NB Aurora S.A. SICAF-RAIF

Condensed Interim Report as of 30 June 2022

For the period from 1 January 2022 to 30 June 2022

Registered office
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg
R.C.S Luxembourg, B 218101

E-MARKET SDIR CERTIFIED

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GENERAL INFORMATION

Directors	Francesco Moglia Patrizia Polliotto (Independent) Alessandro Spada (Independent) Fereshteh Stein-Pouchantchi Galeazzo Pecori Giraldi (Independent)
Alternative Investment Fund Manager	Neuberger Berman AIFM S.à r.l. 9, rue du Laboratoire L – 1911 Luxembourg
Auditor	KPMG Luxembourg, S.A. 39, avenue John-F. Kennedy L-1855 Luxembourg
Administrator, Registrar, and Transfer Agent	Brown Brothers Harriman (Luxembourg) S.C.A. 80, route d'Esch L-1470 Luxembourg
Depositary and Paying Agent	Brown Brothers Harriman (Luxembourg) S.C.A. 80, route d'Esch L-1470 Luxembourg

DIRECTORS' REPORT

The Board of Directors of NB Aurora (the "Board of Directors") presents to the shareholders the condensed interim report as of 30 June 2022 (the "Condensed Interim Financial Statement" or "Condensed Interim Report") for NB Aurora S.A. SICAF-RAIF (the "Company" or "NB Aurora" or the "Fund").

Principal activities

The Company's investment objective is to achieve long-term capital appreciation through equity and equity-related investments primarily in a portfolio of small and medium sized and unlisted Italian companies.

The Company's investment strategy is to acquire further stakes, predominantly minority stakes, in unlisted small and mid-cap companies, providing companies with capital to finance their business growth and international expansion plans alongside the entrepreneurs.

The Company has a corporate form of a "société anonyme" qualifying as a "fonds d'investissement alternatif réservé" or "RAIF" in the form of a "société d'investissement à capital fixe" incorporated under the laws of the Grand Duchy of Luxembourg on 14 September 2017.

The Company does not have any branches nor does it conduct any research and development activities.

The Company's Class A Ordinary shares (ISIN LU1738384764) are listed since 4 May 2018 on the Investment Vehicles Market - Professional Segment, a regulated market operated by Borsa Italiana S.p.A. (the "MIV"). The Company is the first permanent capital vehicle listed on the MIV.

The Company has not repurchased any of its shares during the period.

Results, activities and future developments

The Company was incorporated on 14 September 2017. On 4 May 2018 (the "Listing Date") the Company commenced investing in accordance with the investment objective.

The Board of Directors' determination of key performance indicators for the reporting period is represented by the financial results as disclosed in the Condensed Interim Report.

On 10 June 2022, the Company completed a fourth capital increase, together with the investment vehicle controlled by Guglielmo Fiocchi and Maurizio Perroni's F&P4BIZ, in BluVet. The capital increase amounted to Euro 1.05 million and was provided through the wholly owned vehicle Blu Club S.r.l. The transaction is part of the program of further capital increases up to a maximum of Euro 27 million by the two sponsors (of which up to a maximum of approximately Euro 19 million for NB Aurora).

The Company realised a profit of Euro 6.3 million as of 30 June 2022 (30 June 2021: Euro 9.6 million). The Company obtained income from investments for Euro 8.5 million (30 June 2021: Euro 11.9 million) and incurred expenses for a total amount of Euro 2.2 million (30 June 2021: Euro 2.3 million) of which Euro 1.7 million (30 June 2021: Euro 1.8 million) for management fees.

As of 30 June 2022, the NAV[1] of NB Aurora is about Euro 294.4 million (31 December 2021: Euro 288.1 million).

[1] The Net Asset Value (NAV) represents the net value of an entity and is calculated as the total value of the Company's assets minus the total value of its liabilities.

DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

As of 30 June 2022, the subscribed capital of the Company is equal to Euro 245,081,150 consisting of 24,553,115 Shares without indication of a par value, all of which are fully paid up and represented by 24,353,115 Class A Ordinary Shares, 150,000 Class B Ordinary Shares and 50,000 Special Shares, representing Euro 243,531,150 of share capital of the Company for the Class A Ordinary Shares, Euro 1,500,000 of share capital of the Company for the Class B Ordinary Shares and Euro 50,000 of share capital of the Company for the Special Shares.

The NAV of Euro 294.4 million of is composed of about Euro 7.1 million represented by the investment in Fondo Italiano di Investimento, about Euro 211.3 million by the shares of Club del Sole, Dierre Group, PHSE, Rino Mastrotto Group (the “RMG”), BluVet, Veneta Cucine, Comet, Farmo and Exacer (through the fully owned subsidiary NB Aurora Holdings S.à r.l.), about Euro 40.1 million represented by the investment in Engineering through MIC Co-Invest, and about Euro 35.9 million of cash and cash equivalent, prepayments net of accrued expenses and other payables.

The Company approved NAV as of March 2022, that is equal to approximately Euro 293.1 million.

NB Aurora proposes itself as an active investor that can help the development of leading companies in its reference markets.

NB Aurora aims to create value by supporting its portfolio companies along the following lines of development:

- internationalization;
- consolidation of fragmented niches and markets;
- inclusion, in agreement with the majority shareholder, of new managerial figures, possibly useful to facilitate the generational transition; and
- simplification of complex shareholder structures.

The COVID-19 pandemic and the Russia-Ukraine war have, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity, causing an increase of raw materials, energy and transportation costs. The spread of the Omicron variant and the complex geopolitical environment have negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility. Despite the improvement of the health situation mainly due to the vaccination of a large part of the population in the developed countries, the development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse effect on global economic and market conditions.

The unpredictable development of COVID-19 pandemic and the Russia-Ukraine war may lead to adverse impacts on valuations and other financial analyses.

The management of investment portfolio is entrusted to a team of professionals, who have been working together for over the years in the relevant target companies.

NB Aurora does not usually use financial leverage and seeks visionary entrepreneurs to support them in the implementation of their projects.

DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

The aggregate revenues of the companies currently in the portfolio (excluding Zeis, in "Concordato di Continuity"), based on the financial statements on 31 December 2021 (latest public data), amounts to approximately Euro 2.6 billion with an aggregate EBITDA[2] of approx. Euro 370 million.

To date, the portfolio includes:

- **Club del Sole:** based in Forli, Club Del Sole today directly manages 20 camping-villages in 7 regions of Central and Northern Italy. Despite the impact of the COVID-19 pandemic, in 2021 the group recorded a turnover of more than Euro 60 million.
- **Dierre Group:** Dierre Group is leader in Italy in the design, production and sale of technologically advanced and aesthetically pleasing protections and components for industrial automation with a large and diversified customer base that includes the largest Italian manufacturers in the industrial automation sector. Founded in 1997 in Fiorano Modenese by Giuseppe Rubbiani, today it is the Italian leader in its market niche. In 2021, Dierre registered a consolidated turnover of around Euro 53 million and an EBITDA of about Euro 8 million.
- **RMG:** Rino Mastrotto Group is a world leader in the production and sale of high-end leather for the fashion, automotive and furnishing sectors. Today RMG employs over 940 people and sells in over 60 countries. The international turnover increases to over 80%, if we consider that many of the group's customers are fashion houses that produce in Italy, but export most of their articles all over the world. In recent years, the group has grown significantly and in FY21 recorded a turnover pro-forma of over Euro 329 million.
- **PHSE:** as leader in Italy in the temperature-controlled transportation of pharmaceutical products, biotech, clinical trials and biological samples serving the hospital channel, PHSE can count on 15 hubs and about 300 employees. In 2021, the Group completed three acquisitions and recorded a consolidated turnover of around Euro 44 million.
- **Engineering:** Engineering is a leading specialist provider of IT services, software development and digital platforms, supporting clients in digital transformation projects. Headquartered in Rome, and with about 12,000 professionals in 65 locations in Europe, the USA and South America, Engineering designs, develops and manages innovative solutions for the business areas where digitalization is having the biggest impact, including Digital Finance, Smart Government & E-Health, Augmented Cities, Digital Industry, Smart Energy & Utilities, Digital Telco & Multimedia. In 2021, Engineering recorded revenues of around Euro 1.3 billion with an EBITDA of around Euro 198 million.
- **BluVet:** BluVet, founded in 2019 by a group of experienced managers, aims to create in 5 years, through M&A, a chain of veterinary clinics of medium-large size in Italy. As of today, the Company has completed the acquisition of 18 veterinary clinics. In July 2021 NB Aurora performed a second capital increase and a third capital increase in November 2021 to support the acquisition plan. In 2021, the Group recorded a consolidated turnover pro-forma of around Euro 21 million. In June 2022 NB Aurora performed the fourth capital increase.
- **Veneta Cucine:** Veneta Cucine is a family run company with 50-year history and a leader in the design, production, and manufacture of kitchens, living rooms and furnishings accessories with around 300 single-brand shops and more than 700 dealers worldwide. In 2021, the company achieved total revenues of around Euro 290 million.

[2] Earnings before interest, taxes, depreciation, and amortisation ("EBITDA"), is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

- **Comet:** Comet is an Italian company active in the development and production of tailor-made organic rubber and silicone compounds, which are used for various applications in different industrial fields, including transport, water, electrical, food, medical, pharmaceutical, construction and infrastructures. In 2021, the company recorded a turnover of around Euro 86 million.
- **Farmo**: Farmo, founded in 2000, is active in the development and production of "better for you", gluten free, plant based, high protein and keto friendly foods for own brands, third party brands and private label channels. In 2021, the company recorded revenues of around Euro 20 million.
- **Exacer**: Exacer is active in the catalyst market through the development and production of proprietary supports and in the custom catalyst segment as a reliable toll manufacturer for the main global players in the chemical and petrochemical industries thanks to a important R&D activity and a peculiar technical-productive know-how. In 2021, the company recorded normalized revenues of around Euro 14 million.
- **Ligabue:** one of the world's leading operators in catering, logistic and housekeeping services on board passenger (ferries and cruises) and cargo ships, and remote sites such as oil rigs and fields, mines and construction camps. The group employs around 7,000 people and operates in 14 countries around the world. In 2021, the Group generated a consolidated turnover of around Euro 237 million.
- **Amut:** the company has been building plastics processing plants since 1958. Having entered the market as an extruder manufacturer, Amut has progressively continued its technological development to fully cover the plastics life cycle (raw material processing, extrusion and thermoforming of the finished product, finishing processes, product reintegration through recycling technologies). In 2021, the company reported revenues of approximately Euro 89 million.
- **DBA Group:** listed on the AIM segment of the Milan Stock Exchange, it is an independent group active in the development of professional, technical and management services in the fields of Architecture, Engineering, Project & Lifecycle Management, and Information & Communication Technologies. In 2021, consolidated total revenues amounted to approx. Euro 80 million with an EBITDA of around Euro 5 million. In March 2022, the Group announced the sale of its subsidiary active in the ICT business in Slovenia, Actual IT, to Telekom Slovenije, with closing expected to occur in September 2022.
- **Zeis:** it produces shoes under various proprietary brands, including Cult and Dockstep. The company has applied and obtained admission to the white composition with creditors procedure.

