



NB Aurora S.A. SICAF-RAIF

Annual Report

(with the report of the “*réviseurs d'entreprises agréé*” thereon)

For the year ended 31 December 2023

Registered office

80, route d'Esch

L-1470 Luxembourg

Grand Duchy of Luxembourg

R.C.S Luxembourg, B 218101

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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 Audit S.à r.l. 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
Depository and Paying Agent	Brown Brothers Harriman (Luxembourg) S.C.A. 80, route d’Esch L-1470 Luxembourg

NB AURORA S.A. SICAF-RAIF
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DIRECTORS' REPORT

The Board of Directors of NB Aurora (the “Board of Directors”) presents the financial statements as of 31 December 2023 (the “financial statements”) 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 companies mainly in Italy.

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.

Historic activities and transactions

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 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”).

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.

On 30 September 2019, the Company, through 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 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 acquired 39.6% of PHSE.

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.

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DIRECTORS' REPORT (CONTINUED)

Historic activities and transactions (continued)

On 28 December 2020, the Company (through Aurora Holdings) together with F&P4BIZ (through FP3 S.r.l.) 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 BluVet 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.

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 Guglielmo 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

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DIRECTORS' REPORT (CONTINUED)

Historic activities and transactions (continued)

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.

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 S.p.A. (“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 S.r.l., and Euro 2.4 million by F&P4BIZ (“F&P”).

In March 2022, the Company increased its stake in Dierre Group 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 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.

On 28 July 2022, the Company completed 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). To date, NB Aurora has invested a total amount of Euro 16.5 million in BluVet (Euro 20.4 million with NB Aurora Co-Investment).

On 30 November 2022, NB Aurora invested Euro 8.0 million for the acquisition of 28.8% indirect stake of PromoPharma S.p.A. (“PromoPharma”). The investment was completed through a capital increase of Euro 10 million carried out by Promo Club S.r.l. (“Promo Club”), vehicle 75% owned by NB Aurora and 25% by NB Aurora Co-Investment. PromoPharma, based in San Marino with over 25 years of history, is a fast-growing company specialized in the production and commercialization of food supplements, dietary food, medical devices and cosmetics with a presence in more than 38 countries around the world.

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DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments

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

As of 31 December 2023, Fondo Italiano completed the exit from the investment and sold 1,132,308 shares for a value at cost of around Euro 1 million, for a total consideration of the transaction of around 1.73 million. The stake held by NB Aurora is equal to Euro 0.45 million for the value at cost and Euro 0.77 million for the consideration of the transaction, gross of carried interest (Euro 0.12 million).

On 27 April 2023, the Company disposed Fondo Italiano di Investimento's entire stake (approximately 30.6%, of which about 13.6% held by NB Aurora) in Ligabue S.p.A. ("Ligabue"). The stake in Ligabue that Fondo Italiano has held since 2016, was acquired by the entrepreneur Inti Ligabue, majority shareholder, Chairman and CEO of the Group, through his holding company Lilux S.r.l. The value at cost is equal Euro 9 million and the total consideration of the transaction is equal to Euro 9.7 million. The stake held by NB Aurora is equal to approximately Euro 5 million for the value at cost and Euro 4.3 million for the total consideration of the transaction, gross of carried interest (Euro 0.65 million).

On 25 May 2023, PHS Group S.p.A. completed the acquisition, through PHS2 S.r.l. ("PHS2"), of an additional 20% stake of PHSE S.r.l. ("PHSE"), thus increasing the ownership stake, on a look through basis, that the Company held in PHSE to 39.6%. On 1 August 2023, the shareholders' meeting of PHSE approved the merger of PHS2 into PHSE, which brought the look through post-merger stake to 38.5%.

On 16 June 2023, the Company announced, as part of its project to raise new financial resources for future investments, that it has been examined the possible sale of up to 49.9% of the portfolio – held through Aurora Holdings and the direct shareholding of 4.9% of the units issued by MIC Co-Invest (together the "Portfolio") – to a newly established closed-end fund named NB Aurora Co-Investment Fund II S.C.A. SICAV-RAIF ("NB Aurora Co-Investment II").

On 20 June 2023, NB Aurora together with Credem PE and PM & Partners (together the "Sponsors") completed the delisting in Finlogic S.p.A. ("Finlogic"). The Group is active in the information technology sector offering complete and innovative solutions for the labelling systems, coding and automatic identification of products. In particular the Company completed the acquisition of 22.9% stake in Finlogic (on a look through basis) through the investment vehicle Bcode S.r.l. ("Bcode") for a total consideration of Euro 15.4 million.

On 7 July 2023, NB Aurora performed the sixth capital increase in Blu Club S.r.l. (the vehicle that holds the stake in BluVet) from the investment date, together with the investment vehicle controlled by F&P4BIZ (directly) in BluVet. The capital increase provided further capital injection of around Euro 5 million, of which Euro 2.6 million provided by NB Aurora and Euro 0.9m by NB Aurora Co-Investment I (both through the owned vehicle Blu Club S.r.l.).

On 11 July 2023, the Company sold 46% stake in Bcode for a value at cost of around Euro 7.1 million (stake of around 10.5% in Finlogic on a look through basis) to NB Aurora Co-Investment Fund SCSp. As a result, Aurora Holding is currently investing an amount of Euro 8.3 million.

On 25 July 2023, it has been announced that binding agreements have been signed for the sale of 49.9% of NB Aurora equity investment Portfolio to NB Aurora Co-Investment Fund II and, on September 6, it has been fulfilled the conditions precedent to the completion of the transaction (i.e. closing).

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DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

On 19 October 2023 sale transaction was completed on the usual conditions, and in particular to: (i) the confirmation of the soft commitments collected from third-party investors as hard binding commitments for a total of Euro 167 million; and (ii) the obtainment of the authorisations regarding golden power. Subject to the fulfilment of the above conditions, the sale of the minority interest in the Portfolio is at a fixed price totalling Euro 144.2 million, determined on the basis of the latest available NAV of the Portfolio as of 31 March 2023 supplemented by the purchase cost relating to any investments realised after that date and not included in the aforesaid reference NAV such as the investment in Finlogic S.p.A. and the two most recent capital increases in Blu Club S.r.l. (the vehicle that holds the stake in BluVet). Please note that the appropriateness of the Price was supported by the fairness opinion of PricewaterhouseCoopers.

The above sale allowed NB Aurora to realize part of the value generated by the portfolio to date and to raise financial resources that will be used to continue to support:

- (i) the expansion projects of SMEs that are leaders in their market niches and have high growth potential, and
- (ii) the solid pipeline of opportunities present in this market phase for operators that operate without (or with reduced recourse to) debt such as NB Aurora.

The Company, NB Aurora Co-Investment invest and NB Aurora Co-Investment Fund II SICAF-RAIF invest on the basis of a co-investment protocol, subject to the usual concentration limits and without prejudice to the offer of any co-investment opportunities in favor of third parties.

On 21 December 2023, the Company announced that a binding agreement was signed with Alto Capital V Fund (managed by Alto Partners SGR) for the sale of its entire shareholding in Dierre Group with a reinvestment of Euro 7.4 million in the transaction. The fair value of the investment into Dierre Group as of 31 December 2023 is substantially in line with the transaction closed on 14 February 2024.

The Company realized a profit of Euro 48.2 million as of 31 December 2023 (31 December 2022: Euro 22.2 million). The Company obtained income from investments for Euro 1.3 million (31 December 2022: Euro 3.0 million) and incurred expenses for a total amount of Euro 4.7 million (31 December 2022: Euro 4.7 million) of which Euro 3.5 million (31 December 2022: Euro 3.5 million) for management fees.

As of 31 December 2023, the NAV¹ of NB Aurora is about Euro 358.5 million (31 December 2022: Euro 310.3 million).

As of 31 December 2023, 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.

As of 31 December 2023, 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.

The NAV is composed of about Euro 2.7 million represented by the investment in Fondo Italiano di Investimento, about Euro 175.7 million by the shares of Club del Sole, Dierre Group, PHSE, Rino Mastrotto

¹ The net asset value (NAV) represents the net value of an entity and its calculated as the total value of the Company's assets minus the total value of its liabilities.

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DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

Group, BluVet, Veneta Cucine, Comet, Farmo, Exacer, PromoPharma and Finlogic (through the owned subsidiary Aurora Holdings), about Euro 20.1 million represented by the investment in Engineering through MIC Co-Invest, and about Euro 160 million of cash, cash equivalent, short term deposits, prepayments net of accrued expenses, receivables and other payables.

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 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.

The aggregate revenues² of the companies currently in the portfolio (excluding Zeis, in bankruptcy procedure), based on the financial statements as of 31 December 2022 (latest public data), amounts to approximately Euro 2.9 billion with an aggregate EBITDA³ of approximately Euro 447 million.

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

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. In 2022 the group recorded a turnover of approximately Euro 77 million.
- **Dierre Group:** Diere 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 2022, Diere registered a consolidated turnover of around Euro 62 million.
- **Rino Mastrotto Group (“RMG”):** RMG is a world leader in the production and sale of high-end leather for the fashion, automotive and furnishing sectors. Today RMG employs over 1,100 people and sells in over 60 countries. In recent years, the group has grown significantly and in financial year 2022 recorded a pro-forma turnover of around Euro 358 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 today has 29 operational sites in seven countries and over 550 employees. Since the entry of NB Aurora, the Group completed four acquisitions and recorded in financial year 2022 a consolidated turnover of around Euro 73 million.

²Aggregate figures excluding Zeis (currently under bankruptcy procedure, i.e., “*concordato in continuità*” under the Italian law) and DBA Group (as of 31 December 2023, Fondo Italiano completed the exit from the investment).

³Earnings 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.

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DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

- **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 15,000 professionals in more than 70 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 2022, Engineering recorded pro-forma revenues of around Euro 1.6 billion.
- **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, BluVet manages 30 veterinary clinics. In July 2023 NB Aurora performed the sixth capital increase to support the acquisition plan. In 2022, the Group recorded consolidated turnover of around Euro 29 million.
- **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 more than 350 single-brand shops and more than 700 dealers worldwide. In 2022, the company achieved total revenues of around Euro 347 million and acquired a majority stake of its French distributor, Veneta Cucine France.
- **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 2022, the company recorded a turnover of around Euro 100 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 2022, the company recorded revenues of around Euro 21 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 an important R&D activity and a peculiar technical-productive know-how. In 2022, the company recorded normalized revenues of around Euro 15 million.
- **PromoPharma:** PromoPharma, based in San Marino with over 25 years of history, is a fast-growing company specialized in the production and commercialization of food supplements, dietary food, medical devices and cosmetics. In 2022, PromoPharma reached a turnover of around Euro 25 million.
- **Finlogic:** Finlogic, founded in 1993 and based in Acquaviva delle Fonti (BA), is a Group active in the Information Technology sector and realizes complete and innovative solutions for the coding and automatic identification of products through the use of bar codes and RFID (Radio Frequency Identification) technology. It provides integrated and customized labeling systems for products recognition and traceability, covering the entire value chain (hardware, software, consumables and technical assistance). In 2022, Finlogic recorded consolidated turnover of around Euro 70 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 2022, the company reported total revenues of approximately Euro 104 million.
- **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.

At the end of the year the sum of the cash available and of the short-term time deposits' investments represents Eur 160.4 million, which allows NB Aurora on one side to address potential need of the portfolio companies for add on, and on the other side to seize the opportunities of new investments.

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DIRECTORS' REPORT (CONTINUED)

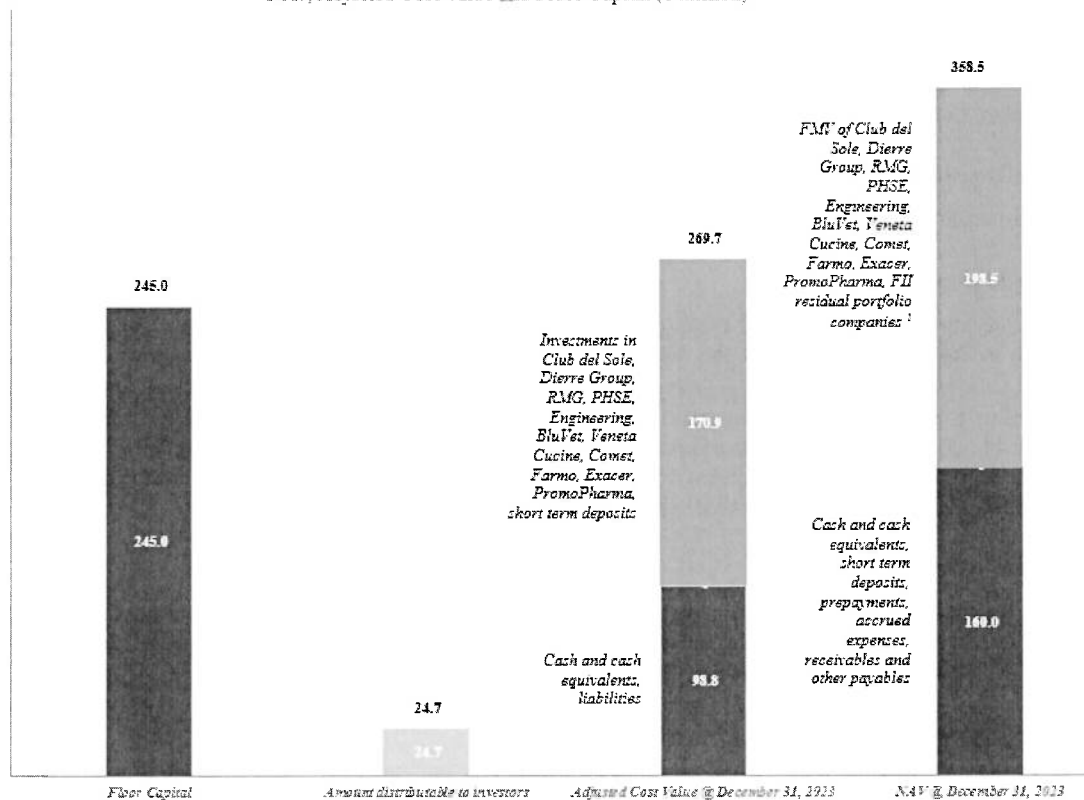
Allocation of the results

Following the approval 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 capitalized 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").

The following table shows the amount that is available for distribution to shareholders:

NAV, Adjusted Cost Value and Floor Capital (€ million)



1) Including Net Other Assets ("NOA") and net of Carry Interests

Result brought forward from the previous years (included in Retained Earnings) is equal to Euro 29,328,111. The Profit for the financial year ended 31 December 2023 is Euro 48,205,633. During the year 2023 there was no allocation to the Legal reserve and the amount of Euro 23,669,286 was allocated to the Non-distributable reserve.

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DIRECTORS' REPORT (CONTINUED)

Allocation of the results (continued)

The Directors will propose to the Shareholders to allocate the Profit of Euro 48,205,633 as follows:

- to the Non-distributable reserve for an amount of Euro 19,953,207;
- allocation to the legal reserve for an amount of Euro 1,412,621 (5% of the net profit of the year);
- dividend distribution for a total amount of Euro 24,553,115.00 (corresponding to Euro 0.850000 for each listed share); and
- to the Result brought forward for an amount of Euro 2,286,690.

