Consolidated Financial Statements for the Year Ending 31 December 2021

- **Consolidated Statement of Financial Position**
- **Consolidated Income Statement**
- **Consolidated Statement of Comprehensive Income**
- **Consolidated Cash Flow Statement**
- **Consolidated Statement of Changes in Shareholders' Equity**
- **Notes to the Financial Statements**

Consolidated Statement of Financial Position

(EUR thousand)	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	1a	99,935	99,935
Intangible assets	1b	24,710	25,986
Property, plant and equipment	1c	9,814	11,830
- Building in Leasing		*8,657*	*10,793*
- Other leased assets		*526*	*453*
- Other property, plant and equipment		*631*	*584*
Total intangible and tangible assets		*134,459*	*137,751*
Investments			
Investments at equity	2a	25,026	27,291
Investments held by Funds at Fair Value through P&L	2b	17,950	14,888
Other Investments at Fair Value through P&L	2c	14,536	29,992
Funds at Fair Value through P&L	2d	133,175	123,000
Other financial assets at Fair Value through P&L		0	36
Total financial Investments		*190,687*	*195,207*
Other non-current assets			
Deferred tax assets	3a	22,267	22,289
Loans and receivables	3b	10,329	7,425
Receivables for deferment of placement costs	3c	1,693	1,673
Financial receivables for leasing - non current position	3d	677	1,066
Other non-current assets	3e	1,620	1,424
Total other non-current assets		*36,586*	*33,877*
Total non-current assets		**361,733**	**366,835**
Current assets			
Trade receivables	4a	13,701	8,088
Financial assets at Fair Value	4b	14,213	14,297
Financial receivables for leasing - current position	4c	215	251
Tax receivables from parent companies	4d	4,015	4,025
Other tax receivables	4e	49,133	8,515
Other receivables	4f	8,030	15,336
Cash and cash equivalents	4g	131,232	123,566
Total current assets		*220,539*	*174,078*
Total current assets		**220,539**	**174,078**
Held-for-sale assets		**0**	**0**
TOTAL ASSETS		**582,273**	**540,913**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5a	266,612	266,612
Share premium reserve	5b	129,454	155,542
Legal reserve	5c	61,322	61,322
Own share reserve	5d	(8,941)	(10,712)
Fair Value reserve		421	482
Other reserves	5e	(16,084)	(17,967)
Retained earnings (losses)	5f	(10,418)	(29,338)
Profit (loss) for the year	5g	23,766	20,410
Net equity Group		**446,132**	**446,351**
Minority interests	**5h**	**18,206**	**16,711**
Shareholders' equity		**464,338**	**463,062**
LIABILITIES			
Non-current liabilities			
Trade payables	6a	600	800
Deferred tax liabilities	3a/6b	5,928	5,963
End-of-service payment fund	6c	6,472	6,541
Payables to staff and social security organisations	6d	1,931	1,423
Financial liabilities	6e	9,324	11,945
- Financial liabilites for leasing		*7,142*	*9,763*
- Other financial liabilities		*2,182*	*2,182*
Total non-current liabilities		**24,255**	**26,672**
Current liabilities			
Trade payables	7a	3,731	6,004
End-of-service payment fund		59	37
Provision for risk and charges	7b	1,619	0
Payables to staff and social security organisations	7c	16,191	12,707
Current tax	7d	15,733	8,138
Other tax payables	7e	2,667	2,889
Other payables	7f	50,424	17,725
Short term financial liabilites	7g	3,259	3,679
- Short term financial liabilites for leasing		*3,255*	*3,672*
- Other Short term financial liabilites		*4*	*7*
Total current liabilities		**93,683**	**51,179**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**582,273**	**540,913**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statementss.

Consolidated Income Statement

(EUR thousand)	Note	Financial Year 2021	Financial Year 2020
Alternative Asset management fees	8	74,440	71,316
Income from equity investments	9	2,216	147
Other investment income/expense	10	30,044	(9,219)
Income from services		93	98
Other income		66	776
Personnel costs	11a	(47,105)	(41,046)
Service costs	11b	(12,227)	(12,942)
Depreciation, amortization and *impairment*	11c	(5,206)	(5,048)
Provision for risk	11d	(1,779)	0
Other expenses	11e	(3,583)	(3,469)
Financial income	12a	420	1,166
Financial expenses	12b	(327)	(2,763)
PROFIT/(LOSS) BEFORE TAX		**37,052**	**(984)**
Income tax	13	(12,690)	14,896
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**24,362**	**13,912**
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE PERIOD		**24,362**	**13,912**
- Group share		23,766	20,410
- Non controlling interests		596	(6,498)
Earnings per share, basic (€)	14	0.091	0.078
Earnings per share, diluted (€)	14	0.091	0.078

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statements.

Consolidated Statement of Comprehensive Income (Statement of Performance - IAS 1)

The Statement of Comprehensive Income (or *Statement of Performance* - IAS 1), which reports the result for the period including results recognised directly in equity, shows, for the amount attributable to the Group, a net positive balance of +24,063 thousand euros (compared to a net positive balance of +19,894 thousand euros in 2020).

(Euro thousands)	Financial Year 2021	Financial Year 2020
Profit/(loss) for the period (A)	**24,362**	**13,912**
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	(61)	67
Incomes (Losses) on financial assets at Fair Value	*(61)*	*80*
Profit/(loss) for exchange differences	*0*	*(13)*
Comprehensive income/expense which will not be subsequently reclassified to the profit (loss) for the period	358	(583)
Gains/(losses) on remeasurement of defined benefit plans	*358*	*(583)*
Other comprehensive income, net of tax (B)	**297**	**(516)**
Total comprehensive income for the period (A)+(B)	**24,659**	**13,396**
Total comprehensive income attributable to:		
- Group Share	24,063	19,894
- Non Controlling Interests	596	(6,498)

Consolidated Cash Flow Statement - Direct Method

(EUR thousand)	Financial Year 2021	Financial Year 2020
CASH FLOW from operating activities		
Investments in funds and shareholdings	(12,655)	(9,025)
Capital reimbursements from funds	47,175	27,151
Sale of investments	0	25,750
Interest received	68	3,969
Interest paid	(2)	0
Realized gains (losses) on exchange rate and derivatives	(8)	(3)
Taxes paid / reimbursed	(5,573)	(4,755)
Dividends received	1,941	0
Management and performance fees received	65,255	67,921
Revenues for services	549	1,325
Operating expenses	(54,682)	(51,548)
Net cash flow from operating activities	**42,068**	**60,785**
CASH FLOW from investing activities		
Acquisition of property, plant and equipment	(51)	(174)
Sale of intangible assets	0	22,317
Purchase of licenses and intangible assets	(1,076)	(17,169)
Loans and bank loans	(3,564)	(5,059)
Net cash flow from investing activities	**(4,691)**	**(85)**
CASH FLOW from financing activities		
Acquisition of financial assets	0	(13)
Sale of financial assets	0	3
Cash flow from leasing contract	(3,659)	(2,522)
Own shares acquired	(133)	(1,653)
Increase in share capital of foreign subsidiaries	0	71
Dividends paid	(26,086)	(32,531)
Net cash flow from financing activities	**(29,878)**	**(36,645)**
CHANGE IN CASH AND CASH EQUIVALENTS	**7,499**	**24,055**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**123,566**	**99,511**
Effect of change in basis of consolidation: cash and cash equivalents	167	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**131,232**	**123,566**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 December 2019	**266,612**	**186,882**	**61,322**	**(10,415)**	**402**	**(17,930)**	**(41,665)**	**12,256**	**457,464**	**23,634**	**481,098**
Allocation of 2019 net profit	0	0	0	0	0	0	12,256	(12,256)	0	0	0
Treasury shares given for incentive plans	0	0	0	1,356	0	(1,139)	(217)	0	0	0	0
Performance share cost	0	0	0	0	0	1,698	0	0	1,698	0	1,698
Purchase of own shares	0	0	0	(1,653)	0	0	0	0	(1,653)	0	(1,653)
Dividend distribution	0	(31,340)	0	0	0	0	0	0	(31,340)	(1,194)	(32,534)
Other changes	0	0	0	0	0	0	288	0	288	769	1,057
Total comprehensive income (loss)	0	0	0	0	80	(596)	0	20,410	19,894	(6,498)	13,396
Total at 31 December 2020	**266,612**	**155,542**	**61,322**	**(10,712)**	**482**	**(17,967)**	**(29,338)**	**20,410**	**446,351**	**16,710**	**463,062**

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(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 December 2020	**266,612**	**155,542**	**61,322**	**(10,712)**	**482**	**(17,967)**	**(29,338)**	**20,410**	**446,351**	**16,710**	**463,062**
Allocation of 2019 net profit	0	0	0	0	0	0	20,410	(20,410)	0	0	0
Treasury shares given for incentive plans	0	0	0	1,904	0	(1,425)	(479)	0	0	0	0
Performance share cost	0	0	0	0	0	2,950	0	0	2,950	0	2,950
Purchase of own shares	0	0	0	(133)	0	0	0	0	(133)	0	(133)
Dividend distribution	0	(26,088)	0	0	0	0	0	0	(26,088)	0	(26,088)
Other changes	0	0	0	0	0	0	(1,011)	0	(1,011)	899	(112)
Total comprehensive income (loss)	0	0	0	0	(61)	358	0	23,766	24,063	596	24,659
Total at 31 December 2021	**266,612**	**129,454**	**61,322**	**(8,941)**	**421**	**(16,084)**	**(10,418)**	**23,766**	**446,132**	**18,206**	**464,338**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statements.

Notes to the Financial Statements Consolidated Financial Statements for the Year Ending 31 December 2021

Notes to the Financial Statements Consolidated Financial Statements for the Year Ending 31 December 2021

A. Structure and Content of the Consolidated Financial Statements

The Consolidated Financial Statements for the Year Ending 31 December 2021 include the Parent Company DeA Capital S.p.A. and all subsidiaries (the Group), and were prepared using the separate financial statements of the companies included in the scope of consolidation corresponding to the relevant individual statements, restated as necessary, to adapt them to the accounting standards listed below as dictated by Italian law.

The Consolidated Financial Statements were prepared in accordance with the general principles of IAS 1, and specifically:
- the matching principle: the effect of events and transactions is recorded when they occur, and not when payment is made or received;
- the going concern principle: the financial statements are prepared under the assumption that business operations will continue for the foreseeable future. In this regard, as highlighted in the report on operations in the chapter "Principal risks and uncertainties", the directors believe that the risks and uncertainties described in this chapter, as well as those related to the impact of the COVID-19 epidemic on the general economic situation, are not urgent and confirm the financial solidity of the DeA Capital Group;
- the materiality principle: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;
- the accounting comparability principle: consolidated financial statements must show comparative information for the previous period.

The consolidated financial statements comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, the statement of comprehensive income (*Statement of Performance* - IAS 1) and these notes. The Consolidated Financial Statement is also accompanied by the Report on Operations and the Attestation on the Consolidated Financial Statements pursuant to Article 154-*bis* of Legislative Decree no. 58/98.

The Statement of Financial Position provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations. In the Income Statement, the Group has adopted the "nature of expense" method, whereby costs and revenues are classified according to type. The Cash Flow Statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these notes to the Financial Statements are reported in EUR thousand.

The publication of the Consolidated Financial Statements for the Year Ending 31 December 2021 was authorised by a resolution of the Board of Directors dated 11 March 2022.

Statement of compliance with accounting standards

The Consolidated Financial Statements for the Year Ending 31 December 2021 (2021 Consolidated Financial Statements) have been prepared in accordance with the International Accounting Standards adopted by the European Union and approved by the date the Financial Statements were prepared (International Accounting Standards, or individually IAS/IFRS, or collectively IFRS (*International Financial Reporting Standards*). In preparing the consolidated financial statements all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the *Standing Interpretations Committee* ("SIC"), endorsed by the European Union, have also been applied.

The Consolidated Financial Statements are drawn up clearly and give a true and fair view of the assets and liabilities, financial position, results of operations and cash flows for the year.

The Consolidated Financial Statements as at 31 December 2021 have also been prepared considering, to the extent applicable, the recommendations set out in the following communications from ESMA (European Securities and Market Authorities) and Consob:
- ESMA Communication of 25 March 2020 "*Public Statement. Accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9*";
- warning notice regarding financial reporting issued by Consob no. 6/20 of 9 April 2020;
- ESMA communication of 20 May 2020 "*Implications of the Covid-19 outbreak on the half-yearly financial reports*";

- warning notice on financial reporting issued by Consob No. 8/20 of 16 July 2020;
- ESMA Communication of 28 October 2020 "*European common enforcement priorities for 2020 annual financial reports*";
- warning notice on financial reporting issued by Consob no. 1/21 of 16 February 2021.

The above communications set out a series of guidelines to support the Group in applying the accounting standards in relation to the impacts from COVID-19, in addition to the priorities for the 2021 financial statements identified by ESMA in its communication of 29 October 2021 "*European common enforcement priorities for 2021 annual financial reports*".

For comments on the main impacts, risks and uncertainties related to the health care crisis, please refer to the section "Other information in the Report on Operations".

Accounting standards, amendments and interpretations applied since 1 January 2021

Below are the international accounting standards, amendments and interpretations approved by the IASB and endorsed for adoption in Europe and applied for the first time from 1 January 2021.

The Group did not apply any IFRS in advance.

Accounting standards or amendments	IASB publication date	Approval date	Date of entry into force
Amendments to IFRS 4 Insurance Contracts - Extension of Temporary Exemption from IFRS 9	25 June 2020	15 December 2020	1 January 2021
Reform of reference indices for the determination of interest rates - phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	27August 2020	13 January 2021	1 January 2021

Amendments to IFRS 4 Insurance Contracts: Extension of the temporary exemption from the application of IFRS 9

Regulation 2097/2020 of 15 December 2020 implemented the extension of the temporary exemption from the application of IFRS 9 (Amendments to IFRS 4 Insurance Contracts) published by the IASB on 25 June 2020.
In view of the IASB's decision to postpone the date of first application of IFRS 17 to 1 January 2023 - a decision which also took place on 25 June 2020 - the authorisation to postpone the application of IFRS 9 (the so-called "Deferral Approach") is simultaneously extended to 1 January 2023 in order to remedy the temporary accounting consequences of the mismatch between the effective date of IFRS 9 "Financial Instruments" and that of the future IFRS 17 "Insurance Contracts".

Reform of the reference indices for determining interest rates phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On the other hand, Regulation No 25/2021 of 13 January 2021 implemented the amendments to accounting standards IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 resulting from the "Reform of the reference indices for determining interest rates - phase 2", published by the IASB on 27 August 2020. The main changes prepared concern:
- IFRS 9 *Financial Instruments*;
- IAS 39 *Financial Instruments: Recognition and Measurement*;
- IFRS 7 *Financial Instruments: Disclosures*;
- IFRS 4 *Insurance Contracts*;
- IFRS 16 *Leases.*

Modification/derecognition

The issue concerns the accounting treatment of changes to existing contracts to reflect new rates and whether these should be accounted for, under IFRS 9, as a modification or derecognition. In this respect, the regulatory measure aims to safeguard the changes inherent in IBOR Reform:
- it is specified that the changes, following the IBOR Reform, relative to the substitution of the existing IBOR rate with the new Risk Free Rate, even in the absence of a modification to the contractual terms, should not constitute an event of derecognition, but should be considered for accounting purposes as a "modification";
- a practical expedient is proposed that allows such changes, made on an equivalent economic basis, to be represented by a prospective adjustment to the effective interest rate, with an impact on net interest income in future periods (and not by applying modification accounting according to IFRS 9).