Directors

The names of Directors at any time during the period are set out on page 1.

Subsequent events

On 1 February 2021, BluVet extraordinary shareholder's meeting pre-approved a total share capital increase of Euro 27.0 million in addition to the first Euro 7.0 million injected at closing (of which Euro 4.9 million by Company) to be subscribed by Company and NB Aurora Co-Investment for Euro 18.9 million and by FP3 S.r.l. for Euro 8.1 million, by 31 January 2024. As of 30 June 2022, Company and NB Aurora Co-Investment have subscribed Euro 12.0 million (of which Euro 9.0 million by Company and Euro 3.0 million by NB Aurora Co-Investment) out of Euro 18.9 million. In August 2022 Company subscribed a fifth capital increase in BluVet (through Blu Club S.r.l) of Euro 2.6 million (Euro 3.5 million with NB Aurora Co-Investment pro-quota).

DIRECTORS' REPORT (CONTINUED)

Accounting records

The Board of Directors have appointed Brown Brothers Harriman (Luxembourg) S.C.A. as administrator of the Company, the accounting records of the Company are maintained at the registered office.

Going concern

The Board of Directors considered it appropriate to prepare the Condensed Interim Report under the going concern assumption.

Independent auditor

KPMG Luxembourg, Société Anonyme ("KPMG") acts as independent auditor of the Company. The Condensed Interim Report for the period ending 30 June 2022 is subject to limited review by KPMG.

Corporate Governance Statement

The Board of Directors have taken a number of steps to ensure, on a voluntary basis, compliance with certain provisions of the Corporate Governance Code (the "Code") of Borsa Italiana S.p.A.. The Code is available to the public on Borsa Italiana website (www.borsaitaliana.it).

Signed for and on behalf of the Board of Directors on 6 September 2022:

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are required to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, which give a true and fair view of the state of affairs of the Company at the end of each financial period and of the profit or loss of the Company for the period then ended.

In preparing the condensed interim report, the Board of Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the condensed interim financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Board of Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company. This responsibility includes designing, implementing and maintaining such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. For this purpose, the board has established a risk and control committee which reports on the internal controls.

In accordance with Article 4(2) of the Luxembourg law of 11 January 2008 "relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé" (as amended) (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the condensed interim financial statements covering the six months period ended 30 June 2022, which has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required under Article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim Directors Report covering the six months period ended 30 June 2022 includes a fair review of important events that have occurred during the first six months of the current financial year, and their impact on the condensed interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the current financial year.

Approved by the Board of Directors on 6 September 2022 and signed on its behalf by:

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 January 2022 to 30 June 2022

	Note	From 1 January 2022 to 30 June 2022 €	From 1 January 2021 to 30 June 2021 €
Income:			
Realised and change in unrealized gains on financial assets and liabilities at fair value through rofit and loss	4(i)	8,537,031	11,919,660
Interest income		953	10,489
Other Income		49,556	-
Total investment income		**8,587,540**	**11,930,149**
Expenses:			
Management fees	4(ii)	1,724,292	1,779,654
Professional fees	4(ii)	94,829	110,778
Administration, custody and transfer agent fees		110,617	79,890
Directors' fees	6(a)	38,750	51,334
Audit fees	4(ii)	53,275	38,500
Market authority fees		23,029	34,937
Tax expense		15,157	-
Other expenses	4(ii)	180,304	229,663
Total expenses		**2,240,253**	**2,324,756**
Total profit for the period		**6,347,287**	**9,605,393**
Other comprehensive income			
Items that will not be reclassified in P&L		-	-
Items that are or may be reclassified subsequently to P&L		-	-
Total comprehensive income for the period		**6,347,287**	**9,605,393**
Earning per share	3(iii)		
Class A Shares			
Basic		0.220	0.333
Diluted		0.220	0.333
Class B Shares			
Basic		6.567	9.938
Diluted		6.567	9.938
Special Shares			
Basic		0.220	0.333
Diluted		0.220	0.333

The accompanying notes form an integral part of the Condensed Interim Report.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As of 30 June 2022

	Note	30 June 2022 €	31 December 2021 €
Non-Current Assets			
Non Pledged Financial Assets at fair value through profit or loss	3(i)	258,516,427	248,761,834
Total Non-Current Assets		**258,516,427**	**248,761,834**
Current Assets			
Cash and cash equivalents	3(ii)	36,334,237	39,539,242
Prepayments		59,012	155,906
Receivables		43,068	-
Total Current Assets		**36,436,317**	**39,695,148**
Total Assets		**294,952,744**	**288,456,982**
Equity			
Share Capital	3(iii)	236,216,265	236,216,265
Non-distributable reserve	3(iii)	41,951,442	7,616,054
Legal reserve	3(iii)	2,774,758	2,754,476
Retained earnings		13,503,215	41,511,598
Total Equity		**294,445,680**	**288,098,393**
Liabilities			
Current Liabilities			
Accrued expenses and other payables	3(v)	507,064	358,589
Total Current Liabilities		**507,064**	**358,589**
Total Liabilities		**507,064**	**358,589**
Total Equity and Liabilities		**294,952,744**	**288,456,982**

The accompanying notes form an integral part of the Condensed Interim Report.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period from 1 January 2022 to 30 June 2022

	Note	Share Capital	Non-Distributable Reserve	Legal Reserve	Retained Earnings	Total Equity
		€	€	€	€	€
As of 1 January 2022		**236,216,265**	**7,616,054**	**2,754,476**	**41,511,598**	**288,098,393**
Allocations	3(iii)	-	34,335,388	20,282	(34,355,670)	-
Profit for the period		-	-	-	6,347,287	6,347,287
As of 30 June 2022		**236,216,265**	**41,951,442**	**2,774,758**	**13,503,215**	**294,445,680**
As of 1 January 2021		**236,216,265**	**1,230,188**	**2,683,531**	**13,227,432**	**253,357,416**
Allocations		-	-	70,945	(70,945)	-
Profit for the period		-	-	-	9,605,393	9,605,393
As of 30 June 2021		**236,216,265**	**1,230,188**	**2,754,476**	**22,761,880**	**262,962,809**

The accompanying notes form an integral part of the Condensed Interim Report.

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the period from 1 January 2022 to 30 June 2022

	Note	From 1 January 2022 to 30 June 2022 €	From 1 January 2021 to 30 June 2021 €
Cash flows from operating activities:			
Profit for the period		6,347,287	9,605,393
Adjustments for:			
Net unrealized (gains) or losses on financial assets	4(i)	(8,442,366)	(11,919,660)
Net unrealized (gains) or losses on transactions in foreign currencies		4	-
Interest income	4(i)	(953)	(10,489)
Net realized (gains) or losses on financial assets	4(i)	(94,669)	-
		(8,537,984)	**(11,930,149)**
Changes in:			
Prepayments		96,894	64,257
Receivables		(11,453)	(7,168,000)
Professional fees payable		(16,966)	(153,552)
Administration, custody and transfer agent fees payables		102,690	18,760
Audit fees payable		(10,116)	(31,500)
Capital increase cost payable		-	(1,210,218)
Director's fees payable		38,750	-
Other payables		34,117	400,222
		233,916	**(8,080,031)**
Interest received		953	10,489
Net cash used in operating activities		**(1,955,828)**	**(10,394,298)**
Cash flows from investing activities:			
Acquisition of investments	3(i)	(1,217,558)	(23,405,295)
Purchase of bonds	6	(31,615)	-
Net cash used in investing activities		**(1,249,173)**	**(23,405,295)**
Net decrease in cash and cash equivalents for the period		**(3,205,001)**	**(33,799,593)**
Exchange rate effect on cash and cash equivalents		(4)	-
Cash and cash equivalents at the beginning of the year		39,539,242	116,616,434
Cash and cash equivalents at the end of the period		**36,334,237**	**82,816,841**

The accompanying notes form an integral part of the Condensed Interim Report.

1. GENERAL INFORMATION

Overview

NB Aurora S.A. SICAF_RAIF (the "Company" or "NB Aurora" or the "Fund") was incorporated on 14 September 2017 as a "fonds d'investissements alternatifs réservé" in the form of a "société d'investissement à capital fixe" under the laws of the Grand Duchy of Luxembourg. The Company is incorporated for a maximum of fifty (50) years.

The Company qualifies as an alternative investment fund ("AIF") within the meaning of the Luxembourg law on alternative investment fund managers.

The Company is registered with the Luxembourg Registre de Commerce et des Societes under number B 218101 and has its registered office at 80, route d'Esch, L-1470 Luxembourg.

The Company's investment objective is to achieve long-term capital appreciation through minority equity investments in a portfolio of small and medium sized and unlisted Italian companies. The target market of the Company is a large number of small mid-caps companies representing the backbone of the Italian economy. Most of these companies possess manufacturing districts in Northern Italy (the largest manufacturing districts in Europe) and are Italian export-driven companies that are more correlated to global growth than Italian growth and domestic product.

Neuberger Berman AIFM S.à r.l. acts as Alternative Investment Fund Manager ("AIFM") to the Company. The AIFM is authorised by the Commission de Surveillance du Secteur Financier ("CSSF") as an Alternative Investment Fund Manager.