Directors

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

No Directors who held office during the year ended 31 December 2023 and as of the date of this report hold interests in the issued share capital of the Company at any time during the year and as of the date of this report.

The mandates of the Directors expire at the annual general meeting of the Company (the "AGM") to be held in 2024, noting that the AGM is scheduled on 29 April 2024.

The renewal or appointment of the (new) Directors will take place on 29 April 2024, date of the AGM.

Related parties' transactions

Related parties' transactions are described in note 7 of the financial statements as of 31 December 2023.

Subsequent events

On 14 February 2024, NB Aurora completed the sale of its entire 48.4% stake in the Dierre Group, held through its subsidiary vehicle D Club S.R.L., to the Alto Capital V Fund managed by Alto Partners SGR. The closing follows the signing of the binding agreement announced on 21 December 2023. The total value of the transaction is approximately Euro 108.5 million, of which approximately Euro 22.2 million belongs to NB Aurora. In addition, NB Aurora, confirming its commitment to Dierre Group, reinvested part of the previously mentioned proceeds for an amount of Eur 7.4 million, through a newly incorporated subsidiary vehicle Praesidium S.R.L., remaining hence a minority shareholder of the company.

Accounting records

Brown Brothers Harriman (Luxembourg) S.C.A was appointed by the Board of Directors as administrator of the Company for the unlimited period of time. The accounting records of the Company are maintained at the registered office at 80, route d'Esch L-1470 Luxembourg.

Going concern

The Board of Directors considers it appropriate to prepare the financial statements under the going concern assumption.

Principal risks and uncertainties

Investment in the Company carries with it a high degree of risk. 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 companies. There can be no assurance that the investment objective of the Company will be achieved, and investment results may vary substantially from year to year.

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DIRECTORS' REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Investment in the Company carries with it a high degree of risk. 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 companies. There can be no assurance that the investment objective of the Company will be achieved, and investment results may vary substantially from year to year.

The following is a non-exhaustive summary of the principal risks and uncertainties related to the Company's investment activities:

- A portion of the Company's assets are invested, directly or indirectly through, Fondo Italiano and in equity and equity-related investments primarily in a portfolio of private, medium sized and unlisted Italian companies that may involve significant risks;
- The Company's investments are concentrated in Italy and this geographic concentration may increase the Company's vulnerability to the risk of adverse social, political or economic events in Italy;
- The Company's portfolio may include a small number of large positions that, in addition, may be concentrated in certain industries and segments of activity;
- The Company invests a large part of its net assets in unregulated investments that are generally riskier than investments in regulated investments.
- Investments in most of the portfolio companies are highly illiquid until such time as a public market is created;
- The Company's ability to perform the exit strategies is dependent on its ability to implement efficient and timely exit strategies;
- The Company may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase its investment in such portfolio companies.
- Most of the Company's investments will be minority investments and the Company may accordingly only have minority rights;
- Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty with respect to successful completion;
- Due diligence processes involve subjective analysis and there can be no assurance that all material issues will be uncovered; and
- The Company is largely dependent upon the private equity experience and judgment of the AIFM, the Portfolio Manager and the Principals for the selection of suitable investments.

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 risks of meeting redemptions from holders and participants of the Shares.

As of 31 December 2023, the Company's liabilities consist of short-term term payables of less than one year. The Board of Directors are continuously assessing the impact of the outbreak on the Company based on the latest information available.

Further information on the Company's exposure to market risk, liquidity risk and credit risk at 31 December 2023 and the risk management objectives policies and processes are included in note 6 of the Financial Statements.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Independent auditor

KPMG Audit S.à r.l. ("KPMG"), was appointed as approved audit firm (*cabinet de révision agréé*) of the Company on the date of incorporation of the Company until the General Meeting of shareholders convened to approve the Company's annual accounts for the year ended 31 December 2023. KPMG is registered with the Luxembourg Registre de Commerce et des Sociétés under number B149.133.

Corporate Governance Statement

1. Introduction

NB Aurora S.A. SICAF-RAIF ("NB Aurora") is a public limited liability company (*société anonyme - SA*) qualifying as a reserved alternative investment fund (*fonds d'investissement alternatif réservé - RAIF*) in the form of an investment company with fixed capital (*société d'investissement à capital fixe - SICAF*) as per the Luxembourg law of 23 July 2016 on reserved alternative investment funds (the "RAIF Law").

NB Aurora is incorporated under the laws of the Grand Duchy of Luxembourg and has its registered office at 80, route d'Esch, L-1470 Luxembourg. The Grand Duchy of Luxembourg is NB Aurora's home member state within the meaning of Directive 2004/109/EC on the harmonisation of transparency requirements.

Since 24 April 2018 NB Aurora's Class A Ordinary Shares have been listed on the "Market for Investment Vehicles – Professional Segment" ("MIV – Professional Segment"), an Italian regulated market (within the meaning of Directive 2014/65/EU on markets in financial instruments ("MiFID II")) of Borsa Italiana, and their subsequent trading started on 4 May 2018 (the "Listing").

NB Aurora, not being listed on the regulated market of the Luxembourg Stock Exchange, is not obliged to adhere to the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange and it did not decide to do so on a voluntary basis. Instead, it undertook to comply, on a voluntary basis, with the provisions indicated below of the Corporate Governance Code for Italian Listed Companies of Borsa Italiana (a copy of which can be found at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf>) (the "Code of Conduct"). The corporate governance structure of NB Aurora, as described herein, is compliant with the main recommendations set forth in the Code of Conduct. Where recommendations of the Code of Conduct have not been complied with, taking into account the specific characteristics of NB Aurora, this circumstance will be described below.

2. Significant Shareholdings

As of 31 December 2023 NB Aurora issued 24,353,115 class A ordinary shares, 150,000 class B ordinary shares (collectively, the "Ordinary Shares") and 50,000 special shares (the "Special Shares" and, together with the Ordinary Shares collectively referred to as the "Shares").

According to the latest consolidated articles of association of NB Aurora dated 10 November 2020 (the "Articles", each Share entitles its owner to one vote at each general meeting of the shareholders of NB Aurora (the "General Meeting").

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

2. Significant Shareholdings (continued)

Name of the shareholder	% of voting rights in the share capital of NB Aurora as of 31 December 2023
Eurizon Capital SGR S.p.A.	8.66%
Eurizon AM SICAV	7.67%
Intesa Sanpaolo S.p.A.	5.99%
Pramerica SICAV	9.12%*
Mr. Sergio Gianfranco Luigi Maria Dompe	8.22%**

* Through a number of compartments (one of which, Pramerica SICAV Absolute Return Solution, itself holds more than 5%)

** 4.11% owned indirectly by Mr. Sergio Gianfranco Luigi Maria Dompe through the company denominated Dompe Holdings S.r.l.

3. The Board of Directors and its Committees

3.1 Powers

The Board of Directors is vested with the broadest powers to act in the name of NB Aurora and to take any action necessary or useful to fulfil NB Aurora's corporate purpose, with the exception of the powers reserved by the Luxembourg law on commercial companies of 10 August 1915, as amended (the "Luxembourg Companies Law") and the Articles to the General Meeting.

The powers of the Board of Directors are further limited by the powers of the alternative investment fund manager pursuant to the Luxembourg law governed alternative investment fund management agreement dated 29 July 2019 effective as from 1 August 2019 whereby NB Aurora appointed the AIFM (as defined in section 3.8 below) to act as its external alternative investment fund manager in order to provide, inter alia, portfolio management, risk management, valuation and marketing services (the "AIFM Agreement").

3.1.1 The powers related to general management of NB Aurora

The Board of Directors plays a crucial role in defining the business strategy of NB Aurora and in supervising the general management of NB Aurora on the basis of the information received by the AIFM. In particular, the Board of Directors has the power to:

- a. examine the strategic, operational and financial plans, corporate governance structures of NB Aurora;
- b. admit investors into NB Aurora;
- c. approve the issue of shares within the limits of the authorised capital;
- d. propose or decide to make distributions to investors;
- e. prepare the Financial Statements, annual report and semi-annual reports, and/or monitoring and supervision of any delegate or service provider appointed to perform such preparation;
- f. evaluate the general performance of NB Aurora, with special reference to situations of conflict of interest and monitoring of transactions with related parties, within the limits this activity is not assigned to the AIFM;
- g. propose amendments to the prospectus, offering documents or the Articles, within the limits this activity is not assigned to the AIFM;
- h. appoint and remove the AIFM (and entrust it with the investment management and marketing functions pertaining to NB Aurora and its investments);
- i. monitor the AIFM's actions/mission on at least an annual basis;

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

- j. prepare, update or revise a business plan together with the appointed AIFM, which shall be consistent with the duration of NB Aurora and current or expected market conditions;
- k. define the guidelines for the internal control and the management of the business risks and periodically verify their adequacy and effective operations with the cooperation of the Control and Risk Committee (as defined in section 3.5 below); and
- l. prepare the corporate governance report attesting the implementation of the corporate governance rules.

3.1.2 The powers of the Board of Directors to represent NB Aurora

The Board of Directors is vested with the power to manage and administer NB Aurora; this includes representation powers of NB Aurora. NB Aurora is bound by (i) the joint signatures of any three directors, or (ii) by the joint signature or the sole signature of any person(s) to whom such signature powers may have been delegated by the Board of Directors within the limits of such delegation.

3.1.3 The power of the Board of Directors to issue or buy-back shares

Currently, NB Aurora does not have a share buy-back programme in place and it is not authorised by its shareholders to buy-back its Shares.

3.1.4 The appointment and replacement of the members of the Board of Directors

The Articles provide that the members of the Board of Directors are elected by the General Meeting for a period of up to three years.

The General Meeting appoints the members of the Board of Directors from a list of candidates designated as follows:

- a. the holders of Special Shares shall be entitled to propose a list of candidates among which the General Meeting may appoint (from that list) up to three candidates, one of which shall qualify as an independent director; and
- b. the holders of Class A Ordinary Shares shall be entitled to propose a list of candidates among which the General Meeting may appoint (from that list) up to two candidates, both of which shall qualify as independent directors.

The Board of Directors is in charge of the establishment of the candidate lists. If no list is presented by the holders of the Class A Ordinary Shares, the candidates shall be appointed solely from the list proposed by the holder(s) of the Special Shares. If neither the holder(s) of the Special Shares nor of the Class A Ordinary Shares propose any candidates within the timeline set by the Board of Directors, the Board of Directors shall be entitled to propose any candidates it deems fit, subject to the minimum requirement that a majority of the members of the Board of Directors be composed of independent directors.

Should one or more member(s) of the Board of Directors cease for any reason whatsoever to hold his or her office, the substitute shall be selected by the remaining members of the Board of Directors from the same list in which the ceasing director was included. Any such selected member(s) shall only terminate the mandate of the resigning director(s).

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

In the event of a vacancy in the office of a director because of death, legal incapacity, bankruptcy, resignation, retirement or otherwise, this vacancy may be filled on a temporary basis and for a period of time not exceeding the initial mandate of the replaced director by the remaining directors until the next General Meeting which shall resolve on the permanent appointment in compliance with the applicable legal provisions.

3.2 Composition of the Board of Directors

As of 31 December 2023, the Board of Directors was composed of the following five (5) members: Francesco Moglia, Fereshteh Stein-Pouchantchi, Galeazzo Pecori Giraldi, Patrizia Polliotto and Alessandro Spada. The mandates of the directors will expire at the annual General Meeting to be held in 2024.

Pursuant to the Articles the majority of the members of the Board of Directors shall be independent within the meaning of article 3 of the Code of Conduct.

As of 31 December 2023, the following directors were independent directors of NB Aurora: Galeazzo Pecori Giraldi, Patrizia Polliotto and Alessandro Spada. The independency of (i) Patrizia Polliotto and Alessandro Spada was assessed by the Board of Directors at its meeting held on 21 March 2019, and (ii) Galeazzo Pecori Giraldi was assessed by the Board of Directors at its meeting held on 3 December 2019. A disclosure to the market was made in both cases on the date of the relevant meetings of the Board of Directors.

In accordance with the Code of Conduct, the independence of the members of the Board of Directors will be periodically assessed by the Board of Directors on the basis of the following criteria set forth by article 3 of the Code of Conduct:

- a. if the director controls, directly or indirectly, NB Aurora also through subsidiaries, trustees or through a third party, or is able to exercise dominant influence over NB Aurora, or participates in a shareholders' agreement through which one or more persons may exercise control or considerable influence over NB Aurora;
- b. if the director is, or has been in the preceding three fiscal years, a relevant representative of NB Aurora, of a subsidiary having strategic relevance, or of a company under common control with NB Aurora, or of a company or entity controlling NB Aurora or able to exercise considerable influence over the same, also jointly with other persons through a shareholders' agreement;
- c. if the director has, or had in the preceding fiscal year, directly or indirectly (e.g., through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:
 - i. with NB Aurora, one of its subsidiaries or promoters, or any of its significant representatives (i.e., to be intended as the legal representative, the president of the entity, the chairman of the board of directors, the executive directors and executives with strategic responsibilities of the relevant company or entity), or has been in the preceding three fiscal years, an employee of the abovementioned subjects;
 - ii. with a subject who, jointly with other persons through a shareholders' agreement, controls NB Aurora, or – in case of a company or an entity – with the relevant significant representatives or is, or has been in the preceding three fiscal years, an employee of the abovementioned subjects;
- d. if the director receives, or has received in the preceding three fiscal years, from NB Aurora or from a subsidiary, holding company or promoters of NB Aurora, a significant additional remuneration compared to the "fixed" remuneration of a non-executive director of NB Aurora, including the participation in incentive plans linked to NB Aurora's performance;

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

- e. if the director was a director of NB Aurora or of the promoter for more than nine years in the last 12 years;
- f. if the director is vested with the office of executive director in another company in which an executive director of NB Aurora holds the office of director;
- g. if the director is a shareholder, quotaholder or director of a legal entity belonging to the same network as NB Aurora appointed for the accounting audit of NB Aurora; or
- h. if the director is a close relative of a person who is in any of the positions listed in the above paragraphs.

Short biographies of the five members of the Board of Directors are provided hereafter:

Francesco Moglia

Mr. Moglia has been a member of the Board of Directors since the date of incorporation of NB Aurora.

Other than being a director of NB Aurora, he is head of operations for the NB Renaissance Partners' funds and director of NB Renaissance Partners Holdings. Mr. Moglia was a member of the board of directors of Private Equity International S.A., an Intesa Sanpaolo group company in Luxembourg which manages investments in international private equity funds and joint ventures, as well as other traditional and alternative Luxembourg funds; he also chaired the investment committee of that company. Prior to joining the private equity group, he was General Manager of Intesa Sanpaolo Bank Luxembourg, in Luxembourg.

He holds a Master's degree in finance from the London Business School.