Similar changes to IFRS 16 'Leases' and IFRS 4 'Insurance Contracts' are also introduced in the area of contract modifications and in line with the provisions for financial instruments summarised above.

Hedge accounting

In the second phase of the project, the IASB analysed the impact on hedging relationships resulting from the changes caused by the IBOR reform on financial instruments that are part of a hedging relationship and that may constitute potential new triggers for discontinuing hedges, providing some exceptions to IAS 39 (and to IFRS 9 for those who have also adopted it for hedges) that allow discontinuing as a result of updating the documentation concerning the hedging relationship (for the change in the risk hedged, the underlying asset hedged or the hedging derivative or the method of verifying the effectiveness of the hedge). Any effect of ineffectiveness must be recognised in the income statement.

Changes have also been introduced regarding the designation of separately identifiable risk components. When a hedging relationship is modified as a result of the reform or new hedging relationships are designated, an alternative interest rate designated as a non-contractually specified risk component may not satisfy the separately identifiable requirement because the market for the alternative interest rate may not be adequately developed at the date of designation. In this regard, it has been determined that an alternative interest rate meets this requirement if the entity reasonably expects that within 24 months of designation it will become separately identifiable.

Disclosure

Further enhancement of disclosure is planned, in addition to the additions to IFRS 7 already implemented as part of the Phase 1 amendments, with additional qualitative and quantitative disclosure requirements to be included in the financial statements on the nature and risks associated with IBOR Reform, the management of these risks and progress in the transition process to the new rates.

The adoption of these amendments, where applicable, had no material impact on the Group's consolidated financial statements.

Future accounting standards, amendments and interpretations

Accounting standards, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Group and that are already approved for adoption in the European Union

For International Accounting Standards, interpretations and amendments to existing accounting standards and interpretations approved by the IASB and already endorsed for adoption in the European Union, only the following should be noted:

Accounting standards or amendments	IASB publication date	Approval date	Date of entry into force
Amendments to IFRS 16 Leasing - Concessions on Fees Related to COVID-19 after 30 June 2021	31 August 2021	30 August 2021	1 April 2021
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvement Cycle 2018-2020	14 May 2020	28 June 2021	1 January 2022
IFRS 17 "Insurance Contracts" and its subsequent amendments	18 May 2017 and 25 June 2020	19 November 2021	1 January 2023

Amendments IFRS 3: Reference to the Conceptual Framework

In May 2020, the IASB published amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace references to the *Framework for the Preparation and Presentation of Financial Statements*, published in 1989, with references to the *Conceptual Framework for Financial Reporting* published in March 2018 without a significant change to the requirements of the standard.

The *Board* also added an exception to the measurement principles of IFRS 3 to avoid the risk of potential 'day-after' losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately.

At the same time, the Board decided to clarify that the existing guidance in IFRS 3 for contingent assets will not be impacted by the updated references to the *Framework for the Preparation and Presentation of Financial Statements*.

Amendments IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued *Property, Plant and Equipment - Proceeds before Intended Use*, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period when that asset is brought to the location or the conditions necessary for it to be capable of operating in the manner for

which it was designed by management. Instead, an entity accounts for the revenues from the sale of those products, and the costs of producing those products, in the Income Statement.
The amendment will be effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively to items of property, plant and equipment that are available for use at the start date or later of the period preceding the period in which the entity first applies that amendment.

Amendment IAS 37: Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify what costs an entity should consider when evaluating whether a contract is onerous or loss-making.

The amendment provides for the application of a so-called "*directly related cost approach*". Costs that relate directly to a contract for the provision of goods or services include both incremental costs and costs directly attributable to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.

The amendments will be effective for financial years beginning on 1 January 2022 and apply prospectively.

Amendment to IFRS 16 COVID-19 Concessions on Leases after 30 June 2021

On 28 May 2020, the IASB published an amendment to IFRS 16.
The amendment allows a lessee not to apply the requirements in IFRS 16 concerning the accounting effects of contractual modifications for reductions in lease payments made by lessors that are a direct result of the COVID-19 pandemic.

The amendment, which also applies in advance before it comes into force, introduces a practical expedient whereby a lessee may choose not to assess whether reductions in lease payments represent contractual changes. A lessee that chooses to use this accounting method shall record these reductions as if they were not contractual modifications for the purpose of IFRS 16.

The amendments shall apply to financial years beginning on or after 1 April 2022.

Although the Group has not received any rent relief related to Covid-19 for the current financial year, it plans to apply the practical expedient should the case arise within the permitted application period.

It should be noted that in 2020, DeA Capital SpA received 195,000 euros from Generali as an indemnity on rents due to the effects of Covid; the expedient was used to record this item as income in the income statement, without modifying the original leasing contract.

IFRS 17: Insurance contracts

In May 2017, the IASB issued IFRS 17 "Insurance Contracts" (IFRS 17), a new comprehensive standard on insurance contracts covering recognition and measurement, presentation and disclosure. When it becomes effective, IFRS 17 will replace IFRS 4 "Insurance Contracts," which was issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance, reinsurance) regardless of the type of entity that issues them, as well as to some guarantees and financial instruments with discretionary participation features.

Limited exceptions will apply. The overall objective of IFRS 17 is to present an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to IFRS 4, which is largely based on maintaining previous accounting policies, IFRS 17 provides a comprehensive model for insurance contracts that covers all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:
- a specific adjustment for contracts with direct participation features (the variable fee approach);
- a simplified approach (the premium allocation approach) mainly for short-term contracts.

IFRS 17 will be effective for annual periods beginning on or after 1 January 2023 and will require the presentation of comparative balances. Earlier application is permitted, in which case the entity shall also have adopted IFRS 9 and IFRS 15 on or before the date when it first applies IFRS 17.

From the first analyses carried out in this regard, we do not believe that there will be any significant impact on the Group's financial statements arising from the adoption of these amendments and from the new International Accounting Standard IFRS 17.

Accounting standards, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Group and that are not yet approved for adoption in the European Union

Finally, the following table lists the new international accounting standards, amendments to accounting standards and interpretations that have not yet been endorsed by the European Union and will take effect in the future:

Accounting standards or amendments	**IASB publication date**	**Approval date**	**Date of entry into force**
Amendments to IAS 1: Presentation of liabilities as current or non-current and subsequent - deferral of first application date	15 July 2020	-	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	12 February 2021	-	1 January 2023
Amendments to IAS 8: Definition of accounting estimates	12 February 2021	-	1 January 2023
Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction	07 May 2021	-	1 January 2023
Amendments to IFRS 17: Comparative information in the context of the initial application of IFRS 17 and IFRS 9	09 December 2021	-	1 January 2023

Amendments IAS 1: Presentation of liabilities as current or non-current and subsequent - deferral of first application date

In July 2020, the IASB published amendments to paragraphs 69-76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- what is meant by a right of postponement of maturity;
- the right of subordination must exist at the close of the financial year;
- the classification is not impacted by the probability that the entity will exercise its right of subordination;
- only if a derivative embedded in a convertible liability is itself an equity instrument does the maturity of the liability not affect its classification.

The amendments will be effective for financial years beginning on or after 1 January 2023 and must be applied retrospectively.

Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS *Practice Statement 2 Making Materiality Judgements*, in which it provides guidance and examples to assist entities in applying materiality judgements to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; in addition, guidance is added on how entities apply the concept of materiality in forming decisions about accounting policy disclosures.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with early application permitted. Because the amendments to PS 2 provide non-mandatory guidance on applying the definition of material to accounting policy disclosures, an effective date for those amendments is not required.

Amendments to IAS 8: Definition of an Accounting Estimate

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates".

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed provided that this fact is disclosed.

Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction

On 7 May 2021, the IASB announced that it had made amendments to IAS 12 to clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

Specifically, it clarified that the exemption does not apply and that companies are required to recognise the deferred tax on such transactions.

The objective of the amendments is to reduce diversity in the reporting of deferred taxes on leases and decommissioning obligations.

The amendments are effective for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 17: Comparative information in the context of the initial application of IFRS 17 and IFRS 9

In December 2021, the IASB issued the initial application of IFRS 17 and IFRS 9 - Comparative information (amendment to IFRS 17).

The amendment is a transitional option relating to comparative information about financial assets presented for the first-time adoption of IFRS 17 and is intended to help insurers avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for users of financial statements.

IFRS 17, which incorporates this amendment, is effective for annual periods beginning on or after 1 January 2023.

The Group will adopt these new standards, amendments and interpretations based on the date of application, and will assess their potential impact when they have been endorsed by the European Union.

Scope of consolidation

On 13 May 2021, the acquisition was completed of the remaining 50% stake of DeA Capital Real Estate Poland, a company incorporated under Polish law, previously held 50% by the DeA Capital Group and the other 50% by Ksiazek Holding. Following this acquisition, the DeA Capital Group controls 100% of the company's share capital.

In addition, on 19 May 2021, the acquisition was completed for a further 12% share of DeA Capital Real Estate France, a company incorporated under French law, previously held 70% by the DeA Capital Group and by local key managers for the remaining stake. Following this acquisition, the DeA Capital Group's stake in the company rose to 82%.

As at 31 December 2021, the following companies formed part of the DeA Capital Group's scope of consolidation:

Company	Registered office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	**Milan, Italy**	**Eur**	**266,612,100**	**Capogruppo**	
DeA Capital Alternative Funds SGR S.p.A.	Milan, Italy	Eur	1,300,000	100.00%	Full consolidation
IDeA OF I	Milan, Italy	Eur	-	46.99%	Full consolidation
DeA Capital Partecipazioni S.p.A.	Milan, Italy	Eur	600,000	100.00%	Full consolidation
DeA Capital Real Estate SGR S.p.A.	Rome, Italy	Eur	16,757,557	100.00%	Full consolidation
DeA Capital Real Estate France S.A.S.	Paris, France	Eur	100,000	82.00%	Full consolidation
DeA Capital Real Estate Iberia S.L.	Madrid, Spain	Eur	100,000	73.00%	Full consolidation
DeACapital Real Estate Germany GmbH	Munich, Germany	Eur	25,000	70.00%	Full consolidation
DeA Capital Bobigny SASU	Paris, France	Eur	41,000	100.00%	Full consolidation
DeA Capital Noisy SAS	Paris, France	Eur	41,000	100.00%	Full consolidation
DeA Capital Real Estate Poland Sp. z o.o.	Warsaw, Poland	PLN	2,000,000	100.00%	Full consolidation
Quaestio Holding S.A.	Luxembourg	Eur	4,839,630	38.82%	Equity accounted (Associate)
Yard Reaas S.p.A.	Milan, Italy	Eur	690,100	38.98%	Equity accounted (Associate)
IDeA Efficienza Energetica e Sviluppo Sostenibile	Milan, Italy	Eur	-	30.40%	Equity accounted (Associate)
Venere	Rome, Italy	Eur	-	27.27%	Equity accounted (Associate)

The above list meets the requirements of Consob Resolution 11971 of 14 May 1999 and subsequent amendments (art. 126 of the Regulation).

Consolidation method

Subsidiaries are consolidated on a line-by-line basis from their date of acquisition, i.e. on the date the Group acquires a controlling interest, and they cease to be consolidated on the date control is transferred outside the Group.

IFRS 10 defines the concept of control, based on the simultaneous presence of three key elements:
- the power to decide on the entity's significant activities;
- the exposure or right to variable returns from its involvement with the investee;
- the ability to use that power over the investee to affect the amount of the investor's returns due to the Parent Company (link between power and returns).

The financial statements to be consolidated, which were drawn up on 31 December 2021, were prepared and approved by the Boards of Directors of the individual companies, appropriately adjusted, where necessary, to harmonise them with the Parent Company's accounting standards.

The criteria adopted for the application of the full consolidation method are mainly the following:

1. the financial statements of the parent company and subsidiaries are acquired "line by line";
2. the *carrying amount* of holdings is eliminated against the related shareholders' equity. When a company is included in the consolidated financial statements for the first time, the cost of the *business combination* is allocated to the identifiable assets acquired and liabilities assumed, remeasuring them at *Fair Value*, and to non-controlling interests, measuring them at *Fair Value*, since the Group has opted to recognise the entire amount of goodwill arising from the transaction, including the portion attributable to non-controlling interests (the *full goodwill approach*). Any residual portion, if negative, is recognised in the income statement, while if positive it is recognised in an asset item called "Goodwill", which is subject to an annual *impairment* test;
3. transactions between consolidated companies are eliminated, as are payables and receivables and unrealised profits arising from transactions between Group companies, net of any tax effect;
4. the portions of shareholders' equity pertaining to minority shareholders are shown, together with their respective shares of the profit for the year, in specific items of shareholders' equity.

Companies over which the Group exercises significant influence ("associated companies"), which is presumed to exist when the percentage of ownership is between 20% and 50%, are valued using the equity method.

Companies in which the Group exercises joint control are included in the Consolidated Financial Statements in a different manner depending on the type of agreement. In particular, the types of jointly controlled arrangements are as follows:
- *Joint Operation* (jointly controlled activities): agreement whereby the parties having joint control of the agreement have rights in the assets (assets) that are the subject of the agreement, as well as obligations with respect to the liabilities that are the subject of the agreement. These parties are referred to as joint managers. These agreements are included in the consolidated financial statements according to the proportional method;
- Joint Venture: an arrangement whereby the parties having joint control of the arrangement have rights to the net assets of the arrangement. Such parties are referred to as *joint venturers*. These agreements are included in the Consolidated Financial Statements under "Holdings in Associates and *Joint Ventures*" and valued using the equity method.

B. Evaluation criteria adopted

The measurement criteria adopted on the basis of International Accounting Standards and reported below are consistent with the going concern principle and have not changed from those used in the preparation of the Consolidated Financial Statements for the Year Ending 31 December 2020 and the Summary Consolidated Half-year Financial Statements at 30 June 2021 apart from as a result of the application of the new IAS/IFRS accounting standards as described above.

Current and non-current assets and liabilities

An asset is considered current if it meets at least one of the following conditions:
- its implementation is planned in the course of the company's normal operating cycle. The "company's operating cycle" means the period from the acquisition of an asset to its conversion to cash and cash equivalents. When the company's operating cycle cannot be clearly identified, its duration is assumed to be twelve months.

- it is held mainly for trading purposes;
- it is expected to be realised within the twelve months following the end of the financial year;
- is made up of cash and cash equivalents, which have no restrictions that would limit their use in the twelve months following the balance sheet date.

All other assets are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax assets are recorded under non-current components.

A liability is considered current if it meets at least one of the following conditions:
- it is expected to be settled during the company's normal operating cycle;
- it is held mainly for trading purposes;
- it is expected to be extinguished within twelve months after the end of the financial year;
- the company does not have an unconditional right to defer payment of the liability for at least 12 months after the end of the financial year.

All other liabilities are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax liabilities are recorded under non-current components.

