

NB Aurora S.A. SICAF-RAIF

Audited Financial Statements

For the period from 14 September 2017 (date of incorporation) to 31 December 2017

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GENERAL INFORMATION

Luxembourg Registre de Commerce et des Societes number	B 218101
Directors	Francesco Moglia Patrizia Micucci Roberto Timo
Registered office	28-32, Place de la Gare L-1616 Luxembourg
Alternative Investment Fund Manager	Neuberger Berman AIFM Limited Lansdowne House 57 Berkeley Square 4 th Floor London, W1J 6ER United Kingdom
Portfolio Manager	Neuberger Berman Europe Limited Lansdowne House 57 Berkeley Square 4 th Floor London, W1J 6ER United Kingdom
Administrator, Registrar, and Transfer Agent	Société Générale Bank & Trust S.A. 11, avenue Emile Reuter L-2420 Luxembourg
Depository and Paying Agent	Société Générale Bank & Trust S.A. 11, avenue Emile Reuter L-2420 Luxembourg
Auditor	KPMG Luxembourg, S.C. 39, Avenue John-F. Kennedy L-1855 Luxembourg
Legal advisors	Arendt & Medernach S.A. 41A, avenue J. F. Kennedy L-2082 Luxembourg

DIRECTORS' REPORT

The Board of Directors presents to the shareholder the financial statements (the “financial statements”) for the period ended 31 December 2017 for NB Aurora S.A SICAF-RAIF (the “Company”).

Principal activities

The Company is a “fonds d’investissement alternatif réservé” in the form of an “société d’investissement á capital fixe” incorporated under the laws of the Grand Duchy of Luxembourg on 14 September 2017. It is registered with the Luxembourg Registre de Commerce et des Sociétés under number B 218101. On 26 January 2018 it was resolved to change the registered office of the Company (see page 1).

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

As at 31 December 2017, the Company did not hold any investments.

Review of development of the business

The Company was incorporated on 14 September 2017. As at the reporting date the Company has not commenced investing activities.

The Board of Directors’ determination of key performance indicators for the reporting period is represented by the financial results as disclosed in the Statement of Comprehensive Income.

The Board of Directors expect the Company to commence investing in accordance with the investment objective over the coming financial periods.

Results, activities and future developments

The financial position and results for the period are set out in the primary statements on pages 8 to 11.

The Company will acquire units in Fondo Italiano d’Investimento (“Fondo Italiano”) from NB Secondary Opportunities Funds IV LP, a Limited Partnership also controlled by Neuberger Berman AIFM Limited. The Fondo Italiano primarily invests in minority direct equity investments in private Italian small and medium size enterprises.

The Company intends to list the Class A Shares of the Company on the professional segment of the Italian Market for Investment Vehicles (the “Italian MIV”) a regulated market operated by Borsa Italiana S.p.A. before 28 February 2018.

Dividends

The Board of Directors do not propose the payment of a dividend in the current period.

Risk management objectives and policies

Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in note 7 of these financial statements. A full description of the risks is provided in the Private Placement Memorandum.

Directors

The names of Directors at any time during the period are set out on page 1. The Directors who held office during the period to 31 December 2017 and as at the date of this report did not hold interests in the issued share capital of the Company at any time during the period and as at the date of this report.

Subsequent events

Subsequent to 31 December 2017, the Company is in the process of listing its shares on the Italian MIV.

Accounting records

The Board of Directors have appointed Société Générale Bank & Trust S.A. as administrator of the company, the accounting records of the Company are maintained at the registered office (see page 1).

Going concern

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

Information provided to the independent auditor

The Board of Directors have taken all necessary steps to ensure that the independent auditor has all the necessary information to prepare their audit report.

Independent auditor

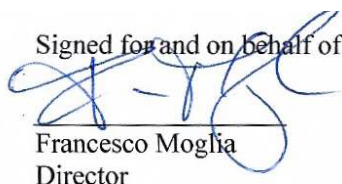
KPMG Luxembourg acts as the independent auditor of the Company.