Listing on Borsa Italiana

NB Aurora's Class A Ordinary Shares (ISIN LU1738384764) are listed since 4 May 2018 (the "Listing Date") on the MIV. The Company is the first fixed capital vehicle listed on the MIV. During the period ended 30 June 2019 NB Aurora adopted the new trading mechanism on the MIV under Borsa Italiana's Notice No. 10800 dated 15 May 2019. The new trading mechanism provides in particular that the reference price will be replaced by an indicative price that will be equal to the unit value of the last NAV published on the market by the issuer. The NB Aurora's NAV is determined at a minimum twice a year, and in any event, as of 31 December and 30 June of every year, and published respectively by 30 April of the following year and by 30 September of the same year.

The prospectus is available on the website of the Company (www.nbaurora.com), as well on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

The COVID-19 pandemic and the Russia-Ukraine war have, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity, causing an increase of raw materials, energy and transportation costs. The spread of the Omicron variant and the complex geopolitical environment have negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility. Despite the improvement of the health situation mainly due to the vaccination of a large part of the population in the developed countries, the development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse effect on global economic and market conditions. The unpredictable development of COVID-19 pandemic and the Russia-Ukraine war may lead to adverse impacts on valuations and other financial analyses.

1. GENERAL INFORMATION (CONTINUED)

Listing on Borsa Italiana (continued)
The Company estimates that the impact of COVID-19 and the Russia-Ukraine war on its liquidity will remain limited. Indeed, the Company's prospectus does not provide for the redemption of Shares at the option of the shareholder. The Company is therefore not exposed to the liquidity risk of meeting redemptions from holders of participating Shares. The AIFMs liquidity management approach is to continuously monitor the Company's assets to ensure that there are sufficient liquid assets to meet the Company's obligations. As of 30 June 2022, the Company's liabilities consist of short-term payables of less than one year. There are sufficient cash deposits to meet these obligations. The Board of Directors is continually assessing the impact of the outbreak on the Company based on the latest available information.

Investments
The Company used part of the proceeds of the private placement to acquire 44.55% of the units of Fondo Italiano d' Investimento ("Fondo Italiano"), bought in November 2017 by NB Secondary Opportunities Fund IV LP ("NB SOF"). The transaction was completed on 25 May 2018.

On 27 December 2018, the Company completed the acquisition of a minority stake in Club Del Sole S.r.l. through NB Aurora Holdings S.à r.l. ("Aurora Holdings"), a wholly owned subsidiary of NB Aurora.

On 30 July 2019, the Company, through Aurora Holdings, completed the acquisition of 41.56% in Dierre Group, an Italian company leader in design, manufacture and sale of technologically advanced protections and components with high aesthetic impact for industrial automation for a total consideration of Euro 26.5 million. In March 2022, the Company increased its stake to 41.8% by exercising the call option to purchase for around Euro 0.2 million the stake owned by the general manager who left the group.

On 30 September 2019, the Company, though Aurora Holdings, completed the acquisition of 11.1% in Rino Mastrotto Group S.p.A., ("Rino Mastrotto") a world leader in the production and sale of premium bovine and calf leather for high-end fashion, automotive and the furniture sectors, for a total consideration of Euro 20 million.

On 12 March 2020, the Company completed the acquisition of Pharma Healthcare Supply Chain Expertise ("PHSE") through a newly incorporated vehicle ("Newco"). The co-investment agreement provides in particular that, based on an investment of approximately Euro 16 million, the Company indirectly holds 30.8% of Newco.

On 23 July 2020, the Company completed the acquisition of an indirect stake of approximately 2.8% in Engineering Informatica S.p.A ("Engineering"), through MIC Co-Invest SCSp ("MIC Co-Invest") as part of a co-investment agreement with NB Renaissance Partners. The Company invested about Euro 20 million using only its own resources. Engineering is an Italian leading specialist provider of IT Services, software development and digital platforms, supporting clients in digital transformation projects.

On 28 December 2020, the Company (through NB Aurora Holdings) together with F&P4BIZ (through FP3 S.r.1.) subscribed a capital increase for a total of Euro 7 million in BluVet S.p.A. ("BluVet") to grant this company with financial resources to perform the acquisition plan of vet clinics. NB Aurora invested Euro 4.9 million acquiring a stake of 63% of the company. BluVet, founded in 2019 by a group of experienced managers, aims to create in 5 years, through merger and acquisition ("M&A"), a chain of veterinary clinics of medium-large size in Italy. The initiative is sponsored by four managers with many years of experience in Italy, with a strong network of contacts in the industry and complementary skills.

On 1 February 2021, the extraordinary shareholders' meeting of BlueVet pre-approved a share capital increase for additional total Euro 27.0 million to be subscribed by NB Aurora for Euro 18.9 million and by FP3 s.r.l. for Euro 8.1 million, by 31 January 2024. NB Aurora will follow the capital increase as long as certain conditions will be achieved and based on the same equity value at entry.

1. GENERAL INFORMATION (CONTINUED)

Investments (continued)
On 24 June 2021, the Company completed the acquisition of a 30% stake in Veneta Cucine S.p.A. ("Veneta Cucine") through the investment vehicle V Club S.p.A. ("V Club") for a total consideration of Euro 36 million, of which Euro 5.5 million from Co-investors. In October 2021, NB Aurora syndicated a minority stake equal to Euro 7.2 million in V Club to NB Aurora Co-Investment SCSp ("NB Aurora Co-Investment") diluting its direct stake to 19.4%. Veneta Cucine is a family run company with 50-year history and a leader in the design, production, and manufacture of kitchens, living rooms and furnishings accessories.

On 19 July 2021, Fondo Italiano di Investimento, announced the closing of the sale of FII's entire shareholding (approximately 40.3%) held in Sira Industrie. Sira is a company founded 60 years ago in the province of Bologna which has become an international group operating in the most important markets in the two sectors of the production of aluminum radiators for heating and aluminum die castings for the mechanical and automotive industries. The counter-value of the transaction is Euro 15 million, of which NB Aurora's share is approximately Euro 6.75 million, gross of carry.

On 20 July 2021, the Company completed a second capital increase, together with the investment vehicle controlled by F&P4BIZ of Guglielrno Fiocchi and Maurizio Perroni, in BluVet. The capital increase provided for the injection of a further Euro 7 million of capital into the company, of which Euro 5 million provided by NB Aurora, through the wholly owned vehicle Blu Club S.r.l.. The transaction is part of the program of further capital increases up to a maximum of Euro 27 million by the two sponsors (of which up to a maximum of approximately Euro 19 million for NB Aurora) already planned on the occasion of the acquisition of the controlling stake in December 2020, to be implemented according to the growth process and the occurrence of certain conditions.

On 29 July 2021, the Company completed the acquisition of a 30% stake in Comet S.r.l. ("Comet") through the investment vehicle Rubber Club S.r.l. ("Rubber Club"), for a total consideration of Euro 36 million. In October 2021, NB Aurora syndicated a minority stake equal to Euro 8.2 million in Rubber Club to NB Aurora Co-Investment diluting its stake to 23.2%. Comet, based in Coccaglio (BS) and founded in 1980 by the Bernini family that controls and manages the company, is a leader in Italy in the development and production of tailor-made organic rubber, silicone and fluorosilicone compounds, which are used for various applications in different industries such as transport, water, electricity, food, medical, pharmaceutical, constructions and infrastructures.

On 22 September 2021, the Company completed the acquisition of a 47% stake of Farmo Holding S.r.l. ("Farmo Holding") unique shareholder of Farmo S.p.A. ("Farmo"), through the investment vehicle FF Club S.r.l. ("FF Club") for a total consideration of Euro 14.7 million. In October 2021, NB Aurora syndicated a minority stake equal to Euro 3.7 million in FF Club to NB Aurora Co-Investment diluting its stake to 35.3%. Founded in 2000, Farmo is leader in the development and production of "better for you", gluten free, plant based, high protein and keto friendly foods, and produces entirely in Italy in the production site of Casorezzo, in the province of Milan, where 80 people are employed. In 2020 the company achieved revenues of about Euro 20 million (+35% more than the previous year).

On 20 October 2021, the Company announced that it signed an agreement (the "Co-Investment Protocol") for co-investment transactions with the alternative, closed-end, reserved fund under Luxembourg, NB Aurora Co-Investment, also managed by Neuberger Berman AIFM S.à r.l. as external manager within the meaning of Directive 2011/61/EU and subscribed by funds of funds managed by Fondo Italiano d'investimento SGR.

The transaction represents an opportunity for NB Aurora, which will be able to obtain additional liquidity to continue its program of investment in top-notch companies in the Italian manufacturing fabric, reducing the average level of exposure on the portfolio holdings thanks to greater diversification, without sacrificing governance rights over the companies in which it invests, as both funds are managed funds are managed by Neuberger Berman AIFM S.àr.l.

1. GENERAL INFORMATION (CONTINUED)

Investments (continued)
In particular, the Fund and the NB Aurora Co-Investment will invest on the basis of a co-investment ratio that will allow 75% of new investments to be allocated to NB Aurora and the remaining (maximum) 25% to the NB Aurora Co-Investment, subject to the latter's usual concentration limits and without prejudice to the offer of any co-investment opportunities in favour of third parties. The co-investment program will be applied to investments made by NB Aurora from 20 December 2020 – specifically relating to the companies BluVet, Veneta Cucine, Comet, Farmo and Exacer - and will end on 1 January 2024, the closing date of the NB Aurora Co-Investment's investment period. Following the syndication of the existing investments listed above, NB Aurora will free up additional resources for a total estimated amount of approximately Euro 24.3 million, which will be used for new investments.