Goodwill
Goodwill is represented by the excess of the purchase cost incurred on the net *Fair Value* of the assets acquired and the liabilities assumed on the date of acquisition. Goodwill is not subject to systematic amortisation but to a periodic test of the appropriateness of its *carrying amount* (*impairment test*). Goodwill is tested for *impairment* at least annually. This test is performed with reference to the organisational unit generating the cash flows (*cash generating unit*) to which the goodwill should be attributed. Any *impairment* of the goodwill value is reported if its recoverable value is lower than its carrying value. The recoverable value is the greater of the *Fair Value* of the cash generating unit, less selling costs, and its value in use. The goodwill value may not be written back if it has previously been written down due to *impairment*.

If the *impairment* loss resulting from the test is greater than the amount of goodwill allocated to the cash-generating unit, the remaining excess is allocated to the intangible and tangible assets included in the cash-generating unit in proportion to their *carrying amount*.

Intangible assets
Intangible assets are those assets with no identifiable physical form that are controlled by the Group and produce future economic benefits. They are recorded under assets when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. The above assets are recorded at purchase cost, or at production cost if they are generated internally.

The purchase cost is represented by the *Fair Value* of the price paid to acquire the asset and all other direct costs incurred in preparing the asset for use.
The *carrying amount* of intangible assets is retained in the financial statements to the extent that there is evidence that this amount can be recovered through use or if it is probable that the asset will generate future economic benefits.
The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with indefinite useful lives are tested for *impairment* whenever there are indications of possible *impairment* in accordance with IAS 36 - *Impairment of assets*. Intangible assets with an indefinite useful life are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to check that the underlying conditions for the classification continue to apply. For further details, please refer to the section "*Impairment* - loss of value".

Except for intangible assets involving rights connected with final variable commission, intangible assets with a finite useful life are amortised on a straight-line basis over their useful lives.

The value of the rights attached to the final variable commissions is subject to an *impairment* test whenever there are indications of a possible *impairment*.

Impairment (loss of value) - IAS 36

Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, a company determines whether there are any indications that an asset may be impaired. If such indications exist, the recoverable value of the asset is estimated (*impairment test*) and any write-down is recorded. The recoverable value of an asset is the higher of its *Fair Value* less selling costs, and its value in use.

IAS 36 provides instructions on determining *Fair Value* less the costs of selling an asset, as follows:

- if there is a binding sales agreement, the asset's *Fair Value* is the negotiated price;
- if there is no agreement but the asset is traded in an active market, the *Fair Value* is the current bid price (i.e. accurate at the measurement date and not based on average prices);
- if no prices can be found in active markets, *Fair Value* must be determined based on valuation methods that incorporate the best information available including any recent transactions involving the same asset, after verifying that there were no significant changes in the economic environment between the date of the transactions under consideration and the valuation date.

IAS 36 defines value in use as the present value of future cash flows that an asset is projected to produce. The estimate of the value in use must include the items listed below:

- an estimate of future cash flows that the company expects to derive from the asset;
- expectations of potential changes in value and the timing of such cash flows;
- the time value of money;
- other factors such as value volatility and lack of liquidity of the asset.

For more information on determining value in use, please see Appendix A of IAS 36. However, the central elements for the correct estimation of value in use are: (*i*) an appropriate determination of the expected cash flows (for which the investee's business plan is fundamental) and their placement over time, as well as (*ii*) the application of a correct discount rate that considers both the present value of money and the specific risk factors of the asset to be measured.

When calculating the value it is important to:

- base cash flow projections on reasonable and sustainable assumptions that provide the best estimate of the economic conditions that are likely to exist over the remaining useful life of the asset;
- base cash flow projections on the most recent budget/plan approved by the investee, which, however, must exclude any future cash inflows or outflows that are expected to arise from future restructuring or improvements or optimisations in business performance. Projections based on these *budgets*/plans should cover a maximum period of five years, unless a longer period can be justified;
- estimate higher cash flow projections for the period covered by the most recent *budgets*/plans by extrapolating projections based on the *budgets*/plans taken into consideration, and using a stable or declining growth rate for subsequent years unless a rising rate can be justified. This growth rate must not exceed the average long-term growth rate for production in the country or countries in which the investee company operates or for markets in which the asset used is placed, unless a higher rate can be justified.

The assumptions used to determine cash flow projections must be reasonable, and based partly on an analysis of the factors that generated differences between projections of past and current cash flows. In addition, the assumptions used to determine current cash flow projections must be checked to ensure that they are consistent with actual past results, unless in the meantime changes have occurred in the investee company's *business* model or in the economic environment in which it operates that justify changes compared with the past.

Tangible assets

Tangible assets are acquired at purchase price or production cost adjusted for accumulated depreciation and any *impairment*.

Their cost includes ancillary costs and direct and indirect costs incurred at the time of purchase necessary to make the asset usable. The purchase cost is represented by the *Fair Value* of the price paid to acquire the asset and all other direct costs incurred in preparing the asset for use. Tangible assets are depreciated on a straight-line basis over their remaining useful life, using the depreciation rates indicated in the notes on the item relating to similar groups of assets. If evidence is found that suggests difficulties in recovering the net book value, an *impairment* test is performed. A reversal of an implied value is made if the reasons for the *impairment* no longer apply.

This item includes activities consisting of the right of use of an asset, for the portion pertaining to DeA Capital Group companies, relating to all contracts that fall under the definition of a lease, with the exception of *short term leases* and *leases* of low-value items (5,000 euros) for which the lessor has the option not to recognise them (in accordance with IFRS 16, paragraphs 5-6). At initial recognition, the lessee recognises the right-of-use asset at its cost (comprising the amount of the initial measurement of the lease liability, the upfront lease payments net of any incentives received, the initial direct costs incurred by the lessee and the restoration, removal or demolition costs (the so-called *dismantling cost*). Lessees will also have to remeasure the lease liability upon the occurrence of certain events (for example: a change in the conditions of the lease contract, a change in future lease payments resulting from the change of an index or rate used to determine said payments). The lessee will generally recognize the amount of the new measurement of the lease liability as a correction of the right to use the asset.

The depreciation rates used are listed in the appropriate section to which reference should be made.

Associates

These are companies in which the Group holds at least 20% of the voting rights or exercises significant influence, but not full or joint control, over their financial and operating policies. The Consolidated Financial Statements include the Group's share of its associates' results, which are reported using the equity method, starting on the date on which significant influence began until the significant influence ceases to exist.

If the Group's share of an associate's losses exceeds the carrying value of the equity investment reported in the financial statements, the carrying value of the equity investment is eliminated, and the share in further losses is not reported unless, and to the extent that, the Group is legally liable for such losses.

When the equity investment is acquired, any difference between its cost and the Parent Company's stake in the net *Fair Value* of the associate's identifiable assets, liabilities and contingent liabilities is recorded as required by IFRS 3, i.e. any goodwill is included in the carrying value of the equity investment.

As stipulated by IAS 28.33, since the goodwill included in the carrying value of an equity investment in an associate is not recorded separately, it is not subject to a separate *impairment* test pursuant to IAS 36 (*Impairment* of assets). The entire *carrying amount* of the investment is tested for *impairment* under IAS 36 by comparing its recoverable amount with the recoverable amount of the investment (the higher of value in use and *Fair Value* less costs to sell) and its *carrying amount*, whenever there is evidence that the investment may be impaired, as required by IAS 28.

Jointly controlled entities (Joint Operations and Joint Ventures)

The companies in which the Group exercises joint control are included in the Consolidated Financial Statements in a different manner according to the relative type of agreement:

- *Joint Operation* (jointly controlled activities): agreement whereby the parties having joint control of the agreement have rights in the assets (assets) that are the subject of the agreement, as well as obligations with respect to the liabilities that are the subject of the agreement. These parties are referred to as joint managers. These agreements are included in the consolidated financial statements according to the proportional method;
- Joint Venture: an arrangement whereby the parties having joint control of the arrangement have rights to the net assets of the arrangement. Such parties are referred to as *joint venturers*. These agreements are included in the Consolidated Financial Statements using the equity method and therefore follow the same accounting rules as described above for associates.

Financial assets

The principle of "IFRS 9 - Financial instruments" contains a framework for the classification and measurement of financial assets based on three business models:

- *Hold to collect (HTC)*, or financial assets held with the objective of receiving contractually agreed cash flows. In this case, the valuation criterion that can be adopted is either amortised cost (if the 'SPPI Test' - Solely payment of principal and interest - is passed) or *Fair Value through profit and loss* (FVTPL);
- *Hold to collect and sell (HTC&S)*, financial assets held either with the objective of collecting the contractually agreed cash flows or in order to sell them. In this case, the valuation method that can be adopted is *Fair Value* through other comprehensive income (FVOCI) or *Fair Value through profit and loss* (FVTPL);
- Other business models: in this case the valuation criterion that can be adopted is *Fair Value through profit and loss* (FVTPL).

The classification of financial activities is also guided by the contractual characteristics of their cash flows, to the extent that, if certain characteristics are absent, classification in some of the above-defined categories is precluded.

The application of this principle by the DeA Capital Group concerned the following:
a) the classification and valuation of financial assets;
b) the determination of *impairment* losses on trade and financial receivables;
c) the treatment of *hedge accounting*.

a) Classification and valuation of financial assets

IFRS 9 requires the classification of financial assets pertaining to the DeA Capital S.p.A. Group (hereinafter also 'the Company') is driven, on the one hand, by the characteristics of the relevant contractual cash flows and, on the other hand, by the management intent (Business Model) for which these assets are held.

Under IFRS 9, financial assets are classified into three categories:
• Financial activities measured at amortised cost;
• Financial assets measured at *Fair Value* through equity (*Fair Value Other Comprehensive Income*) - "FVOCI";
• Financial assets measured at *Fair Value* with changes in profit or loss (*Fair Value through Profit and Loss*) - "FVTPL".

The classification and measurement of financial assets, consisting of loans, securities and debt instruments, involves a two-step approach:
1. definition of the *Business Model* based on the type of financial asset portfolios as defined below;
2. evaluation of the contractual cash flow characteristics of the identified instrument.

With regard to the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the *Business Model* for managing financial assets is changed.

In the application of IFRS 9, the DeA Capital Group has identified the following categories of financial activities:

1) Investment funds
Investment funds (listed and unlisted) are valued at *Fair Value* with changes in value recognised directly in the income statement.

The choice of this accounting approach (*Fair Value* with changes in value recognised directly to the income statement) was due to the qualification of the investment funds, which have characteristics that allow them to be classified as debt instruments. Failure to pass the so-called The 'SPPI Test' ('*Solely payment of principal and interest*') required by IFRS 9 for these instruments (due to the fact that the cash flows generated by them are not exclusively attributable to the payment of principal and interest) does not allow them to be recognised at amortised cost or under HTC&S instruments measured at *Fair Value* with a balancing entry in an equity reserve and requires the so-called 'SPPI' approach '*Fair Value through profit and loss*'.

2) Shares
Shares (listed and unlisted) are valued at *Fair Value*. IFRS 9 requires *Fair Value* as the sole measurement basis for investments in equity instruments.
The shares in the portfolio are not held for trading purposes and the Group has decided to recognise changes in the value of this asset category directly in the Income Statement.

3) Bonds
Listed bonds are valued at *Fair Value*. In accordance with IFRS 9, this type of asset can be measured at *Fair Value* (as an alternative to amortised cost); changes in the value of these securities can be recognised directly in profit or loss or alternatively in equity (OCI) with a subsequent "reclassification" to profit or loss at the time of disposal of the security (except for interest accrued at the effective interest rate, which is recognised in profit or loss on an accruals basis, and any expected *impairment* losses), depending on the underlying *Business Model*.

All of the Group's listed bonds in the portfolio have the following characteristics *plain vanilla* which enable the Group to overcome the so-called 'SPPI Test', however, since the underlying *business model* does not qualify as *Hold to Collect* (i.e. securities purchased to be held to maturity), it cannot be measured under IFRS 9 at amortised cost. The *Business Model* underlying the holding of these securities is of a "mixed" type, i.e. it provides for both the possibility of collecting the contractual cash flows from these securities and the possibility of selling them, and therefore these securities must be measured at *Fair Value* with changes in value recognised in the statement of comprehensive income (OCI).

4) Financing and credits
Loans and receivables include non-derivative financial instruments that are not quoted in an active market and from which fixed or determinable payments are expected. These are included in the current portion except for those due after one year from the balance sheet date, which are classified under the non-current portion. These assets are measured at initial recognition at *Fair Value*, including incidental costs, and subsequently at amortised cost using the effective interest rate method.

Loans and receivables include, in addition to loans for *real estate* co-investment vehicles, financial receivables for non-current and current *leases*, for the portion attributable to De Agostini Group companies for office space sublet to them, of the right of use (the portion attributable to DeA Capital Group companies is instead recognised under Property, plant and equipment, as described above).

In summary, minority interests in companies and investments in funds, which constitute the DeA Capital Group's main and predominant area of activity, are classified in the following categories of financial assets measured at *Fair Value* through profit or loss:
• Investments held by Funds - measured at *Fair Value through P&L*;
• Investments in other companies - measured at *Fair Value through P&L*;
• Funds measured at *Fair Value through P&L (Venture Capital*, Funds of Funds, Theme Funds, NPL Funds and Real Estate Funds) as the type of investment does not meet the conditions for passing the *SPPI Test*.

IFRS 13.9 provides a definition of *Fair Value*: it is "the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the date of measurement".

The concept of *Fair Value* is characterised by the following features:
• it is fundamentally related to the free market and the values reflected therein;
• it is calculated using the *exit price* as the relevant price;
• it relates to the date on which the measurement is made;
• it relates to an "*orderly*" transaction, i.e. it is not a forced transaction, such as a compulsory administrative liquidation or a sale at below cost.

Assets and liabilities measured at *Fair Value* may be:
• *stand-alone* assets or liabilities (financial or non-financial instruments);
• a group of assets, a group of liabilities or a group of assets and liabilities.

In the case of assets not listed on active markets, such as, for the DeA Capital Group, direct investments in companies, investments in *venture capital* funds and in funds of funds, the *Fair Value* shown in the financial statements was determined by the directors based on their best judgement and appreciation, using the knowledge and evidence available at the balance sheet date.

In these cases, it is provided that:
• if there are recent transactions related to the same financial instrument, these may be used to determine *Fair Value* after verifying that there have been no significant changes in the economic environment between the date of the transactions being considered and the valuation date;
• if there are transactions on similar financial instruments, these can be used to determine *Fair Value*, after verifying the comparability (based on the type of *business*, size, geographical market, etc.) between the instrument for which the transactions were found and the instrument to be measured;
• if no prices can be found in active markets, *Fair Value* must be determined using valuation models that account for all factors that market participants would consider in setting a price.

However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

b) Loss in value of trade and financial receivables

IFRS 9 introduced the requirement to measure *impairment* on trade receivables and financial assets in terms of expected loss (*Expected Loss*).

At each reporting date the entity shall measure the loss allowance for the financial instrument and recognise an amount equal to the expected losses over the life of the receivable if the credit risk of the financial instrument has significantly increased since initial recognition.

Expected credit losses (ECL) is defined by the standard as the average of credit losses weighted by the respective *default* risks. In general, this estimate takes into account three risk parameters: the probability of *default*, the percentage loss in the event of *default* and the estimated credit exposure upon *default*.