Galeazzo Pecori Giraldi

Galeazzo Pecori Giraldi (independent director), is Chairman of the Board of Hedge Invest SGR (Manuli Group), and of PIR Group (Ottolenghi family). Prior he was the Global Head of Private Investment Banking at Société Générale, based in Paris, responsible for relationships with major holding companies and family offices for Europe and Middle East. He was also Deputy Chairman of the Investment Banking Committee and Member of the European Strategic Committee. Previously he spent 24 years at Morgan Stanley as Vice Chairman Europe, Chairman and Chief Executive Officer of Italy & Switzerland, Member of the Global Investment Committee of MSREF (real estate funds). He also spent 7 years at Citibank in London at the start of his banking career. He covered non-executive roles at Bridgepoint Capital where he serves on the Advisory Board since 2007, at Neuberger Berman-Aurora (Private equity for SME).

He serves as member of the board of non-profit organizations: FAI (National Trust), Accenture Foundation. In December 2023, he was appointed Chairman of Primonial REIM Italy SGR. Mr. Pecori Giraldi graduated in international law at Padua University and attended graduate courses in Business Economics at Cambridge and Harvard.

Patrizia Polliotto

Patrizia Polliotto is a distinguished lawyer with a profound specialization in corporate and banking law, focusing notably on extraordinary transactions. She has joined the Board of Directors on July 23, 2018 and she has served as the President of the Internal Control Committee since 2019. Polliotto's expertise extends to advising a diverse range of entities, including large to small industrial firms, banks, insurance companies, and investment funds. Her extensive governance experience encompasses numerous key positions: Independent Director and President of the Internal Control Committee; President of the Remuneration Committee; Member of the Sustainability Committee (ESG) at Reply S.p.A.; Supervisory Body member; Independent Director at Vincenzo Zucchi S.p.A., where she also leads the Remuneration Committee; and Supervisory Body member at Bassetti Italia S.r.l.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

Furthermore, Polliotto holds pivotal roles at Italconsult S.p.A. and Sviluppo Lavoro Italia S.p.A. as a Board Member, in addition to her involvement with Juventus S.p.A. as a member of the Supervisory Body and President of the Guarantee Body. Her contributions to governance and oversight extend to serving as the President of the Supervisory Body across several organizations, including Topnetwork S.p.A., Atlantica S.p.A., Eurosystem S.p.A., and the President of the IIGM Foundation's Supervisory Body. Polliotto also significantly impacts the Compagnia di Sanpaolo Foundation and the Pio Office as a Supervisory Body member and offers her expertise to the Technical Advisory Board of the Cineca-Interuniversity Consortium. Her commitment to consumer rights is demonstrated through her role as the Regional President of the National Consumer Union (UNC). Polliotto's career is marked by notable past positions, including her tenure on the General Council and Board of the Compagnia di SANPAOLO Foundation, CEO of Icarus s.c.p.a (a Finmeccanica group company), advisor to FSU s.r.l., group leader at Iren s.p.a., and Chairman of Galeazzi Hospital s.p.a. of the San Donato Group. Her multifaceted experience underscores her exceptional leadership and governance skills, making her an invaluable asset to any organization she serves.

Alessandro Spada

Mr. Alessandro Spada (independent director) has been a member of the Board of Directors since 23 July 2018. Other than being a director of the Fund, he is graduated in law. In 1992 he joined the VRV Group, the family-owned company specialized in the design and manufacturing of pressure vessels and heat transfer equipment for the oil and gas, chemical, petrochemical and cryogenic industries, where he covered the position of Commercial Director, CEO and President. Today VRV S.r.l. is part of Chart Industries Inc., and he holds the role of Vice President.

He is President of Assolombarda (Milan Entrepreneurial Association) from May 2020 and he has been a member of the executive board of Confindustria (Italian Entrepreneurial Association) since May 2009. He is also Board member of Bracco S.p.A., Fondazione Fiera S.p.A., ISPI and Aspen Institute.

Fereshteh Stein-Pouchantchi

Mrs. Stein-Pouchantchi is a finance professional with extensive experience in auditing, financial processes, financial administration and compliance. She worked at the Société Européenne de Banque (Luxembourg) for more than 20 years, where she was director in charge of the compliance department. Prior to this, she had more than 10 years' experience in internal and external auditing (with PWC). From 2004 to 2020, she was an Associate Professor in Finance at the University of Luxembourg.

She is currently lawyer and member of the Luxembourg Bar.

Mrs. Stein-Pouchantchi holds a Doctorate degree in Economics from the Université de Paris II and a Master's degree in European Private Law from University of Luxembourg.

3.3 *Activities of the Board of Directors in 2023*

The Board of Directors held 8 meetings in 2023, with an average attendance rate of 100%.

The Board of Directors approved the Financial Statements for the financial year ending on 31 December 2022 on 24 March 2023.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

On 8 September 2023, the Board of Directors approved the condensed interim financial statements for the period from 1 January 2023 to 30 June 2023. Although the condensed interim financial statements are not required to be audited, the Board of Directors requested KPMG to review them.

3.4 Committees of the Board of Directors

As of 31 December 2023, the Board of Directors has a control and risk committee (the "Control and Risk Committee"). The Control and Risk Committee was set up on 12 April 2019 by the Board of Directors and it is composed of the following three members: Mr. Alessandro Spada, Mrs. Fereshteh Stein-Pouchantchi and Mrs. Patrizia Polliotto, the latter being the president of the Control and Risk Committee.

The function of the Control and Risk Committee is to provide advice and support to the Board of Directors on internal controls, risk managements and investments. In accordance with article 4 of the procedure of the Control and Risk Committee, which was adopted by the Board of Directors, the Control and Risk Committee operates in the following areas: (i) internal control and risk management; supporting the Board of Directors with adequate investigation activity in its evaluations and decisions concerning the internal control and risk management system and the approval of periodic financial reports and (ii) investments performed by NB Aurora: consulting with and supporting the Board of Directors with reference to the investment process, in compliance with the investment policies and strategies of NB Aurora as set forth in the Articles.

By virtue of the provisions of the Code of Conduct companies are required to set up a nomination committee and a remuneration committee made up, for the majority, of independent directors appointed in accordance with article 3 of the Code of Conduct. NB Aurora, however, decided not to do so for the following reasons:

- a. the functions of such committees are considered being absorbed by the Board of Directors;
- b. the Board of Directors is already made up of a majority of independent directors appointed in accordance with article 3 of the Code of Conduct; and
- c. as described below, the operational management is entrusted to the AIFM as a result of the management functions granted by the Board of Directors to the AIFM to act as alternative investment manager of NB Aurora.

3.5. The investment committee

The Italian branch of the AIFM (the "Italian Branch") shall make available a group of professionals and adequate resources to effectively carry out the portfolio management for NB Aurora and its investment objectives. Under the supervision of the AIFM and especially Francesco Moglia as conducting officer of the AIFM, responsible for monitoring the Italian Branch, the Italian Branch has formed an investment committee (the "Investment Committee") composed of the following senior investment team members of the Neuberger Group: Patrizia Micucci, Francesco Sogaro, Lorenzo Baraldi, Fabio Canè and Stefano Bontempelli (collectively, the "Principals").

Summary biographies of the Principals can be found below:

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

Patrizia Micucci is a Managing Director of Neuberger. Prior to joining Neuberger, Mrs. Micucci was Group Country Head for Italy at Société Générale, where she was also Chief Country Officer and Head of Coverage and Investment Banking. In 2009, she worked as senior partner of Investindustrial, responsible for identifying investment opportunities with strategic focus on illiquid assets. Mrs. Micucci started her career at Lehman Brothers, where she spent 17 years (from 1990 to 2007), culminating as Head of Investment Banking Division Italy. She graduated magna cum laude in business administration from Luiss University (in Rome) and obtained the MBA from L. Stern School of Business of New York University.

Francesco Sogaro is a Managing Director of Neuberger. Prior to joining Neuberger, he was senior partner (Head of the Investment Team) and member of the Investment Committee at Fondo Italiano di Investimento, which he joined before the first closing of the fund in September 2010. Before Fondo Italiano di Investimento, Francesco Sogaro co-founded (and served as CEO of the management company) Atlantis Capital Special Situations - an Italian fund specialised in turn around investments in Italian SMEs. Francesco has been member of the International Advisory Board of Heritage Bank (Geneva) for 10 years and has several years' experience as an entrepreneur (in the family company) and as a financial advisor serving for 4 years as CEO of a small family office. He has also served as (or he is currently member of) the boards of directors or bond-holder representative of many operating and financial companies including H&C S.p.A., Forgital Group S.p.A., Tbs Group S.p.A., Marsilli & Co S.p.A., Brugola Oeb Industriale S.p.A., Arioli S.p.A., Brazzoli S.p.A., Truestar Group S.p.A., Bunch S.p.A., Giostyle S.p.A., Labomar S.p.A., GMM S.p.A., Mesgo S.p.A., Dierre Group, PHSE S.r.l, Veneta Cucine S.p.A., Comet S.r.l. and Exacer S.r.l. Francesco graduated in Economics from the Bocconi University in Milan.

Lorenzo Baraldi is a Managing Director of Neuberger. Prior to Neuberger, he was senior partner (Head of the Investment Team) and member of the Investment Committee at Fondo Italiano di Investimento, which he joined in February 2011. Lorenzo began his career in 1994 in the Investment Banking and Corporate Finance division of Banca Commerciale Italiana (Comit), managing several listings of various companies on the stock exchange and M&A transactions. He joined the private equity team of the Intesa Sanpaolo Group in 2004, completing numerous equity investments/divestments in various industrial sectors, as well as restructuring projects, and in the last couple of years he was in charge of Private Equity for IMI Investimenti S.p.A. (AUM of about EUR 300 million). Lorenzo graduated with a first-class degree in Economics and Business from the University of Bologna. He is a Chartered Accountant since 1999 and has served as (or he is currently member of) the boards of directors of Imaging S.p.A., Esaote S.p.A., Fila S.p.A., Ilpea S.p.A., Infracom S.p.A., Turbocoating S.p.A., Sanlorenzo S.p.A., Surgital S.p.A., Sira Industrie S.p.A., Club del Sole and Farmo S.p.A. He has also been a member of the Advisory Committee of Fondo Centro Impresa and Fondo Mezzogiorno and a member of the Investment Committee of the French Fund FCIR.

Fabio Cané is a Managing Director of Neuberger and Senior Partner of NB Renaissance. Previously, he was the Head of Private Equity at Intesa Sanpaolo Corporate and Investment Banking Division (CIB) responsible for both Direct Private Equity and Private Equity Funds investments. Mr. Cané started his career at Intesa Sanpaolo in 2005 where he served a number of roles, including Head of Investment Banking, where he was responsible for M&A, ECM, DCM and structured finance with assets of more than Euro10bn, and Head of Restructuring & Special Situations with the responsibility of financial restructuring reporting to the CIB Division CEO. From 2000 to 2004, Mr. Cané was co-founder and Chairman of the Board of Directors of Yoox (now YNAP). From 1990 to 2000, he worked for Bain & Co. in Boston and Milan as a partner since 2005. Mr. Cané graduated cum

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

laude in Business Administration from LUISS University in 1984 and received an MBA from the Stern School of Business at New York University in 1990. Mr. Canè is a Certified Public Accountant and serves as a Board member of Engineering Ingegneria Informatica, Comelz, Rino Mastrotto Group and SICIT.

Stefano Bontempelli is a Managing Director of Neuberger and Senior Partner of NB Renaissance. Previously he was Head of Corporate Finance Italy at Société Générale, which he joined at the end of 2010, and a member of Neuberger Berman (previously Lehman Brothers) from 1999 to 2010. At Neuberger Berman, he was Managing Director and Partner of NB Aurora Co-Investment from 2006 to 2010, and a member of the European Mergers & Acquisitions Group at Lehman Brothers from 1999 to 2006 based in Milan and London with various responsibilities including Head of Mergers & Acquisitions Italy.

Mr. Bontempelli started his career in the Mergers & Acquisitions Group at Credit Suisse First Boston based in London. Mr. Bontempelli graduated cum laude in Business Administration from Ca' Foscari University of Venice. Mr. Bontempelli serves as a Board member of Engineering Ingegneria Informatica and Uteco.

All decisions of the Investment Committee are taken by a simple majority vote. The Investment Committee is, inter alia, in charge of:

- a. the discretionary portfolio management function in respect of the assets of NB Aurora, in line with the investment policy of NB Aurora;
- b. origination of investment opportunities;
- c. analysis and investigation of potential investments in portfolio companies, including evaluation of markets, management, financial condition, competitive position, market ranking and prospects for future performance;
- d. analysis and investigation of potential disposal of investments, including identification of potential acquirers and evaluation of offers made by such potential acquirers;
- e. negotiating and structuring acquisitions and disposal of investments and supervising the preparation and review of documents required in connection therewith;
- f. monitoring the compliance of the portfolio of NB Aurora with any investment or other risk limits whether set out in NB Aurora's prospectus, any offering document of NB Aurora or set by the AIFM in the context of the AIFM risk management function;
- g. monitoring the performance of portfolio companies, including the authority to evaluate, monitor, exercise voting rights, and take other appropriate action, with respect to investments;
- h. marketing services; and
- i. any services related to the assets of NB Aurora (including administrative activities, advice on investment strategy, and other services connected to the management of any portfolio company).

The Principals are supported by the following investment professionals with respect to the management of the NB Aurora (together the "Team"):

Lorenzo Carù is a Managing Director of Neuberger and former Partner at Fondo Italiano di Investimento, which he joined in February 2011. He began his career in 1999 as an auditor for PricewaterhouseCoopers and from 2004 he worked in the Transaction Services division of Deloitte Financial Advisory Services S.p.A. where, as director of the private equity division, he followed numerous acquisitions and disposals on behalf of primary Italian and international private equity funds, with specific focus on investments in SMEs. He has also served

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

on the boards of directors of Comecer S.p.A. and Veenstra Instrumenten BV, EMARC S.p.A, DBA Group S.p.A., Elco Group S.p.A. and he is currently member of the board of directors AMUT S.p.A., DBA Group, Elco Group S.p.A., Veneta Cucine S.p.A., Dierre Group S.p.A. and PromoPharma S.p.A.. Lorenzo graduated in Business Economics from the University Carlo Cattaneo in Castellanza – LIUC.

Piero Migliorini is a Principal of Neuberger and former investment manager at Fondo Italiano di Investimento, which he joined in 2010 as an Investment Analyst. Piero served as the board of directors and bondholder representative of Fondo Italiano di Investimento's portfolio companies (i.e., Mesgo, BAT, Eco Eridania, Forgital) and he is currently member of the board of directors of Rino Mastrotto Group S.p.A., Comet S.r.l. and Exacer S.r.l. Previously he worked as an analyst in the Investments division of MPS Venture (currently MP Venture), an Italian private equity firm with EUR 500 million under management and focused on growth capital for Italian SMEs, and before as a Chartered Accountant and Auditor. Piero graduated in Business and Economics and majored in Corporate Finance from the LUISS University in Rome.

Mauro Facchini is a Vice President of Neuberger and former senior associate at Fondo Italiano di Investimento, which he joined in 2013 as an investment analyst. He previously worked as analyst in the Investment Banking divisions of Banca Leonardo (2010-2011) and Nomura International Plc (2012) where, as financial advisor, followed several M&As and debt restructuring transactions for Italian and foreign companies in various industrial sectors. Mauro before graduating in Corporate Finance from the Bocconi University in Milan in 2011, joined as an intern the Investment Banking division of Goldman Sachs in London.

