



NB Aurora S.A. SICAF-RAIF

Condensed Interim Report as of 30 June 2019

For the period from 1 January 2019 to 30 June 2019

Registered office

28-32, Place de la Gare
L-1616 Luxembourg
Grand Duchy of Luxembourg
R.C.S Luxembourg B 218101

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NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
for the period from 1 January 2019 to 30 June 2019

GENERAL INFORMATION

Directors (*)	Francesco Moglia Maria Pierdicchi (Independent) Patrizia Polliotto (Independent) Alessandro Spada (Independent) Karl Pardaens (Chairman)
Alternative Investment Fund Manager	Neuberger Berman AIFM Limited (until 31 July 2019) Lansdowne House 57 Berkeley Square 4 th Floor London, W1J 6ER United Kingdom Neuberger Berman AIFM S.á. r.l. (formerly Neuberger Berman (Luxembourg) S.á. r.l.) (from 1 August 2019) 9, rue du Laboratoire L - 1911 Luxembourg
Portfolio Manager	Neuberger Berman Europe Limited Lansdowne House 57 Berkeley Square 4 th Floor London, W1J 6ER United Kingdom
Auditor	KPMG Luxembourg, S.C. 39, avenue John-F. Kennedy L-1855 Luxembourg
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

(*) The General Meeting of Shareholders as of 30 April 2019 reappointed Francesco Moglia as director of the Company until the annual general meeting to be held in 2021.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
for the period from 1 January 2019 to 30 June 2019

DIRECTORS' REPORT

The Board of Directors presents to the shareholders the condensed interim report as of 30 June 2019 (the “financial statements”) for NB Aurora S.A. SICAF-RAIF (the “Company” or “Aurora”).

Principal activities

Aurora 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 does not have any branches nor does it conduct any research and development activities. Aurora has not repurchased any of its shares.

The Company's investment strategy is to acquire stakes, predominantly minority stakes, in unlisted small and mid-cap companies, providing companies with competences and capital to foster 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 an “société d'investissement á capital fixe” incorporated under the laws of the Grand Duchy of Luxembourg on 14 September 2017.

Aurora shares are listed since 4 May 2018. The Company is the first permanent capital vehicle listed on the MIV (Mercato telematico Investment Vehicle) (ISIN LU1738384764) segment of the Italian Stock Exchange.

On 25 May 2018, Aurora completed the acquisition of 44.55% of the units of Fondo Italiano for a consideration of Euro 75.4 million (excluding transaction costs).

On 27 December 2018, Aurora completed the acquisition of Club Del Sole S.r.l. through its fully owned subsidiary NB Aurora Holdings S. a r.l. (“Aurora Holdings”).

Aurora Holdings, together with other some co-investors, invested a total of Euro 51 million into a new company, First Club S.r.l.. Aurora Holdings contribution amounted to euro 33 million including transaction costs. First Club S.r.l. acquired a minority interest (about 40%) in Club Del Sole Holding which ultimately holds the investments in Club Del Sole S.r.l. Aurora Holdings proportionate interest in Club Del Sole S.r.l. is about 26%.

Review of development of the business

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

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

Results, activities and future developments

The financial position and results for the period are presented in the following pages of this report.

The Company attained a profit of Euro 2.7 million as of 30 June 2019 (2018: EUR 26.8 million). The value of Fondo Italiano increased by an amount of Euro 4.4 million (2018: EUR 32.3 million) and the Company incurred expenses for a total amount of Euro 1.8 million (2018: EUR 5.5 million) of which Euro 1.2 million (2018: EUR 1.2 million) for management fees.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
for the period from 1 January 2019 to 30 June 2019

DIRECTORS' REPORT (CONTINUED)

Results, activities and future developments (continued)

On 30 April 2019, the Shareholders' Meeting approved the distribution of an ordinary dividend of Euro 18.9 million and the Company paid a total amount of Euro 17.4 million and Euro 1.5 million are still payable and booked in the liabilities of the Company.

On 30 June 2019, the Net Asset Value of the Company attained an amount of Euro 181.8 million (2018: Euro 172.7 million).

Following the sale of La Patria and Forgital completed by Fondo Italiano respectively on 6 August 2019 and on 10 September 2019, the Company is entitled to receive distribution from Fondo Italiano for a total amount of approximately Euro 56.9 million of which Euro 50.8 million for the sale of Forgital and Euro 6.3 from the sale of La Patria.

As of today, the Company received distribution from Fondo Italiano for a total amount of Euro 68.6 million representing Euro 32.6 million of capital gain. Including the expected distribution for the sale of La Patria, Forgital and the cash available in Fondo Italiano, total distribution will amount to approximately Euro 126.1 million representing Euro 63.3 million of capital gain.

On 30 July 2019, Aurora completed the acquisition of 49.9% stake in Dierre S.p.A., Italian company leader in design, manufacture and sale of technologically advanced protections and components with high aesthetic impact for industrial automation, through its fully owned subsidiary Aurora Holdings. Aurora Holdings, together with other some co-investors, invested a total of Euro 31.5 million into a new company, D Club S.R.L.. Aurora Holdings contribution amounted to euro 26.5 million including transaction costs for a stake of around 42% of Dierre S.p.A.