The guiding principle is to reflect the general pattern of deterioration in the credit quality of financial instruments since initial recognition:

- *Stage* 1: applies to financial assets for which there has been no significant deterioration in credit quality since initial recognition or which have low credit risk at the balance sheet date. An *impairment* charge equal to the expected losses in the next 12 months should be recognised for these financial activities (*12 month expected credit losses*). *12 month expected credit losses* are determined by multiplying the probability of a loss occurring in the next 12 months by the total expected loss on the financial instrument in the event of *default*;

- *Stage* 2: applies to financial assets for which there has been a significant deterioration in credit quality since initial recognition but for which there is no objective evidence of a loss event. For these financial assets, the *impairment* is determined on the basis of the overall expected loss (*lifetime expected credit losses*). *Lifetime expected credit losses* are equal to the present value of expected losses in the event of a debtor *default*. It is therefore necessary to assess future losses and weight them by the probability of their occurrence;

- *Stage* 3: applies to financial assets for which there is objective evidence of loss at the balance sheet date. In this case, it is necessary to determine the *impairment* in an amount equal to the total expected loss (*lifetime expected credit losses*). *Lifetime expected credit losses* are equal to the present value of expected losses in the event of a debtor *default*.

A simplified approach is also envisaged for trade receivables, assets arising from contracts and implicit credits in *leasing*. Under this approach, the firm must always measure the allowance for losses at an amount equal to the expected losses over the life of the loan, without performing the process of verifying whether there has been a significant deterioration in the credit quality of the customer since initial recognition (as is required under the general model).

c) Hedge accounting

The Group does not hold any derivative financial instruments and does not have any hedging transactions in place at 31 December 2021 (nor at 31 December 2020).

Trade receivables

Trade receivables, which do not have a significant financing element, are recognised on initial measurement at the transaction price, i.e., the consideration to which the entity believes it is entitled in exchange for the transfer of the promised goods or services to the customer.

Receivables with a fixed maturity are subsequently measured at amortised cost, using the effective interest method, while receivables without a fixed maturity are measured at cost.

Receivables are shown in the balance sheet net of provisions for *impairment* losses.

IFRS 9 introduced the requirement to measure *impairment* on trade and financial receivables in terms of expected loss (*Expected Loss*). The Group has adopted the simplified model provided for by IFRS 9; this approach requires the company to always measure the provision for losses at an amount equal to the expected losses throughout the life of the loan, without carrying out the process of verifying the existence of a significant deterioration of the customer's credit quality compared to the time of initial recognition (as required by the general model).

Impairment losses are recognised in the profit and loss account and the adjustment is charged to an allowance account to be deducted directly from the asset item. If in subsequent periods, the reasons for the previous *impairment* losses no longer apply, the value of the assets is reinstated up to the amount that would have resulted had the *impairment* not been recognised.

Cash and cash equivalents
Cash and cash equivalents include cash at hand, sight deposits and short-term, highly liquid financial investments that are readily convertible into cash within 90 days and are subject to a negligible risk of price variation. Their recognised value is equal to *Fair Value*.

Treasury shares
Treasury shares are not considered financial assets of the company that issued the shares. The value of the purchase and sale of treasury shares is recognised as a change in a separate item of shareholders' equity. No gain or loss is reported in the income statement for the sale, purchase, issue or cancellation of treasury shares.

The original cost of repurchased treasury shares and gains or losses arising from their subsequent sale are recognised as movements in equity.

Transaction costs related to a capital transaction are accounted for as a reduction of shareholders' equity, net of tax effect.

Dividends on ordinary shares are recorded as a reduction of shareholders' equity in the year in which the shareholders' meeting approves their distribution.

Financial liabilities
Financial liabilities relate to loans and other obligations to pay and are measured on initial recognition at *Fair Value* and subsequently at amortised cost, using the effective interest rate method.

Financial liabilities are removed from the balance sheet when they expire or are settled even if previously issued securities are repurchased. The difference between the recognised value of the liabilities and the amount paid to repurchase them is recognised in the income statement.

The item Financial liabilities includes liabilities related to the estimated *earn-out* deriving from the acquisition of company or business units.

When the acquisition contract provides for adjustments to the purchase consideration contingent on one or more subsequent events, the acquirer shall recognise the acquisition-date *Fair Value* of that contingent consideration as part of the consideration transferred in exchange for the acquiree. Changes subsequent to the initial recognition of the *Fair Value* of such contingent consideration shall be recognised as follows:
a) if the changes in *Fair Value* result from additional information obtained by the acquirer after the acquisition date about facts and circumstances that existed at that date, those changes are adjustments for the measurement period and therefore are part of the consideration transferred for the acquisition;
b) if the changes in *Fair Value result* from events after the acquisition date (such as the achievement of an earnings target, the achievement of a specified share price, etc.), those changes are not adjustments to the measurement period and the contingent consideration shall be measured at *Fair Value* at each reporting date and the changes in *Fair Value* shall be recognised in profit or loss.

The item also includes payables arising from finance leasing, the measurement and classification rules of which are governed by IFRS 16, which correspond to the present value of payments due under the lease. The *leasing* liability is recognised at the present value of unpaid leasing payments using the *leasing's* implicit interest rate or, if difficult to determine, its marginal borrowing rate.

Provisions for risks and future liabilities
They concern risks related to commitments to disburse funds and guarantees given, risks related to the Group's operations that may entail future charges, and provisions for retirement.

As necessary, the Group records provisions for risks and future liabilities when:
• it has a legal or implicit obligation to third parties resulting from a past event;

- it is likely that Group resources will be used to meet the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recorded on the basis of the expected value, discounted if necessary, if the financial element (*time value*) is significantly appreciable. Changes in estimates are recognised in the income statement of the period in which the change occurs.

Revenues and income

Revenue from services is recognised when the service is rendered, in accordance with the requirements of IFRS 15, which requires revenue to be recognised when control of goods or services is transferred to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services.

The revenue recognition model defines a five-step model for recognising revenue from contracts with customers:
- identifying contracts with the customer;
- identification of performance obligations, i.e. contractual promises to transfer goods and services to a customer. In particular, IFRS 15 requires the identification of the presence of separate performance obligations within the same contract that should therefore be treated separately;
- determining the transaction price;
- allocation of the transaction price to the *performance obligations*;
- revenue recognition when the related performance obligation is met. Specifically, this occurs when an obligation to be met is fulfilled by transferring the goods or services to the customer, or when the customer obtains control of the goods or receives the service. The transfer of control can take place progressively over time (*over the time*) or at a specific point in time (*at point of time*).

Income from equity investments in respect of dividends or the total or partial disposal thereof is recognised when the right to receive payment is established, with a balancing entry to the receivable, at the time of disposal or determination of distribution by the appropriate person or body.

Interest is reported using the effective interest rate method.

Employee benefits

Short-term employee benefits, whether in cash or in kind (meal vouchers) are reported in the income statement in the period when work is performed.

On 16 June 2011, the IASB published a revised version of IAS 19 "*Employee Benefits*". This document amended, among other things, the accounting rules for post-employment benefit plans and defined benefit plans. (*Post-employment benefits: defined benefit plans*) and so-called *Termination benefits.*

Specifically:
- for "*Post-employment benefits: defined benefit plans*", the possibility of using the "corridor method" for accounting for actuarial gains and losses is eliminated; these will have to be accounted for in the Complete Income Statement ("*Statement of Performance*"), with consequent accumulation in a specific "*not recycling*" equity reserve, with no other option available.

Actuarial gains and losses include profits and losses of a technical nature due to changes in the actuarial assumptions adopted and/or the fact that experience may differ from the actuarial assumptions adopted (e.g. staff *turnover*, early retirement, mortality, change in the discount rate...);
- *past service costs* (cost related to past services) and the effects generated by curtailments and/or settlements of the plan (caused, for example, by a significant reduction in the number of employees covered by the plan, changes to the terms of the plan...) are immediately charged to the Income Statement under Personnel Costs;
- the interest cost (resulting from the discounting process) and the expected returns on plan assets are replaced by a net interest cost/income ("net interest") accounted for in the Income Statement under Financial Charges and calculated by applying a discount rate (derived at the end of the period from the rate on high-profile *corporate bonds*) to the balance of the plan existing at the beginning of the financial year.

Employee benefits related to participation in defined contribution plans relate only to publicly administered plans on a mandatory basis. The payment of contributions exhausts the Group's obligation to its employees; therefore, contributions constitute costs for the period in which they are due.

The accrued termination benefits qualify as a defined benefit pension plan and as such are recognised on the basis of the actuarial value calculated at the reference date in accordance with the calculation method expressly required by IAS 19, i.e. the "Projected Unit Credit Method". The actuarial valuations (prepared by an independent actuary) used are the best estimates of the variables that determine the final cost of post-employment benefits. These variables include demographic assumptions such as mortality, turnover, retirement age and financial variables such as discount rate, salary and other benefits. The amount recognised as a liability is therefore equal to the present value of the liability at the balance sheet date, plus or minus any actuarial gains/losses, accounted for in shareholders' equity reserve disclosed in the statement of comprehensive income, with no reclassification to profit or loss, while the interest component is recognised in income statement.

Share-based payments

In the Group, benefits are provided in the form of stock options or share-based payments. This is the case for all employees, collaborators and Directors of the Group who are beneficiaries of long-term incentive plans.

Plans that provide for settlement through the assignment of shares are recognised in income statement, with a corresponding increase in shareholders' equity, on the basis of the *Fair Value* of the financial instruments assigned at the assignment date, spreading the cost of the plan over the period in which the service requirements, and any performance targets, are satisfied.

Estimating *Fair Value* requires determining the most appropriate valuation model for granting equity instruments, which therefore depends on the terms and conditions under which these instruments are granted. This also requires the identification of data to input into the valuation model including assumptions on the expected life of the options, volatility and the share return.

Income tax

Current income taxes are determined and reported on the basis of a reasonable forecast of the tax liability, as derived by applying the tax rates in effect in the various countries where Group companies operate to taxable income, and taking into account any exemptions and tax credits to which such companies are entitled.

Deferred tax liabilities are allocated for all temporary differences between the carrying value of the assets and liabilities and the corresponding amount for tax purposes.
Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is likely there will be sufficient future taxable profit against which the deductible temporary differences and the tax assets and liabilities carried forward can be used.

Deferred taxes are classified under non-current assets and liabilities and are determined using tax rates expected to be applicable under the laws in the countries where the Group operates in the years when the temporary differences will be realised or will expire.

The accounting value of deferred tax assets is subject to periodic review and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow their utilisation.

DeA Capital Group companies have participated in the national tax consolidation scheme of the De Agostini Group (i.e. the group headed by De Agostini S.p.A.). This option was exercised by the companies and by De Agostini S.p.A. by signing the "Regulations for participation in the national tax consolidation scheme for De Agostini Group companies" and communicating the option to the tax authorities in accordance with the procedures and terms set out by law; the option is irrevocable unless the requirements for applying the scheme are no longer met.

Currency transactions

Transactions in foreign currency are recorded by applying the exchange rate in force on the date of the transaction to the foreign currency amount. Assets and liabilities denominated in currencies other than the euro are valued at current exchange rates at the reporting date. Exchange rate differences related to monetary items are recognised in the income statement; those related to non-monetary items are recognised consistently with the valuation criteria of the category to which they belong. Assets and liabilities of the foreign entity consolidated on a line-by-line basis are translated at the exchange rate at the reporting date, while income statement items are translated using the average monthly exchange rate for the year; differences arising after translation are recognised in equity reserves.

Earnings per share

In accordance with IAS 33, basic earnings per share is determined as the ratio of net profit for the period attributable to shareholders owning Parent Company shares to the weighted average number of shares outstanding during the period. Treasury shares in the portfolio are, of course, not included in this calculation.
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for all potential ordinary shares resulting from the potential exercise of allocated stock options, which may therefore result in a diluting effect.

C. Changes in accounting principles and errors

Accounting principles are changed from one year to another only if the change is dictated by an accounting standard or if it helps provide more reliable information or more complete reporting of the impact of transactions on the Group's assets, operating result and cash flows.

The application of a new or amended accounting policy is recognised as required by the policy, adjusting comparative information as necessary; if the policy does not address the transition arrangements, the change is accounted for retrospectively, or if impracticable, prospectively.

In the case of material errors, the same treatment as for changes in accounting policies is applied, with comparative disclosure. If there are minor errors, corrections are posted to the income statement in the period in which the error is discovered.

D. Use of estimates and assumptions in the preparation of the financial statements

The Company's management must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements.
These estimates and assumptions are reviewed regularly. Any changes resulting from revisions to accounting estimates are recorded in the period when the revision is made if such a revision only affects that period. If the revision affects current and future periods, the change is recorded in the period in which the revision is made and in related future periods.
Balance sheet items are recorded and valued according to the valuation criteria described above. The application of these criteria sometimes entails the adoption of estimates that can have a significant impact on the values recorded in the financial statements. The estimates and related assumptions are based on past experience and factors that are believed to be reasonable and, in this case, have been used to estimate the *carrying amount* of assets and liabilities that are not readily apparent from other sources. However, since these are estimates, the results obtained should not necessarily be considered definitive.

On the understanding that the use of reasonable estimates is an essential part of preparing financial statements, the items where the use of estimates is most prevalent are:
- valuation of financial activities not listed in active markets;
- valuation of financial activities listed in active markets but considered illiquid on the reference market;
- valuation of investments, goodwill and intangible assets;
- assessment of the recoverability of deferred tax assets recognised in the balance sheet.

The process described above is particularly complicated by the current macroeconomic and market context, which is characterised by unusual levels of volatility in the main financial indicators relevant to the above-mentioned valuations.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the income statement in the period in which the change occurred and potentially on income statements in future periods.

With specific reference to the valuations of the Investment Portfolio (Investments and Funds), the valuations were determined by the Directors based on their best judgement and appreciation, using the knowledge and evidence available at the time of preparation of the Consolidated Financial Statements. However, due to objective difficulties in making assessments and the lack of a liquid market, the values assigned to such assets could differ, perhaps and in some cases significantly, from those that could be obtained when the assets are sold.

In addition, the current situation of instability and uncertainty in the macroeconomic framework following the COVID-19 epidemic, which primarily may affect the future enhancement capacity of the assets in the portfolio, consequently renders these estimates and valuations even more difficult, inevitably incorporating elements of uncertainty.

Information on the "*Fair Value* hierarchy"

IFRS 13 stipulates that financial instruments reported at *Fair Value* should be classified based on a hierarchy that reflects the importance and quality of the *inputs* used in calculating the *Fair Value*. Three levels have been determined:

- **level 1**: where the *Fair Value* of the financial instrument is calculated based on the quoted prices recorded on an active market for assets or liabilities identical to those being valued;
- **level 2**: where the *Fair Value* of the financial instrument is calculated using observable inputs other than those included in level 1, such as:
  - prices quoted on active markets for similar assets and liabilities;
  - prices quoted on inactive markets for identical assets and liabilities;
  - interest rate curves, implied volatility, credit spreads;
- **level 3**: where the *Fair Value* of the financial instrument is measured on the basis of non-observable data. These input data may be used if no observable input data are available. IFRS 13 specifies that unobservable input data used to measure *Fair Value* must reflect the assumptions used by market participants when fixing the price for the assets or liabilities being valued.