Alessandro Viganò is a Vice President of Italian Branch. He previously worked at Fondo Italiano di Investimento which he joined in 2017. Alessandro graduated in Statistics and Economics from Bocconi University in Milan.

Francesco Schena is an Associate of Italian Branch. Previously, he worked in the investment team of Indaco Venture Partners in Milan. Francesco holds a Master of Science in Finance and a Bachelor of Science in Management and Business Administration both from Bocconi University.

Armando Volpicelli is an Associate of Neuberger Berman. Previously, he worked in BCG within the Principal Investors and Private Equity practice in the Milan office, and in Kearney. He started his career as a private equity intern in Apax Partners in Paris. Armando holds a MSc in Finance and an Undergraduate Degree in Economics and Finance both from Bocconi University in Milan.

Erika Ferazzini is an Analyst of Neuberger Berman. Erika holds a Bachelor in Management and Business Administration from Università Cattolica and a Master of Science in Accounting, Financial Management and Control from Bocconi University.

3.6 The valuation committee

NB Aurora has made available a group of professionals and adequate resources to effectively carry out the valuation activities pertaining to NB Aurora and its portfolio. The AIFM has formed a valuation committee, composed by the following professionals who have gained relevant professional experience (the "Valuation Committee"):

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

- Thierry Challande,
- Chrystelle Charles-Barral,
- Dean Winick,
- Craig Forest,
- Stefano Bontempelli,
- Brien Smith,
- Giacomo Barchetta (non-voting member),
- Gauthier Back (non-voting member).

The Valuation Committee resolves with the majority of its members.

3.7 AIFM and its Italian Branch

As of 31 December 2023, Neuberger Berman AIFM S.à r.l. (the “AIFM”) was NB Aurora’s external alternative investment fund manager within the meaning of Directive 2011/61/EU on alternative investment fund managers (“AIFMD”) and is authorised and regulated by the Commission de Surveillance du Secteur Financier (“CSSF”) as a full scope alternative investment fund manager in Luxembourg. The AIFM was incorporated in Luxembourg on 13 March 2018 as a private limited company (*société à responsabilité limitée*) and is the alternative investment fund manager for all of Neuberger’s AIF products.

The assets of NB Aurora are segregated from those of the AIFM. The AIFM is responsible for the portfolio management, as further described under item 3.9. below.

The AIFM does not manage NB Aurora as its sole and exclusive function and may engage in other business ventures and other activities, including directly or indirectly purchasing, selling, holding or otherwise dealing with any securities for the account of other investment funds, for their own accounts or for the accounts of any of their family or other clients subject to applicable market abuse legislation.

The AIFM, performs the portfolio management functions of NB Aurora under the supervision of Francesco Moglia, in his capacity of conducting officer.

3.8 AIFM and the Italian Branch entrusted with the portfolio management function

The Board of Directors appointed the AIFM to act as AIFM on the basis of the AIFM Agreement.

The AIFM may, but is not obligated to, offer to holders of Ordinary Shares the opportunity, if any, to be involved in transactions, (including mergers and acquisitions, holding corporate deals, listing of portfolio companies, amongst others), to the extent permitted by and within the terms and conditions of the structure of any transaction and to the extent permitted by applicable law or regulation.

The AIFM will in particular be responsible for:

- a) the performance of the portfolio management function pertaining to the assets of NB Aurora;
- b) the performance of the risk management function of NB Aurora including:

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

3. The Board of Directors and its Committees (continued)

- i. identification and analysis of the exposure of NB Aurora's assets to certain risks, setting up a risk management procedure and definition, selection and application of an adequate risk management methodology in relation to NB Aurora's investment policies and objectives;
- ii. setting out for each risk it has identified, quantitative and/or qualitative risk limits as required under applicable laws and regulations;
- iii. identification and analysis of the risks to which the Issuer is exposed and to determine and monitor compliance with the Issuer's risk limits, in particular market, credit, liquidity and counterparty risks as well as other risks such as operational risks;
- iv. calculation of the leverage of NB Aurora in accordance with the Grand Duchy of Luxembourg AIFM Law;
- v. set-up of an appropriate liquidity management system and adoption of procedures, monitoring of the liquidity risk of the Issuer and to ensuring that the liquidity profile of the investments of the Issuer complies with its underlying obligations;
- vi. ensuring that the risk profile of NB Aurora disclosed to NB Aurora's investors is consistent with the size, portfolio structure, investment strategy and objective of NB Aurora, the liquidity profile and the risk limits that have been set; and
- vii. taking all remedial measures and corrective actions where and as required;
 - c) Performance of the marketing function, including:
 - i. activation and management the marketing passport; and
 - ii. monitoring of the marketing activities conducted by any appointed delegate.

AIFM and its Italian Branch have been involved in sourcing investments in Italian small and medium sized enterprises and completing on certain investments. In particular, the AIFM's activities have involved:

- origination of investment opportunities;
- analysis and investigation of potential investments in portfolio companies, including evaluation of markets, management, financial condition, competitive position, market ranking and prospects for future performance;
- analysis and investigation of potential disposal of investments;
- negotiating and structuring acquisitions and disposal of investments and supervising the preparation and review of documents required in connection therewith;
- monitoring the performance of portfolio companies, including the authority to evaluate, monitor, exercise voting rights, and take other appropriate action, with respect to investments;
- monitoring the compliance of the portfolio of NB Aurora with any investment or other risk limits;
- any marketing services required by the AIFM; and
- any services related to the assets of the Issuer (including administrative activities, advice on investment strategy, and other services connected to the management of any portfolio company) required by the AIFM.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

4. Internal control and risk management systems

NB Aurora is a company incorporated under the laws of the Grand Duchy of Luxembourg. It is therefore not subject to the duty to appoint an internal board of auditors.

NB Aurora, being an alternative investment fund, is exempted from the obligation to set up an audit committee in accordance with Article 52(5) of the Luxembourg law of 23 July 2016 concerning the audit profession.

On 12 April 2019, the Board of Directors set up the Control and Risk Committee. For more information on the Control and Risk Committee please refer to section 3.5 above.

Statutory audit has been entrusted by NB Aurora to KPMG.

5. Shareholder meeting

5.1 General Meeting

Under the Luxembourg Companies Law dated 10 August 1915 as amended, NB Aurora's annual and/or extraordinary General Meetings represent the entire body of shareholders of NB Aurora. The General Meeting is vested with the powers reserved to it by the Luxembourg Companies Law, and the resolutions passed at such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against. Each of the Shares entitles the holder thereof to attend the General Meeting, either in person or by proxy, to address the General Meeting and to exercise voting rights, subject to the provisions of the Luxembourg Companies Law and the Articles.

As long as NB Aurora has shares admitted to trading on a regulated market (within the meaning of MiFID II), convening notices for all General Meetings shall be published at least 30 days, or in case of convening a second meeting due to lack of quorum at the first meeting, at least 17 days prior to the holding of the General Meeting in (i) the Luxembourg Official Gazette (Recueil Electronique des Sociétés et Associations, "RESA") (<https://www.lbr.lu>), (ii) one Luxembourg newspaper, (iii) at least one other media which can easily and on a non-discretionary basis be accessed within the EEA, and (iv) on the website of NB Aurora (www.nbaurora.com). The minutes of the General Meeting shall be signed by the members of the board of the General Meeting. After the General Meeting the results of the vote shall be published through a press release and on NB Aurora's website (www.nbaurora.com).

5.2. Voting rights

5.2.1. Limitation of voting rights

There are no restrictions on the voting rights attached to the Shares, except when voting rights are suspended in accordance with the provisions of the Luxembourg Companies Law.

Each shareholder may also individually decide not to exercise, temporarily or permanently, all or part of its voting rights. The waiving shareholder is bound by such waiver and the waiver is mandatory for NB Aurora upon notification to the latter.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

5. Shareholder meeting (continued)

In case of suspended or waived voting rights, the holders of the voting rights may attend any General Meeting, but they are not taken into account for the determination of the conditions of quorum and majority to be complied with at the General Meeting.

5.2.2. Exercise of voting rights

The shareholders exercise their voting rights collectively at the General Meeting. Each shareholder shall indicate to NB Aurora its intention to participate in the General Meeting at least fourteen (14) days before the date of the General Meeting at midnight (the "Record Date"). The number of Shares and voting rights held by each shareholder is determined at the Record Date.

In case of Shares held through a securities settlement system, with a professional depository or sub-depository designated by such depository, holders of these shares shall obtain a certificate certifying the number of Shares recorded at the Record Date.

A shareholder may act at any General Meeting by appointing another person, shareholder or not, as its proxy in writing, subject to applicable laws. Copies of written proxies that are transmitted by telefax or e-mail may be accepted as evidence of such written proxies at a General Meeting. One person may represent one or several shareholder(s).

If provided for in the relevant convening notice, any shareholder who participates in a General Meeting through electronic means shall be deemed to be present at the place of the General Meeting for the purposes of the quorum and majority requirements. The use of electronic means allowing shareholders to take part in a General Meeting may be subject only to such requirements as are necessary to ensure the identification of shareholders and the security of the electronic communication, and only to the extent that they are proportionate to achieving that objective.

If provided for in the relevant convening notice, the shareholders may vote in writing (by way of a voting bulletin). The voting bulletins, in which it is not indicated in which way the votes shall be cast or if the vote is to be withheld, are considered void. Copies of voting bulletins that are transmitted by telefax or e-mail may be accepted as evidence of such voting bulletins at a General Meeting. In order to be taken into account, the voting bulletins (i) must be received by NB Aurora 72 hours before the relevant General Meeting or (ii) if and for so long as any shares of NB Aurora are admitted to trading on a regulated market established or operating in a Member State of the European Union, must be received at least six days before the General Meeting, along with or, as the case may be, followed by evidence of the shareholder's holding at the Record Date.

A board of the General Meeting shall be formed in accordance with the Articles to ensure that the General Meeting is held in compliance with the conditions to attend and act at a General Meeting either in person, by proxy or by correspondence.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

5. Shareholder meeting (continued)

5.2.3. Ordinary and extraordinary resolutions

Pursuant to the Articles and the Luxembourg Companies Law, ordinary resolutions do not require any presence quorum and shall be adopted by a simple majority of votes validly cast on such resolution at a General Meeting. Abstentions and nil votes will not be taken into account.

Extraordinary resolutions are required, inter alia, for the following matters:

- a. an increase or decrease of the authorised capital or issued share capital;
- b. a limitation or exclusion of pre-emptive rights;
- c. approval of a merger (fusion) or de-merger (scission);
- d. dissolution; and
- e. an amendment to the Articles.

Pursuant to the Luxembourg Companies Law, for any extraordinary resolutions to be considered at a General Meeting, the quorum must be at least half of NB Aurora's issued share capital. Any extraordinary resolution shall generally be adopted at a quorate General Meeting upon a two-thirds majority of the votes validly cast on such resolution. In case such quorum is not reached, a second meeting may be convened by the Board of

5.2.4. Ordinary and extraordinary resolutions

Directors in which no quorum is required, and which must still approve the amendment with two-thirds of the votes validly cast. Abstentions and nil votes will not be taken into account.

5.3 Other rights in relation to the General Meeting

For as long as NB Aurora has shares admitted to trading on a regulated market, NB Aurora must ensure that, for a continuous period beginning on the day the convening notice to the General Meeting is published and including the day of the General Meeting, it makes available to its shareholders on its website (www.nbaurora.com) at least the following information:

- a. the convening notice;
- b. the total number of Shares and voting rights in NB Aurora outstanding at the date of the notice;
- c. the documents to be submitted to the General Meeting;
- d. a draft resolution or, where no resolution is proposed to be adopted, a comment from a competent body within NB Aurora, to be designated by the applicable law, for each item on the proposed agenda of the General Meeting; moreover, draft resolutions tabled by shareholders must be added to the website as soon as practicable after NB Aurora has received them; and
- e. where applicable, the forms to be used to vote by proxy and to vote by correspondence, unless those forms are sent directly to each shareholder.

Every shareholder is entitled to obtain free of charge, upon request and upon proof of his shareholding, eight days before the annual General Meeting, a copy of the Financial Statements, the auditor's report and the management report.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

5. Shareholder meeting (continued)

One or more shareholders, representing in the aggregate at least 10% of the capital in NB Aurora are entitled to request the addition of one or several items to the agenda of any General Meeting and file draft resolutions in this respect.

In accordance with the Luxembourg Companies Law, it is generally accepted that a shareholder has the right to receive responses to questions concerning items on the agenda for a General Meeting, if such responses are necessary or useful for a shareholder to make an informed decision concerning such agenda item, unless a response to such questions could be detrimental to NB Aurora's interests.

The Board of Directors has the right to adjourn any General Meeting being in progress for a maximum period of four weeks. The Board of Directors must do so if requested by one or more shareholder(s) representing in the aggregate at least 10% of NB Aurora's share capital. Such postponement shall cancel all resolutions already adopted.

5.4 The annual General Meeting

The last annual General Meeting took place on 26 May 2023 in the registered office of NB Aurora. At the time of the annual General Meeting 25.7% of NB Aurora's share capital was present or represented.

At this annual General Meeting the shareholders: (i) approved the annual report for the period from 1 January 2022 to 31 December 2022, (ii) approved the allocation of the profit for the aforementioned financial year, (iii) granted discharge to the members of the Board of Directors and approved their remuneration for 2023, (iv) to acknowledge and, to the extent necessary, to approve the candidates for the appointments of directors of the Company (iv) renewed the mandate of KPMG as the independent auditor of NB Aurora.

6. Additional shareholders' rights

6.1. Special control rights

Pursuant to the Articles the holders of the Special Shares and Class A Ordinary Shares are vested in with specific rights in respect of the appointment of the members of the Board of Directors. Please refer to section 3.2. above.

6.2. Dividend rights

The shareholders' entitlement to profits is determined based on the distribution rights attached to their Shares, as further described below. Pursuant to the Luxembourg Companies Law, in a société anonyme, resolutions concerning the rights to annual dividends for a given financial year and the amount and payment date thereof are in principle adopted by the General Meeting.

Dividends may only be distributed from NB Aurora's distributable profits subject to the conditions provided for by the Luxembourg Companies Law. The amount of distributable profits is equivalent to the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves or share premium which are available for that purpose, minus any losses carried forward and sums to be placed in reserves.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

6. Additional shareholders' rights (continued)

In accordance with the Luxembourg Companies Law and the Articles, NB Aurora must allocate at least 5% of any annual net profit available for distribution to a legal reserve. Such contribution ceases to be compulsory as soon as and as long as the legal reserve reaches 10% of NB Aurora's subscribed capital but shall again be compulsory if the legal reserve falls below such 10% threshold. The legal reserve is not available for distribution.

Declared and unpaid dividend held by NB Aurora do not bear interest. The Luxembourg Companies Law provides that claims for dividends lapse in favor of NB Aurora five years after the date on which such dividends were declared.