Aurora expects to create value through the existing investment in Fondo Italiano Units, D Club S.R.L. and First Club S.R.L. (investments realized through the fully owned subsidiary NB Aurora Holdings S.a r.l.) and other future equity investments primarily in portfolio of small and medium sized and unlisted Italian companies.

Directors

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

Subsequent events

On 30 July 2019, the Company acquired a stake of around 42 % in Dierre Group for a total consideration of Euro 26.5 million.

On 6 August 2019, Fondo Italiano completed the sale of the entire stake held in La Patria and the Company will be entitled to receive distribution from Fondo Italiano for an amount of approximately Euro 6.3 million.

On 10 September 2019, Fondo Italiano completed the sale of the entire stake held in Forgital and the Company will be entitled to receive distribution from Fondo Italiano for an amount of approximately Euro 50.8 million.

Subsequent to the period end, effective from 1st august 2019, Neuberger Berman AIFM S.à r.l. (formerly Neuberger Berman (Luxembourg) S.à r.l.) was appointed as AIFM of the Company.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
for the period from 1 January 2019 to 30 June 2019

DIRECTORS' REPORT (CONTINUED)

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.

Going concern

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

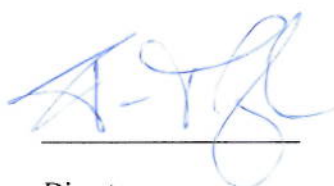
Independent auditor

KPMG Luxembourg, S.C., acts as the independent auditor of the Company. The condensed interim financial statements for the period ending 30 June 2019 are subject to limited review by KPMG Luxembourg, S.C..

Corporate Governance Code

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

Signed for and on behalf of the Board of Directors on 13 September 2019:



Director



Director

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
for the period from 1 January 2019 to 30 June 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

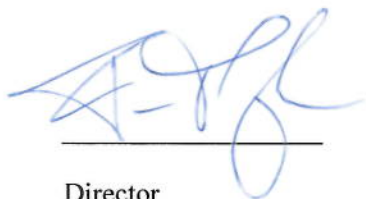
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the condensed interim financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

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

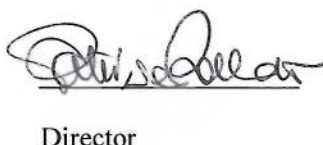
In accordance with Article 4(2) (c) of the Luxembourg law of 11 January 2008 relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé (as amended) the undersigned confirm that to the best of their knowledge, the condensed interim financial statements covering the six months period ended 30 June 2019, which has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required under Article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the six months period ended 30 June 2019 includes a fair review of important events that have occurred during the first six months of the current financial year, and their impact on the condensed interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the current financial year.

Approved by the Board of Directors on 13 September 2019 and signed on its behalf by:



Director



Director

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the period from 1 January 2019 to 30 June 2019

		1 January 2019 to 30 June 2019	From 1 January 2018 to 30 June 2018
	Note	€	€
Income			
Realised and change in unrealised gains on financial assets and liabilities at fair value through profit or loss	4(i)	4,417,423	32,341,438
Interest income		19,051	6,430
Other income		96,510	-
Total investment income		4,532,984	32,347,868
Expenses			
Management fees	4(ii)	1,267,562	1,223,914
Professional fees	4(ii)	174,941	4,174,814
Directors' fees	6(a)	72,503	17,121
Administration, custody and transfer agent fees		70,958	62,759
Audit fees		34,513	19,305
Market authority fees		18,061	-
Interest on term loan		8,130	15,534
Other expenses		187,008	6,334
Total expenses		1,833,676	5,519,781
Total profit for the period		2,699,308	26,828,087
Other comprehensive income			
Items that will not be reclassified in P&L		-	-
Items that are or may be reclassified subsequently to P&L		-	-
Total comprehensive income for the period		2,699,308	26,828,087
Earnings per share	3(iv)		
Class A Shares			
Basic		0.151	5.508
Diluted		0.151	5.508
Class B Shares			
Basic		2.850	5.508
Diluted		2.850	5.508
Special Shares			
Basic		0.151	1.765
Diluted		0.151	1.765

The accompanying notes form an integral part of the condensed interim report.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
CONDENSED STATEMENT OF FINANCIAL POSITION
As of 30 June 2019 and 31 December 2018

		As of 30 June 2019 €	As of 31 December 2018 €
Non-current assets			
Non Pledged Financial assets at fair value through profit or loss	3(i)	104,541,244	100,123,821
Total non-current assets		104,541,244	100,123,821
Current assets			
Cash and cash equivalents	3(ii)	80,412,262	100,302,075
Prepayments	3(iii)	193,572	-
Total current assets		80,605,834	100,302,075
Total assets		185,147,078	200,425,896
Equity			
Share capital	3(iv)	145,465,956	145,465,956
Retained earnings		36,361,942	52,571,593
Total equity		181,827,898	198,037,549
Current liabilities			
Dividends payable	3(iv)	1,497,477	-
Accrued expenses and other payables	3(vi)	1,821,703	2,388,347
Total current liabilities		3,319,180	2,388,347
Total equity and liabilities		185,147,078	200,425,896