Corporate Governance Code

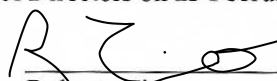
The Board of Directors have adopted the Corporate Governance Code (the “Code”) of the Borsa Italiana S.p.A., which is accessible on:
www.borsaitaliana.it/comitato-corporate-governance/codice/codice.en.htm.

The Board of Directors have reviewed and assessed the measures included in the Code and considers their corporate governance practices and procedures since the adoption of the Code are consistent therewith.

Signed for and on behalf of the Board of Directors on 23 February 2018:



Francesco Moglia
Director



Roberto Timo
Director



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L - 1855 Luxembourg

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E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Sole Shareholder of
NB Aurora S.A. SICAF-RAIF
28-32, Place de la Gare
L-1616 Luxembourg
Grand Duchy of Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of NB Aurora S.A. SICAF-RAIF ("the Fund"), which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period from 14 September 2017 (date of incorporation) to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NB Aurora S.A. SICAF-RAIF as at 31 December 2017, and of its financial performance and its cash flows for the period from 14 September 2017 (date of incorporation) to 31 December 2017 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with 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 Law of 23 July 2016 and ISAs 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 Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of "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 Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors of the determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund'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 of the Fund either intends to liquidate the Fund 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 "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 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.

As part of an audit in accordance with 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 of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund's 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 "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 "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Fund 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.

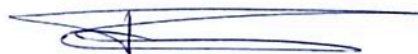
We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 23 February 2018

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



M. Tabart

STATEMENT OF DIRECTORS RESPONSIBILITIES

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


In preparing the 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.

Approved by the Board of Directors on 26 January 2018 and signed on its behalf by:



Francesco Moglia
Director

Roberto Timo
Director

NB AURORA S.A. SICAF-RAIF
STATEMENT OF COMPREHENSIVE INCOME
For the period from 14 September 2017 (date of incorporation) to 31 December 2017

		For the period from 14 September 2017 to 31 December 2017
	Note	€
Expenses		
Auditors' fees		35,100
Administration fees		16,000
Market authority fees		15,000
Custody fees		10,000
Transfer agent fees		8,000
Total expenses		<u>84,100</u>
Loss for the period		<u><u>(84,100)</u></u>
Earnings per share	6	
Basic		(1.682)
Diluted		(1.682)

NB AURORA S.A. SICAF-RAIF
STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	As at 31 December 2017 €
Assets		
Cash and cash equivalents	5	50,000
Total assets		<u>50,000</u>
Equity		
Share capital	6	50,000
Accumulated losses		(84,100)
Total equity		<u>(34,100)</u>
Liabilities		
Accrued expenses		69,100
Payables		15,000
Total liabilities		<u>84,100</u>
Total equity and liabilities		<u><u>50,000</u></u>

NB AURORA S.A. SICAF-RAIF
STATEMENT OF CHANGES IN EQUITY

For the period from 14 September 2017 (date of incorporation) to 31 December 2017

	Share Capital	Accumulated Losses	Total Equity
	<u>€</u>	<u>€</u>	<u>€</u>
As at 14 September 2017	-	-	-
Issuance of shares	50,000	-	50,000
Loss for the period	-	(84,100)	(84,100)
	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2017	<u><u>50,000</u></u>	<u><u>(84,100)</u></u>	<u><u>(34,100)</u></u>

NB AURORA S.A. SICAF-RAIF
STATEMENT OF CASH FLOWS

For the period from 14 September 2017 (date of incorporation) to 31 December 2017

	For the period from 14 September 2017 to 31 December 2017 €
Cash flows from operating activities	
Loss for the period	(84,100)
Changes in	
Accrued expenses	69,100
Payables	15,000
Net cash generated from operating activities	<hr/> -
Cash flows from financing activities	
Proceeds from issue of shares	50,000
Net cash generated from financing activities	<hr/> 50,000
Net increase in cash and cash equivalents for the period	50,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<hr/> <hr/> 50,000

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
31 December 2017

1. GENERAL INFORMATION

NB Aurora S.A. SICAF-RAIF (the “Company”) was incorporated on 14 September 2017 is a “fonds d’investissement alternatif réservé” in the form of an “société d’investissement à capital fixe” incorporated under the laws of the Grand Duchy of Luxembourg.