The following table shows by level the assets that are measured at *Fair Value* at 31 December 2021:

(EUR million)	Note	Level 1	Level 2	Level 3	Total
Investments held by Funds at *Fair Value* through P&L	2b	0.0	18.0	0.0	18.0
Other Investments at *Fair Value* through P&L	2c	8.1	0.1	6.3	14.5
Funds at *Fair Value* through P&L	2d	2.8	130.4	0.0	133.2
Financial assets at *Fair Value* through OCI	4b	14.2	0.0	0.0	14.2
Total assets		**25.1**	**149.3**	**5.5**	**179.9**

For **Level 3**, the following table provides a reconciliation between the opening and closing balances, showing separately the changes that occurred in FY2021:

(EUR million)	Balance at 1.1.2021	Increases/ decreases	*Fair Value* on income statement	Balance at 31.12.2021
Investments held by Funds at Fair Value through P&L	1.0	0.0	(1.0)	0.0
Other Investments at Fair Value through P&L	5.5	0.8	0.0	6.3
Investments at *Fair Value* through P&L	**6.5**	**0.8**	**(1.0)**	**6.3**

Valuation techniques and main input data

Investments held by Funds - measured at Fair Value through P&L

At 31 December 2021, the DeA Capital Group held, through the IDeA OF I fund, minority interests in Iacobucci HF Electronics (zero at 31 December 2021, compared with 1.0 million euros at 31 December 2020) and Pegaso Transportation Investments/ Talgo (18.0 million euros at 31 December 2021, compared with 13.9 million euros at 31 December 2020).

Investment held by Funds - measured at *Fair Value through P&L* are valued on the basis of the values indicated in the Fund Management Report as at 31 December 2021.

It should be noted that the valuation of the assets of IDeA OF I, as reflected in the fund's Net Asset Value shown in the aforementioned Management Report, expressed in accordance with the criteria defined by the Bank of Italy, takes into account the lower value between the investment (the "cost") and the *Fair Value* for all securities not listed on a regulated market. This approach, potentially conservative from the perspective of those who value these assets individually, gives a fair representation of *Fair Value* from the perspective of the fund unit holder. In practice, any trading in these units is based on the NAV of the fund to which they refer, possibly adjusted for a discount (much more rarely modified by a premium), and not on the sum of the estimated *Fair Value*s of the individual assets making up the fund. For this main reason, from the perspective of DeA Capital, which holds an interest in the assets in the IDeA OF I portfolio through the shares it holds in it, the representation of the value of these individual assets held by IDeA OF I as shown in the Management Report is deemed appropriate.

Investments in other companies - measured at Fair Value through P&L

At 31 December 2021 this item consisted mainly of:

- by the stake in Next RE SIIQ S.p.A. (formerly Nova RE SIIQ S.p.A.), which is recorded in the financial statements at a value of 3.9 euros and represents 4.99% of the share capital of Next RE SIIQ S.p.A.. The purchase of this stake was finalised on 23 September 2021 and forms part of the strategic agreement signed between the DeA Capital Group and CPI Property Group S.A.;
- the investment in Cellularline, which is recognised in the consolidated financial statements at 31 December 2021 at a value of 4.2 million euros (4.7 million euros at 31 December 2020), a valuation based on the market price at 31 December 2021;
- the shareholding (14.3%) in TOI Due S.r.l., in turn owner of a majority share (70%) of the Alice Pizza group, which is recorded in the consolidated financial statements as of 31 December 2021 at a value of 5,000 thousand euros, aligned to the purchase cost.

Funds valued at Fair Value through P&L (Funds of Funds, Theme Funds, NPE Funds, Real Estate Funds and Venture Capital Funds)

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date that this document was prepared.

As at 31 December 2021, the DeA Capital Group held units in the following funds:

- IDeA I FoF (valued at EUR 14.3 million at 31 December 2021 compared with EUR 15.2 million at 31 December 2020);
- ICF II (valued at EUR 32.2 million as at 31 December 2021, compared with EUR 23.7 million as at 31 December 2020);
- ICF III (valued at EUR 15.1 million as at 31 December 2021, compared with EUR 11.9 million as at 31 December 2020);
- IDeA I ToI (valued at EUR 13.4 million as at 31 December 2021, compared with EUR 16.3 million as at 31 December 2020);
- ToI 2 and SS (valued at 4.4 million euros at 31 December 2021, compared with 2.4 million euros at 31 December 2020);
- IDeA CCR I (valued at EUR 0.5 million as at 31 December 2021, compared with EUR 1.0 million as at 31 December 2020);
- IDeA CCR II (EUR 6.9 million as at 31 December 2021, compared with EUR 6.3 million as at 31 December 2020);
- IDeA Agro (valued at EUR 2.7 million as at 31 December 2021, compared with EUR 1.7 million as at 31 December 2020);
- Santa Palomba (valued at EUR 0.7 million at 31 December 2021, unchanged on the figure at 31 December 2020);
- 2 *venture capital* funds (for a total value of 0.4 million euros at 31 December 2021, unchanged from 31 December 2020);
- 10 real estate funds held through DeA Capital Real Estate SGR (valued at EUR 41.1 million at 31 December 2021, compared with EUR 43.2 million at 31 December 2020);
- funds held through DeA Capital Alternative Funds SGR (amounting to 0.1 million euros at 31 December 2021, compared with 0.1 million euros at 31 December 2020);
- funds held through DeA Capital Partecipazioni S.p.A. (valued at 1.4 million euros at 31 December 2021, no value at 31 December 2020).

For *venture capital* funds, the *Fair Value* of each fund is based on the last NAV reported by the fund, calculated in accordance with international valuation standards, adjusted if necessary to reflect redemptions/calls of capital between the date of the last available NAV and the balance sheet date.

For the other funds, the *Fair Value* of each fund is represented by the NAV communicated by the management company in the Management Report of the fund itself as at 31 December 2021, prepared in accordance with the provisions of the Bank of Italy's Provision of 19 January 2015, as amended, on collective asset management.

Statement of financial position

Non-current assets

1 - Intangible and tangible assets

1a - Goodwill

Changes in goodwill are shown in the table below:

(EUR thousand)	Balance at 1.1.2021	Adjustements & PPA / acquisitions	*Impairment*	Balance at 31.12.2021
Goodwill	**99,935**	**0**	**0**	**99,935**

The item amounted to 99,935 thousand euros at 31 December 2021, unchanged compared to 31 December 2020 and related to:
- the investment in DeA Capital Real Estate SGR for EUR 62,421 thousand, resulting from the acquisition of IFIM / FIMIT SGR;
- the equity investment in DeA Capital Alternative Funds SGR of EUR 37,514 thousand of which EUR 31,324 thousand came from a partial reallocation by the former parent company IDeA Alternative Investments S.p.A. and EUR 6,190 thousand from the acquisition of the so-called "IDeA Capital Alternative Funds SGR". "Ramo NPL Management" of Quaestio Capital Management SGR (substantially made up of the management mandates of the "Atlante" and "Italian Recovery Fund" funds, in addition to the team and the contracts related to the aforementioned management mandates).

With reference to the latter transaction, the *Purchase Price Allocation* ("PPA") process that was completed, subsequent to the closing of the Financial Statements at 31 December 2019, in accordance with the provisions dictated by the Accounting Standard IFRS 3 "Business Combinations", resulted in the recognition of (*i*) a specific intangible asset (*customer relationship*), identified in the management mandate of the "Italian Recovery Fund", for an amount of 6,690,000 euros (recorded together with the associated deferred tax liabilities, amounting to 1,978 thousand euros) and (*ii*) goodwill, calculated on a residual basis, amounting to 6,190 thousand euros (compared to 10,902 thousand euros at 31 December 2019, before the price allocation process).

Impairment tests on goodwill

Pursuant to IAS 36, goodwill is not subject to amortisation, and is tested for *impairment* at least annually.

With reference to the request for the reference accounting standards and the most recent recommendations of the national and international supervisory authorities in this field, it is also noted that no recognition of *impairment* was necessary in 2021 (as was the case in 2020).

In order to carry out the *impairment* test on the goodwill of the Cash Generating Units (CGUs), the DeA Capital Group allocated the goodwill to the CGUs identified as DeA Capital Real Estate SGR (formerly IDeA FIMIT SGR, dedicated to the management of real estate funds) and DeA Capital Alternative Funds SGR (formerly IDeA Capital Funds SGR, focused on the management of private equity and credit funds, which also includes the NPL Management Branch acquired from Quaestio Capital Management SGR S. p. A.), which represent the minimum level at which the DeA Capital Group monitors its activities for management control purposes, in line with its strategic vision.

The test consists of comparing the recoverable amount of the (*recoverable amount*) of each CGU with the (*carrying amount*) of goodwill and other assets attributable to each CGU.

The carrying value of the CGU is calculated using the same criterion as that used to determine the recoverable value of the CGU.

The main assumptions used in the *impairment test* calculations, together with the results, are set out below.

The *impairment* test on the CGU **DeA Capital Alternative Funds SGR**, with a *carrying amount* of 60,257 thousand euros (of which 37,514 thousand euros is attributable to goodwill, including 6,190 thousand euros from the acquisition of the *NPL Management* Branch by Quaestio Capital Management SGR), was conducted using a *sum-of-the-parts* approach, determining the value in use as the sum of (*i*) the present value of dividend flows (*dividend discount model method, "DDM"*) expected from DeA Capital Alternative Funds SGR and (*ii*) the present value of carried interest flows expected from the funds managed by DeA Capital Alternative Funds SGR (*discounted cash flow method, "DCF"*) for the prospective funds that the company will manage, as per the company's *business plan*.

A number of assumptions were made in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income or, in the case of carried interest, on the basis of IRR projections made by the company for the various funds under management.

The valuation was based on a cost of capital of between +8.1% and +10.5% depending on the nature of the flows themselves (dividends from the Asset Management Company or *carried interest* from managed funds), supplemented by a *terminal value* based on a growth assumption of between 1.5% and 1.9%.

<u>With reference to the CGU in question, it should be noted that the recoverable amount is included in a range of values that is significant with respect to the relative *carrying amount*.</u>

A *sensitivity* analysis conducted on the most significant variables in terms of sensitivity to the recoverable value of DeA Capital Alternative Funds SGR, i.e. the cost of capital and the growth rate "g" used, leads to potential changes in the company's overall value of EUR -4.6 million/+EUR +5.6 million (for changes of +0.5% and -0.5% in the cost of capital, respectively) and EUR -0.8 million/+EUR 0.8 million (for changes of -0.2% and +0.2% in the "g" rate, respectively). The magnitude of these changes supports the positive outcome of the *impairment* test described above.

Similarly, the *impairment test* on the **DeA Capital Real Estate SGR** CGU, with a *carrying amount* of 136,830 thousand euros (of which 62,421 thousand euros attributable to goodwill), was carried out by determining the value in use intended as the sum of the present value of dividend flows (*dividend discount model or "DDM"* method) expected by DeA Capital Real Estate SGR for both the explicit forecast period (2022-2024) and future periods (based on the projection of a normalised figure in the *terminal value*).

A number of assumptions were made in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income or, in the case of carried interest, on the basis of the company's projections of future returns for the various funds under management.

The valuation was based on a cost of capital of between +8.9% and +9.9%, supplemented by a terminal value based on a growth assumption ("g") of between 1.5% and 2.0%.

<u>With reference to the CGU in question, it should be noted that the recoverable amount is included in a range of values that is significant with respect to the relative *carrying amount*.</u>

A sensitivity analysis conducted on the most significant variables in terms of sensitivity to the recoverable value of DeA Capital Real Estate SGR, i.e. the cost of capital and the growth rate "g" used, leads to potential changes in the company's overall value of EUR -3.8/+4.4 million (for changes of +0.5% and -0.5% in the cost of capital, respectively) and EUR -1.3/+1.4 million (for changes of -0.25% and +0.25% in the growth rate "g", respectively). The magnitude of these changes supports the positive outcome of the *impairment test* described above.

1b - Intangible assets

Changes in intangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2021	Cum. amort. & write-downs at 1.1.2021	Net carrying value at 1.1.2021	Historical cost at 31.12.2021	Cum. amort. & write-downs at 31.12.2021	Net carrying value at 31.12.2021
Concessions, licences and trademarks	5,369	(3,854)	**1,515**	6,052	(4,492)	**1,560**
Software expenses	38	(19)	**19**	65	(29)	**36**
Development expenses	114	(114)	**0**	114	(114)	**0**
Other intangible assets	75,378	(50,926)	**24,452**	75,378	(52,264)	**23,114**
Total	**80,899**	**(54,913)**	**25,986**	**81,609**	**(56,899)**	**24,710**

(EUR thousand)	Balance at 1.1.2021	Acquisitions	Amort.	Write-downs	Decreases	Changes in consolidation area	Balance at 31.12.2021
Concessions, licences and trademarks	1,515	683	(638)	0	0	0	1,560
Software expenses	19	44	(11)	0	(16)	0	36
Other intangible assets	24,452	0	(1,338)	0	0	0	23,114
Total	**25,986**	**727**	**(1,987)**	**0**	**(16)**	**0**	**24,710**

The increases in "Concessions, licences and trademarks" refer to purchases of *software* licences.

The balance at 31 December 2021 of the item "Other intangible assets" refers to:
- 4,014 thousand euros recorded on DeA Alternative Funds SGR and related to the net book value of the *Fair Value* of the specific intangible, identified in the management mandate of the "Italian Recovery Fund" ("IRF"), in consideration of the characteristics of the same mandate, which allow the NPL unit to operate in the management of the aforementioned fund on an exclusive basis, receiving a specific payment regulated by specific management regulations. This intangible asset is amortised over a period of 5 years and the change in the period relates to the amortisation accrued in the period;
- 19,100 million euros (unchanged from 31 December 2020) relating to intangible assets linked to variable commissions arising from the allocation of the residual value of FIMIT SGR at the date of the (reverse) merger into FARE SGR (now DeA Capital Real Estate SGR). This value derives from the discounting of variable management fees, calculated net of directly attributable costs on the basis of the most recent *business plans* of the funds under management.

The *impairment test* on intangible assets related to variable fees, with a *carrying amount* of EUR 19,100 thousand was performed by determining the value in use as the present value of expected variable fee flows from funds managed by the Company (*discounted cash flow* method, "DCF") with reference to the period within which they are expected to occur (2022-2023).

These flows were determined through a series of assumptions, including those relating to the expected return ("IRR"), developed by DeA Capital Real Estate SGR for the funds under management.

The valuation, based on a cost of capital between +6.9% and +10.9%, confirmed that the recoverable amount of these intangible assets is higher than their *carrying amount*.

A *sensitivity* analysis conducted on the most significant variables in terms of sensitivity to the recoverable value of DeA Capital Real Estate SGR's variable fee intangible assets, i.e. the cost of capital, leads to potential changes in the *carrying amount* of EUR -0.2 million/ EUR +0.2 million (for changes of +0.5% and -0.5% in the cost of capital, respectively). The magnitude of these changes supports the positive outcome of the *impairment* test described above.

Except for intangible assets involving rights connected with final variable commission, intangible assets with a finite useful life are amortised on a straight-line basis over their useful lives.