The accompanying notes form an integral part of the condensed interim report.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
CONDENSED STATEMENT OF CHANGES IN EQUITY
for the period from 1 January 2019 to 30 June 2019

	Note	Share Capital €	Accumulated (Losses)/Gains and other movements €	Total Net asset value €
As of 1 January 2019		145,465,956	52,571,593	198,037,549
Profit for the period		-	2,699,308	2,699,308
Distributions	3(iv)	-	(18,908,959)	(18,908,959)
As of 30 June 2019		<u>145,465,956</u>	<u>36,361,942</u>	<u>181,827,898</u>
As of 1 January 2018		50,000	(84,100)	(34,100)
Issuance of shares	3(iv)	151,500,000	-	151,500,000
Profit for the period		-	26,828,087	26,828,087
Listing costs	3(iv)	(5,604,122)	-	(5,604,122)
As of 30 June 2018		<u>145,945,878</u>	<u>26,743,987</u>	<u>172,689,865</u>

The accompanying notes form an integral part of the condensed interim report.

NB AURORA S.A. SICAF-RAIF
CONDENSED INTERIM REPORT
CONDENSED STATEMENT OF CASH FLOWS
for the period from 1 January 2019 to 30 June 2019

	Note	From 1 January 2019 to 30 June 2019 €	From 1 January 2018 to 30 June 2018 €
Cash flows from operating activities			
Profit for the period		2,699,308	26,828,087
Adjustments for:			
-Fair value of the financial asset	4(i)	(4,417,423)	(32,341,438)
-Interest income		(19,051)	(6,430)
-Interest charges		-	17,551
		(4,436,474)	(32,330,317)
Changes in:			
Prepayments		(193,572)	-
Management fees payable		818,102	1,223,914
Professional fees payable		(154,455)	3,034,935
Directors' fees payable		(169,161)	17,121
Administration, custody and transfer agent fees payable		(19,091)	57,759
Audit fees payable		(12,171)	19,305
Market authority fees payable		(19,972)	-
IPO costs payable		(668,587)	-
Other payables		(341,309)	4,275
		(760,216)	4,357,309
Interest received		19,051	5,246
Interest paid		-	(2,017)
Net cash used in operating activities		(2,478,331)	(1,141,692)
Cash flows from investing activities			
Acquisition of investments	3(i)	-	(75,414,696)
Deposit pledged		-	(32,500,000)
Net cash used in investing activities		-	(107,914,696)
Cash flows from financing activities			
Proceeds from borrowings (net of commission fees)	3(iv)	-	31,185,000
Proceeds from issuance of shares (net of listing costs)	3(iv)	-	145,895,878
Distributions paid	3(iv)	(17,411,482)	-
Net cash (used in)/provided by financing activities		(17,411,482)	177,080,878
Net (decrease)/increase in cash and cash equivalents for the period		(19,889,813)	68,024,490
Cash and cash equivalents at the beginning of the period		100,302,075	50,000
Cash and cash equivalents at the end of the period		80,412,262	68,074,490

The accompanying notes form an integral part of the condensed interim report.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

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’investissement alternatif réservé” in the form of a “société d’investissement á capital fixe” incorporated 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 28-32, Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg.

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

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”). Subsequent to the period end, effective from 1 August 2019, Neuberger Berman AIFM S.á r.l. (formerly Neuberger Berman (Luxembourg) S.á r.l.) was appointed as AIFM to the Company. Neuberger Berman AIFM S.á r.l is authorised by the Commission de Surveillance du Secteur Financier (“CSSF”) as an Alternative Investment Fund Manager.

Listing on Borsa Italiana

On 26 April 2018, NB Aurora announced that the private placement to professional clients only of its Class A Ordinary Shares was closed collecting orders for an amount equal to Euro 150 million. The private placement was aimed at the listing of the Shares on the Investment Vehicles Market - Professional Segment, organised and managed by Borsa Italiana S.p.A..

On 27 April 2018, NB Aurora announced that the CSSF approved the prospectus for the admission to listing of its Class A Ordinary Shares on the Investment Vehicles Market (“MIV”) - Professional Segment organised and managed by Borsa Italiana S.p.A.. 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).

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

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

1. GENERAL INFORMATION (CONTINUED)

Initial investments

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

The Company completed its first direct investment on 27 December 2018 by purchasing a minority interest in Club Del Sole S.r.l. The investment was made through a wholly owned subsidiary NB Aurora Holdings S.à r.l ("Aurora Holdings").

Further details of the Company's portfolio as of 31 December 2018 and activity during the period are included in note 3(i).

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements as of 30 June 2019 and for the six months period from 1 January 2019 to 30 June 2019 have been prepared in accordance with the provisions of International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, (hereinafter IAS 34), and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2018 ("Last Annual Financial Statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events or transactions that are significant to an understanding of the changes in the Company's financial position and performance since the Last Annual Financial Statements.