Details concerning any annual dividend resolved by the General Meeting and the paying agents named by NB Aurora in each case will be published through a press release and on the website of NB Aurora (www.nbaurora.com).

The Board of Directors shall make a proposal to the General Meeting for a distribution to the shareholders (each a "Distribution") for an amount between 50% and 100% of the excess (if any), between:

- a. the Adjusted Cost Value resulting from the said last annual audited financial report; and
- b. the Floor Capital.

For the purpose of this section:

"Adjusted Cost Value" means the difference between:

- a. 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
- b. all liabilities of NB Aurora.

"Floor Capital" means the amount equal to the number of Ordinary Shares multiplied by the total respective subscription price of the Ordinary Shares.

Distributions to shareholders shall be allocated *pari passu* as follows:

- a. 85% to all shareholders in proportion to the Shares in issue; and
- b. 15% to holders of Class B Ordinary Shares (the "Performance Participation").

6.3 Liquidation Rights

In the event of dissolution of NB Aurora in accordance with the Articles or upon the expiry of its term, the liquidation shall be carried out by one or several liquidators who are appointed by the General Meeting deciding on such dissolution and which shall determine their powers and their remuneration. Unless otherwise provided, the liquidators shall have the most extensive powers for the realisation of the assets and payment of the liabilities of NB Aurora.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

6. Additional shareholders' rights (continued)

Upon liquidation, the surplus resulting from the realisation of the assets and the payment of the liabilities shall be distributed and allocated *pari passu* among NB Aurora's shareholders as follows:

- a. first, 100% to all shareholders until they have received their pro rate interest in the share capital of NB Aurora (i.e., the repayment of the share capital);
- b. then, any available surplus balance as follows:
 - i. 85% to all shareholders in proportion to the shares in issue; and
 - ii. 15% to the holder(s) of Class B Ordinary Shares.

Following the sell-off and/or cancellation of the Class B Ordinary Shares and the Special Shares in the event of a No Fault Substitution, Fault Substitution or No Fault Termination (each term as defined in the Articles), distributions shall be allocated to all shareholders in proportion to the shares in issue.

At the end of the liquidation process of NB Aurora, any amounts that have not been claimed by the shareholders will be paid into the Caisse de Consignation, which keeps them available for the benefit of the relevant shareholders for the duration provided for by law. After this period, the balance will revert to the State of Luxembourg.

Article 39.9: of the Articles: In circumstances where (i) the AIFM has voluntarily withdrawn or been removed as AIFM or in circumstances where the AIFM is no longer authorised as required by the AIFMD and if (ii) the AIFM has not been replaced within two months following the occurrence of such event, the board of directors of the Company shall within three months request the district court of Luxembourg City, Grand Duchy of Luxembourg (the "District Court") dealing with commercial matters to pronounce the dissolution and liquidation of the Company in accordance with the 2016 Law.

Article 39.10: of the Articles: In circumstances where (i) the Depositary has voluntarily withdrawn or been removed by the Company or by the AIFM, where the Depositary has become insolvent, or where the Depositary no longer fulfils the conditions of the 2016 Law and if (ii) the Depositary has not been replaced within two months following the occurrence of such event, the board of directors of the Company shall within three months request the District Court dealing with commercial matters to pronounce the dissolution and liquidation of the Company in accordance with the 2016 Law.

6.4 Information Rights under the RAIF Law

Information in respect of NB Aurora required to be disclosed pursuant to article 40 of the RAIF Law (which refers to article 21 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended, herein after "AIFM Law") will be made available to each shareholder as follows:

- a. the percentage of NB Aurora's assets which are subject to special arrangements arising from their illiquid nature (if any) – in each annual report;
- b. any new arrangements for managing the liquidity of NB Aurora (if any) – in the half-yearly and annual reports;
- c. the current risk profile of NB Aurora and the risk management systems employed by NB Aurora to manage those risks – in each annual report;

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

6. Additional shareholders' rights (continued)

- d. any change to the maximum level of leverage which NB Aurora may employ as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement (if any) – in each annual report;
- e. the total amount of leverage employed by NB Aurora (if any) – in each annual report; and
- f. any other information required by the AIFM Law and article 38 and following articles of the RAIF Law will be disclosed in accordance with the law.

6.5. No Withdrawal Rights

NB Aurora is a closed-end RAIF and therefore no Shares shall be redeemed.

Class A Ordinary Shares may only be held by professional investors. NB Aurora will refuse to issue and will decline to register any transfer of shares to any natural person or legal entity when it appears that such issue or transfer may result in any natural person or legal entity, which does not qualify as a professional investor, holding such shares or if NB Aurora considers that this ownership may violate the laws of Luxembourg or of any other country, or may subject NB Aurora to taxation in a country other than Luxembourg.

6.6 Transferability, Acquisition and Holding of the Class A Ordinary Shares

The Shares are freely transferable. However, Class A Ordinary Shares may only be held by professional investors (within the meaning of MiFID II) including Neuberger and/or certain of its affiliates. The Class B Ordinary Shares and the Special Shares may only be subscribed by Neuberger and/or certain of its affiliates, employees and related persons.

6.7 Preferential Subscription Rights

Upon each new issue, existing holders of the Shares will benefit from a preferential subscription right in respect of any such new offering of shares in the same share class. In the event of a capital increase in cash with issuance of new shares, an existing holder of the Shares has a preferential right to subscribe to the new shares if issued in the same share class as its existing holding, pro rata to the part of the share capital represented by the class of shares that it already has. The Board of Directors determines the period within which the preferential subscription rights can be exercised. The period during which rights can be traded and exercised may not be less than 14 days. The start of the exercise period of the preferential subscription rights must be announced by a notice setting out the exercise period published in the RESA (<https://www.lbr.lu>), one Luxembourg newspaper, by use of a media ensuring the effective dissemination of information to the public in the EEA and on NB Aurora's website (www.nbaurora.com). The preferential subscription rights are transferable throughout the exercise period, and no restrictions may be imposed on such transferability other than those applicable to the class of shares in respect of which the right arises. Any preferential subscription right not exercised within the given timeframe shall lapse following the close of the subscription period or, if so, proposed by the Board of Directors, be unwound in accordance with applicable regulations and listing rules or practices as applicable from time to time.

In addition, an extraordinary General Meeting called upon to resolve, at the conditions prescribed for amendments to the Articles, either upon an increase of capital or upon the authorisation to increase the capital, may limit or withdraw preferential subscription rights or authorise the Board of Directors to do so. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons therefore must be set out in a report prepared by the Board of Directors and presented to the extraordinary General Meeting dealing, in

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

6. Additional shareholders' rights (continued)

particular, with the proposed issue price. This report must be made available to the public at NB Aurora's registered office as well as on its website at least 30 days prior to the relevant extraordinary general meeting of the shareholders. The filing of this report must immediately be announced by means of a notice published in at least one daily newspaper having a national circulation in Italy.

7. Market Abuse Regulation and Treatment of Corporate and Inside Information

The Board of Directors has approved an internal policy for the treatment of inside information.

In line with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "Market Abuse Regulation"), the Board of Directors has created a special register of individuals who have access to inside information relating to NB Aurora or its securities, the so-called insider list. The insider list contains the names of the individuals who either regularly or occasionally have access to inside information pursuant to applicable requirements under the Market Abuse Regulation. At the same time, the Board of Directors has implemented a process for entering the names of these individuals into the insider list and for maintaining and storing the insider list.

NB Aurora is subject to the Market Abuse Regulation and hence any information available to or made available to the members of the Board of Directors in the exercise of their mandate will have to be dealt with in accordance with the Market Abuse Regulation and relevant implementing measures.

8. Description of the diversity policy

As of 31 December 2023, NB Aurora has not adopted a diversity policy yet.

However, it is committed to bring together diverse individuals with different life experiences, gender, background, and cultures.

Currently, two out of the five members of the Board of Directors are women. There is also one woman amongst the Principals of the Investment Committee. NB Aurora's goal is to continue to increase the number of women in areas where they are underrepresented, if any.

Francesco Moglia

Signed for and on behalf of the Board of Directors on 22 March 2024

A handwritten signature in black ink, appearing to be "F. Moglia", written over a light blue horizontal line.



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NB Aurora S.A. SICAF-RAIF
80, Route d'Esch
L-1470 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NB Aurora S.A. SICAF-RAIF (the "Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

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

Valuation of Private Equity investments

a) Why the matter was considered to be one of most significant in our audit of the financial statements of the current period?

Private Equity investments (hereafter defined as "Private Equity investments"), held through various investment structures (hereafter defined as "Investment Structures") are included in the financial statements caption "Non Pledged Financial assets at fair value through profit or loss". Private Equity investments for which no quoted markets prices are available amount to EUR 198.48 million as at 31 December 2023, representing 55.37% of total equity.

Since the Fund meets the definition of an investment entity, it is not required to consolidate its investments and has accounted for its Private Equity investment at fair value through profit or loss ("FVTPL").

The net asset value reported by some Investment Structures is valued at cost less impairment and thus may not represent the fair value of the Fund's investment in those Investment Structures.

Therefore, the net asset values reported by these Investment Structures to the Fund require to be adjusted to reflect the fair value of the investments held as at 31 December 2023 in accordance with the accounting policies of the Fund.

As these Private Equity investments are illiquid by nature (level 3 according to the fair value hierarchy as per IFRS 13), significant judgments and estimates are required to be applied by management in its assessment of their fair value. Inappropriate judgments made in relation to the methodology and inputs used or the assumptions taken may have a material impact on the valuation of the Private Equity investments. The Board of Directors and the Alternative Investment Fund Manager (hereafter defined as "management") have based the valuation of the Private Equity investments on the International Private Equity and Venture Capital Valuations (IPEV) guidelines or, when not applicable, other valuation guidelines complying with IFRS 13.

Key inputs and assumptions used by management in its assessment of the fair value of the Private Equity investments are detailed in Note 4 (i) to the financial statements.

There is the risk that inaccurate judgments made by the Fund's management in the assessment of fair value, in particular in respect of earnings/EBITDA multiples and the application of liquidity discounts could lead to the incorrect valuation of the Private Equity investments.



b) How the matter was addressed in our audit

Our procedures over the valuation of the Private Equity investments included, but were not limited to:

- We obtained an understanding of management's processes and controls for determining the fair values of Private Equity investments. This included discussing with management and challenging the valuation governance structure and protocols around their oversight of the valuation process and corroborating our understanding by reviewing the Valuation Committee minutes and related supports used during those meetings. We identified key controls in these processes and assessed their design adequacy and implementation.
- We compared management's valuation methodology to IFRS and the IPEV guidelines. We sought explanations from management where there are judgments applied in their application of the guidelines, discussed and assessed their appropriateness.
- We inspected the Valuation Committee range for the key assumptions used in the valuation of unquoted Private Equity investments, with reference to the relevant industry and market valuation considerations. We compared the results of our work with the Fund's management's assumptions and challenged our results with both the Fund's management and the Valuations Committee.
- We corroborated key inputs in the valuation models, such as EBITDA/earnings and net financial position to source data. We also performed the following procedures on key judgments made by Fund's management in the calculation of fair value:
 - assessed the suitability of the comparable companies used to determine the EBITDA/earnings multiples;
 - assessed the applicability of adjustments made to EBITDA/earnings or net financial position by obtaining rationale and supporting evidence for adjustments made;
 - assessed the appropriateness of discount rates;
 - assessed the appropriateness of the amount of carried interest in unconsolidated structured entities deducted from the Fair Value of the Private Equity investments; and
 - discussed with management and challenge the adjustments made to calculate future maintainable earnings and corroborated this to supporting documentation.
- We checked the mathematical accuracy of the valuation models.
- We recalculated the unrealised result on the revaluation of Private Equity investments impacting the statement of comprehensive income.
- We inquired with management the rationale for any differences between the exit prices of Private Equity investments realised during the year and the prior period fair value, to further verify the reasonableness of the current year methodology adopted by management.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement, Statements of Directors Responsibilities, Unaudited AIFMD Disclosures Addendum to Annual Report, but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines 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 is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to assess whether the financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting Shareholders on 26 May 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.



We have checked the compliance of the financial statements of the Fund as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the Fund it relates to:

- Financial statements prepared in a valid xHTML format.

In our opinion, the financial statements of NB Aurora S.A. SICAF-RAIF as at 31 December 2023, identified as 549300ZRJN36XG4H4D73-2023-12-31-en.xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the financial statements of NB Aurora S.A. SICAF-RAIF as at 31 December 2023, identified as 549300ZRJN36XG4H4D73-2023-12-31-en.xhtml, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 26 March 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read "Sardella".

Francesco Sardella

MB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required to prepare financial statements in accordance with IFRS Accounting 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 year then ended.

In preparing the financial statements, the Board of Directors should:

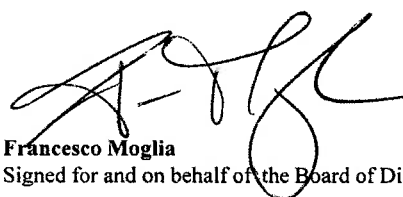
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

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 3(2) (c) of the Luxembourg law of 11 January 2008 on transparency requirements regarding disclosures of issuers whose securities are admitted to trading on a regulated market (as amended) (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the financial statements for the year ended 31 December 2023, which has been prepared in accordance with IFRS Accounting Standards 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 3(2) (c) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the Directors Report for the year ended 31 December 2023 includes a fair review of important events that have occurred during the current financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties for the next financial year.

Approved by the Board of Directors on 22 March 2024 and signed on its behalf by:



Francesco Moglia

Signed for and on behalf of the Board of Directors on 22 March 2024

NB AURORA S.A. SICAF-RAIF
FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Note	From 1 January 2023 to 31 December 2023 €	From 1 January 2022 to 31 December 2022 €
Income:			
Realised and change in unrealized gains on financial assets at fair value through profit and loss	5(i)	51,645,146	23,846,517
Investment income	5(i)	41,321	3,020,639
Interest income calculated using the effective interest rate	5(i)	978,198	-
Other interest income	5(i)	287,368	4,214
Other income		-	49,556
Total investment income		52,952,033	26,920,926
Expenses:			
Management fees	5(ii)	3,505,255	3,463,215
Professional fees	5(ii)	354,450	292,225
Administration, custody and transfer agent fees	5(ii)	267,168	242,594
Directors' fees	7(a)	88,676	88,924
Audit fees	5(ii)	127,466	92,875
Market authority fees		65,454	52,299
Tax expense	5(iii)	32,271	30,163
Other expenses	5(ii)	305,660	486,448
Total expenses		4,746,400	4,748,743
Total profit for the year		48,205,633	22,172,183
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 year		48,205,633	22,172,183
Earning per share			
4(iv)			
Class A Shares			
Basic		1.669	0.768
Diluted		1.669	0.768
Class B Shares			
Basic		49.874	22.940
Diluted		49.874	22.940
Special Shares			
Basic		1.669	0.768
Diluted		1.669	0.768

The accompanying notes form an integral part of the financial statements.