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 28-32, Place de la Gare, L-1616 Luxembourg.

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

The Company appointed Neuberger Berman AIFM Limited as Alternative Investment Fund Manager (“AIFM”). The Board of Directors have delegated certain management, administration and marketing duties related to the Company to the AIFM. The AIFM is authorised by the Financial Conduct Authority (“FCA”) as an Alternative Investment Fund Manager. The AIFM has delegated certain discretionary portfolio management functions and marketing functions to Neuberger Berman Europe Limited (the “Portfolio Manager”).

The Company had no employees during the period ended 31 December 2017.

The Company intends to list the Class A Shares of the Company on the professional segment of the Italian Market for Investment Vehicles (the “Italian MIV”) a regulated market operated by Borsa Italiana S.p.A.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

These financial statements are for the period from 14 September 2017 (date of incorporation) to 31 December 2017. These financial statements are the first financial statements of the Company and therefore no comparative figures are included.

(b) 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.

(c) Functional and presentation currency

The financial statements are presented in Euro (“EUR or €”) and rounded to the nearest EUR. EUR is both the functional and presentation currency of the Company.

2. BASIS OF PREPARATION (CONTINUED)

(d) Significant accounting estimates and judgements

The preparation of the Company's financial statements requires the Board of Directors to make judgements, estimates and assumptions that may affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

In the process of applying the Company's accounting policies, Board of Directors has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The 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 anticipate that the planned listing of the Company's shares on the Italian MIV will be successful.

Segment reporting

The Company had no activity from 14 September 2017 (date of incorporation) to 31 December 2017, therefore segment reporting is not relevant for these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Classification

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), the Company classified its financial assets and liabilities into the following categories:

Financial assets and liabilities at fair value through profit or loss

- Financial assets and liabilities held for trading. Financial assets and liabilities held for trading are securities which are either acquired for generating a profit from short-term fluctuations in price or dealer margins, or are included in a portfolio where a pattern of short-term trading exists.
- Financial assets and liabilities designated at fair value through profit or loss at inception. The designation of a financial asset or liability at fair value through profit or loss is made upon initial recognition at the Company's discretion provided that certain conditions are met. They are managed and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

At 31 December 2017 the Company does not hold any financial assets or liabilities at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

(i) *Classification (continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets including cash and cash equivalents are classified as loans and receivables.

Other financial liabilities

Other financial liabilities include all financial liabilities, and accrued expenses measured at amortised cost. The Company includes in this category amounts relating to market authority fees, custody fees, transfer agent fees and administration fees payable.

(ii) *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 Statement of Comprehensive Income.

(iii) *Initial Measurement*

Financial instruments categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

Financial liabilities, other than those as at fair value through the profit or loss, are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(iv) *Subsequent measurement*

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at fair value.

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 the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

In accordance with IFRS 13, Fair Value Measurement, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

(iv) *Subsequent measurement (continued)*

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 Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Board of Directors' best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data available at the reporting date. Fair values for unquoted equity investments are estimated, if possible, using price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within net gain/(loss) from financial instruments at fair value through profit or loss in the period in which they arise.

(v) *Amortised cost measurement*

The amortised cost of a financial asset and a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount used and the maturity amount, minus any reduction for impairment. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition.

When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

(vi) *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

(vii) Impairment

Financial assets that are stated at amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

(viii) 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.

(b) Foreign currency translation

Transactions in foreign currencies are translated at the foreign currency exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to EUR, the functional currency, at the foreign currency closing exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to EUR at the foreign currency exchange rates prevailing at the dates that the values were determined.

(c) 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.

(d) Expenses

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

(e) Earnings per share

The Company presents basic and diluted earnings per share ("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 period, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Standards, interpretations and amendments to published standards that are not yet effective in the EU relevant for the Company

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial statements of the Company for the period ended 31 December 2017 and have neither been applied nor early adopted in preparing these financial statements.

Other than as set out below, the Board of Directors anticipates that the adoption of new standards, interpretations and amendments that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the period of initial application.

IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting years beginning on or after 1 January 2018, with early adoption permitted. At period end no investments were held. The Board of Directors will assess the impact of IFRS 9 on the financial statements of the Company when investments are held.