(b) Consolidation Exemption

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its last annual financial statements. The same accounting policies are also expected to be reflected in the Company's annual financial statements as at and for the year ending 31 December 2019.

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 followings: (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 investment company and therefore measures its investments in Fondo Italiano and Aurora Holdings at Fair Market Value and will benefit of the exception from preparation of the consolidated financial statements.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

2. BASIS OF PREPARATION (CONTINUED)

(c) Basis of presentation

The condensed interim financial statements have been presented for the period from 1 January 2019 to 30 June 2019. The comparative period is 1 January 2018 to 30 June 2018 and as at 31 December 2018.

(d) Basis of measurement

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

(e) Functional and presentation currency

The Board of Directors considers Euro (“€” or “EUR” or “Euro”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and condition related to the Company. The condensed interim financial statements are presented in Euro, which is also the Company’s functional currency.

(f) Use of Judgements and Estimates

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

The significant accounting estimates and judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Last Annual Financial Statements.

(g) Significant changes in accounting policies

Except as described below, the accounting policies applied in these condensed interim financial statement are the same as those applied in the Last Annual Financial Statements.

IFRS 16

The Company adopted IFRS 16 on its effective date of 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, lessees’ recognise right-of-use assets representing their rights to use the underlying assets and lease liabilities representing their obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. There was no impact of adopting IFRS 16 on the condensed interim financial statements of the Company, as the Company did not enter into any lease agreement.

(h) Adoption of new and amended accounting standards

The Board of Directors anticipate that the adoption of new standards, interpretations and amendments that were in issue at the date of authorisation of these condensed interim financial statements, but not yet effective, will have no material impact on the unaudited condensed interim financial statements of the Company in the period of initial application.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

3. CONDENSED STATEMENT OF FINANCIAL POSITION

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

	As of 30 June 2019 €	As of 31 December 2018 €
Fondo Italiano	71,395,659	66,978,236
Aurora Holdings	33,145,585	33,145,585
Non pledged financial assets at fair value through profit or loss	<u>104,541,244</u>	<u>100,123,821</u>

Fondo Italiano

Fondo Italiano was originally the result of a project shared by the Italian Ministry of Economy and Finance, the Italian Bankers' Association, the Italian Manufacturers' Association, Cassa Depositi e Prestiti S.p.A. ("CDP"), and certain major Italian banks, for the creation of an instrument of financial support to small and medium-sized enterprises. From inception, the interests in Fondo Italiano were held by CDP and major Italian banks.

A sale and purchase agreement was entered into on 8 August 2017, as amended on 30 November 2017 between the holders of the Fondo Italiano Units, as sellers, and NB SOF, as purchaser, for the acquisition, subject to certain conditions, of 100% of the Fondo Italiano Units. Completion of the transaction occurred on 30 November 2017. The price of the acquisition for 100% of the Fondo Italiano Units was set at Euro 310 million and the final adjusted purchase price was set at Euro 264.2 million.

On 29 November 2017, NB SOF and NB Aurora agreed the main terms and conditions, and on 12 February 2018, the Company and NB SOF, also on behalf of its affiliates, entered into a co-investment agreement (the "Co-Investment Agreement"), subsequently amended on 23 March 2018, 4 April 2018 and on 21 May 2018, setting forth the terms and conditions of the envisaged transfer of certain units (44.55%) of Fondo Italiano to NB Aurora.

On 25 May 2018, NB Aurora completed the acquisition of 44.55% of the units of Fondo Italiano. The price paid by the Company, as determined pursuant to the terms of the Co-Investment Agreement, was Euro 75.4 million (excluding transaction costs).

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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

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

Fondo Italiano (continued)

The Company's 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. On 10 September 2019, Fondo Italiano completed the sale of the entire stake held in Forgital. The resulting distribution would trigger the carried interest mechanism as per Fondo Italiano rules and therefore as of 30 June 2019, the Euro 71.4 million fair value of Fondo Italiano in the financial statements of the Company is net of the estimated carried interest of Fondo Italiano based on the fair market value of the portfolio as of 30 June 2019.

Changes during the period

On 29 May 2019, Fondo Italiano signed a binding agreement for the sale of 100 % of the underlying investment Forgital Italy S.p.a. and the sale has been completed on 10 September 2019. This transaction will provide the Company with the right to receive distributions from Fondo Italiano for an amount of approximately Euro 50.8 million compared to a book value in the Company's financial statement of approximately Euro 21.4 million with a capital gain of approximately Euro 29.4 million. As of 31 December 2018, the fair market value of Forgital Italy S.p.A. was approximately Euro 42 million.

Aurora Holdings

On 4 December 2018, Aurora Holdings S.á r.l., a wholly owned subsidiary of the Company, was incorporated with an investment from the Company of Euro 33 million (including transaction costs). Aurora Holdings is domiciled in the Luxembourg. The registered office of Aurora Holdings is 28-32, Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg.

The initial investment in Aurora Holdings consisted of Euro 12,000 for 12,000 Shares of Euro 1 nominal value each. A further Euro 43,000 was invested in the form of share premium with the remaining Euro 33,097,000 invested through special reserve accounts.