On 21 October 2021, the Company completed the acquisition of a 42.75% stake of Exacer S.r.l. ("Exacer") from the majority shareholder FinExacer S.r.l., through the investment vehicle Ex Club S.r.l. ("Ex Club") for a total consideration of Euro 10.5 million (including transaction costs). In October 2021, NB Aurora syndicated a minority stake equal to Euro 2.6 million in Ex Club to NB Aurora Co-Investment diluting its stake to 32.1%. Exacer, active in the specialty chemicals business through the development and production of supports for catalysts, thanks to a significant R&D activity and a peculiar technical-productive know-how, is increasingly positioning itself, in a market characterised by the presence of large international competitors, as a primary supplier of the most important world chemical groups thanks to the development of new supports for high quality catalysts made ad-hoc to meet the specific needs of each customer.

On 9 November 2021, the Company announced that it had completed a third capital increase transaction, together with the investment vehicle controlled by Guglielmo Fiocchi and Maurizio Perroni's F&P4BIZ, in BluVet. The transaction involved the injection of a further Euro 8 million of capital into the company, of which Euro 4.2 million by NB Aurora and Euro 1.4 million by NB Aurora Co-Investment, through the wholly owned vehicle Blu Club Srl., and Euro 2.4 million by F&P4BIZ.

On 10 June 2022, the Company completed a fourth capital increase, together with the investment vehicle controlled by Guglielmo Fiocchi and Maurizio Perroni's F&P4BIZ, in BluVet. The transaction involved the injection of a further Euro 2 million of capital into the company, of which Euro 1.05 million provided by NB Aurora and Euro 0.35 million by NB Aurora Co-Investment, through the wholly owned vehicle Blu Club S.r.l., and Euro 0.6 million by F&P4BIZ. To date, NB Aurora and NB Aurora Co-Investment have invested around Euro 16.9 million.

Further details of the Company's portfolio as of 30 June 2022 and activity during the period are included in note 3(i).

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements as of 30 June 2022 and for the six months period from 1 January 2022 to 30 June 2022 have been prepared in accordance with the provisions of International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, (hereinafter IAS 34), and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2021 ("Last Annual Financial Statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events or transactions that are significant to an understanding of the changes in the Company's financial position and performance since the Last Annual Financial Statements.

2. BASIS OF PREPARATION (CONTINUED)

(b) Significant accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its Last Annual Financial Statements. The same accounting policies are also expected to be reflected in the Company's annual financial statements as at and for the year ending 31 December 2022.

(c) Consolidation exemption

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 contains a special exemption to consolidation for investment entities.

Principles and basic characteristics for preparation and presentation of consolidated financial statements are given in IFRS 10. According to IFRS 10, an investor to have control over an investee must have all three of the following: (i) power over the investee; (ii) exposure or rights to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. When all of these three elements of control are present then an investor is considered to control an investee and consolidation is required. When one or more of the elements is not present, an investor will not consolidate. From the investor's point of view, control is defined as the right to variable returns from the involvement with the investee together with the ability to affect those returns through the power over the investee. Certain companies invest in other entities with no intention to either exercise control or hold an investment for an unlimited time period. Instead, their aim is to use advantage of the changes of the fair value of the investments or earn an investment income. Private equity funds may be examples of those companies that are denoted as investment entities. IASB issued amendments to IFRS 10 presenting exception from preparation of consolidated financial statements for investment entities. Under IFRS 10, the Company qualifies as an investment entity since it meets the below criteria: (i) obtains funds from one or more investors and provides those investors with investment management service; (ii) business purpose is to invest solely for returns from capital appreciation, investment income or both, and (iii) measures and evaluates the performance of its investments on a fair value basis. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The Board of Directors concluded that Aurora meets the conditions of an investment company and therefore measures its investments in Fondo Italiano, Aurora Holdings, and Mic Co-Invest at Fair Market Value and will benefit of the exception from preparation of the consolidated financial statements.

(d) Basis of presentation

The Condensed Interim Financial Statements have been presented for the period from 1 January 2022 to 30 June 2022. The comparative period is 1 January 2021 to 30 June 2021 and as at 31 December 2021.

(e) Basis of measurement

The Condensed Interim Financial Statements are prepared on a historical cost basis except for financial instruments and financial assets and liabilities which are measured at fair value through profit or loss. Other financial assets and liabilities are stated at amortised cost.

(f) Functional and Presentation Currency

The Board of directors consider Euro ("€" or "EUR" or "Euro") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions related to the Company. The condensed interim financial statements are presented in Euro, which is also the Company's functional currency.

2. BASIS OF PREPARATION (CONTINUED)

(g) Use of Judgements and Estimates

The preparation of these condensed interim financial statements requires the Board of Directors to make judgements, estimates and assumptions that may affect the reported amounts of income, expenses, assets and liabilities, and their accompanying disclosures, and the disclosures of contingent liabilities. Actual results may differ from these estimates.

The significant accounting estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's Annual Report as of 31 December 2021.

(h) Adoption of new and amended accounting standards and interpretations

A number of new standards, amendments to published standards and interpretations which are effective for the first time in the current period are listed below:

Standard:	Narrative:	Effective date*:
IAS 37	Amendments regarding Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IAS 16	Amendments to Proceeds before Intended Use of Property, Plan and Equipment	1 January 2022
IFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRS Standards 2018-2020		1 January 2022

The adoption of these standards did not have a significant effect on the financial statements of the Fund as of 30 June 2022.

(i) New standards, amendments, and interpretations not yet effective and have not been early adopted

A number of new standards, amendments to standards and interpretations have been issued to date and are not yet effective for the condensed interim financial statements of the Fund for the period ended 30 June 2022 and have not been applied nor early adopted in preparing these condensed interim financial statements. The list of standards available for early adoption from 1 January 2022 (not adopted by the Fund):

Standard:	Narrative:	Effective date*:
IAS 1	Amendments regarding classification of Liabilities	1 January 2023**
IAS 1 and IFRS Practice Statement 2	Amendments regarding disclosure of Accounting Policies	1 January 2023
IAS 12	Amendments regarding Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1 January 2023**
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Amendments regarding definition of Accounting Estimates	1 January 2023**

** Annual periods beginning on or after.*
*** IASB effective date. Not yet endorsed by the EU.*

None of these are expected to have a significant effect on the condensed interim financial statements of the Fund as of 30 June 2022.

3. STATEMENT OF FINANCIAL POSITION INFORMATION

(i) Non-Pledged Financial assets at fair value through profit or loss

	As of 30 June 2022	As of 31 December 2021
Fondo Italiano	7,073,213	7,037,528
Aurora Holdings	211,294,600	207,324,790
MIC Co-Invest	40,148,614	34,399,516
Non-pledged financial assets at fair value through profit or loss	**258,516,427**	**248,761,834**

Fondo Italiano

The registered office of Fondo Italiano is the AIFM registered office address of 9, rue du Laboratoire, L-1911 Luxembourg. On 25 May 2018, NB Aurora completed the acquisition of 44.55% of the units of Fondo Italiano.

The Company has concluded that its interest in Fondo Italiano meets the definition of an unconsolidated structured entity. This conclusion is based on the following factors:

- Fondo Italiano has a narrow and well-defined objective;
- The activities of the Fondo Italiano are managed by the manager of Fondo Italiano, Neuberger Berman AIFM S.à r.l.;
- Fondo Italiano is a closed ended vehicle and will continue until the full divestment of its portfolio; and
- The Company does not have significant influence over the decision making of Fondo Italiano.

The Company's maximum exposure to loss with respect to its investment in Fondo Italiano is the carrying amount of the financial asset. There is no difference between the maximum risk of loss and carrying amounts of the assets and liabilities of Fondo Italiano that relate to the Company's interests.

Mic Co-Invest

Mic Co -Invest was formed on 30 October 2019 as a special limited partnership formed under the law of the Grand Duchy of Luxembourg. The address of the Fund's registered office is 80, route d'Esch, L-1470 Luxembourg. NB Aurora completed the acquisition of 10.2% of the units of Mic Co-Invest.

The Company has concluded that its interests in Mic Co-invest meets the definition of an unconsolidated structured entity. This conclusion is based on the following factors:

- Mic Co-Invest has a narrow and well-defined objective;
- The activities of Mic Co-Invest are managed by the manager of Mic Co-Invest, Neuberger Berman AIFM S.à.r.l.;
- Mic Co-Invest is a closed ended vehicle and will continue until the full disinvestment of its portfolio; and
- The Company does not have significant influence over the decision making of Mic Co-Invest.

The Company's maximum exposure to loss with respect to its investment in MIC Co-Invest is the carrying amount of the financial asset, and the unfunded commitment is approximately Euro 0.2 million. There is no difference between the maximum risk of loss and the carrying amounts of the assets and liabilities of MIC Co-Invest that relate to the Company's interests.

On 23 July 2020, the Company completed the acquisition of an indirect stake of approximately 2.8% in Engineering Informatica S.p.A ("Engineering"), through MIC Co-Invest SCSp as part of a co-investment agreement with NB Renaissance Partners. The Company invested about Euro 20 million using only its own resources. Engineering is an Italian leading specialist provider of IT Services, software development and digital platforms, supporting clients in digital transformation projects.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Aurora Holdings

The registered office of Aurora Holdings is 80, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg. On 4 December 2018, NB Aurora completed the incorporation of the wholly owned subsidiary Aurora Holdings. The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries but rather recognizes them as investments at fair value through profit or loss.

The following table provides information on the subsidiary:

Subsidiary	Country	Ownership
NB Aurora Holdings S.à r.l.	Luxembourg	100%

The following table provides information on the subsidiaries controlled by Aurora Holdings:

Subsidiary	Country	Ownership
CDS Holdings S.p.A.	Italy	25.97%
Dierre S.p.A.	Italy	41.84%
Rino Mastrotto Group S.p.A	Italy	11.12%
PHSE S.r.l	Italy	30.80%
BluVet S.p.A	Italy	55.87%
Veneta Cucine S.p.A	Italy	19.44%
Farmo S.p.A.	Italy	35.25%
Exacer S.r.l	Italy	32.06%
Comet S.r.l.	Italy	23.17%

On 10 June 2022, the Company completed a fourth capital increase, together with the investment vehicle controlled by Guglielmo Fiocchi and Maurizio Perroni's F&P4BIZ, in BluVet. The capital increase provided for the injection of a further Euro 6 million of capital into the company, of which Euro 1.05 million provided by NB Aurora and Euro 0.35 by NB Aurora Co-Investment, through the wholly owned vehicle Blu Club S.r.l., and Euro 0.6 million by F&P4BIZ. To date, NB Aurora and NB Aurora Co-Investment have invested around Euro 16.9 million.