4. TAXATION

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

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

5. CASH AT BANK

As at 31 December 2017 cash and cash equivalents comprise balances held with Société Générale Bank & Trust S.A. of €50,000.

6. SHARE CAPITAL

Authorised and issued share capital

The Company is incorporated with an initial share capital of €50,000 represented by 50,000 fully paid-up Special Shares without nominal value. The authorised capital, including the initial share capital and any share premium, is set at €600,000,000.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
31 December 2017

6. SHARE CAPITAL (CONTINUED)

The Company shall issue three classes of Shares:

- Class A Ordinary Shares;
- Class B Ordinary Shares; and
- Special Shares

Class A Ordinary Shares (“Class A Shares”) will be held by Professional Investors (as described in the Private Placement Memorandum) and an application has been made for a listing on the Italian MIV.

Class B Ordinary Shares (“Class B Shares”) and Special Shares will be held by the AIFM and/or certain affiliates, employees and related persons.

As at 31 December 2017, only Special Shares have been issued.

Movement in the Special Shares during the period ended 31 December 2017 was as follows:

Share Class	Opening Balance	Issued	As at 31 December 2017
Special Shares	50,000	-	50,000
Total	50,000	-	50,000

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

Voting rights

Each Share holds one vote. There are no restrictions on voting rights, except when voting rights are suspended in the instances as set out in the Private Placement Memorandum.

Capital Management

The capital of the Company is represented by the issued share capital of the Company. The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Board of Directors and the AIFM monitor capital on the basis of the value of net assets attributable to shareholders.

The Company as a RAIF is required to maintain its net assets at no less than EUR 1,250,000. This minimum must be reached within a period of twelve months following its authorisation.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE FINANCIAL STATEMENTS
31 December 2017

6. SHARE CAPITAL (CONTINUED)

Earnings per share

The calculation of basic and diluted earnings per share as at 31 December 2017 was based on the loss attributable to owners of EUR 84,100, and a weighted average number of shares outstanding during the period of 50,000. There is no dilutive impact as at 31 December 2017.

	EUR
Loss for the period	(84,100)
Weighted average number of shares	50,000
Basic earnings per share	(1,682)
Diluted earnings per share	(1,682)

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's profitability.

The Company's Board of Directors has delegated the risk management function to the AIFM. The AIFM believes that it has taken the necessary steps to ensure that risk is properly identified, controlled and managed.

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. As at 31 December 2017 the Company is not exposed to any market risk as it does not have any financial instruments.

Currency risk

The Company may hold financial assets and liabilities and enter into transactions denominated in currencies other than the EUR, 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 the EUR.

At period end, the Company was not exposed to any currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

At period end, the Company was not significantly exposed to any interest rate risk.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Other price risk

Other 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.

At period end, the Company was not exposed to any price risk.

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 at 31 December 2017, the carrying amounts of cash at bank represent the Company's maximum exposure to the credit risk in relation to the financial assets. The AIFM considers the credit risk associated as minimal as all of the Company's cash balances are held with a reputable financial institution which the AIFM believes is of high credit quality.

Liquidity risk

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

The Company's Private Placement Memorandum 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 is sufficient liquid assets to meet the Company's obligations. At period end the Company is not exposed to any liquidity risk.

8. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, *Related Party Disclosures* ("IAS 24"), parties are 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. The Directors did not receive any remuneration during the period.

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8. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) AIFM

The Company will be charged an annual management fee payable to the AIFM quarterly in advance. The management fee is only charged after the shares of the Company have been successfully listed. Therefore, there were no management fees charged during the period.

The Special Shares of the Company are held by the AIFM and/or their certain affiliates, employees and related persons. There were no transactions with them during the period.

(c) Ultimate controlling party

The shares are ultimately held by NB Alternatives Advisers LLC at the end of the period.

There were no other related party transactions during the period.

9. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to 31 December 2017, the Company is in the process of listing its shares on the Italian MIV.

10. COMMITMENTS

The Company has committed to acquire units in Fondo Italiano from NB Secondary Opportunities Funds IV LP upon the successful listing on the Italian MIV.

11. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 26 January 2018.