

6. Results of the Parent Company DeA Capital S.p.A.

The Parent Company DeA Capital S.p.A. operates as a holding company that carries out the coordination, development and strategic management activities of its subsidiaries. It also acts as an entity that makes financial investments directly.

A summary of the Income Statement and the Statement of Financial Position of DeA Capital S.p.A. for the year ended 31 December 2018 is shown below.

Income Statement of the Parent Company

(EUR)	Financial Year 2018	Financial Year 2017
Other investment income/expense	23,905,019	(34,446,158)
Income from services	2,594,113	3,171,961
Other revenues and income	85,548	956
Other costs and charges	(8,318,732)	(8,498,584)
Financial income and loss	124,007	64,790
PROFIT/(LOSS) BEFORE TAX	18,389,955	(39,707,035)
Income tax	(1,086,104)	2,759,801
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	17,303,851	(36,947,234)
Profit (Loss) from discontinued operations/held-for-sale assets	0	346,691
PROFIT/(LOSS) FOR THE YEAR	17,303,851	(36,600,543)

The Parent Company reported Net Profit of EUR 17.3 million for 2018 (compared to a loss of EUR -36.6 million in 2017). The profit accrued in 2018 largely reflects the revaluation of IDeA Opportunity Fund I (EUR +26.8 million) following the results achieved in the year for the

sale of the investment in Corin), while the figure reported in 2017 was attributable to the impairment of the goodwill of DeA Capital Real Estate SGR, which led to the adjustment of the value of the investment in the Parent Company's financial statements.

Statement of Financial Position of the Parent Company

The Parent Company's Statement of Financial Position at 31 December 2018, compared with 31 December 2017, is shown below.

(EUR thousand)	31.12.2018	1.1.2018 (*)	31.12.2017
ASSETS			
Non-current assets			
Intangible and tangible assets			
Intangible assets	0	2,129	2,129
Tangible assets	104,843	210,600	210,600
<i>Total intangible and tangible assets</i>	<i>104,843</i>	<i>212,729</i>	<i>212,729</i>
Investments			
Subsidiaries and joint ventures	212,907,710	175,187,744	175,187,744
Associates	11,187,597	18,953,485	18,953,485
Available-for-sale investments	0	0	78,898,520
Other Investments at Fair Value through P&L	50,912,374	78,898,520	0
Available-for-sale funds	0	0	126,614,722
Funds at Fair Value through P&L	98,668,127	126,614,722	0
<i>Total Investments</i>	<i>373,675,808</i>	<i>399,654,471</i>	<i>399,654,471</i>
Other non-current assets			
Deferred tax assets	0	0	0
<i>Total other non-current assets</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total non-current assets	373,780,651	399,867,200	399,867,200
Current assets			
Trade receivables	310,122	757,535	757,535
Financial receivables	1	1	1
Tax receivables from Parent companies	0	900,043	900,043
Other tax receivables	3,590,820	719,662	719,662
Other receivables	495,382	512,666	512,666
Cash and cash equivalents	100,732,781	90,244,529	90,244,529
<i>Total current assets</i>	<i>105,129,106</i>	<i>93,134,436</i>	<i>93,134,436</i>
Total current assets	105,129,106	93,134,436	93,134,436
Held-for-sale assets	0	0	0
TOTAL ASSETS	478,909,757	493,001,636	493,001,636
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	475,073,768	490,574,012	490,574,012
Shareholders' equity			
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	0	0	0
Provisions for employee termination benefits	318,288	320,572	320,572
Total non-current liabilities	318,288	320,572	320,572
Current liabilities			
Trade payables	1,259,579	1,023,776	1,023,776
Payables to staff and social security organisations	830,258	821,314	821,314
Tax payables to parent company	1,132,133	0	0
Current tax payables	63,926	63,926	63,926
Other tax payables	214,990	187,678	187,678
Other payables	16,815	10,358	10,358
Total current liabilities	3,517,701	2,107,052	2,107,052
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	478,909,757	493,001,636	493,001,636

(*) Data at 31.12.2017 reclassified / restated for the application of IFRS 9

At 31 December 2018, the Parent Company's shareholders' equity totalled about EUR 475.1 million compared with EUR 490.6 million at 31 December 2017, a change of about EUR -15.5 million. This was mainly due to the partial distribution

of the share premium reserve (EUR -30.5 million), the effects of movements of treasury shares (EUR -3.2 million) and the profit result of the year.

Pursuant to the Consob Communication of 28 July 2006, a reconciliation between Shareholders' Equity and Net Profit/Loss at 31 December 2017 reported by the Parent Company DeA Capital S.p.A. is shown below, together with the corresponding consolidated figures.

(EUR thousand)	Equity at 31.12.2018	"Net Profit/ (loss) 2018"	Equity at 31.12.2017	"Net Profit/ (loss) 2017"
Equity and Net Profit/(Loss) for the year, as reported in the Parent Company financial statement	475,074	17,304	490,574	(36,601)
- Surplus of net equity reported in financial statements compared to book values of shareholdings in consolidated companies	(8,593)	0	(1,143)	0
- Pro-rata results achieved by shareholdings	-	39,544	0	(14,599)
- Elimination of dividends received by shareholdings	-	(4,729)	0	(3,712)
- Pro-rata results achieved by associated companies, valued as Shareholders' Equity	-	737	0	3,373
- Elimination of revaluation / impairment of investments in DeA Capital S.p.A.	-	(34,065)	0	39,271
- Elimination of dividend received from DeA Capital S.p.A.	-	(7,721)	0	(12,152)
- Elimination of results from disposal of investments in DeA Capital S.p.A.	-	0	0	12,768
Consolidated Financial Statement - Group	466,481	11,070	489,431	(11,652)
Consolidated Financial Statement - Third parties	39,299	30,275	95,182	(13,959)
Consolidated Financial Statement - Group and Third parties	505,780	41,345	584,613	(25,611)