Fair value measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data

Valuation process

The Company has an established control framework with respect to the measurement of fair values. The fair value of privately held investments have been approved by a valuation committee (the "Valuation committee"). The Valuation Committee is required to be functionally independent from the Portfolio Manager. The Valuation Committee is composed of senior representatives. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Fair value measurement (continued)

Valuation methodology
The fair value measurement of the Board and the Company's investment in Fondo Italiano, Aurora Holdings, and MIC Co-Invest is determined by the AIFM in accordance with the International Private Equity and Venture Capital (IPEV) 2018 valuation guidelines supplemented by the guidance issued in March 2020 in response to the COVID-19 crisis ("IPEV Guidelines"). The fair value of the underlying Italian companies are a significant component of the fair value of Fondo Italiano, Aurora Holding and MIC Co-Invest.

With the exception of one underlying company of Fondo Italiano the underlying Italian companies of Fondo Italiano, Aurora Holdings, and MIC Co-Invest are not quoted in an active market. The fair values of these private companies are therefore estimated using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The AIFM uses its judgement to select a variety of methods and makes assumptions that are not always supported by observable market prices or rates. The AIFM uses the best information it has reasonably available to determine or estimate fair value.

In order to determine the fair value ("FV") of the unrealised investments, the Investment Team primarily performed a market-based valuation, using the comparable company earnings multiple approach, i.e. by reviewing the valuation multiples of comparable companies, both in the public markets and in private transactions, using the last available data (which may differ from one company to another).

Regarding the final valuation, the carried interest derived by Fondo Italiano, is therefore pro-rata deducted from the FV of the unrealised investments of each portfolio company of Fondo Italiano.

Fair value hierarchy
The tables below analyse, within the fair value hierarchy, the financial assets of the Company measured at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
As of 30 June 2022	**€**	**€**	**€**	**€**
Non pledged financial assets at fair value through profit or loss				
Fondo Italiano	-	-	7,073,213	**7,073,213**
Aurora Holdings	-	-	211,294,600	**211,294,600**
MIC Co-Invest	-	-	40,148,614	**40,148,614**
Total	-	-	**258,516,427**	**258,516,427**

	Level 1	Level 2	Level 3	Total
As of 31 December 2021	**€**	**€**	**€**	**€**
Non pledged financial assets at fair value through profit or loss				
Fondo Italiano	-	-	7,037,528	**7,037,528**
Aurora Holdings	-	-	207,324,790	**207,324,790**
MIC Co-Invest	-	-	34,399,516	**34,399,516**
Total	-	-	**248,761,834**	**248,761,834**

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Fair value measurement (continued)

Fair value hierarchy (continued)
In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the AIFM. The AIFM considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The underlying private Italian companies have been classified in level 3 of the fair value hierarchy. The fair value of the underlying private Italian companies are inputs in the net asset value of the Fondo Italiano, Aurora Holdings and MIC Co-Invest and consequently they have also been classified in level 3 of the fair value hierarchy. Level 3 classification is also used for the listed company held by Fondo Italiano as implied earnings before interest, taxation, depreciation and amortisation (“EBITDA”) multiple is calculated.

Transfers
The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between levels during the period ended 30 June 2022 or the year ended 31 December 2021.

Level 3 reconciliation

	€
As of 1 January 2022	**248,761,834**
Purchases	1,217,558
Disposals	-
Net realised gain	94,669
Net unrealised gain	8,442,366
As of 30 June 2022	**258,516,427**

	€
As of 1 January 2021	**138,100,150**
Purchases	78,179,911
Disposals	(5,699,060)
Net realised gains[1]	3,845,499
Net unrealised gains[1]	34,335,334
As of 31 December 2021	**248,761,834**

[1] *Included within realised and change in unrealised gains /(losses) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.*

Significant unobservable inputs
The fair value represents Fondo Italiano, Aurora Holdings and MIC Co-Invest pro-rata interests in private Italian companies. The net asset value of Fondo Italiano is calculated in accordance with Italian Accounting Standards (i.e. cost less impairment), therefore management has determined the fair value of the underlying private Italian companies held by Fondo Italiano to determine the fair value of Fondo Italiano on the pro-rata share held by the Company deducting from that value the expected carried interest to be paid by NB Aurora on Fondo Italiano disposal.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Fair value measurement (continued)

Significant unobservable inputs (continued)
The following table summarises the valuation methodologies and significant unobservable inputs used in the fair value measurement of the underlying private Italian companies held through Fondo Italiano, Aurora Holdings and Mic Co-Invest as of 30 June 2022 and 31 December 2021:

			Unobservable Inputs - 2022			
Investment	**Sector**	**Valuation Methodologies**	**Unobservable Input**	**Value/Range**	**Weighted Average[1]**	**Impact to Valuation from an increase in Input[2]**
Fondo Italiano	Business Services	Market Comparable Multiple	LTM EBITDA Multiple[3]	5.3x	5.3x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	4.5x	4.5x	Increase
	Services	Market Price	n/a			
Aurora Holdings	Consumer Goods	Market Comparable Multiple	LTM EBITDA Multiple	6.0x	6.0x	Increase
	Leisure	Market Comparable Multiple	LTM EBITDA Multiple	9.4x	9.4x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	7.0x - 8.9x	8.1x	Increase
	Logistic	Market Comparable Multiple	LTM EBITDA Multiple	7.7x	7.7x	Increase
	Healthcare - Animal health	Market Comparable Multiple	LTM EBITDA Multiple	28.5x	28.5x	Increase
	Rubber Product Manufacturing Industry	Market Comparable Multiple	LTM EBITDA Multiple	6.8x	6.8x	Increase
	Food	Market Comparable Multiple	LTM EBITDA Multiple	12.9x	12.9x	Increase
	Chemicals	Market Comparable Multiple	LTM EBITDA Multiple	4.1x	4.1x	Increase
MIC Co-Invest	Information Technology	Market Comparable Multiple	LTM EBITDA Multiple	11.1x	11.1x	Increase

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Fair value measurement (continued)

Significant unobservable inputs (continued)

			Unobservable Inputs - 2021			
Investment	**Sector**	**Valuation Methodologies**	**Unobservable Input**	**Value/Range**	**Weighted Average**[1]	**Impact to Valuation from an increase in Input**[2]
Fondo Italiano	Business Services	Market Comparable Multiple	LTM EBITDA Multiple[3]	7.7x	7.7x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	5.9x	5.9x	Increase
	Services	Market Price	n/a			
Aurora Holdings	Consumer Goods	Market Comparable Multiple	LTM EBITDA Multiple	4.5x	4.5x	Increase
	Leisure	Market Comparable Multiple	LTM EBITDA Multiple	9.4x	9.4x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	8.2x - 8.5x	8.3x	Increase
	Logistic	Market Comparable Multiple	LTM EBITDA Multiple	8.0x	8.0x	Increase
	Healthcare - Animal health	Market Comparable Multiple	LTM EBITDA Multiple	17.2x	17.2x	Increase
	Rubber Product Manufacturing Industry	Market Comparable Multiple	LTM EBITDA Multiple	6.4x	6.4x	Increase
	Food	Market Comparable Multiple	LTM EBITDA Multiple	11.9x	11.9x	Increase
	Chemicals	Market Comparable Multiple	LTM EBITDA Multiple	3.4x	3.4x	Increase
Mic Co-Invest	Information Technology	Market Comparable Multiple	LTM EBITDA Multiple	11.0x	11.0x	Increase

[1] Inputs weighted average is based on fair value of investments in range.

[2] The "impact to valuation from an increase in input" column represents the directional change in the fair value of level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in isolation could result in significantly higher or lower fair value measurements.

[3] LTM EBITDA represents Last Twelve Months Earnings Before Interest, Taxes, Depreciation and Amortization adjusted when needed.

EBITDA multiples represent amounts that market participants would use when pricing the investments. EBITDA is a widely used key performance indicator and is calculated as net earnings and adding back interest, taxes, depreciation, and amortisation. Earnings before interest, taxes, depreciation and amortisation defines the difference between the value of production and the production costs, increased by the amortisation of intangible and tangible assets, asset write-offs and risk provisions with the exception of the bad debt provision. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA or revenue.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(i) Non-Pledged Financial assets at fair value through profit or loss (continued)

Fair value measurement (continued)

In particular, considering the period of uncertainty following the COVID-19 pandemic and the Russia-Ukraine war, the valuation was performed based on the principle of sustainable earnings, that is, by applying to the financial result available, and the updated trading multiples of public comparable companies in order to take into account the unpredictability of the complex economic and geopolitical environment on the reference sector of each portfolio company. This methodology has a direct impact on the valuation of the portfolio companies, which are based on the multiples' ranges deriving from this approach.

The Board of Directors is constantly monitoring the financials and operational risks of the portfolio companies.

Sensitivity of fair value measurement to changes in unobservable inputs
The favourable and unfavourable effects of using reasonable alternative assumptions for the valuation has been calculated by recalibrating the model using a 10% shift in the significant unobservable input of each investment. The most significant unobservable inputs used in determining fair value are EBITDA and revenue multiples and the discount for lack of marketability. The impact on fair value for the investments as of 30 June 2022 and 31 December 2021 are presented in the following tables:

	Favourable	(Unfavourable)
As of 30 June 2022	**€**	**€**
Underlying Italian privately held investments	**31,639,140**	**(31,639,140)**

	Favourable	(Unfavourable)
As of 31 December 2021	**€**	**€**
Underlying Italian privately held investments	**30,788,357**	**(30,788,357)**

(ii) Cash at Bank

As of 30 June 2022, cash and cash equivalents are equal to Euro 36,334,237. This comprises balances held with Brown Brothers Harriman (Luxembourg) S.C.A. (Fitch rating: A+) of Euro 110,039 (31 December 2021: Euro 264,900), with Intesa Sanpaolo Private Banking S.p.A. (Fitch rating: BBB) of Euro 36,219,705 (31 December 2021: Euro 39,269,842) and with the Royal Bank of Scotland International Limited, Luxembourg Branch (Fitch rating: A) of Euro 4,493 (31 December 2021: Euro 4,500) which are not pledged. The amounts approximate fair value.