Aurora Holdings was formed to participate in the acquisition of a minority interest in a private Italian company, Club Del Sole S.r.l..

Aurora Holdings, together with other some co-investors, invested a total of Euro 51 million into a new limited company, First Club S.r.l.. Aurora Holdings contribution amounted to Euro 33 million. First Club S.r.l. acquired a minority interest (40.74%) in Club Del Sole Holdings which ultimately holds the investments in Club Del Sole S.r.l.. Aurora Holdings proportionate interest in Club Del Sole S.r.l. is 26.4%.

The Company has no commitments or intention to provide financial support to Aurora Holdings. As of 30 June 2019 and 31 December 2018, other than the illiquid nature of the underlying investments, there were no restrictions on the ability of Aurora Holdings to transfer funds to the Company.

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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(i) Non Pledged Financial assets at fair value through profit or loss (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.
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 determined by the Portfolio Manager and approved by a valuation committee (the “Valuation Committee”). The Valuation Committee is required to be functionally independent from the Portfolio Manager, who oversees the fair value measurement, performed by the investment team (“Investment Team”). The Investment Team is composed of senior investment team members of the Portfolio Manager. The Investment Team reports the fair value measurement, including level 3 fair value measurements, to the Board of Directors and regularly review significant unobservable inputs and valuation adjustments.

Valuation methodology

The fair value measurement of the Company’s investment in Fondo Italiano and Aurora Holdings is determined by the AIFM in accordance with the International Private Equity and Venture Capital (IPEV) 2018 valuation guidelines. The fair value of the underlying Italian companies are a significant component of the fair value of Fondo Italiano and Aurora Holdings.

With the exception of one underlying company of Fondo Italiano the underlying Italian companies of Fondo Italiano and Aurora Holdings 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 Portfolio Manager uses its judgement to select a variety of methods and makes assumptions that are not always supported by observable market prices or rates. The Portfolio Manager uses the best information it has reasonably available to determine or estimate fair value.

In order to determine the fair value measurement of the underlying investments the Investment Team from one side continues to make reference to the acquisition prices and on the other side performs a market-based valuation of each underlying investment held by 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.

The acquisition in Club Del Sole S.r.l by Aurora Holdings, was closed on 27 December 2018. In the opinion of the Board of Directors, as at 30 June 2019 the investment at fair value is still in line with the transaction price.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

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

Fair value measurement (continued)

Fair value hierarchy

The table below analyses, within the fair value hierarchy, the financial assets of the Company measured at fair value through profit or loss as of 30 June 2019 and 31 December 2018:

	Level 1 €	Level 2 €	Level 3 €	Total €
As of 30 June 2019				
<i>Non pledged financial assets at fair value through profit or loss</i>				
Fondo Italiano			71,395,659	71,395,659
Aurora Holdings	-	-	33,145,585	33,145,585
	Level 1 €	Level 2 €	Level 3 €	Total €
As of 31 December 2018				
<i>Non pledged financial assets at fair value through profit or loss</i>				
Fondo Italiano	-	-	66,978,236	66,978,236
Aurora Holdings	-	-	33,145,585	33,145,585

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 and Aurora Holdings and consequently they have also been classified in level 3 of the fair value hierarchy.

Transfers

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between levels during the period ended 30 June 2019 or the year ended 31 December 2018.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

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

Fair value measurement (continued)

Level 3 reconciliation

	€
As of 1 January 2019	100,123,821
Net unrealised gain	4,417,423
As of 30 June 2019	<u>104,541,244</u>
	€
As of 1 January 2018	-
Purchases	108,566,696
Disposals	(36,065,050)
Net unrealised gain	27,622,175
As of 31 December 2018	<u>100,123,821</u>

Significant unobservable inputs

The fair value represents Fondo Italiano and Aurora Holdings 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 and Aurora Holdings as of 30 June 2019:

Investment	Sector	Valuation Methodologies	Unobservable Inputs			Impact to Valuation from an Increase in Input ²
			Unobservable Input	Value/Range	Weighted Average ¹	
Fondo Italiano	Services	Market Comparable Multiple	LTM EBITDA ³ Multiple	5.5x	5.5x	Increase
	Services	Transaction price	n/a	n/a	n/a	n/a
	Industrial	Market Comparable Multiple	LTM EBITDA ³ Multiple	5.9x	5.9x	Increase
	Industrial	Transaction price	n/a	n/a	n/a	n/a
Aurora Holdings	Leisure	Market Comparable Multiple	n/a	n/a	n/a	n/a

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

²The “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.

NB AURORA S.A. SICAF-RAIF
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

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

Fair value measurement (continued)

Significant unobservable inputs (continued)

The following table summarises the valuation methodologies and significant unobservable inputs used in the fair value measurement of the underlying private Italian companies held through Fondo Italiano and Aurora Holdings as of 31 December 2018:

Investment	Sector	Valuation Methodologies	Unobservable Inputs		Weighted Average ¹	Impact to Valuation from an Increase in Input ²
			Unobservable Input	Value/Range		
Fondo Italiano	Services	Market Comparable Multiple	LTM EBITDA ³ Multiple	5.3x - 8.9x	8.4x	Increase
	Industrial	Market Comparable Multiple	LTM EBITDA ³ Multiple	5.9x - 7.1x	6.4x	Increase
	Other	Amortised Cost	n/a	n/a	n/a	n/a
Aurora Holdings	Leisure	Recent Transaction Price	n/a	n/a	n/a	n/a

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

²The “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.