1c - Tangible assets

Changes in tangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2021	Cum. amort. & write-downs at 1.1.2021	Net carrying value at 1.1.2021	Historical cost at 31.12.2021	Cum. amort. & write-downs at 31.12.2021	Net carrying value at 31.12.2021
Building in Leasing	16,207	(5,415)	**10,792**	16,738	(8,081)	**8,657**
Other leased assets	799	(346)	**453**	935	(409)	**526**
Leasehold improvements	3,687	(3,568)	**119**	3,762	(3,590)	**172**
Furniture and fixtures	1,801	(1,660)	**141**	1,808	(1,680)	**128**
Computer and office equipment	1,439	(1,170)	**269**	1,478	(1,212)	**266**
Plant	17	(10)	**7**	17	(11)	**6**
Other assets	352	(305)	**47**	380	(321)	**59**
Total	**24,303**	**(12,474)**	**11,830**	**25,118**	**(15,304)**	**9,814**

(EUR thousand)	Balance at 1.1.2021	Acquisitions	Depreciation	Reclass.	Decreases	Change in consolidation area	Balance at 31.12.2021
Building in Leasing	10,792	780	(2,811)	0	(104)	0	8,657
Other leased assets	453	317	(228)	0	(16)	0	526
Leasehold improvements	119	79	(27)	0	0	0	172
Furniture and fixtures	141	10	(23)	0	0	0	128
Computer and office equipment	269	111	(114)	0	(1)	0	266
Plant	7	0	(1)	0	0	0	6
Other assets	47	28	(16)	0	0	0	59
Total	**11,830**	**1,325**	**(3,221)**	**0**	**(120)**	**0**	**9,814**

Tangible fixed assets amounted to 9,814 million euros at 31 December 2021 (compared to 11,830 million euros at 31 December 2020, after a decrease in depreciation for the period of -3,221 million euros).

The rights of use of the building in Via Brera 21, Milan, for the portion pertaining to Group companies, are recorded under "Tangible fixed assets", while the portion pertaining to De Agostini Group companies is recorded under "Financial receivables for non-current leases" and "Financial receivables for current leases".

Depreciation of property, plant and equipment is calculated on a straight-line basis, according to the estimated useful life of the asset.

The depreciation rates used in Financial Year 2021 were as follows:
- specific equipment 20%;
- furniture and furnishings 12%;
- computer and office equipment 20%;
- company vehicles 20%;
- leasehold improvements 15%.

2 - Financial investments

Financial investments in companies and funds constitute the Group's typical activities. These investments increased from 195,207 million euros at 31 December 2020 to 190,687 million euros at 31 December 2021.

2a - Investment in equity

This item, amounting to EUR 25,026 thousand at 31 December 2021 (EUR 27,291 thousand at 31 December 2020), related to the portion of net assets related to the following assets:

- holding in Quaestio Holding S.A., recorded in the consolidated financial statements at 31 December 2021 at a value of EUR 14,303 thousand (EUR 14,876 thousand at 31 December 2020). The shareholding is classified as an associated company due to the fact that the "strengthened" majority *quorums* provided for in the *governance* agreements regulated by the Shareholders' Agreement stipulated between the shareholders upon completion of the acquisition prevent the individual shareholders from taking independent decisions on key matters regarding the governance of the company;
- holding in Yard Reaas S.p.A. (formerly Yard S.p.A.), which had a value of 7,415 million euros in the consolidated financial statements at 31 December 2021, compared to 6,961 million euros at 31 December 2020;
- units in the Venere fund, which had a value of EUR 1,334 thousand in the consolidated financial statements at 31 December 2021, compared to EUR 1,812 thousand at 31 December 2020. The change compared to 31 December 2020 is related to the pro-rata share of distributions net of capital calls for a total of EUR -252 thousand, as well as the pro-rata share of the net result for the period for a total of EUR -226 thousand;
- units in the IDeA EESS fund, which have a value of EUR 1,974 thousand in the consolidated financial statements at 31 December 2021, compared to EUR 3,541 thousand at 31 December 2020. The change compared to 31 December 2020 is related to the pro-rata share of distributions net of capital calls for a total of EUR -2,065 thousand, as well as the pro-rata share of the net result for the period for a total of EUR 498 thousand.

The table below provides details of the holdings held in associates at 31 December 2021 by business:

(EUR million)	Alternative Asset Management	Platform Investments	Total
Quaestio Holding S.A.	14.3	0.0	14.3
Yard Reaas S.p.A.	7.4	0.0	7.4
Venere fund	0.9	0.4	1.3
IDeA EESS fund	0.0	2.0	2.0
Total	**22.6**	**2.4**	**25.0**

The table below summarises the financial information of Quaestio Holding S.A., Yard Reaas S.p.A., the IDeA EESS fund and the Venere fund, based on the latest available *reporting package* prepared in accordance with the DeA Capital Group's accounting standards.

	Quaestio Holding S.A.	**Yard Reaas S.p.A.**	**IDeA EESS**	**Venere**
(EUR thousand)	**Financial Year 2021**	**Financial Year 2021**	**Financial Year 2021**	**Financial Year 2021**
Revenues	31,916	40,330	0	75
Net profit/(loss) for the period	3,531	1,470	1,203	(828)
Other profit/(loss), net of tax effect	20	0	0	0
Total comprehensive profit/(loss) for the period	**3,551**	**1,470**	**1,203**	**(828)**
Total comprehensive profit/(loss) for the period attributable to minorities	***2,173***	***898***	***705***	***(602)***
Total comprehensive profit/(loss) for the period attributable to Group	***1,378***	***572***	***498***	***(226)***

(EUR thousand)	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**
Current assets	28,981	30,975	1,902	2,762
Non-current assets	2,834	29,516	4,636	2,332
Current liabilities	(11,537)	(24,398)	(43)	(203)
Non-current liabilities	(1,005)	(20,364)	0	0
Net assets	**19,273**	**15,729**	**6,495**	**4,891**
Net assets attributable to minorities	***11,794***	***9,598***	***4,521***	***3,557***
Net assets attributable to the Group	***7,479***	***6,131***	***1,974***	***1,334***

(EUR thousand)	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**
Net initial assets attributable to the Group	**7,472**	**5,677**	**3,541**	**1,812**
Total comprehensive profit/(loss) for the period attributable to the Group	1,378	572	498	(226)
Capital calls / (Distributions)	0	0	(2,065)	(252)
Dividends received in the period	(1,941)	0	0	0
Other Equity variations	(10)	(118)	0	
Net final assets attributable to the Group	**6,899**	**6,131**	**1,974**	**1,334**
Goodwill	7,404	1,384	0	0
Diluition effects on reversal of gain relating to sale of SPC	0	(100)	0	0
Book value of associated company / joint Ventures	***14,303***	***7,415***	***1,974***	***1,334***

Dividends paid to minorities in the period	**(3,059)**	**0**	**0**	**0**

2b - Investment held by funds at Fair Value through P&L

As at 31 December 2021, the DeA Capital Group holds, through the IDeA OF I fund, minority interests in Iacobucci HF Electronics and Pegaso Transportation Investments (Talgo).

This item, which totalled EUR 17,950 thousand at 31 December 2021 (EUR 14,888 thousand at 31 December 2020), relates to the assets below:

(EUR million)	31.12.2021	31.12.2020
Participations in Portfolio		
Iacobucci HF Electronics	0.0	1.0
Pegaso Transportation Investments (Talgo)	18.0	13.9
Investments at *Fair Value* through P&L	**18.0**	**14.9**
Total Participations in Portfolio	**18.0**	**14.9**

The change compared to 31 December 2020, positive at 3,062 thousand euros, was exclusively related to the *Fair Value* adjustment of the two investments (positive at 4,062 thousand euros related to Pegaso Transportation Investments (Talgo) and negative at 1,000 thousand euros related to Iacobucci HF Electronics and Pegaso).

2c - Other investments at Fair Value through P&L

At 31 December 2021, the DeA Capital Group was a minority shareholder in Cellularline and ToI Due (holder of an interest in Alice Pizza), as well as other minor holdings.

At 31 December 2021, the item amounted to 14,536 thousand euros, compared to 29,992 thousand euros at 31 December 2020, mainly due to the sale of the stake in **Kenan Investments** and the acquisition of the stake in **Next RE SIIQ S.p.A.**

The participation in Kenan Investments (indirectly corresponding to approximately 2% of the capital of Migros, i.e. approximately 12% of the capital of Migros for the interest in Kenan Investments) was recorded in the consolidated financial statements as at 31 December 2020 at a value of 19,658 thousand euros and was written off as a result of the completion of the sale of the Migros participation and the consequent distribution of the related proceeds.

The table below provides a breakdown of shareholdings in other companies at 31 December 2021 by business sector:

(EUR million)	*Platform Investments*	*Other Investments*	Total
Next RE SIIQ S.p.A	3.9	0.0	3.9
Cellularline	0.0	4.2	4.2
ToI Due S.r.l.	5.0	0.0	5.0
Minority interests	0.0	1.4	1.4
Total	**8.9**	**5.6**	**14.5**

The investment in **Next RE SIIQ S.p.A.** is recorded in the financial statements at a value of 3,965 thousand euros and represents 4.99% of the share capital of Next RE. The purchase of this stake was completed on 23 September 2021 and forms part of the strategic agreement signed between the DeA Capital Group and CPI Property Group S.A.. This investment recorded a delta *Fair Value* of 475 thousand euros.

The investment in **Cellularline** is registered in the consolidated financial statements at 31 December 2021 at a value of 4,182 thousand euros (4,750 thousand euros at 31 December 2020), including a change in *Fair Value* during the year of -568 thousand euros.

The shareholding (14.3%) in **ToI Due S.r.l.**, which in turn owns a majority interest (70%) in the Alice Pizza Group, is recognised in the consolidated financial statements at 31 December 2021 at a value of 5,000 thousand euros (unchanged with respect to 31 December 2020).

2d - Funds at Fair Value through P&L

The item Funds measured at *Fair Value through P&L* essentially refers to investments in units of 3 funds of funds (IDeA I FoF, ICF II and ICF III with 3 sub-funds), 4 theme funds (IDeA ToI, ToI 2, SS and IDeA Agro), 2 NPE funds (IDeA CCR I and IDeA CCR II), 2 *venture capital* funds and 10 real estate funds, with a total value in the financial statements of 133,175 thousand euros at 31 December 2021, compared with 123,000 thousand euros at the end of 2020.

The table below shows the movements of the funds during the year 2021.

(EUR thousand)	Balance at 1.1.2021	Increases (Capital call/ Purchase)	Decreases (Capital distribution/ Disposals)	*Fair Value adjustment*	Exchange rate effect	Balance at 31.12.2021
IDeA I FoF	15,185	132	(5,628)	4,603	0	14,292
ICF II	23,723	143	(4,554)	12,851	0	32,163
ICF III	11,926	110	(1,941)	5,031	0	15,126
IDeA ToI	16,327	81	(8,155)	5,156	0	13,409
IDeA Agro	1,729	1,024	0	(74)	0	2,679
ToI 2	2,354	1,319	0	(283)	0	3,391
SS	44	1,181	0	(235)	0	991
IDeA CCR I	1,007	19	(458)	(21)	0	547
IDeA CCR II	6,284	2,846	(2,355)	95	0	6,870
Santa Palomba	703	0	0	22	0	725
DeA Capital Real Estate SGR funds	43,249	0	(2,070)	(90)	0	41,089
DeA Capital Alternative Funds SGR funds	42	7	(2)	(7)	0	40
DeA Capital Partecipazioni S.p,.A. funds	0	1,300	0	138	0	1,438
Venture capital funds	427	0	(75)	27	36	415
Total funds	**123,000**	**8,162**	**(25,238)**	**27,213**	**36**	**133,175**

Particularly noteworthy are:

- distributions made during 2021 by the IDeA I FoF, ICF II, ICF III, CCR I, CCR II and IDeA ToI funds, which are in the process of being divested, for 5,628 thousand euros, 4,554 thousand euros, 1,941 thousand euros, 458,000 thousand euros, 2,355 thousand euros and 8,155 thousand euros respectively;
- distributions made by the real estate funds of DeA Capital Real Estate SGR for EUR 2,070 thousand.

The financial assets relating to units in funds managed by DeA Capital Real Estate SGR have the characteristics of long-term investments. These financial assets include optional investments in managed funds that may or may not be reserved for qualified investors.

3 - Other non-current assets

3a - Deferred tax assets and deferred tax liabilities

The balance on the item "deferred tax assets" totalled EUR 22,267 thousand (EUR 22,289 thousand at 31 December 2020) and comprises the value of deferred tax assets minus deferred tax liabilities, where they may be offset.

The balance of deferred taxes was EUR -5,928 thousand at 31 December 2021, compared to EUR -5,963 thousand at 31 December 2020.

Movements during the deferred tax assets and deferred tax liabilities by type are analysed below:

(EUR thousand)	Balance at 1.1.2021	Recognised in income statement	Recognised in equity	Change in consolidation area	Compensation/ other movements	Balance at 31.12.2021
Deferred tax assets for:						
- personnel costs	1,759	152	0	0	0	1,911
- other	591	41	0	61	(55)	638
- Substitute tax for exemption from goodwill	19,939	(366)	0	0	0	19,573
ACE	0	145	0	0	0	145
Total deferred tax assets	**22,289**	**(28)**	**0**	**61**	**(55)**	**22,267**
Deferred tax liabilities for:						
- available-for-sale financial assets / Other	(240)	0	20	0	0	(220)
- TFR discounting IAS	111	0	(71)	0	0	40
- intangible assets/other	(5,834)	31	0	0	55	(5,748)
Total deferred tax liabilities	**(5,963)**	**31**	**(51)**	**0**	**55**	**(5,928)**
Total deferred tax assets	**22,289**					**22,267**
Total deferred tax liabilities	**(5,963)**					**(5,928)**

Deferred taxes were calculated using the "*liability method*" based on the temporary differences at the reporting date between the tax amounts used as a reference for the assets and liabilities and the amounts reported in the financial statements.

3b - Loans and receivables

The item at 31 December 2021 was 10,329 thousand euros (compared to 7,425 thousand euros at 31 December 2020) and mainly related to:

- financing to real estate co-investment companies launched in France for a total amount of EUR 8,122 thousand;
- receivables for loan agreements entered into between DeA Capital Alternative Funds SGR and certain employees for the subscription of units in 3 funds managed by the company itself for 838 thousand euros (1,014 thousand euros at 31 December 2020);
- financing to YARD S.p.A. for 1,369 thousand euros.

3c - Receivables for the deferment of placement costs

The item at 31 December 2021 totalled EUR 1,693 thousand (EUR 1,673 thousand at 31 December 2020) and refers to the placement costs of the IDeA Taste of Italy and Taste of Italy 2 funds, which are deferred as they relate to the residual life of these funds; these costs will be gradually "released" to the income statement over the years until the expected maturity date of these funds.

3d - Financial receivables for leasing - non current position

This item totalled 677 thousand euros at 31 December 2021 (1,066 thousand euros at 31 December 2020) and relates to the receivable owed by DeA Capital S.p.A. to De Agostini Group companies for the use of space in the property at Via Brera 21, Milan (recorded under *Leased* buildings in property, plant and equipment for the portion pertaining to the DeA Capital Group).