(iii) Share capital

Authorised and issued share capital
The Company was incorporated with an initial share capital of Euro 50,000 represented by 50,000 fully paid-up Special Shares without nominal value.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iii) Share capital (continued)

On 16 September 2020, the Board of Directors approved a share capital increase in accordance with the Company's Articles of Association up to a maximum amount of Euro 150 million through the issue of a maximum number of 15,000,000 new ordinary Class A shares ("New Shares") at a value of Euro 10 per new share.

Following the closing of the right offering period and the private placement period 3,449,115 Class A ordinary shares have been subscribed for a total value of approximately Euro 34.5 million and 5,904,000 Class A ordinary new shares have been subscribed for a total value of approximately Euro 59 million respectively. As a result of the two subscription periods the capital increase was subscribed for a total of approximately Euro 93.5 million. After the Capital increase in November 2020, Aurora listed 24,353,115 Class A Ordinary Shares for a consideration of Euro 243.5 million and issued 150,000 Class B Ordinary Shares for a consideration of Euro 1.5 million.

As of 30 June 2022, the subscribed capital of the Company is equal to Euro 245,081,150[3] consisting of 24,553,115 Shares without indication of a par value, all of which are fully paid up and represented by 24,353,115 Class A Ordinary Shares, 150,000 Class B Ordinary Shares and 50,000 Special Shares, representing Euro 243,531,150 of share capital of the Company for the Class A Ordinary Shares, Euro 1,500,000 of share capital of the Company for the Class B Ordinary Shares and Euro 50,000 of share capital of the Company for the Special Shares.

Class A Ordinary Shares are held by Professional Investors and listed on MIV. A "Professional Investor" means an investor who is considered to be a professional client or has requested to be treated as a professional client within the meaning of Annex II to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

Class B Ordinary Shares and Special Shares are held by the AIFM and/or certain affiliates, employees, and related persons.

Special Shares give holders corporate governance rights where, in appointing Directors by the General Meeting of Shareholders, Directors may be appointed from two lists of candidates, the first list provided by the holders of Special Shares of which the General Meeting may appoint (from that list) up to three candidates, one of which shall qualify as an independent director, and the second list provided by and proposed by the Class A Ordinary Shareholders, of which the General Meeting may appoint (from that list) up to two candidates, both of which qualify as independent directors.

The authorised capital, including the initial share capital and any share premium, is set at Euro 600 million.

[3] The subscribed capital of the Company amounts to Euro 245.1 million. Share capital has been reduced by the capital increase cost.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iii) Share capital (continued)

Authorised and issued share capital (continued)
Movement in the Class A Shares, Class B Shares and Special Shares during the period ended 30 June 2022 and the year ended 31 December 2021 was as follows:

Share Class	As of December 31, 2021	Issued	As of 30 June 2022
Special Shares	50,000	-	50,000
Class A Shares	24,353,115	-	24,353,115
Class B Shares	150,000	-	150,000
Total	**24,553,115**	**-**	**24,553,115**

Share Class	As of December 31, 2020	Issued	As of 30 June 2021
Special Shares	50,000	-	50,000
Class A Shares	24,353,115	-	24,353,115
Class B Shares	150,000	-	150,000
Total	**24,553,115**	**-**	**24,553,115**

The Company is a closed-end company and therefore no Class A Shares, Class B Shares and/or Special Shares are subject to redemption.

Non-distributable reserve
The non-distributable reserve of Euro 41,951,442 refers to unrealised gains. The reserve was increased during the period ended 30 June 2022 by an amount of Euro 34,335,388. Allocation of the unrealised gains for the financial year ended 31 December 2021 was approved on the Annual General Meeting on 28 April 2022.

Capital increase
The Company announced on 29 January 2020 to start the process of a share capital increase, within the limits of the authorized capital pursuant to article 5.4 of the Company's Articles of Association. The share capital increase consists of (i) an offering with preferential subscription rights to existing shareholders of new Class A Ordinary Shares (the "New Shares") of the Company (the "Rights Offering") and (ii) in case the preferential subscription rights are only partially exercised during the Rights Offering, a private placement to qualified investors whereby the Board of Directors will place any New Shares that were not subscribed in the Rights Offering (the "Private Placement", together with the Rights Offering, the "Offering"). The new shares will rank pari passu with the existing Class A Shares, effective as at 30 June 2020.

Legal reserve
In accordance with article 38.1 of the articles of associations and the requirements of the amended law on commercial companies dated 10 August 1915, the Company is required to allocate at least 5% of its annual available net profits to a legal reserve until it reaches 10% of the issued share capital. As of 30 June 2022, the legal reserve amounts to Euro 2,774,758 (31 December 2021: Euro 2,754,476) and is not available for distribution.

Voting rights
Each Share holds one vote with no restrictions on voting rights.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iii) Share capital (continued)

Earnings per share
The calculation of basic and diluted earnings per share is presented in the table below. There is no dilutive impact for the period ended 30 June 2022 or the year ended 31 December 2021:

	From 1 January 2022 to 30 June 2022 €	From 1 January 2021 to 30 June 2021 €
Class A Shares		
Income for the year	5,351,247	8,098,079
Weighted average number of shares	24,353,115	24,353,115
Basic earnings per share	0.220	0.333
Diluted earnings per share	0.220	0.333
Class B Shares		
Income for the year	985,053	1,490,688
Weighted average number of shares	150,000	15,000
Basic earnings per share	6.567	9.938
Diluted earnings per share	6.567	9.938
Special Shares		
Income for the year	10,987	16,626
Weighted average number of shares	50,000	50,000
Basic earnings per share	0.220	0.333
Diluted earnings per share	0.220	0.333

Capital management
The capital of the Company is represented by the Company's total equity. The Company is a closed-ended fund. The Company's policies for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in the prospectus;
- to achieve consistent returns while safeguarding capital;
- to maintain sufficient liquidity to meet the expenses of the Company and to meet distribution commitments; and
- to maintain sufficient size to make the operation of the Company cost-efficient.

As of 30 June 2022, the remaining authorised share capital of the Company is Euro 354,918,850. The Board of Directors has authority to issue new Shares within the limits of the authorised share capital and the Articles. Any issuance of new Shares will reduce the available authorised capital accordingly.

As of 30 June 2022, the Company has sufficient cash resources to meet the Company's expenses, distribution commitments and potential investment opportunities for the foreseeable future. The Company is an Alternative Investment Fund ("AIF") and is required under Chapter IV of Luxembourg law of 23 July 2016 on reserved alternative investment funds to maintain its subscribed capital, increased by share premium, at a minimum of Euro 1,250,000.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iii) Share capital (continued)

Distributions
Following the publication of the annual audited financial report, the Board of Directors shall make a proposal to the General Meeting of shareholders for a distribution to the shareholders for an amount between 50% and 100% of the excess (if any), between:

- the difference between (i) the acquisition cost of all illiquid assets (including all net capitalised costs and taking into account any write off/write down made on said assets), plus cash (including all the liquid assets valued at their net current value); and (ii) all liabilities of the Company) ((i) and (ii) together, the "Adjusted Cost Value"), both as resulting from the last annual audited financial report; and
- the amount equal to the numbers of the Class A Ordinary Shares and Class B Ordinary Shares of the Company multiplied by the respective subscription price of the Ordinary Shares (the "Floor Capital").

Distributions to shareholders shall be allocated pari passu as follows:

- 85% to all shareholders in proportion to the Shares in issue; and
- 15% to the holder(s) of the Class B Ordinary Shares.

The articles of association also authorise the Board of Directors to approve interim dividends for a particular financial year to be deducted either from profits or from available reserves.

Distributions, if and when declared, will result in an equivalent reduction in value on the net asset value ("NAV") of the Company and the NAV per share of each Share Class.

Non-distributable reserves of 5% of any net distributable profit must be allocated to a legal reserve account. Such contribution ceases to be compulsory as soon as and as long as the legal reserve reaches 10% of the Company's subscribed capital but shall again be compulsory if the legal reserve falls below such 10% threshold.

During the period ended 30 June 2022 and by the date of approval these condensed interim financial statements, the Fund did not make any distributions to the investors.

Net asset value
The NAV is determined at a minimum twice a year, and in any event, as of 31 December and 30 June of every year, and published respectively by 30 April of the following year and by 30 September of the same year. The NAV per share is communicated immediately to investors through a press release and on the Company's website (www.nbaurora.com).

The Company adopted the new trading mechanism on the MIV under Borsa Italiana's Notice No. 10800 dated 15 May 2019. The new trading mechanism provides in particular that the reference price will be replaced by an indicative price that will be equal to the unit value of the last NAV published on the market by the issuer.

No dividend amount was paid in the first semester of 2022.

(iv) Borrowings

During the period ended 30 June 2022 or the year ended 31 December 2021 the Company did not enter into any financing arrangements.

3. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(v) Accrued expenses other payables

Details of accrued expenses and other payables is presented in the table below:

	Less than 1 month	1-12 months	More than 1 year
Financial liabilities	€	€	€
Professional fees payable	76,025	-	-
Administration, custody and transfer agent fees payables	182,556	-	-
Audit fees payable	39,600	-	-
Director's fees payable	38,750	-	-
Other payables	170,133	-	-
Total	**507,064**	**-**	**-**

4. STATEMENT OF COMPREHENSIVE INCOME INFORMATION

(i) Income

Net gains/(losses) on financial assets and liabilities at fair value through profit or loss

The following table details the Company's gains/(losses) from the underlying investments during the period ended 30 June 2022:

	From 1 January 2022 to 30 June 2022	From 1 January 2021 to 30 June 2021
	€	€
Realised gains/ (losses)	94,669	-
Unrealised gains/ (losses)	8,442,362	11,919,660
Net realised and unrealised gain	**8,537,031**	**11,919,660**

The realised gains/(losses) from financial instruments at fair value through profit or loss represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and the settlement price on their disposal.