Significant unobservable inputs are developed as follows:

EBITDA multiples: represent amounts that market participants would use when pricing the investments. 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.

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 input used in determining fair value is EBITDA multiple. The impact on fair value of the reasonably possible alternative assumptions for the investments as of 30 June 2019 is presented in the following table:

	Favourable	(Unfavourable)
	€	€
Underlying Italian privately held investments	4,180,651	(4,180,651)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

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

Fair value measurement (continued)

Significant unobservable inputs (continued)

The impact on fair value of the reasonably possible alternative assumptions for the investments as of 31 December 2018 is presented in the following table:

	Favourable	(Unfavourable)
	€	€
Underlying Italian privately held investments	6,470,000	(6,470,000)

(ii) Cash at bank

As of 30 June 2019, cash and cash equivalents comprise balances held with Société Générale Bank & Trust S.A. of Euro 2,416,921 (Euro 1,960,729 as of 31 December 2018) and Euro 77,995,341 (Euro 98,341,346 as of 31 December 2018) with Intesa Sanpaolo Private Banking S.p.A., which are not pledged.

(iii) Prepayments

As at 30 June 2019, prepayments relate to Directors fees, marketing authorities fees and administration providers fees.

(iv) Share capital

Authorised and issued share capital

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

As of the Listing Date, 4 May 2018, Aurora listed 15,000,000 Class A Ordinary Shares for a consideration of Euro 150 million and issued 150,000 Class B Ordinary Shares for a consideration of Euro 1.5 million. As of 30 June 2019, the subscribed capital of the Company is equal to Euro 151,550,000 consisting of 15,200,000 shares without indication of a par value, all of which will be fully paid up and represented by 15,000,000 Class A Ordinary Shares, 150,000 Class B Ordinary Shares and 50,000 Special Shares, representing Euro 150,000,000 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 the 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.

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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(iv) Share capital (continued)

Authorised and issued share capital (continued)

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

Ordinary distributions to shareholders shall be allocated pari passu to all shareholders. Class B Ordinary Shareholders are entitled to an additional performance distribution (as discussed further below).

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

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

Movement in the Class A Shares, Class B Shares and Special Shares during the period ended 30 June 2019 and 2018 was as follows:

Share Class	As of 31 December 2018	Issued	As of 30 June 2019
Special Shares	50,000	-	50,000
Class A Shares	15,000,000	-	15,000,000
Class B Shares	150,000	-	150,000
Total	15,200,000	-	15,200,000

Share Class	As of 31 December 2017	Issued	As of 30 June 2018
Special Shares	50,000	-	50,000
Class A Shares	-	15,000,000	15,000,000
Class B Shares	-	150,000	150,000
Total	50,000	15,150,000	15,200,000

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

Listing costs

According to IAS 32, transaction costs on issuance of share capital are recognised directly in equity. As of 30 June 2019, Listing costs are equal to Euro Nil. As of 31 December 2018, Listing costs are equal to Euro 6.08 million and mainly comprises:

- bank placement commission for Euro 3.37 million;
- legal costs for Euro 2.21 million; and
- other consultant costs for Euro 0.50 million.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(iv) Share capital (continued)

Authorised and issued share capital (continued)

Voting rights

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

Earnings per share

The calculation of basic and diluted earnings per share is presented in the table below. There is no dilutive impact for the period ended 30 June 2019 and 2018.

	For the period from 1 January 2019 to 30 June 2019 ¹	For the year ended 31 December 2018 ²	For the year ended 31 December 2018	For the period from 1 January 2018 to 30 June 2018
Class A Shares	€	€	€	€
Income for the period	2,264,222	51,962,854	44,094,704	26,475,086
Weighted average number of shares	15,000,000	9,945,205	9,945,205	4,806,630
Basic earnings per share	0.151	5.225	4.434	5.508
Diluted earnings per share	0.151	5.225	4.434	5.508
Class B Shares				
Income for the period	427,538	519,629	8,339,301	264,751
Weighted average number of shares	150,000	99,452	99,452	48,066
Basic earnings per share	2.850	5.225	83.852	5.508
Diluted earnings per share	2.850	5.225	83.852	5.508
Special Shares				
Income for the period	7,547	173,210	221,688	88,250
Weighted average number of shares	50,000	50,000	50,000	50,000
Basic earnings per share	0.151	3.464	4.434	1.765
Diluted earnings per share	0.151	3.464	4.434	1.765

¹ Earnings per share calculation as of 30 June 2019 includes the waterfall distribution rules as described on page 22.