3e - Other non-current assets

The item, amounting to 1,620 thousand euros at 31 December 2021 (1,424 thousand euros at 31 December 2020), includes 1,551 thousand euros in prepaid expenses for reporting on the assets of DeA Capital Alternative Funds SGR (1,393 thousand euros at 31 December 2020).

4 - Current assets

At 31 December 2021, current assets amounted to EUR 220,539 thousand, compared to EUR 174,078 thousand at 31 December 2020.
This item mainly consists of:

4a - Trade receivables

Trade receivables were EUR 13,701 thousand at 31 December 2021, compared to EUR 8,088 thousand at 31 December 2020. The balance mainly relates to receivables of DeA Capital Real Estate SGR, amounting to EUR 11,360 thousand (EUR 6,226 thousand at 31 December 2020), mainly related to receivables from managed funds for fees accrued but not yet collected.

The table below shows the maturity schedule for the DeA Capital Group's trade receivables outstanding at 31 December 2021:

		expired				
(EUR thousand)	**Not expired**	**less than 90 days**	**Between 90 days and 180 days**	**Between 180 days and 360 days**	**More than 360 days**	**Total**
2021	7,158	998	846	2,143	2,556	**13,701**
	52%	7%	6%	16%	19%	**100%**

For details of related-party transactions, see the appropriate section of the report (Transactions with parent companies, subsidiaries and related parties).

4b - Financial assets at Fair Value

At 31 December 2021, the item Financial assets at *Fair Value* amounted to 14,213 thousand euros, compared to 14,297 thousand euros at 31 December 2020, and related to:

- the portfolio of government and corporate bonds held by DeA Capital Alternative Funds SGR for EUR 6,109 thousand (EUR 6,158 thousand at 31 December 2020);
- the CCT portfolio, held by DeA Capital Real Estate SGR, as an investment of part of the Regulatory Capital, for EUR 8,104 thousand (EUR 8,139 thousand at 31 December 2020).

4c - Financial receivables for leasing current position

This item, which totalled EUR 215 thousand at 31 December 2021 (EUR 251 thousand at 31 December 2020), relates to the receivable owed by DeA Capital S.p.A. to De Agostini Group companies for the use of space in the property at Via Brera 21, Milan (recorded under Leased buildings in property, plant and equipment for the portion pertaining to the DeA Capital Group).

4d - Tax receivables from parent companies

The item, amounting to EUR 4,015 thousand at 31 December 2021 (EUR 4,025 thousand at 31 December 2020), refers to the receivable from the parent company De Agostini S.p.A. for participation in the tax consolidation scheme by DeA Capital S.p.A..

DeA Capital S.p.A. took part in the national tax consolidation scheme of the De Agostini Group (i.e. the group headed by De Agostini S.p.A.). This option, which is irrevocable for the three-year period 2020-2022, was exercised by the company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for De Agostini Group companies" and communicating the option to the tax authorities in accordance with the procedures and terms set out in the law; the option is irrevocable unless the requirements for applying the scheme are no longer met.

4e - Other tax receivables

At 31 December 2021, these receivables amounted to 49,133 thousand euros, compared to 8,515 thousand euros at 31 December 2020. This item mainly includes the VAT receivables of DeA Capital Real Estate SGR, resulting from the transfer of monthly VAT payables and receivables by the managed Funds, amounting to 42,821 thousand euros, and withholding taxes of the parent company, amounting to 3,188 thousand euros.

More specifically, the Go Italia VII Fund and the Go Italia VIII Fund show VAT receivables as at 31 December 2021 for 17 million euros and 10.4 million euros respectively, which originated mainly following the completion of property acquisitions during the second half of 2021.

4f - Other receivables

The item, amounting to 8,030 thousand euros at 31 December 2021, compared with 15,336 thousand euros at 31 December 2020, mainly includes receivables relating to the management of VAT positions with funds managed by DeA Capital Real Estate SGR, as well as receivables for security deposits, advances to suppliers, prepaid expenses and other receivables.

Other receivables are due within one year.

4g - Cash and cash equivalents

The item amounted to 131,232 thousand euros, compared to 123,566 thousand euros at 31 December 2020, and consisted of bank deposits and cash, including interest accrued at 31 December 2021.

Please see the Consolidated Cash Flow Statement for further information on changes to this item.

Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1/2-week and 1/3-month interest rates.

5 - Shareholders' equity

At 31 December 2021, the Group's shareholders' equity amounted to EUR 446,132 thousand, compared to EUR 446,351 thousand at 31 December 2020.

The negative change in the Group's shareholders' equity in 2021, of Euro -219 thousand compared to 31 December 2020, was mainly due to the following factors:

- the extraordinary dividend distributed by DeA Capital S.p.A. (EUR -26,088 thousand);
- the result for the period reported in the *Statement of Performance* - IAS 1 (EUR +24,062 thousand);
- the cost of *Performance Shares* for the period (EUR +2,950 thousand).

The main changes in shareholders' equity are detailed in the statement of changes, which forms an integral part of the Consolidated Financial Statements.

5a - Share capital

The share capital, fully subscribed and paid-up, is 266,612,100 euros, represented by shares with a nominal value of 1 euro each, for a total of 266,612,100 shares (including 5,734,546 treasury shares held at 31 December 2021, whose nominal value together with the related share premium is deducted from shareholders' equity in the Reserve for treasury shares).

5b - Share premium reserve

This item amounted to EUR 129,454 thousand at 31 December 2021 compared to EUR 155,542 thousand at 31 December 2020. The change, amounting to EUR -26,088 thousand was due to the utilisation for the distribution of dividends.

5c - Legal reserve

This reserve, unchanged with respect to 31 December 2020, amounted to 61,322 thousand euros at 31 December 2021.

5d - Own shares reserve

This item amounted to EUR -8,941 thousand at 31 December 2021 compared to EUR -10,712 thousand at 31 December 2020. The change of EUR 1,771 thousand was due to the following factors:

- the purchase of treasury shares (EUR -133 thousand);
- the allocation of shares to the Group's *management* under the *performance share* plans (+1,904 thousand euros).

5e - Other reserves

Other reserves as of 31 December 2021 amounted to -16,084 thousand euros (-17,967 thousand euros as of 31 December 2020) and consisted of:

- the reserve related to the cost of *performance shares* amounting to +4,895 thousand euros (+3,370 thousand euros at 31 December 2020);
- the reserve for the sale of stock options amounting to EUR +413 thousand (unchanged with respect to the balance at 31 December 2020) originated from the sale of residual options on the share capital increase not taken up by shareholders and sold by the Company;
- other negative reserves of -9,247 thousand euros, unchanged with respect to 31 December 2020, related to the Santé investment, disposed in 2014, mainly for the pro-rata reclassification of minority interests in Santé related to the 2008-2009 distribution of extraordinary dividends by Générale de Santé and changes in 2010-2012;
- the reserve for share issue costs of EUR -7,512 thousand (unchanged from the balance at 31 December 2020);
- other reserves of EUR -4,633 thousand (EUR -4,991 thousand at 31 December 2020).

5f - Retained earnings (losses)

This item totalled EUR -10,418 thousand at 31 December 2021, compared with EUR -29,338 thousand at 31 December 2020.

The positive change of EUR +18,920 thousand was mainly due to the allocation of the 2020 result (EUR +20,410 thousand).

5g - Profit (loss) for the year

The profit for the year, amounting to +23,766 thousand euros, is the consolidated result for Financial Year 2021 attributable to the Group (+20,410 thousand euros in Financial Year 2020).

5h - Minority interests

This item, which totalled 18,206 thousand euros at 31 December 2021 (16,711 thousand euros at 31 December 2020), relates to the equity attributable to non-controlling interests of the IDeA OF I fund and the Participating Financial Instruments relating to the intangible assets that emerged when the variable commissions were allocated to the residual value of FIMIT SGR on the date of the (reverse) merger with FARE SGR (now DeA Capital Real Estate SGR).

The positive change of 1,495 thousand euros, compared to the balance at 31 December 2020, mainly related to the amount recorded in the *Statement of Performance* for a total of 1,498 thousand euros.

The table below provides a summary breakdown of IDeA OF I's financial information, before elimination of intercompany transactions with other Group companies at 31 December 2021:

IDeA OF I fund

(EUR thousand)	Financial Year 2021
Management fees form Alternative Asset Managements	3,063
Net profit/(loss) for the period	2,826
of which attributable to minorities	**1,498**
Other profit/(loss), net of tax effect	0
Total comprehensive profit/(loss) for the period	**2,826**
Total comprehensive profit/(loss) for the period attributable to minorities	***1,498***

(EUR thousand)	31.12.2021
Current assets	3,463
Non-current assets	17,950
Current liabilities	(35)
Non-current liabilities	(2,182)
Net assets	**19,196**
Net assets attributable to minorities	***10,176***

(EUR thousand)	31.12.2021
Cash flow from operation actitivies	(234)
Cash flow from investment activities	0
Cash flow from financial activities	0
NET INCREASES IN CASH AND CASH EQUIVALENTS	***(234)***

Dividends paid to minorities during the period	***0***

6 - Non-current liabilities

As at 31 December 2021, Non-current liabilities amounted to 24,255 thousand euros, compared to 26,672 thousand euros as at 31 December 2020.
This item mainly consists of:

6a - Trade Payables

As at 31 December 2021, this item totalled 600 thousand euros (800 thousand euros as at 31 December 2020) and relates to the long-term debt for the pre-emptive reporting connected with the launch of the IDeA Agro Fund.

6b - Deferred tax liabilities

At 31 December 2021, the item amounted to EUR 5,928, thousand (EUR 5,963 thousand at 31 December 2020).

For more details, see Note 3a - Deferred tax assets and deferred tax liabilities.

6c - End-of-service payment fund

This item amounted to 6,472 thousand euros at 31 December 2021 (6,541 thousand euros at 31 December 2020) and mainly related to the reserve for employee severance indemnities (6,427 thousand euros at 31 December 2021 compared to 6,519 thousand euros at 31 December 2020).

The end-of-service payment fund (TFR) is a defined benefit plan, and as such was measured using actuarial methodology. This resulted in a liability calculated in demographic and financial terms on amounts owed to workers according to the number of years worked. The total present value of the liability is proportioned to the period of employment already completed at the calculation date, taking account of future salary increases and the employee's projected length of service.

In particular, the actuarial simulations were performed according to the accrued benefits method using the (*Projected Unit Credit Method*) determining:
• the cost of the service already provided by the employee (*Past Service Liability*);
• the cost of the service provided by the employee during the year (*Service Cost*);
• the cost of staff recruited during the year (*Past Service Liability* of newly recruited staff);
• the interest cost arising from the actuarial liability (*Net Interest Cost*);
• Actuarial gains/losses for the period between one valuation and the next (*Actuarial gain/loss*).

The valuation assumptions use an annual average discount rate that takes the iBoxx Eurozone Corporates AA 10+ index as a benchmark, maintaining this parameter constant compared with previous valuations.

The assumptions used to determine the fund were: technical discount rate 0.98%, annual inflation rate 1.20%, annual rate of salary increase 2.50%, annual rate of increase of severance pay 2.40%.

Changes in TFR in 2021 are shown in the table below:

(EUR thousand)	Balance at 1.1.2021	Accrued portion	Payments / advance	Balance at 31.12.2021
Provision TFR	**6,519**	**563**	**(655)**	**6,427**

The amounts recognised in the item were calculated as follows:

(EUR thousand)	31.12.2021	31.12.2020
Nominal value of provision	5,031	4,654
Discounting effect	1,395	1,865
Total provision	**6,427**	**6,519**

6d - Payables to staff and social security organisations
This item, amounting to 1,931 thousand euros at 31 December 2021 (1,423 thousand euros at 31 December 2020), relates to the long-term incentive plan for specific employees of DeA Capital Alternative Funds SGR.

6e - Financial liabilities
At 31 December 2021, the item amounted to EUR 9,324, thousand (EUR 11,945, thousand at 31 December 2020).

The item at 31 December 2021 refers:
• EUR 7,142 thousand (EUR 9,763 thousand at 31 December 2020) for the financial payables related to the lease of the buildings where the group companies have their headquarters (in particular, the building at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR), as well as to the leasing contracts for the cars in use;
• for 2,182 thousand euros (unchanged from 31 December 2020) to liabilities linked to contractual commitments related to investments of the OF I fund.

7 - Current liabilities
At 31 December 2021, current liabilities amounted to EUR 93,683 thousand (EUR 51,179 thousand at 31 December 2020).

This item mainly consists of:

7a - Trade payables
Trade payables amounted to 3,731 thousand euros at 31 December 2021, compared to 6,004 thousand euros at 31 December 2020.

For details of related-party transactions, see the appropriate section of the report (Transactions with parent companies, subsidiaries and related parties).

Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

7b - Provisions for risks and charges

The provisions for risks and charges, which amounted to 1,619 thousand euros at 31 December 2021 (zero at 31 December 2020), mainly take into account a preliminary estimate of the potential adverse impact of recent Russia-Ukraine geopolitical tensions on the performance of certain assets related to the former Soviet area and held by portfolio funds.

7c - Payables to staff and social security organisations

Payables to personnel and social security institutions amounted to 16,191 thousand euros at 31 December 2021, compared to 12,707 thousand euros at 31 December 2020:

- payables to social security institutions for EUR 2,484 thousand (EUR 2,100 thousand at 31 December 2020), paid on time after the end of the 2021 financial year, with the exception of social security payables calculated on bonuses accrued;
- payables to employees and directors for EUR 13,587 thousand (EUR 10,478 thousand as of 31 December 2020), for untaken holidays and accrued bonuses;
- payables related to social charges on salaries and wages and holiday days for EUR 120 thousand (EUR 129 thousand as of 31 December 2020).

7d - Current tax payables

Current tax payables amounted to 15,733 thousand euros at 31 December 2021, compared to 8,138 thousand euros at 31 December 2020, and were attributable as follows:

- the payable to the parent company De Agostini S.p.A. for participation in the tax consolidation scheme by the parent company DeA Capital S.p.A. (4,583 thousand euros at 31 December 2021), DeA Capital Alternative Funds SGR (3,287 thousand euros at 31 December 2021 compared with 2,722 thousand euros at 31 December 2020), DeA Capital Real Estate SGR (2,790 thousand euros at 31 December 2021 compared with 2,276 thousand euros at 31 December 2020) and DeA Capital Partecipazioni (500 thousand euros at 31 December 2021);
- payables to tax authorities for current taxes amounting to EUR 4,573 thousand (EUR 3,140 thousand at 31 December 2020), not included in the scope of the Tax Consolidation Agreement.

7e - Other tax payables

Other payables to tax authorities amounted to 2,667 thousand euros at 31 December 2021, compared to 2,889 thousand euros at 31 December 2020, and mainly related to payables to tax authorities for withholding taxes on income from employment and self-employment paid on time after the end of the 2021 financial year for a total amount of 1,650 thousand euros (1,357 thousand euros at 31 December 2020).

7f - Other payables

Other payables amounted to 50,424 thousand euros at 31 December 2021, compared with 17,725 thousand euros at 31 December 2020, and mainly related to 50,266 thousand euros (17,199 thousand euros at 31 December 2020) to DeA Capital Real Estate SGR and, in particular, to payables relating to the management of VAT positions with funds managed by this SGR for 47,724 thousand euros (15,427 thousand euros at 31 December 2020).