The unrealised gains/(losses) mainly represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

(ii) Expenses

NB Aurora is charged an annual Management fee payable to the AIFM quarterly in advance, starting from the Listing Date. The Management fee is equal to 1.5% per annum of the Adjusted Cost Value determined as of 31 December of each year (except for the first period of activity of the Company, where the Management fee shall be calculated on the Floor Capital (as defined in the Company's prospectus). For the period ended 30 June 2022, management fees amount to Euro 1.7 million (30 June 2021: Euro 1.8 million).

Professional fees mainly include legal, consultancy, liquidity and brokerage costs of Euro 0.09 million (30 June 2021: Euro 0.11 million). Other expenses of Euro 0.18 million are mainly comprised of administration providers (30 June 2021: Euro 0.23 million).

Audit fees charged by KPMG Luxembourg, S.A. for the period ended 30 June 2022 are Euro 53,275 (30 June 2021: Euro 38,500), all related to the audits. Audit fees payable are Euro 39,600 (31 December 2021: Euro 49,716).

4. STATEMENT OF COMPREHENSIVE INCOME INFORMATION (CONTINUED)

(iii) Taxation

The Company is not liable to any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a tax of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Company at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

Dividends, interest and capital gains held by the Company, if any, received by a Luxembourg SICAF-RAIF from investments, may be subject to taxes and/or withholding taxes in the countries concerned at varying rates, such (withholding) taxes usually not being recoverable. A Luxembourg SICAF-RAIF may be liable to certain other foreign taxes.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's investment objective is to achieve long-term capital appreciation through minority equity investments in a portfolio of small and medium sized and unlisted Italian companies. The Company's objective in managing risk is the creation and protection of shareholder value.

The target investments of the Company are a large number of small mid-caps companies representing the backbone of the Italian economy. Most of these companies possess manufacturing districts in Northern Italy (one of the largest manufacturing districts in Europe) and are Italian export-driven companies that are more correlated to global growth than Italian growth and domestic product. The Company may provide financial support through risk capital investments in connection with expansion transactions designed to finance the development of existing small and medium sized enterprises in order to promote their geographic and product expansion. The Company primarily selects enterprises operating in the industry, trade, services and tertiary sector in general, with good capital stability.

The Company thus performs growth capital investments in target enterprises meeting the following criteria:

- lower mid-market companies with sales typically between Euro 30 million and Euro 300 million;
- companies operating in all growing industries with strong long-term drivers;
- market leaders in their niche market on a domestic, European or global basis;
- mainly family-owned companies, even with succession issues and/or with fragmented, misaligned and/or stressed shareholder groups;
- limited indebtedness with visible cash-flow projections;
- clear industrial plan, typically through improving operations, strategic acquisitions and
- international growth;
- strong export attitude;
- significant value-creation potential;
- present and/or future adequate profitability; and
- operational efficiency enhancements.

The Company also considers replacement transactions, designed to restructure a company's shareholding structure, where the Company may replace the minority shareholders no longer interested in the company's activity, as well as management buy-in or buy-out transactions designed to support the acquisition of enterprises facing a generational change and to develop possible aggregations, with the involvement of in-house or external managers.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Company may make investments in other collective investment undertakings having a similar investment objective, such as, amongst others and without limitation, Fondo Italian. Should the Company invest in collective investment undertakings other than Fondo Italiano, the targeted investment shall always be a collective investment undertaking that has a similar investment strategy to the one adopted by the Company.

While an investment may be sold at any time, the Company invests with a medium to long-term investment horizon from five to nine years, with tailored exit agreements already defined before the investments are made.

The Company's activities expose it to the following primary financial risks: market risk (including market price risk, currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

Although the Company only has direct exposure to its investments in Fondo Italiano, Aurora Holdings and MIC Co-Invest, the risks of its investments reflect those of the underlying investment portfolio. As such, management considers these risks in its risk management processes.

The Company's Board of Directors has delegated the risk management function to the AIFM. Risk is inherent in the Company's activities. The process of risk management is critical to the Company's profitability.

The AIFM has established risk management policies to identify and analyse the exposure of the Company's assets to certain risks, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

In relation to the risk management of the Company, the AIFM in particular:

- has set up and regularly updates a risk management procedure in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to the Company's investment strategy and their overall effect on the Company's investments and ensure compliance with all risk limits;
- has set out for each risk it has identified, quantitative and/or qualitative risk limits as required under applicable laws and regulations;
- will identify and analyse the risks to which the Company is exposed and to determine and monitor compliance with the Company's risk limits, in particular market, credit, liquidity and counterparty risks as well as other risks such as operational risks;
- will calculate the leverage of the Company (if any) in accordance with applicable regulation;
- has set up an appropriate liquidity management system and adopted procedures, to monitor the liquidity risk of the Company and to ensure that the liquidity profile of the investments of the Company complies with their underlying obligations;
- ensures that the risk profile of the Company disclosed to the Company's investors are consistent with the size, portfolio structure, investment strategy and objective of the Company, the liquidity profile and the risk limits that have been set; and
- will take all remedial measures and corrective actions where and as required.

The Company currently does not employ specific hedging techniques to reduce the risks of adverse movements in securities prices, currency exchange rates and interest rates, however, the underlying portfolio company investments may employ such techniques.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

While hedging techniques may reduce certain risks, such transactions themselves may entail other risks.

Within the context of the Company's investment objective and strategy as set out above the AIFM maintains the following investment restrictions:

- The Company is not allowed to invest more than 20% of its gross assets in securities of the same type issued by a single underlying issuer;
- The Company must not invest more than 20% of its gross assets in undertakings for collective investment ("UCIs") which, in turn, may invest more than 20% of their gross assets in other UCIs.
- In addition, the Company is not allowed to invest in excess of 40 % of its gross assets in a single UCI. For the avoidance of doubt, when the Company invests in UCIs (including Fondo Italiano) then (x) the compliance with the 20% diversification rule mentioned in the first sentence of the preceding paragraph is made on a "look through" basis taking into consideration the assets owned by said target UCIs and (y) said target UCIs must be subject to risk-diversification requirements substantially comparable to those of the Issuer;
- The Company is not allowed to be exposed to the creditworthiness or solvency of any one counterparty in excess of 20% of its gross assets; and
- The Company shall not invest in real estate.

The AIFM believes that it has taken the necessary steps to ensure that risk is properly identified, controlled and managed.

The Company's risk management objectives, policies and processes are consistent with those disclosed in the Condensed financial Statements for the year ended 31 December 2021.

Market risk
Market risk is the risk that changes in market prices, such as interest rates, equity prices, and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk
Price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether caused by factors specific to an individual investment or its issue or factors affecting all instruments traded in the market.

The Company's exposure to the financial risks below is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments).

The direct risks are a component of overall valuation risk with respect to the Company's investments. Small changes in valuations are typical in the first few years of private equity investments as the investments are held in private non-marketable investments that take several years to mature. A 10% shift in the value of the Company's investments would result in an approximately 9% change in net assets value as of 30 June 2022 (31 December 2021: 9%).

In addition, in some circumstances a discount is applied to reflect both (i) the lack of comparability between portfolio companies and comparable companies arising from different scale, revenue diversification, growth and margin characteristics, as well as other business specific factors and (ii) the exit mode, which in general has to be agreed with controlling shareholders that may have objectives not necessarily aligned to a financial investor.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(i) Price risk (continued)
The valuation multiples (i.e. LTM EBITDA multiples) are usually determined based on data from comparable companies. Despite the fact that these comparable companies are carefully selected, it is not certain that COVID-19 and the war in Ukraine may not have a different impact on the profitability of the companies held in the portfolio than on the profitability of the companies used as comparable for valuation purposes. The valuation multiples could therefore be either over or under-estimated.

Indirect exposure
The Company's underlying portfolio company investments are not traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments. The Company's proportionate share of the underlying portfolio company investments and the industry focus for each are listed in note 4(i). These investments represent interests in privately held securities which may be indirectly exposed to market price risk to the extent the valuation of the investment is affected by changes in market prices impacting the issuer of the security or similar financial instruments traded in the market. Additionally, market conditions may affect the ability of the Company to exit certain privately held investments.

The underlying portfolio company investments vary as to type of security held, stage of operations, industry, geographic location, and geographic distribution of operations and size, all of which impact the susceptibility of their valuation to market price risk.

The indirect sensitivity of the valuation of the Company's underlying portfolio company investments due to market price risk in isolation is not possible to quantify but is a component of the overall valuation risk for these investments described above. Valuation risk, in turn, affects the net asset valuations that in part determine the internal rate of return ("IRR") which is considered by the AIFM as the most relevant measure of performance. IRRs develop over a period of years and are most meaningful after investments have time to mature. The period to period change in the IRR can be volatile. For private equity funds, underlying portfolio company investment valuations are typically not volatile in the early years of the fund.

A 10.0% increase in the valuation of the underlying portfolio company investments would result in an approximately 2.7% increase, in absolute term, in the inception-to-date IRR (31 December 2021: 3.2%). A 10.0% decrease in the valuation of the underlying portfolio company investments would result in an approximately 2.9% decrease, in absolute term, in the inception-to-date IRR (31 December 2021: 3.5%).

(ii) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company may hold financial assets and liabilities and enter into transactions denominated in currencies other than the Euro, which is the functional currency of the Company. Consequently, the Company may be exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than Euro.

The Company holds only financial assets and liabilities in Euro, therefore is not exposed to currency risk.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Currency risk

Indirect exposure
The Company may be subject to indirect risks associated with changes in foreign exchange rates due to the fact that its capital is invested in underlying portfolio companies which themselves may be subject to currency risk. As the underlying portfolio companies are domiciled in Italy the risk is not expected to be significant.

(iii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's assets and liabilities are non-interest bearing.

The Company's cash may be invested in short-term fixed deposit accounts that are impacted by interest rate fluctuations as such giving the Company variable cash deposits.

The Company has incurred, and expects to continue to incur, indebtedness to fund its liquidity needs and to potentially leverage certain investments. Due to the forgoing, the Company is, and believes that it will continue to be exposed to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive to obtain debt financing, could negatively impact the values of debt securities, and could decrease the returns that investments generate or cause them to generate losses.