² In the Last Annual Financial Statements the Earnings per share reported were calculated considering the weighted average number of shares for each class and were as follows: Class A Shares EUR 5.225, Class B Shares EUR 5.225 and Special Shares EUR 3.464. Following the distribution that has been approved by the Annual General Meetings of the Shareholders on 30 April 2019 for a total amount of 18.9 million, the Earnings per share figures as at 31 December 2018 have been also presented in application with the waterfall distribution rules described on page 22.

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.

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3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(iv) Share capital (continued)

Capital management (continued)

As of 30 June 2019 the remaining authorised share capital of the Company is Euro 448,450,000. The Board of Directors has authority to issue new Shares within the limits of the authorised share capital and the Articles. Any issuance of new Shares will reduce the available authorised capital accordingly.

As of 30 June 2019 the Company has sufficient cash resources to meet the Company's expenses, distribution commitments and potential investment opportunities for the foreseeable future.

The Company is an Alternative Investment Fund ("AIF") and is required under Chapter IV of Luxembourg law of 23 July 2016 on reserved alternative investment funds to maintain its subscribed capital, increased by share premium, at a minimum of Euro 1,250,000.

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 make interim payments of interim dividends for a particular financial year to be deducted from profits or the available reserves. On 30 April 2019 the Shareholders' Meeting approved the distribution of an ordinary dividend of Euro 18.9 million of which Euro 15.9 million to Class A Ordinary Shareholders, Euro 3.0 million to Class B Ordinary Shareholders and Euro 0.05 million to Special Shares owners. The distribution was equal to Euro 1.06 per listed share and the payment date was 22 May 2019.

The following dividends were declared and paid by the Company:

	For the period ended 30 June 2019	
	Declared	Paid
<i>In millions of euro</i>	€	€
1.057409 cents per Class A share	15.9	15.9
19.966367 cents per Class B share	3.0	1.5
1.057409 cents per Special share	0.05	0.05

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

3. CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(iv) Share capital (continued)

Distributions(continued)

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.

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).

Subsequent to the distribution paid on 22 May 2019 and prior to the authorisation of these condensed interim financial statements, 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 period ended 30 June 2019 the Company did not enter into any financing arrangements.

(vi) Accrued expenses and other payables

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

	As of 30 June 2019 €	As of 31 December 2018 €
Professional fees payable	821,323	975,778
Management fee payable	818,102	-
Administration, custody and transfer agent fees payable	124,386	143,477
Audit fees payable	52,940	65,111
IPO costs payable	-	668,587
Directors’ fees payable	-	169,161
Market authority fees payable	-	19,972
Other payables	4,952	346,261
Other payables	<u>1,821,703</u>	<u>2,388,347</u>

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4. CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(i) Income

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

The following table details the Company's gains/(losses) in Fondo Italiano from the underlying investments during the period ended 30 June 2019 and 30 June 2018:

	For the period ended 30 June 2019	For the period ended 30 June 2018
	€	€
Unrealised gain	4,417,423	32,341,438
Net realised and unrealised gain	4,417,423	32,341,438

The realised gain/(loss) from financial instruments at fair value through profit or loss represents the difference between the transaction price of the underlying investments and the settlement price on disposal of those investments.

The unrealised gain/(loss) mainly represents the difference between transaction price of the underlying investments and the carrying amount at the end of the reporting period.

(ii) Expenses

NB Aurora is charged an annual Management fee payable to the AIFM quarterly in advance, starting from the Listing Date. The Management fee is equal to 1.5% per annum of the Adjusted Cost Value (as defined in the Company's prospectus) 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) from the Listing Date until 31 December 2018). For the year ended 30 June 2019, Management fees calculated as described amount to Euro 1.27 million.

Professional fees mainly include costs related to the acquisition of Fondo Italiano of Euro 0.17 million.

Other expenses are mainly comprised of administration providers costs and liquidity and brokerage fees.

(iii) Taxation

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

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

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The 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.

The Company's risk management objectives, policies and processes are consistent with those disclosed in the Last Annual Financial Statements for the year ended 31 December 2018. The below outlines the primary financial risks: market risk (including market price risk, currency risk and interest rate risk), liquidity risk, credit risk and concentration risk, for which the Company is exposed at 30 June 2019:

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 optimizing 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 10.0% shift in the value of the Company's investments would result in an approximately 6% change in net assets value as of 30 June 2019 (31 December 2018: 5%).

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. 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.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(i) Price risk (continued)

Indirect exposure (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 period to period change in the IRR can be volatile. For private equity funds, underlying portfolio company investment valuations are typically not volatile in the early years of the fund. A 10.0% increase in the valuation of the underlying portfolio company investments would result in an approximately 2.7% increase in the inception-to-date IRR (31 December 2018: 0.3%). A 10.0% decrease in the valuation of the underlying portfolio company investments would result in an approximately 2.7% decrease in the inception-to-date IRR (31 December 2018: 0.3%).

(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 the Euro.

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

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

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(iii) Interest rate risk (continued)

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.

Liquidity risk

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

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 utilise short-term and long-term loans to maintain sufficient liquidity.

As of 30 June 2019 and 31 December 2018, the Company's liabilities consist of short-term payables of less than one year. There are sufficient cash deposits to meet these obligations.