NB AURORA S.A. SICAF-RAIF
FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2023

		31 December 2023	31 December 2022
	Note	€	€
Non-Current Assets			
Non Pledged Financial Assets at fair value through profit or loss	4(i)	198,482,449	284,549,061
Total Non-Current Assets		198,482,449	284,549,061
Current Assets			
Cash and cash equivalents	4(ii)	3,471,396	26,167,603
Short term deposit	4(iii)	156,978,198	-
Prepayments		154,888	172,167
Other receivables		61,599	128,613
Total Current Assets		160,666,081	26,468,383
Total Assets		359,148,530	311,017,444
Equity			
Share Capital	4(iv)	236,216,265	236,216,265
Non-distributable reserve	4(iv)	65,620,728	41,951,442
Legal reserve	4(iv)	2,774,758	2,774,758
Retained earnings		53,864,458	29,328,111
Total Equity		358,476,209	310,270,576
Current Liabilities			
Accrued expenses and other payables	4(vi)	672,321	746,868
Total Current Liabilities		672,321	746,868
Total Equity and Liabilities		359,148,530	311,017,444

The accompanying notes form an integral part of the financial statements.

NB AURORA S.A. SICAF-RAIF
FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

		Share Capital	Non-Distributable Reserve	Legal Reserve	Retained Earnings	Total Equity
	Note	€	€	€	€	€
As of 1 January 2023		236,216,265	41,951,442	2,774,758	29,328,111	310,270,576
Allocations	3(iii)	-	23,669,286	-	(23,669,286)	-
Profit for the year		-	-	-	48,205,633	48,205,633
As of 31 December 2023		236,216,265	65,620,728	2,774,758	53,864,458	358,476,209
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 year		-	-	-	22,172,183	22,172,183
As of 31 December 2022		236,216,265	41,951,442	2,774,758	29,328,111	310,270,576

The accompanying notes form an integral part of the financial statements.

NB AURORA S.A. SICAF-RAIF
FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

		From 1 January 2023 to 31 December 2023	From 1 January 2022 to 31 December 2022
	Note	€	€
Cash flows from operating activities:			
Profit for the year		48,205,633	22,172,183
Adjustments for:			
Net unrealized gains on financial assets	5(i)	(19,953,466)	(23,668,959)
Net unrealized (gains) or losses on transactions in foreign currencies		259	(327)
Interest income calculated using the effective interest rate	5(i)	(978,198)	-
Other interest income	5(i)	(287,368)	(4,214)
Net realized gains on financial assets	5(i)	(31,692,171)	(177,707)
Net realized losses on transactions in foreign currencies		232	476
Investment income	5(i)	(41,321)	(3,020,639)
Contribution to investments		-	(73,003)
Distribution from investments		-	117,112
		<u>(52,952,033)</u>	<u>(26,827,261)</u>
Changes in:			
Prepayments		17,279	(16,261)
Other receivables		67,014	(128,613)
Professional fees payable		8,853	(79,550)
Administration, custody and transfer agent fees payable		(116,241)	288,970
Audit fees payable		3,815	(4,423)
Director's fees payable		85,348	-
Other payables		(56,322)	183,282
Management Fee payable		-	-
		<u>9,746</u>	<u>243,405</u>
Interest received		287,368	4,214
Net cash used in operating activities		<u>(4,449,286)</u>	<u>(4,407,459)</u>
Cash flows from investing activities:			
Acquisition of investments	4(i)	(18,084,802)	(11,867,558)
Disposals of investments	5(i)	155,797,051	-
Short term deposit	4(ii)	(156,000,000)	-
Distributions from investments		41,321	2,903,527
Purchase of bonds		-	(31,615)
Receipts from bonds		-	31,615
Net cash used in investing activities		<u>(18,246,430)</u>	<u>(8,964,031)</u>
Net decrease in cash and cash equivalents for the year		(22,695,716)	(13,371,490)
Exchange rate effect on cash and cash equivalents		(491)	(149)
Cash and cash equivalents at the beginning of the year		26,167,603	39,539,242
Cash and cash equivalents at the end of the year		<u>3,471,396</u>	<u>26,167,603</u>

The accompanying notes form an integral part of the financial statements.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

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 Sociétés 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 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 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 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 AIFM's 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 31 December 2023, the Company's liabilities consist of short-term payables of less than one year. There are sufficient cash deposits to meet these obligations.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. GENERAL INFORMATION (CONTINUED)

Investment movements

As of 31 December 2023, Fondo Italiano completed the exit from its stake in DBA Group and sold 1,132,308 shares for a value at cost of around Euro 1 million, for a total consideration of the transaction of around 1.73 million. The stake held by NB Aurora is equal to Euro 0.45 million for the value at cost and Euro 0.77 million for consideration of the transaction, gross of carried interest (Euro 0.12 million).

On 27 April 2023, the Company disposed Fondo Italiano di Investimento's entire stake (approximately 30.6%, of which about 13.6% held by NB Aurora) in Ligabue S.p.A. ("Ligabue"). The stake in Ligabue that Fondo Italiano has held since 2016, was acquired by the entrepreneur Inti Ligabue, majority shareholder, Chairman and CEO of the Group, through his holding company Lilux S.r.l. The value at cost is equal Euro 9 million and the total consideration of the transaction is equal to Euro 9.7 million. The stake held by NB Aurora is equal to approximately Euro 5 million for the value at cost and Euro 4.3 million for the total consideration of the transaction, gross of carried interest (Euro 0.65 million).

On 25 May 2023, PHS Group S.p.A. completed the acquisition, through PHS2 S.r.l. ("PHS2"), of an additional 20% stake of PHSE S.r.l. ("PHSE"), thus increasing the ownership stake, on a look through basis, that the Company holds in PHSE to 39.6%. On 1 August 2023, the shareholders' meeting of PHSE approved the merger of PHS2 into PHSE, which brought the look through post-merger stake to 38.5%.

On 16 June 2023, the Company announced, as part of its project to raise new financial resources for future investments, that it has been examined the possible sale of up to 49.9% of the portfolio – held through NB Aurora Holdings S.à r.l. ("Aurora Holdings") and the direct shareholding of 4.9% of the units issued by MIC Co-Invest SCSp ("MIC Co-Invest") (together the "Portfolio") – to a newly established closed-end fund named NB Aurora Co-Investment Fund II S.C.A. SICAV-RAIF ("NB Aurora Co-Investment II").

On 20 June 2023, NB Aurora together with Credem PE and PM & Partners completed the delisting in Finlogic S.p.A. The Group is active in the information technology sector offering complete and innovative solutions for the labelling systems, coding and automatic identification of products. In particular the Company completed the acquisition of 22.9% stake in Finlogic (on a look through basis) through the investment vehicle Bcode S.r.l. for a total consideration of Euro 15.4 million.

On 7 July 2023, NB Aurora performed the sixth capital increase in Blu Club S.r.l. (the vehicle that holds the stake in BluVet) from the investment date, together with the investment vehicle controlled by F&P4BIZ (directly) in BluVet. The capital increase provided further capital injection of around Euro 5 million, of which Euro 2.6 million provided by NB Aurora and Euro 0.9m by NB Aurora Co-Investment Fund SCSp (both through the owned vehicle Blu Club S.r.l.).

On 11 July 2023, the company sold 46% stake in Bcode for a value at cost of around Euro 7.1 million (stake of around 10.5% in Finlogic on a look through basis) to NB Aurora Co-Investment Fund SCSp. As a result, Aurora Holding is currently investing an amount of Euro 8.3 million.

On 25 July 2023, it has been announced that binding agreements have been signed for the sale of 49.9% of NB Aurora equity investment Portfolio to NB Aurora Co-Investment II and, on September 6, it has been fulfilled the conditions precedent to the completion of the transaction (i.e. closing).

On 19 October 2023 sale transaction was completed on the usual conditions, and in particular to: (i) the confirmation of the soft commitments collected from third-party investors as hard binding commitments for a total of Euro 167 million; and (ii) the obtainment of the authorisations regarding golden power. Subject to the

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. GENERAL INFORMATION (CONTINUED)

Investment movements (continued)

fulfilment of the above conditions, the sale of the minority interest in the Portfolio is at a fixed price totalling Euro 144.2 million, determined on the basis of the latest available NAV of the Portfolio as of 31 March 2023 supplemented by the purchase cost relating to any investments realised after that date and not included in the aforesaid reference NAV such as the investment in Finlogic S.p.A. and the two most recent capital increases in Blu Club S.r.l. (the vehicle that holds the stake in BluVet). Please note that the appropriateness of the Price was supported by the fairness opinion of PricewaterhouseCoopers.

The sale of the above-mentioned transaction allowed NB Aurora to realize part of the value generated by the portfolio to date and to raise financial resources that will be used to continue to support: (i) the expansion projects of SMEs that are leaders in their market niches and have high growth potential and (ii) the solid pipeline of opportunities present in this market phase for operators that operate without (or with reduced recourse to) debt such as NB Aurora

The Company, NB Aurora Co-Investment invest and NB Aurora Co-Investment Fund II SICAF-RAIF invest on the basis of a co-investment protocol, subject to the usual concentration limits and without prejudice to the offer of any co-investment opportunities in favor of third parties.

On 21 December 2023, the Company announced that a binding agreement was signed with Alto Capital V Fund (managed by Alto Partners SGR) for the sale of its entire shareholding in Dierre Group with a reinvestment of Euro 7.4 million in the transaction. The fair value of the investment into Dierre Group as of 31 December 2023 is substantially in line with the transaction closed on 14 February 2024.

Further details of the Company's portfolio as of 31 December 2023 and activity during the year are included in note 4(i).

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as adopted in the European Union ("EU") and interpretations issued by the International Accounting Standards Board ("IASB").

(b) Change in material accounting policies

The Company adopted Disclosure of Accounting policies (amendment to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of the "material" rather than "significant" accounting policies.

The amendments also provide guidance on the application of materiality to disclose of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Board of Directors, reviewed the accounting policies and made updates to the information disclosed in the note 3 Summary of Material accounting policies (2022: Summary of Significant accounting policies) in certain instance in line with the amendments.

NB AURORA S.A. SICAF-R.AIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. BASIS OF PREPARATION (CONTINUED)

(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 entity 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 financial statements have been presented for the years ended 31 December 2023 and 2022.

(e) Basis of measurement

The 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 financial statements are presented in Euro, which is also the Company's functional currency.

(g) Use of Judgements and Estimates

The preparation of these 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

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. BASIS OF PREPARATION (CONTINUED)

accompanying disclosures, and the disclosures of contingent liabilities. Actual results may differ from these estimates.

(h) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(a) Subsidiary
- Note 3(b) Structured entity
- Note 3(c) Financial instruments

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2023 is included in note 4(i) and relates to the determination of fair value of financial instruments with significant unobservable inputs.

Going Concern

These financial statements have been prepared on a going concern basis as the Board of Directors anticipate that the Company will continue in business for the foreseeable future. Furthermore, the Board of Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Board of Directors has concluded that there are uncertainties that will not cast doubt on the Company's ability to continue as a going concern.

(i) 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 year are listed below:

Standard:	Narrative:	Effective date*:
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 and related amendments	1 January 2023
IAS 8	Amendments regarding definition of Accounting Estimates	1 January 2023
IAS 12	Amendments regarding International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of these standards did not have a significant effect on the financial statements of the Fund as of 31 December 2023 other than those disclosed in note 2 (b).

(j) 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 financial statements of the Fund for the year ended 31 December 2023 and have not been applied nor early adopted in preparing these financial statements.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. BASIS OF PREPARATION (CONTINUED)

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

The list of standards available for early adoption from 1 January 2023 (not adopted by the Fund):

Standard:	Narrative:	Effective date*:
IAS 1	Amendments regarding classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024
IFRS 16	Amendments regarding Lease Liability in a Sale and Leaseback	1 January 2024
IAS 7	Amendments regarding Supplier Finance Agreements	1 January 2024**
IAS 21	Amendments regarding Lack of exchangeability in Foreign Exchange Rates	1 January 2025**

* 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 financial statements of the Fund as of 31 December 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Company in these financial statements are consistent with those applied by the Company in its last annual financial statements.

(a) Subsidiary

Subsidiaries are entities controlled by the Company. The Company controls and investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In determining whether the Company meets the definition of an investment entity, the Board of Directors considered the business purpose and structure of the Company as a whole. The business purpose of the Company 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 may hold investments for a medium-term duration, but the purpose of each investment is to achieve capital appreciation and as part of the investment process exit strategies for each of the investments are developed. The Company was also formed as a limited life company (for a maximum of fifty years).

The Company has been deemed to meet the definition of an investment entity as the Company obtains funds for the purpose of providing investors with professional investment management services and manages the investment portfolio on a fair value basis as the Company seeks to invest for capital appreciation and investment income.

Additionally,

1. It has more than one investment;
2. It has more than one investor;
3. It has investors that are not related parties of the entity; and
4. It has ownership interest in the form of equity or similar interests.

As of 31 December 2023, the Company has all the above characteristics.

Consequently, the Board of Directors concluded that the Company should not consolidate its investment in Aurora Holdings but measure the investment at fair value through profit or loss.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Structured entity

A structured entity is an entity that has been designed so that the voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks. The Company considers its investment in Fondo Italiano and MIC Co-Invest to be an investment in an unconsolidated structured entity on the basis that the voting rights are no dominant rights in deciding who controls them because the voting rights are only related to administrative task only; each of them are restricted by its prospectus; and the funds have narrow and well defined objectives to provide investment opportunities to investors.

The accounting policies applied by the Company in these financial statements are consistent with those applied by the Company in its last annual financial statements.

The relevant activities of Fondo Italiano and MIC Co-Invest are managed by Neuberger Berman AIFM S.à r.l. by means of a contractual agreement. Also, Fondo Italiano and MIC Co-Invest have a narrow and well-defined objective and in its current form its activities are restricted to managing the disinvestment of the underlying investments.

(c) Financial instruments

(i) Recognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains or losses arising from changes in fair value of the financial assets or liabilities are recorded in the Profit or Loss.

(ii) Initial measurement

Financial assets at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Profit or Loss.

Financial assets and liabilities (other than those classified as of fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iii) Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed as follows.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Classification (continued)

Business model assessment

In assessing the business model under which a financial asset is held, the Company considers relevant information about how the business is managed. This includes the investment strategy; how the performance of the assets is evaluated; the risks associated with the financial assets and sales activity.

The Company has determined that it has two business models:

- (a) Held-to-collect business model: the objective of this model is to hold financial assets to collect contractual cash flows; and
- (b) Other business model: the objective of this model is to manage and evaluate performance of the financial assets on a fair value basis.

Assessment whether contractual cash flows are solely payments of principal and interest (“SPPI”)

For the purpose of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

The Company assesses whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost only if it meets both of the following conditions:

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The Company includes in this category cash and cash equivalents, short term deposits, short term receivables and prepayments.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding;
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company’s equity investments in Aurora Holdings, Fondo Italiano and MIC Co-Invest are managed, and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the asset’s performance and to make decisions. The Company measures those investments at fair value through profit or loss.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category short-term payables.

(iv) Subsequent measurement

Subsequent to initial recognition, all financial assets at fair value through profit or loss are re-measured at fair value. Subsequent changes in the fair value of those financial instruments are recorded in realised and change in unrealised gains on financial assets at fair value through profit or loss in the Profit or Loss.