Negative interest rates would result in the classification as interest expense in the Statement of Comprehensive Income.

Sensitivity analysis
The sensitivity analysis reflects how net assets attributable to holders of redeemable shares would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date. Management has determined that a fluctuation in interest rates is not reasonably probable in the foreseeable future considering the economic environment in which the Company operates.

Indirect exposure
The Company is and will continue to be subject to indirect risks associated with changes in prevailing interest rates due to the fact that its capital is invested in underlying portfolio companies whose capital structures may have a significant degree of indebtedness. Investments in leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for companies with comparably less debt.

The AIFM selects investment opportunities with a view to achieving predetermined target returns on an IRR basis. The underlying investments are therefore structured with a combination of both interest income and principal appreciation matched to these return requirements.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(iii) Interest rate risk (continued)

Indirect exposure (continued)
The COVID-19 pandemic and the Russia-Ukraine war have, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity, causing an increase of raw materials, energy and transportation costs. The spread of the Omicron variant and the complex geopolitical environment have negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility. Despite the improvement of the health situation mainly due to the vaccination of a large part of the population in the developed countries, the development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse effect on global economic and market conditions. The unpredictable development of COVID-19 pandemic and the Russia-Ukraine war may lead to adverse impacts on valuations and other financial analyses.

During first half of 2022, the Company had no exposure to currency risk as all the assets were denominated in Euro and the exposure to the interest rate risk was low as the Company didn't invest in interest-bearing instruments.

Liquidity risk
Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The following table shows the remaining contractual, undiscounted cash flows of the Company's liabilities as of 30 June 2022:

	Less than 1 month	1-12 months	More than 1 year
Financial liabilities	€	€	€
Professional fees payable	76,025	-	-
Administration, custody and transfer agent fees payables	182,556	-	-
Audit fees payable	39,600	-	-
Director's fees payable	38,750	-	-
Other payables	170,133	-	-
Total	**507,064**	**-**	**-**

The Company's Prospectus does not provide for the redemption of Shares at the option of the shareholder. The Company is therefore not exposed to the liquidity risk of meeting redemptions from holders of participating Shares.

The AIFMs liquidity management approach is to continuously monitor the Company's assets to ensure that there are sufficient liquid assets to meet the Company's obligations. The Company may utilize short-term and long-term loans to maintain sufficient liquidity. As of 30 June 2022 and 31 December 2021, the Company's liabilities consist of short-term payables of less than one year. There are sufficient cash deposits to meet these obligations.

The Company is closed-ended and invests in illiquid assets. During first half of 2022, the Company had a sufficient level of cash and cash equivalents to honor its short-term liabilities. However, there is a possibility that future disruptions caused by COVID-19, notably via the emergence of new variants, and by the unpredictable geopolitical environment could still affect the timing of the investments, distributions and exits in future periods.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

As of 30 June 2022 and 31 December 2021, the carrying amounts of cash and cash equivalents represent the Company's maximum exposure to the credit risk in relation to the financial assets. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss. The AIFM considers the credit risk associated as minimal as all of the Company's cash balances are held with a reputable financial institution which the AIFM believes is of high credit quality.

The Company has recognized an impairment allowance of Euro Nil (31 December 2021: Euro Nil) with respect to the cash and cash equivalents. The amount of the allowance has not changed during the year.

The Company's cash and cash equivalents are held with the counterparties, Brown Brothers Harriman (Luxembourg) S.C.A. (Fitch rating: A+), the Royal Bank of Scotland International Limited, Luxembourg Branch (Fitch rating A), and Intesa Sanpaolo Private Banking S.p.A. (Fitch rating: BBB). The Company has determined that ratings represent a low credit risk. Impairment has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures and the low probability of default.

Due to the nature of the assets held in the portfolio (i.e. mainly private companies), the credit risk of the Company is deemed to be low. The Company is however exposed to the risk of default of the credit institution(s) in which cash is deposited.

Concentration risk

Concentration risk arises when financial instruments have similar characteristics and are affected in a similar manner when there are changes in economic or other conditions.

The Company's investments as of 30 June 2022 are listed in note 4(i). Although the Company only holds two direct investments, the AIFM believes that the diversified nature of the underlying investment portfolio reduces the level of overall concentration risk of the Company.

The Company's investments are concentrated in Italy and this geographic concentration increases the Company's vulnerability to the risk of adverse social, political or economic events in Italy. However, Management does not believe there is a significant risk to the Company.

All of the Company's cash balances were held with Intesa San Paolo Private Banking (Fitch rating: BBB), Royal Bank of Scotland International Limited (Fitch rating: A), and Brown Brothers Harriman (Luxembourg) S.C.A (Fitch rating: A+) as of 30 June 2022 and 31 December 2021.

6. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, Related Party Disclosures ("IAS 24"), parties considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The following provides details on the related parties of the Company and transactions with the related parties:

(a) Board of Directors

The listing of the Board of Directors is shown on page 1. For acting as Directors of the Company the Directors are entitled to remuneration as follows (on a pro-rata basis from the appointment date):
- Alessandro Spada, Patrizia Polliotto, Fereshteh Stein-Pouchantchi, and Galeazzo Pecori Giraldi are entitled to receive remuneration of Euro 15,000 per annum; and
- Francesco Moglia does not receive remuneration for acting as a Director of the Company.

The total Directors' fees charged for the period ended 30 June 2022 amounted to Euro 38,750 (30 June 2021: Euro 51,334), which also includes Directors' expenses such as insurance costs. There were Euro 38,750 of Directors' fees payable included in accrued expenses and other payables in the Statement of Financial Position as of 30 June 2022 (31 December 2021: Euro Nil).

(b) Risk and Control Committee

The Risk and Control Committee was set-up on 12 April 2020. For acting as part of the risk and control committee the committee is entitled to remuneration as follows (on a pro-rata basis):
- Patrizia Polliotto is entitled to receive remuneration of Euro 7,500 per annum; and
- Fereshteh Stein-Pouchantchi and Alessandro Spada are both entitled to receive remuneration of Euro 5,000 per annum.

(c) AIFM

The Company will be charged an annual Management fee payable to the AIFM quarterly in advance, starting from the Listing Date. The Management fee charged for the period ended 30 June 2022 amounted to Euro 1.72 million (30 June 2021: Euro 1.78 million). The Management fee payable is included in accrued expenses and other payables in the Statement of Financial Position and amounted to Euro Nil as of 30 June 2022 (31 December 2021: Euro Nil).

The Special Shares of the Company are held by Neuberger Berman. The AIFM also acts as AIFM of Fondo Italiano.

(d) NB Alternative Adviser LLC

NB Alternatives Advisers LLC owns 50,000 fully paid-up Special Shares at the end of the year.

(e) NB Aurora Holdings S.à r.l.

Aurora Holdings is a wholly owned subsidiary of the Company, incorporated in Luxembourg.

In the first six months of 2022, the Company executed financing (Bonds) to Aurora Holdings in the amount of Euro 199,173 to finance purchase of additional shares in Dierre Group. The bond has an annual interest rate of 1.9% and is due on 31 December 2022.

6. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Related parties

The related parties of the Company are as follows: Neuberger Berman Group LLC (ultimate parent), Aurora Holdings, Sunrise S.S., Fondo Italiano di Investimento, Mic Co-Invest, NB Aurora Holdings Limited, NB Aurora Co-Investment, NB Renaissance Partners Holdings S.à r.l. and NB Renaissance Partners S.à r.l. SICAV-RAIF.

On 10 June 2022, the Company completed a fourth capital increase, together with the investment vehicle controlled by Guglielmo Fiocchi and Maurizio Perroni's F&P4BIZ, in BluVet. The capital increase provided for the injection of a further Euro 2.0 million of capital into the company, of which Euro 1.1 million provided by NB Aurora and Euro 0.4 million by NB Aurora Co-Investment, through the wholly owned vehicle Blu Club S.r.l., and Euro 0.6 million by F&P4BIZ. To date, NB Aurora and NB Aurora Co-Investment have invested around Euro 16.9 million.

7. OPERATING SEGMENTS

As required by IFRS 8, Operating Segments, the information provided to the Board of Directors and AIFM, who are the Chief Operating Decision Makers, can be classified into one segment for the financial period ended 30 June 2022.

For the financial period ended 30 June 2022, the Company's primary exposure was to Italian related assets (see note 3(i)).

Major Customers
The Company regards the holders of Shares as customers because it relies on their funding for continuing operations and meeting its objectives. The Company's shareholding structure is not exposed to a significant shareholder concentration.

8. SUBSEQUENT EVENTS

On 1 February 2021, BluVet extraordinary shareholder's meeting pre-approved a total share capital increase of Euro 27.0 million in addition to the first Euro 7.0 million injected at closing (of which Euro 4.9 million by Company) to be subscribed by Company and NB Aurora Co-Investment for Euro 18.9 million and by FP3 S.r.l. for Euro 8.1 million, by 31 January 2024. As of 30 June 2022, Company and NB Aurora Co-Investment have subscribed Euro 12.0 million (of which Euro 9.0 million by Company and Euro 3.0 million by NB Aurora Co-Investment) out of Euro 18.9 million. In August 2022 Company subscribed a fifth capital increase in BluVet (through Blu Club S.r.l) of Euro 2.6 million (Euro 3.5 million with NB Aurora Co-Investment pro-quota).

9. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Board of Directors approved the condensed interim financial statements on 6 September 2022.

E-MARKET SDIR CERTIFIED

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Report of the Réviseur d'Entreprises agréé on the review of the condensed interim report

Introduction

We have reviewed the accompanying condensed interim statement of financial position of NB Aurora S.A. SICAF-RAIF (the "Company") as at 30 June 2022, the condensed interim statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended, and notes to the condensed interim report ("the condensed interim report") as set out on pages 8 to 38. Management is responsible for the preparation and presentation of this condensed interim report in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as adopted, for Luxembourg, by the Institut des Reviseurs d'Entreprises. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim report as at 30 June 2022 as set out on pages 8 to 38 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

Luxembourg, 6 September 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Francesco Sardella