Credit risk

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

As of 30 June 2019 and 31 December 2018, the carrying amounts of cash and cash equivalents represent the Company's maximum exposure to the credit risk in relation to the financial assets. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss. The AIFM considers the credit risk associated as minimal as all of the Company's cash balances are held with a reputable financial institution which the AIFM believes is of high credit quality.

The Company has recognised an impairment allowance of €Nil with respect to the cash and cash equivalents. The amount of the allowance has not changed during the period. The Company's cash and cash equivalents are held with counterparties with credit ratings of BBB/Baa or higher which the Company has determined represents 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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the period from 1 January 2019 to 30 June 2019

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Concentration risk

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

The Company's investments as of 30 June 2019 are detailed in note 3(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.

The majority of the Company's cash balances were held with Banca IMI S.p.A. and Société Générale Bank & Trust S.A. as of 30 June 2019 and 31 December 2018.

6. 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. For acting as Directors of the Company the Directors are entitled to remuneration as follows (on a pro-rata basis from the appointment date):

- Maria Pierdicchi is entitled to receive remuneration of Euro 15,000 per annum;
- Alessandro Spada and Patrizia Polliotto are entitled to receive remuneration of Euro 15,000 per annum;
- Karl Pardaens 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 period ended 30 June 2019 amounted to Euro 72,503 (30 June 2018: Euro 17,121), which also includes Directors' expenses such as insurance costs. The Directors' fees payable are included in accrued expenses and other payables in the Condensed Statement of Financial Position and amounted to Euro Nil as of 30 June 2019 (31 December 2018: Euro 169,161).

(b) Risk and Control Committee

The Risk and Control Committee was set-up on 12 April 2019. 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
- Karl Pardaens and Alessandro Spada are entitled to receive remuneration of Euro 5,000 per annum.

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6. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) AIFM

The Company will be charged an annual Management fee payable to the AIFM quarterly in advance, starting from the Listing Date. The Management fee charged for the period ended 30 June 2019 amounted to Euro 1.27 million. The Management fee payable is included in accrued expenses and other payables in the Condensed Statement of Financial Position and amounted to Euro 0.82 million as of 30 June 2019.

The Special Shares of the Company are held by the AIFM and/or their certain affiliates, employees and related persons.

The AIFM also acts as AIFM of Fondo Italiano.

(d) Portfolio Manager

The former senior investment team of Fondo Italiano has joined Neuberger Berman Group LLC and is involved in the investment management of the Company through the Portfolio Manager, more specifically the Portfolio Manager's Italian branch, pursuant to the terms of the Portfolio Management Agreement. The Portfolio Manager is remunerated from the Management Fees payable to the AIFM pursuant to agreement between the AIFM and the Portfolio Manager.

(e) NB Alternative Adviser LLC

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

There were no other related party transactions during the period.

(f) NB Aurora Holdings S.à r.l

Aurora Holdings (Club Del Sole S.r.l.) is a wholly owned subsidiary of the Company, incorporated in Luxembourg. There were no transactions with the subsidiary during the period ended 30 June 2019.

There were no other related party transactions during the year.

7. OPERATING SEGMENTS

As required by IFRS 8, Operating Segments, the information provided to the Board of Directors and AIFM, who are the Chief Operating Decision Makers, can be classified into one segment for the financial period ended 30 June 2019.

For the financial period ended 30 June 2019, the Company's primary exposure was to Italian related assets (see note 3(i)).

Major Customers

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

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8. SUBSEQUENT EVENTS

On 30 July 2019, the Company together with some co-investors completed the acquisition of 49.9 % 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. In particular, the Company acquired a stake of around 42 % in Dierre Group for a total consideration of Euro 26.5 million.

On 6 August 2019, Fondo Italiano completed the sale of the entire stake held in La Patria and the Company will be entitled to receive a distribution from Fondo Italiano for an amount of approximately Euro 6.3 million.

On 10 September 2019, Fondo Italiano completed the sale of the entire stake held in Forgital and the Company will be entitled to receive a distribution from Fondo Italiano for an amount of approximately Euro 50.8 million.

Subsequent to the period end, effective from 1 August 2019, Neuberger Berman AIFM S.à r.l. (formerly Neuberger Berman (Luxembourg) S.à r.l. was appointed as AIFM of the Company.

There were no other events occurring after the reporting date which require disclosure in the condensed interim financial statements of the Company.

9. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Board of Directors approved the condensed interim financial statements on 13 September 2019.

To the Board of Directors of
NB Aurora S.A. SICAF-RAIF
28-32, place de la Gare
L-1616 Luxembourg

**Report of the Réviseur d'Entreprises agréé on the review of the condensed
interim financial statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of NB Aurora S.A. SICAF-RAIF ("the Company") as at June 30, 2019, the condensed interim statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended, and notes to the condensed interim financial statements ("the condensed interim financial statements") as set out on pages 6 to 30. Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with IAS 34, "Interim Financial Reporting", as adopted by European Union. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at June 30, 2019 as set out on pages 6 to 30 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by European Union.

Luxembourg, September 13, 2019

KPMG Luxembourg,
Société coopérative
Cabinet de revision agréé



M. Tabart