Financial assets, other than those classified as of fair value through profit or loss, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognised or impaired, as well as through the amortisation.

Financial liabilities, other than those classified as of fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in the Profit or Loss when the liabilities are derecognised, as well as through the amortisation process.

Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with IFRS 13, Fair Value Measurement (“IFRS 13”), when available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value measurement of the Company’s investments in Fondo Italiano, Aurora Holdings and MIC Co-Invest is determined by the AIFM and approved by the Board of Directors in accordance with the International Private Equity and Venture Capital (“IPEV”) valuation guidelines, as updated on 14 December 2022 (“IPEV Guidelines”) or when not applicable, other valuation guideline complying with IFRS 13.

The AIFM believes the fair value of the investments are reliably measured. However, because of the inherent uncertainty of these valuations, the value of the investments estimated by the AIFM may differ from the values that would have been used had a ready market for these investments existed. Actual results could differ from those estimates. Further details on the fair value measurement are included in note 4(i).

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(vi) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amounts reported in the Statement of Financial Position, when a current legally enforceable right to offset the recognised amounts exists and there is intent to settle on a net basis or to settle the asset and the liability simultaneously.

(vii) Impairment

Financial assets that are measured at amortised cost are reviewed at each reporting date. The Company applies the general approach in accordance with IFRS 9.

The Company measures the loss allowance at an amount equal to the lifetime ECLs if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless there is reasonable and supportable information that demonstrates that the credit risk has not increased significantly.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions; and
- the financial asset is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(vii) Impairment (continued)

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of “investment grade”. The Company considers to be Baa3 or higher as per Moody’s or BBH- or higher per Standard & Pools.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(d) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to EUR at the foreign currency exchange rate ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to EUR at the foreign currency exchange rates ruling at the dates that the values are determined.

Foreign currency exchange differences arising on translation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain from financial instruments at fair value through profit or loss.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Short-term deposit

Short-term deposits comprise short-term time deposits with original maturities of three months or more, but shorter than one year or that it is held for other purpose than meeting the short term cash commitment.

(g) Investment income

Distributions to the Company from its direct participations will be recognized in the Company's financial statements based on the economic substance of the transaction made by the target portfolio company that initiated the Distribution (i.e., Dividend Distribution), rather than the denomination of the distribution made by the underlying investments, which is considered to be more fair representation of the transaction at the level of the Company. As a result, the invested capital will not be reduced for dividend distribution.

This may result that the invested capital would not be reduced for dividend distribution which is recognized as Investment income in the Statement of Comprehensive Income and in case of partial and/or fully share disposal of target companies, the Company will recognize those proceeds as a reduction of invested capital and a corresponding gain/loss in the Statement of Comprehensive Income under Realized gains/losses on financial assets.

The Company will consistently follow this policy for future dividend and share disposal repayments from the target companies in the following years.

(h) Expenses

All expenses are recognized in the Statement of Comprehensive Income on an accrual basis.

According to IAS 32, transaction costs related to the issuing its own equity instruments are recognized directly in Equity.

(i) Earnings per share

The Company presents basic and diluted EPS data for its Shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of Shares outstanding during the year, adjusted for own Shares held. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of Shares outstanding, adjusted for own Shares held, for the effects of all dilutive potential Shares.

(j) Distributions

Distributions to the shareholders are recorded through the Statement of Changes in Equity when they are declared to shareholders.

(k) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision makers and for which discrete financial information is available. The chief operating decision-makers for the Company are the AIFM and the Directors. In considering the segments of the Company, the Company has considered the information reviewed by the Company's Chief Operating Decision-Makers and determined that the Company operates a single segment. Further details are set out under Operating Segments in note 8.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION

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

	As of 31 December 2023	As of 31 December 2022
Fondo Italiano	2,672,346	10,261,081
Aurora Holdings	175,749,038	234,194,087
MIC Co-Invest	20,061,065	40,093,893
Non-pledged financial assets at fair value through profit or loss	198,482,449	284,549,061

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.

As at 31 December 2023, the Company owns the 44.55% of the units of Fondo Italiano.

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 0.1 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.

In August 2023 MIC Co-invest's commitment was increased. In result the stake of the Company decreased to 9.8%.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

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

MIC Co-Invest (continued)

On 19 October 2023 the sale transaction of 4.9% interest issued by MIC Co-Invest to NB Aurora Co-Investment Fund II was completed. NB Aurora gained from the transaction Euro 9.9 million.

On the 31 December 2023 the Company owned the remaining 4.9% of interest in MIC Co-invest.

Aurora Holdings

The registered office of Aurora Holdings is 80, route d'Esch, L-1470 Luxembourg, Grand Duchy of 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.

On 19 October 2023 the sale transaction of 49.9% Aurora Holding to NB Aurora Co-Investment Fund II was completed. NB Aurora realized a gain in the amount Euro 23.7 million in favor of it.

The following table provides information on the subsidiary as at 31 December 2023:

Subsidiary	Country	% Ownership
NB Aurora Holdings S.à r.l.	Luxembourg	50.1%

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

Subsidiary	Country	Ownership
Comet S.r.l.	Italy	11.61%
Veneta Cucine S.p.A	Italy	9.74%
CDS Holdings S.p.A.	Italy	13.20%
Dierre S.p.A.	Italy	20.42%
Exacer S.r.l	Italy	16.06%
PHSE S.r.l	Italy	19.29%
BluVet S.p.A	Italy	27.51%
Farmo S.p.A.	Italy	17.66%
Rino Mastrotto Group S.p.A	Italy	5.57%
Promopharma S.p.A	San Marino	14.43%
Finlogic S.p.A.	Italy	6.20%

The table below summaries the equity and the result of the year of Aurora Holdings as of 31 December 2023.

	As of 31 December 2023
	€
Capital and reserves	201,403,137
Profit for the year	1,447,177
Net Equity	<u>202,850,314</u>

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

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

Aurora Holdings (continued)

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.

Valuation methodology

The fair value measurement of the Company's investments in Fondo Italiano, Aurora Holdings and MIC Co-Invest is determined by the AIFM and approved by the Board of Directors in accordance with the IPEV Guidelines or when not applicable, other valuation guideline complying with IFRS 13. The fair value of the underlying Italian companies is a significant component of the fair value of Fondo Italiano, Aurora Holdings and MIC Co-Invest.

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, a primarily performed market-based valuation is done, 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. 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

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

As of 31 December 2023	Level 1 €	Level 2 €	Level 3 €	Total €
<i>Non pledged financial assets at fair value through profit or loss</i>				
Fondo Italiano	-	-	2,672,346	2,672,346
Aurora Holdings	-	-	175,749,038	175,749,038
MIC Co-Invest	-	-	20,061,065	20,061,065
Total	-	-	198,482,449	198,482,449

As of 31 December 2022	Level 1 €	Level 2 €	Level 3 €	Total €
<i>Non pledged financial assets at fair value through profit or loss</i>				
Fondo Italiano	-	-	10,261,081	10,261,081
Aurora Holdings	-	-	234,194,087	234,194,087
MIC Co-Invest	-	-	40,093,893	40,093,893
Total	-	-	284,549,061	284,549,061

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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

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

Fair value measurement (continued)

Transfers

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred. There were no transfers between levels during the year ended 31 December 2023 or the year ended 31 December 2022.

Level 3 reconciliation

	€
As of 1 January 2023	284,549,061
Purchases	18,084,802
Disposals	(155,797,051)
Net realised gains ¹	31,692,171
Net unrealised gains ¹	19,953,466
As of 31 December 2023	<u>198,482,449</u>
	€
As of 1 January 2022	248,761,834
Purchases	11,940,561
Disposals	-
Net realised gains ¹	177,707
Net unrealised gains ¹	23,668,959
As of 31 December 2022	<u>284,549,061</u>

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

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. 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

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.

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 31 December 2023 and 2022:

Investment	Sector	Valuation Methodologies	Unobservable Inputs - 2023			Impact to Valuation from an increase in Input ²
			Unobservable Input	Value/Range	Weighted Average ¹	
Fondo Italiano	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	6.6x	6.6x	Increase
	Leisure	Market Comparable Multiple	LTM EBITDA Multiple	13.3x	13.3x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	8.6x - 9.5x	9.1x	Increase
	Logistic	Market Comparable Multiple	LTM EBITDA Multiple	14.7x	14.7x	Increase
	Healthcare - Animal health	Market Comparable Multiple	LTM EBITDA Multiple	9.1x	9.1x	Increase
	Rubber Product Manufacturing Industry	Market Comparable Multiple	LTM EBITDA Multiple	6.9x	6.9x	Increase
	Food	Market Comparable Multiple	LTM EBITDA Multiple	10.0x	10.0x	Increase
	Chemicals	Market Comparable Multiple	LTM EBITDA Multiple	7.0x	7.0x	Increase
MIC Co-Invest	Information Technology	Market Comparable Multiple	LTM EBITDA Multiple	9.3x	9.3x	Increase
	Pharma	Market Comparable Multiple	LTM EBITDA Multiple	10.6x	10.6x	Increase
	Information Technology	Market Comparable Multiple	LTM EBITDA Multiple	12.0x	12.0x	Increase

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. 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)

Investment	Sector	Valuation Methodologies	Unobservable Inputs - 2022			Impact to Valuation from an increase in Input ²
			Unobservable Input	Value/Range	Weighted Average ¹	
Fondo Italiano	Business Services	Market Comparable Multiple	LTM EBITDA Multiple ³	4.3x	4.3x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	5.3x	5.3x	Increase
	Services	Market Price	n/a			Increase
Aurora Holdings	Consumer Goods	Market Comparable Multiple	LTM EBITDA Multiple	6.0x	6.0x	Increase
	Leisure	Market Comparable Multiple	LTM EBITDA Multiple	9.2x	9.2x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA Multiple	7.3x - 8.5x	7.9x	Increase
	Logistic	Market Comparable Multiple	LTM EBITDA Multiple	7.7x	7.7x	Increase
	Healthcare - Animal health	Market Comparable Multiple	LTM EBITDA Multiple	8.4x	8.4x	Increase
	Rubber Product Manufacturing Industry	Market Comparable Multiple	LTM EBITDA Multiple	6.4x	6.4x	Increase
	Food	Market Comparable Multiple	LTM EBITDA Multiple	12.9x	12.9x	Increase
	Chemicals	Market Comparable Multiple	LTM EBITDA Multiple	4.9x	4.9x	Increase
	Food supplements	Market Comparable Multiple	LTM EBITDA Multiple	8.1x	8.1x	Increase
MIC Co-Invest	Information Technology	Market Comparable Multiple	LTM EBITDA Multiple	11.6x	11.6x	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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. 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)

Significant unobservable inputs are developed as follows:

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.

In particular, 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 31 December 2023 and 2022 are presented in the following table:

	Favourable	(Unfavourable)
As of 31 December 2023	€	€
Underlying Italian privately held investments	28,467,505	(28,467,505)
	Favourable	(Unfavourable)
As of 31 December 2022	€	€
Underlying Italian privately held investments	36,072,735	(36,072,735)

(ii) Cash and Cash equivalents

As of 31 December 2023, cash and cash equivalents are equal to Euro 3,471,396 (31 December 2022: Euro 26,167,603). This comprises cash balances held with Brown Brothers Harriman (Luxembourg) S.C.A. (Fitch rating: A+) of Euro 3,327,204 (31 December 2022: Euro 1,773,105), Intesa Sanpaolo Private Banking S.p.A. (Fitch rating: BBB) of Euro 94,214 (31 December 2022: Euro 24,394,498), Banca Nazionale del Lavoro S.p.A. (Fitch rating: A-) of Euro 24,987 (31 December 2022: Euro Nil) and with UniCredit S.p.A. (Fitch rating: BBB) of Euro 24,991 (31 December 2022: Euro Nil). The carrying amount approximates fair value.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iii) Short – Term deposits

As of 31 December 2023, the Company holds short term deposits with three different banking institutions as disclosed below:

Bank	Rating	Maturity Date	Rate	Current balance
Intesa Sanpaolo Bank Luxembourg SA	BBB	February 1, 2024	3.68%	36,225,035
UniCredit SpA	BBB	May 7, 2024	4.09%	60,374,917
Banca Nazionale del Lavoro SpA (BNL)	A-	February 5, 2024	3.90%	60,378,246
				156,978,198

The carrying amount approximates fair value. Management concluded that no ECL is necessary for short term deposits as of 31 December 2023.

(iv) 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.

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 31 December 2023, the subscribed capital of the Company is equal to Euro 245,081,150⁴ consisting of 24,353,115 Shares without indication of a par value, all of which are fully paid up and represented by 24,531,115 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.

⁴ The subscribed capital of the Company amounts to Euro 245.1 million. Share capital has been reduced by the capital increase cost.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iv) Share capital (continued)

Authorised and issued share capital (continued)

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 authorized capital, including the initial share capital and any share premium, is set at Euro 600 million. Movement in the Class A Shares, Class B Shares and Special Shares during the year ended 31 December 2023 and during the year ended 31 December 2022 was as follows:

Share Class	As of December 31, 2022	Issued	As of 31 December 2023
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, 2021	Issued	As of 31 December 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

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 65,620,728 refers to unrealised gains. The reserve was increased during the year ended 31 December 2023 by an amount of Euro 23,669,286. Allocation of the unrealised gains for the financial year ended 31 December 2022 was approved on the Annual General Meeting on 26 May 2023.

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 31 December 2023, the legal reserve amounts to Euro 2,774,758 (31 December 2022: Euro 2,774,758) and is not available for distribution.

Voting rights

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

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iv) 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 year ended 31 December 2023 or year ended 31 December 2022:

	From 1 January 2023 to 31 December 2023	From 1 January 2022 to 31 December 2022
	€	€
Class A Shares		
Income for the year	40,641,024	18,692,840
Weighted average number of shares	24,353,115	24,353,115
Basic earnings per share	1.669	0.768
Diluted earnings per share	1.669	0.768
Class B Shares		
Income for the year	7,481,168	3,440,964
Weighted average number of shares	150,000	150,000
Basic earnings per share	49.874	22.940
Diluted earnings per share	49.874	22.940
Special Shares		
Income for the year	83,441	38,379
Weighted average number of shares	50,000	50,000
Basic earnings per share	1.669	0.768
Diluted earnings per share	1.669	0.768

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 31 December 2023, 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 31 December 2023, the Company has sufficient cash resources to meet the Company's expenses, distribution commitments and potential investment opportunities for the foreseeable future.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(iv) Share capital (continued)

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.

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 year ended 31 December 2023 and by the date of approval these financial statements, the Company 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.

