, 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 Financial Statements have been prepared with the application of the International Financial Reporting Standards (IFRS) and in accordance with the interpretations of the

International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and effective on the date financial statements, as well as previous International Accounting Standards (IAS).

- the production, the setting and the presentation formats of the Annual Financial Statements comply with the reference normative framework;
- the Financial Statements are consistent with the events and the information of which we became aware following the attendance at the meetings of the Coroporate 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;
- to the knowledge of the Board of Statutory Auditors, the Board of Directors in drafting the Financial Statements did not derogate from the legal provisions established by Art. 2423, fifth paragraph, of the Civil Code;
- 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 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 31 December 2017, 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.

With regard to the non-financial disclosure provided in the Report on Operations, falling within the scope of application of Legislative Decree 256/2016, it was subject to limited assurance by KPMG, made in compliance with ISAE 3000, by which elements of inadequacy have not emerged. The recourse to the Group Auditor also for this activity is justified in the knowledge acquired of the business model, without compromising its independence. We believe, however, that the Audit Firm should not be called on for further assignments in the near future.

6. REMARKS REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements as at 31 December 2017 were compiled through the application of International Financial Reporting Standards (IFRS), in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Commission and in force at the balance sheet date, as well as previous International Accounting Standards (IAS).

The companies in the consolidation perimeter include InfoCert SpA, Assicom Ribes SpA, Co.Mark SpA, Visura SpA, RE Currency SpA, Warrant Group Srl, Creditreform Assicom Ticino SA, Co.Mark TES SL, Lextel SpA and Isi Sviluppo Informatico Srl. Sixtema SpA, Warrant Innovation Lab Scarl, Warrant Service Srl, Bewarrant Srl.

Compared to 2016, the economic data have undergone some changes due to:

- the consolidation, starting from 1 April 2017, of the company Sixtema S.p.A., previously consolidated using the equity method;
- - the consolidation, starting from 1 December 2017, of Warrant Group and its subsidiaries.

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 Statutory Auditors has ascertained and may acknowledge, that:

- the provisions concerning the establishment and the framework of the Consolidated Financial Statements and of the accompanying Management Report have been complied with;
- the documents taken on the basis of the full consolidation process are represented by the draft Financial Statements referring to 31 December 2017, as approved by the competent

administrative bodies of the subsidiaries, and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company. It should be noted that the company Warrant Group S.r.l. and the related subsidiaries drafted their individual financial statements with the application of Italian accounting standards and therefore, for consolidation purposes, the reporting package approved by the administrative body of the subsidiary was used. For companies whose control was acquired during the year, the relative financial statements have been consolidated starting from the date on which control was acquired;

- - no subsidiary company is excluded from the consolidation area;
- - the scope, valuation criteria and consolidation principles adopted are adequately illustrated by the Directors in the Explanatory Notes.

We have agreed with the recognition of goodwill within the assets of the Consolidated Financial Statements.

The Board of Statutory Auditors took note of the "unqualified" opinion expressed by the Audit Firm with specific reference to the statutory audit of the consolidated accounts, and thus the absence of uncertainty or any limitations in the verifications or information recalls.

* * *

CONCLUSIONS

As a result of the supervisory activity carried out during the 2017 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 do not find, for the profile of our responsibilities, reasons to impede the approval of the Financial Statements as of 31 December 2017, as prepared by the Board of Directors, and to the proposal made by the same Corporate Body regarding the allocation of the profit produced.

Our mandate expires with the approval of the Financial Statements. In thanking you for the trust that has been shown to us, we signal our availability to ensure the transfer of all the necessary knowledge and information in our possession to the new Board of Statutory Auditors.

Rome, 30 March 2018

The Board of Statutory Auditors

Mr. Riccardo Ranalli

Mr. Gianfranco Chinellato

Mrs. Domenica Serra