(v) Borrowings

During the year ended 31 December 2023 or the year ended 31 December 2022 the Company did not enter into any financing arrangements.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. STATEMENT OF FINANCIAL POSITION INFORMATION (CONTINUED)

(vi) Accrued expenses other payables

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

<i>Financial liabilities</i>	Less than 1 month €	1-12 months €	More than 1 year €
Professional fees payable	22,294	-	-
Administration, custody and transfer agent fees payable	252,595	-	-
Audit fees payable	49,108	-	-
Director's fees payable	85,348	-	-
Other payables	262,977	-	-
Total	672,322	-	-

5. 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 year ended 31 December 2023 and year ended 31 December 2022:

	From 1 January 2023 to 31 December 2023 €	From 1 January 2022 to 31 December 2022 €
Realised gains/ (losses)	31,691,939	177,231
Unrealised gains/ (losses)	19,953,207	23,669,286
Net realised and unrealised gain	51,645,146	23,846,517

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 year, or the transaction price if it was purchased in the current reporting year, 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 year, or the transaction price if it was purchased in the current reporting year, and its carrying amount at the end of the reporting year.

Investment income

In the year 2023, dividend for total amount of Euro 41,321 was distributed from MIC Co-Invest and recognised by the Company as Investment income. In the year 2022, dividend for a total amount of Euro 1,405,393 was distributed from V Club S.p.A., B code S.r.l., Rubber Club S.r.l. and ExClub S.r.l. to NB Aurora Holding, out of which Eur 704,102 allocated to the Company. As of year-end, the Euro 704,102 are represented in unrealized gain. Beginning of 2024, the dividends were transferred from NB Aurora Holding to the Company.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

5. STATEMENT OF COMPREHENSIVE INCOME INFORMATION (CONTINUED)

Interest income calculated using the effective interest rate

In the year 2023, interest income from short-term deposits calculated using effective interest rate comprises of Euro 978,198 (in 2022: Nil).

Other interest income

In the year ended 31 December 2023 interest income comprises of Euro 287,368 received on current accounts' balances.

(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 year ended 31 December 2023, management fees amount to Euro 3.5 million (31 December 2022: Euro 3.5 million).

Professional fees mainly include legal, consultancy, liquidity and brokerage costs of Euro 0.35 million (31 December 2022: Euro 0.29 million).

Other expenses of Euro 0.31 million are mainly comprised of administration service fees (30 June 2022: Euro 0.49 million).

Audit fees charged by KPMG for the year ended 31 December 2023 are Euro 127,466 (31 December 2022: Euro 92,875), of which Euro 90,508 is related to the legal audit (31 December 2022: Euro 58,968) and Euro 36,958 related to other audit related services (31 December 2022: Euro 33,907). Audit related accrued fees payable are Euro 49,108 (31 December 2022: Euro 45,293).

(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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. 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.

The Company may make investments in other collective investment undertakings having a similar investment objective, such as, amongst others and without limitation, Fondo Italiano. 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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. 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 private equity investments would result in an approximately 6% change in net assets value as of 31 December 2023 (31 December 2022: 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.

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 inflation and the increase of interest rates 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 be therefore 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

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 year to year 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 1.2% increase, in absolute term, in the inception-to-date IRR (31 December 2022: 2.5%). A 10.0% decrease in the valuation of the underlying portfolio company investments would result in an approximately 1.3% decrease, in absolute term, in the inception-to-date IRR (31 December 2022: 2.7%).

(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.

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 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarizes the Company's financial assets and liabilities in variable rate instruments as of 31 December 2023 and 2022:

	From 1 January 2023 to 31 December 2023 €	From 1 January 2022 to 31 December 2022 €
Variable rate instruments		
Financial assets - cash and cash equivalents	3,471,396	26,167,603
Total variable rate instruments	<u>3,471,396</u>	<u>26,167,603</u>

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.

As of December 31, 2023, the estimated impact of a 0.1% shift in interest rates on the profit for the year is estimated at €3,471 (2022: €26,168).

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.

During 2023, 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 31 December 2023:

	Less than 1 month	1-12 months	More than 1 year
	€	€	€
<i>Financial liabilities</i>			
Professional fees payable	22,294	-	-
Administration, custody and transfer agent fees payable	252,595	-	-
Audit fees payable	49,108	-	-
Director's fees payable	85,348	-	-
Other payables	262,977	-	-
Total	672,322	-	-

The following table shows the remaining contractual, undiscounted cash flows of the Company's liabilities as of 31 December 2022

	Less than 1 month	1-12 months	More than 1 year
	€	€	€
<i>Financial liabilities</i>			
Professional fees payable	13,441	-	-
Administration, custody and transfer agent fees payables	368,836	-	-
Audit fees payable	45,293	-	-
Other payables	319,298	-	-
Total	746,868	-	-

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 31 December 2023, and 31 December 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 Company is closed-ended and invests in illiquid assets. During 2023, the Company had a sufficient level of cash and cash equivalents to honor its short-term liabilities.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. 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 31 December 2023, and 31 December 2022, the carrying amounts of cash and cash equivalents, and of short-term deposits 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 and time deposits are held with reputable financial institution which the AIFM believes are of high credit quality.

The Company has recognized an impairment allowance of Euro Nil (31 December 2022: 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, and time deposits, are held with the counterparties, Brown Brothers Harriman (Luxembourg) S.C.A. (Fitch rating: A+), Intesa Sanpaolo Private Banking S.p.A. (Fitch rating: BBB), Banco Nazionale del Lavoro S.p.A. (Fitch rating: A-) and UniCredit 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 31 December 2023 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), Brown Brothers Harriman (Luxembourg) S.C.A (Fitch rating: A+), Banco Nazionale del Lavoro S.p.A. (Fitch rating: A-) and UniCredit S.p.A. (Fitch rating: BBB) as of 31 December 2023.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

7. 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, and Galeazzo Pecori Giraldi are entitled to receive remuneration of Euro 15,000 per annum;
- Fereshteh Stein-Pouchantchi is entitled to receive remuneration of Euro 20,000 per annum; and
- Francesco Moglia does not receive remuneration for acting as a Director of the Company.

The total Directors’ fees charged for the year ended 31 December 2023 amounted to Euro 88,924 (31 December 2022: Euro 93,285), which also includes Directors’ expenses such as insurance costs. The amount of Directors’ fees payable included in accrued expenses and other payables in the Statement of Financial Position as of 31 December 2023 was Euro 68,848 (31 December 2022: 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 year ended 31 December 2023 amounted to Euro 3.5 million (31 December 2022: Euro 3.5 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 31 December 2023 (31 December 2022: 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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

7. 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, NB Aurora Co-Investment Fund II S.C.A. SICAF-RAIF.

8. 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 year ended 31 December 2023 as the Company objective is to invest in Italian market through equity instrument.

For the financial year ended 31 December 2023, the Company's primary exposure was to Italian related assets (see note 4(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.

9. SUBSEQUENT EVENTS

On 14 February 2024, NB Aurora completed the sale of its entire 48.4% stake in the Dierre Group, held through its subsidiary vehicle D Club S.R.L., to the Alto Capital V Fund managed by Alto Partners SGR. The closing follows the signing of the binding agreement announced on 21 December 2023. The total value of the transaction is approximately Euro 108.5 million, of which approximately Euro 22.2 million belongs to NB Aurora. In addition, NB Aurora, confirming its commitment to Dierre Group, reinvested part of the previously mentioned proceeds for an amount of Eur 7.4 million, through a newly incorporated subsidiary vehicle Praesidium S.R.L., remaining hence a minority shareholder of the company.

10. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 22 March 2024.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

NB Aurora S.A. SICAF-RAIF (The “Fund”)

AIFMD Disclosure Addendum to the 2023 Annual Report

(Unaudited)

1. Changes to Article 23(1) Disclosures

Directive 2011/61/EU on Alternative Investment Fund Managers (“AIFMD”) requires certain information to be made available to investors in alternative investment funds (“AIFs”) before they invest and requires that material changes to this information be disclosed in the annual report of each AIF.

There have been no material changes (other than those reflected in the financial statements) to this information requiring disclosure.

2. Leverage

For the purposes of this disclosure, leverage is any method by which an AIF’s exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means.

The AIFMD requires that each leverage ratio be expressed as the ratio between an AIF’s exposure and its net asset value (“NAV”), and prescribes two required methodologies, the gross methodology and the commitment methodology, for calculating such exposure. Using the methodologies prescribed under the AIFMD, the leverage of the Fund as at 31 December 2023 is disclosed below:

- Leverage calculated pursuant to the gross methodology: 72.44%
- Leverage calculated pursuant to the commitment methodology: 100.19%

3. Current risk profile

The risk profile of the Fund at 31 December 2023 was as follows:

3.1 Market risk profile

The Fund’s net equity delta as at 31 December 2023 was EUR -1,984,824. Net equity delta measures the amount by which the Fund’s net asset value would fall in the event of a 1% decline in equity prices to which the Fund is exposed.

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

3.2 Counterparty risk profile

The top five counterparties to which the Fund had the greatest mark-to-market net counterparty credit exposure, measured as a % of the NAV of the Fund are listed in the table below:

Ranking	Name of Counterparty	NAV percentage of the total exposure value of the counterparty
First counterparty exposure	NB Aurora Holdings S.à r.l.	39.12%
Second counterparty exposure	Banco Nazionale del Lavoro S.p.A.	16.74%
Third counterparty exposure	UniCredit S.p.A.	16.74%
Fourth counterparty exposure	Intesa Sanpaolo Private Banking S.p.A.	10.07%
Fifth counterparty exposure	MIC Co-Invest SCSp	5.59%

As at 31 December 2023, no entity had a mark-to-market credit exposure to the Fund.

3.3 Liquidity profile

3.3.1 Portfolio liquidity profile

100 per cent of the portfolio might not be able to be liquidated within 365 days, i.e. it could take more than 365 days to liquidate any or all of the portfolio. The Fund had EUR 99,471,396 unencumbered cash available to it (as of 31 December 2023).

3.3.2 Investor liquidity profile

Investor equity cannot be redeemed within 365 days, i.e. it would take more than 365 days to redeem any or all of the investor equity.

3.3.3 Investor redemption

The Fund does not provide investors with withdrawal or redemption rights in the ordinary course. However, a secondary market is available on the Alternative Milan Stock Exchange (Euronext MIV Milan) which eligible investors may access for liquidity. Liquidity will be dependent on trading volume available and the Fund could not guarantee that an investor would be able to dispose of their shares in the Fund.

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3.4 Operational Risk

The Fund has a low risk profile in respect of Operational Risk due to the limited day-to-day portfolio activities.

4. Report on remuneration

The board of Neuberger Berman AIFM S.à r.l. (the “Board” of the “AIFM”) is responsible for the compensation practices within AIFM involvement and oversight of the compensation process, so that compensation within the group rewards success whilst reflecting appropriate behaviours.

The Board recognizes the need to ensure that compensation arrangements do not give rise to conflicts of interest, and this is achieved through the compensation policies as well as through the operation of specific policies governing conflicts of interests.

The AIFM’s compensation philosophy is one that focuses on rewarding performance and incentivizing employees. Employees at the AIFM may receive compensation in the form of base salary and discretionary bonuses. Investment professionals receive a fixed salary and are eligible for an annual bonus. The annual bonus for an individual investment professional is paid from a “bonus pool” made available to the portfolio management team with which the investment professional is associated. Once the final size of the available bonus pool is determined, individual bonuses are determined based on a number of factors including the aggregate investment performance of all strategies managed by the individual (including a multi-year perspective in order to emphasize long-term performance), an assessment of the individual’s compliance with all applicable policies, laws or regulatory requirements, his/her compliance with all instructions given to staff members in relation to the proper performance of his/her role and his/her compliance with the terms and conditions of employment, and overall contribution to the success of the AIFM.

The AIFM considers a variety of factors in determining fixed and variable compensation for employees, including firm performance, individual performance, overall contribution to the team and the overall investment performance. The remuneration of staff in control functions (who are staff responsible for risk management, compliance and internal audit other than senior management) is linked to performance objectives that are in no way linked to investment performance.

The AIFM strives to create a compensation process that is fair, transparent, and competitive with the market. A portion of bonuses may be awarded in the form of contingent or deferred cash compensation, including under the “**Contingent Compensation Plan**”, which serves as a means to further align the interests of employees with the interest of clients, as well as rewarding continued employment. Under the Contingent Compensation Plan a percentage of a participant’s compensation is awarded in deferred contingent form. Contingent amounts take the form of a notional investment based on a portfolio of Neuberger Berman investment strategies, and Neuberger Berman believes that this gives each participant further incentive to operate as a prudent risk manager and to collaborate with colleagues to maximise performance across all business areas. Ordinarily, unvested contingent amounts under the Contingent Compensation Plan are forfeited on resignation or termination for cause, and the AIFM therefore ensures that,

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

subject to applicable local laws, payments on termination are appropriate and do not give rise to improper or undue benefits or any rewards which are not in line with performance over time.

The proportion of the total remuneration of the staff of the AIFM attributable to the Fund, calculated with reference to the proportion of the value of the assets of the Fund managed by the AIFM to the value of all assets managed by the AIFM, was USD 1,034,735 representing USD 565,729 of fixed compensation and USD 469,006 of variable compensation. There were 54 members of staff of the AIFM who shared in the remuneration paid by the AIFM.

Compensation in respect of the management of the Fund to senior management and staff whose role had a material impact on the risk profile of the Fund in respect of 2023 was USD 7,376,969 in relation to senior management and USD 771,015 in respect of 'risk takers'. The compensation figure for senior management has not been apportioned, while the compensation figure for risk takers has been apportioned by reference to the number of AIFs whose risk profile was materially impacted by each individual staff member.

5. European Taxonomy Regulation

Regulation (EU) 2020/852 (the "Taxonomy Regulation") requires fund managers such as the AIFM to disclose the extent of their alignment to the Taxonomy Regulation in the annual report for each fund they manage. As the Fund is not classified as an article 8 or article 9 fund under Regulation (EU) 2019/2088 ("SFDR"), the following statement must be disclosed in the annual report for the Fund:

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

March 2024

NB AURORA S.A. SICAF-RAIF
For the year ended 31 December 2023

NB Aurora S.A. SICAF-RAIF (the "Fund")
IMPORTANT INFORMATION FOR INVESTORS IN SWITZERLAND

Qualified Investors: The Fund may only be offered in Switzerland to qualified investors within the meaning of Article 10 CISA.

Country of Domicile: The Fund is a public limited company or "*société anonyme*", set-up as a reserved alternative investment fund in the form of a "*société d'investissement à capital fixe*" incorporated under the laws of the Grand-Duchy of Luxembourg.

Place of performance and jurisdiction: In respect of the shares offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

The Fund's offering memorandum or equivalent document, constitutional documents, the annual reports and, where produced by the Fund, the semi-annual reports of the Fund may be obtained free of charge from the Swiss representative.

Only shares in the Fund may be offered and/or advertised in Switzerland. Interests or shares in any other fund that may be mentioned in this annual report are either closed for new investments and/or may not be authorised for offering and/or advertising to Qualified Investors in Switzerland.

The **Swiss paying agent** is Helvetische Bank AG located at Seefeldstrasse 215, CH - 8008 Zurich. Until **31 March 2024**, the **Swiss representative** is First Independent Fund Services Ltd located at Feldeggstrasse 12, CH-8008 Zurich. From **1 April 2024**, the **Swiss representative** is Zeidler Regulatory Services (Switzerland) AG Neustadtgasse 1a, CH-8400 Winterthur.