7g - Short-term financial liabilities

At 31 December 2021, the item amounted to EUR 3,259, thousand (EUR 3,679, thousand at 31 December 2020).

The item at 31 December 2021 mainly refers for 3,255 thousand euros (3,672 thousand euros at 31 December 2020) to the financial payable related to the lease of the buildings where the group companies have their headquarters (in particular the building at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR), as well as to the leasing contracts for the vehicles in use.

Income Statement

8 - Alternative Asset Management fees

Fees from *Alternative Asset Management* in Financial Year 2021 amounted to 74,440 thousand euros, compared to 71,316 thousand euros in Financial Year 2020 and related to:

a) **Fees for the establishment/subscription of a fund:** fees received as remuneration for the establishment of a fund as at 31 December 2021 amounted to 1,306 thousand euros (2,222 thousand euros as at 31 December 2020);

b) ***Management fees*:** the fees that the company receives as remuneration for the management of a fund. These fees mainly relate to management fees paid to DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR for the funds that they manage, and as at 31 December 2021 they amounted to 68,256 thousand euros (67,023 thousand euros as at 31 December 2020);

c) ***Performance* fees:** The fees received upon the attainment of certain performance parameters by the funds managed and at 31 December 2021 amounted to 4,878 thousand euros (2,071 thousand euros at 31 December 2020).

The following is a breakdown of Alternative Asset Management fees by company:

(EUR million)	Financial Year 2021	Financial Year 2020
DeA Capital Real Estate SGR	40.3	37.0
DeA Capital Alternative Funds SGR *	32.8	32.5
DeA Capital Real Estate France S.A.S.	0.9	1.5
DeA Capital Real Estate Iberia S.L.	0.4	0.3
Total management fees from Alternative Asset Management	**74.4**	**71.3**

(*) Net of intercompany management fees to IDeA OF I, which is consolidated on a line-by-line basis.

9 - Income from equity Investment

This item includes the share of results of associates accounted for using the shareholders' equity method for the period.

The item, amounting to EUR +2,216, thousand in 2021, compared to EUR +147, thousand in 2020, was mainly due to the pro-rata share of the result of the holdings in:

- Quaestio Holding S.A. (EUR +1,371 thousand compared to EUR +593 thousand in 2020);
- Yard Reaas S.p.A. (+573 thousand euros in 2021 compared to 78 thousand euros in 2020);
- IDeA EESS fund (EUR +498, thousand in 2021 compared to EUR -161 thousand in 2020);
- Venere Fund (EUR -226 thousand in 2021 compared to EUR -243 thousand in 2020).

10 - Other investment income and expenses

Other net income and expenses from investments (in investments and funds) were positive 30,044 thousand euros (negative 9,219 thousand euros in 2020).

This item mainly includes:

- The revaluation of private equity/credit funds for 27,116 thousand euros;
- the revaluation of the investment in Pegaso Transportation Investments (Talgo) for 4,063 thousand euros and the write-down of the investment in Iacobucci for -1,000 thousand euros;
- the write-down of the investment in Cellularline for -568 thousand euros;
- the revaluation of the investment in Next RE SIIQ S.p.A. for 475, thousand euros.

The item in 2020 mainly included:

- the *impairment* loss of the investment in Pegaso Transportation Investments (Talgo) for EUR -5,884 thousand and the *impairment* loss of the investment in Iacobucci for EUR -2,000 thousand;

- the write-down of the investment in Cellularline for -2,040 thousand euros;
- the revaluation of the investment in Kenan Investments/Migros for a total of +3,918 thousand euros, due to the favourable change in *Fair Value*, as a result of the combined effect of the increase in the price per share (42.80 TRY per share at 31 December 2020, compared to 24.22 TRY per share at 31 December 2019) and the depreciation of the Turkish lira against the euro (9.08 EUR/TRY at 31 December 2020, compared to 6.68 EUR/TRY at 31 December 2019).

Details of other investment income and expenses in Financial Year 2021, with comparative figures for Financial Year 2020, are as follows:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Income and charges unrealized		
Change in the *Fair Value* of funds FVTPL (note 2d):	**27,213**	**(3,329)**
- Venture capital funds	27	(1,536)
- Private Equity/Credit funds	27,116	(1,445)
- Real Estate funds	70	(348)
Change in the *Fair Value* of investments FVTPL held by funds (note 2b):	**3,063**	**(7,884)**
- Iacobucci HF Electronics	(1,000)	(2,000)
- Pegaso Transportation Investments (Talgo)	4,063	(5,884)
Change in the *Fair Value* of other investments FVTPL (note 2c):	**(93)**	**1,878**
- Kenan Investments	0	3,918
- Next RE SIIQ S.p.A	475	0
- Cellularline	(568)	(2,040)
Income and charges realized	**(139)**	**116**
- Loss from Kenan Investments	*(194)*	*0*
- Other	*55*	*116*
Total	**30,044**	**(9,219)**

Fair Value adjustments

The *Fair Value* measurement of investments in funds and participations at 31 December 2021, as well as at 31 December 2020, is based on the information and documents received from the funds and participations and other available information.

11 - Operating costs

Operating costs in Financial Year 2021 were 69,900 thousand euros compared to 62,505 thousand euros in Financial Year 2020.

11a - Personnel costs

Details of personnel expenses in Financial Year 2021 and their comparison with Financial Year 2020 are shown below:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Salaries and wages	28,714	24,800
Social security charges	7,230	6,730
Board of directors' fees	5,271	5,456
Long term incentive plans cost	2,950	1,698
End-of-service payment fund	1,833	1,578
Other personnel costs	1,107	784
Total	**47,105**	**41,046**

The total number of employees of the DeA Capital Group at 31 December 2021 was 242 (227 at 31 December 2020).

The table below shows the changes and average number of Group employees during 2021.

Position	1.1.2021	Recruits	Departures	Other changes	31.12.2021	Average
Senior Managers	47	3	(6)	4	48	47
Junior Managers	73	14	(10)	3	80	71
Staff	107	31	(17)	(7)	114	111
Total	**227**	**48**	**(33)**	**0**	**242**	**229**

Compensation benefits in the form of stock options

Employees of DeA Capital S.p.A. and of the parent company De Agostini S.p.A. are beneficiaries of share plans and performance shares on DeA Capital S.p.A. shares. The number of shares of the Company attributable under the Performance Shares Plans outstanding but not yet vested at 31 December 2021 is 4,671,709.

The notional cost of the long-term share-based incentive plans amounted to 2,950 thousand euros at 31 December 2021 (1,698 thousand euros at 31 December 2020), and are related to the accrual of the 2021 portion of the *Fair Value* calculated at the *grant date* for the *vesting period*. The value of long-term incentive plans is also adjusted periodically based on the degree of achievement of the plans.

On 20 April 2021, the shareholders' meeting of DeA Capital S.p.A. approved the DeA Capital 2021-2023 *Performance Share* Plan, which provides for the allocation of a maximum of 1,750,000 *Units*. On 11 May 2021, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted: (*i*) to launch the 2021-2023 *Performance Share* Plan approved by the Shareholders' Meeting, granting the Chairman of the Board of Directors and the Chief Executive Officer all the necessary powers, to be exercised severally and with the right to sub-delegate, and (*ii*) to assign 1,385,000 *Units* (representing the right to receive ordinary shares of the company free of charge under the terms and conditions of the plan itself) to specific employees and/or directors holding special offices of the company, its subsidiaries and the parent company De Agostini S.p.A..

The shares allocated as a result of the accrual of the Units will come from treasury shares.

The Shareholders' Meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the TUF.

Please note that the terms and conditions of the above-mentioned 2021-2023 *Performance Share* Plan are described in the Information Document prepared pursuant to Article 84-bis of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999 ("Issuers' Regulation"), which is available to the public at the registered office of DeA Capital S.p.A., as well as on the company's website (in the "*Corporate Governance*/Incentive Plans" section).

11b - Service costs

Details of expenditure on services in Financial Year 2021, with a comparison to Financial Year 2020, are provided below:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Administrative, Tax Legal consultancy and other costs	4,809	5,805
Fees to corportae bodies	943	565
Ordinary maintenance	277	246
Travel expenses	473	322
Utilities and general expenses	1,054	903
Third-party rental, royalties and leasing	1,187	946
Bank charges	81	52
Books, stationery and conferences	222	182
Commission expenses	838	825
Other expenses	2,343	3,096
Total	**12,227**	**12,942**

11c - Depreciation, amortisation and impairment

The item “Depreciation, amortisation and write-downs” was 5,206 thousand euros in Financial Year 2021, compared to 5,048 thousand euros in Financial Year 2020.

Please see the table on changes in intangible and tangible assets for details on this item.

11d - Provision for risks

The provision for risks and charges, which amounted to 1,779 thousand euros at 31 December 2021 (zero at 31 December 2020), mainly takes into account a preliminary estimate of the potential adverse impact of recent Russia-Ukraine geopolitical tensions on the performance of certain assets related to the former Soviet area and held by portfolio funds.

11e - Other expenses

This item totalled 3,583 thousand euros in 2021 (3,469 thousand euros in 2020) and mainly consisted of:

- non-deductible VAT pro-rated on costs accrued in Financial Year 2021 by DeA Capital Real Estate SGR of EUR 1,355 thousand (EUR 1,012 thousand in Financial Year 2020);
- the *impairment* loss / loss on receivables of DeA Capital Real Estate SGR of EUR 2,130 thousand (EUR 2,144 thousand in Financial Year 2020).

12 - Financial income and charges

12a - Financial income

Details of the financial income in Financial Year 2021 and its comparison with Financial Year 2020 are shown below:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Interest incomes	327	351
Exchange gains	46	62
Other income	47	753
Total	**420**	**1,166**

The item “Other income” mainly refers to interest income on loans granted to Real Estate co-investment vehicles initiated in France and Spain.

12b - Financial expenses

Details of the financial expenses in Financial Year 2021 and their comparison with Financial Year 2020 are shown below:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Interest expenses	274	329
Exchange losses	30	208
Losses from financial instruments valued at *Fair Value* through profit and loss	0	2,182
Financial charges IAS 19	23	44
Total	**327**	**2,763**

The charges arising from financial instruments, amounting to 2,182 thousand euros as of 31 December 2020, relate to one-off charges for liabilities linked to contractual commitments relating to the investments of the OF I fund.

13 - Income tax

This item, amounting to -12,690 thousand euros for fiscal year 2021 (+14,896 thousand euros for fiscal year 2020), included current income taxes of -12,693 thousand euros (-6,847 thousand e thousand uros for fiscal year 2020) and net positive deferred taxes of +3,000 euros (+21,743 thousand euros for fiscal year 2020).

The table below shows the taxes determined on the basis of the rates and on the basis of the taxable amounts calculated in light of the legislation deemed applicable.

(EUR thousand)	**Financial Year 2021**	**Financial Year 2020**
Current taxes:		
- Income from tax consolidation scheme	600	327
- IRES	(9,472)	(4,956)
- IRAP	(3,606)	(2,218)
- Other tax	(215)	0
Total current taxes	**(12,693)**	**(6,847)**
Deferred taxes for the period:		
- Charges for deferred/prepaid taxes	6	7
- Income from deferred/prepaid taxes	363	21,737
Total deferred taxes	**3**	**21,743**
Total income tax	**(12,690)**	**14,896**

The table below shows a reconciliation of the tax charges recorded in the Consolidated Financial Statements and the theoretical tax charge for 2021 calculated using the corporate income tax (IRES) rate applicable in Italy:

	2021		**2020**	
(EUR thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**37,052**		**(984)**	
Tax on theoretical income	8,893	24.0%	(236)	24.0%
Additional tax for art. 1, co. 65 L. 208/2015	1,573	4.2%		
Tax on inter-company dividends	(1,225)	(3.3%)	(486)	49.4%
Effect of companies with different taxation from that of Italy	395	1.1%	(3,490)	354.7%
Use of tax losses not previously recognised	0	0.0%	0	0.0%
Tax expenses previously not noticed	(535)	(1.4%)	0	0.0%
Net profit/(loss) from subsidiaries not subject to taxation	(678)	(1.8%)	2,594	(263.6%)
Net profit/(loss) from associates not subject to taxation	(532)	(1.4%)	(35)	3.6%
Non-deductible interest	0	0.0%	0	0.0%
Income from tax consolidation scheme	(600)	(1.6%)	782	(79.5%)
Other net differences	1,414	3.8%	464	(47.2%)
Cost for tax relief	0	0.0%	3,700	(376.0%)
Deferred tax assets from tax relief	0	0.0%	(19,940)	2.026.4%
Release of derred tax liabilities from tax relief	0	0.0%	(1,978)	201.0%
Net effect of prepaid/deferred taxes	(3)	(0.0%)	176	(17.9%)
IRAP and other taxes on foreign income	3,988	10.8%	3,553	(361.1%)
Income tax reported in the income statement	**12,690**		**(14,896)**	

14 - Basic earnings (loss) per share

Basic earnings per share are calculated by dividing net profit for the period attributable to the Group's shareholders by the weighted average number of shares outstanding during the period.

The table below shows the income and the share information used to calculate basic and diluted earnings per share:

(EUR thousand)	Financial Year 2021	Financial Year 2020
Consolidated net profit/(loss) - Group share (A)	**23,766**	**20,410**
Weighted average number of ordinary shares outstanding (B)	260,502,888	260,684,760
Basic earnings/(loss) per share (€ per share) (C=A/B)	**0,091**	**0,078**
Restatement for dilutive effect	0	0
Consolidated net profit/(loss) restated for dilutive effect (D)	**23,766**	**20,410**
Weighted average number of shares to be issued for the exercise of stock options (E)	0	0
Total number of outstanding shares and to be issued (F)	260,502,888	260,684,760
Diluted earnings/(loss) per share (€ per share) (G=D/F)	**0.091**	**0.078**

Primary and secondary reporting formats

The information on businesses reflects the Group's internal reporting structure. These businesses are:
- ***Alternative Asset Management***, which includes asset management and related services, focusing on the management of real estate, credit and private equity funds.
- ***Alternative Investment***, which includes:
  - investments in support of the Platform ("Platform Investments") relating to units of funds (*Real Estate, Credit, Private Equity*) and co-investments (*Real Estate, Private Equity*) managed by the Platform;
  - other investments in Funds and Shareholdings.

Summary Group Income Statement - Performance by business in 2021

(EUR thousand)	*Alternative Asset Management*	*Alternative Investment / Holdings*	**Consolidated**
Alternative Asset Management fees	74,590	(150)	74,440
Income (loss) from investments valued at equity	1,792	424	2,216
Other investment income/expense	(43)	30,087	30,044
Other revenues and income	67	93	160
Other expenses and charges	(56,326)	(13,574)	(69,900)
Financial income and expenses	(351)	443	92
PROFIT/(LOSS) BEFORE TAXES	***19,729***	***17,323***	***37,052***
Income tax	(6,849)	(5,841)	(12,690)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	***12,880***	***11,482***	***24,362***
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	***12,880***	***11,482***	***24,362***
- Group share	13,782	9,984	23,766
- Non controlling interests	(902)	1,498	596

Summary Group Income Statement - Performance by business in 2020

(EUR thousand)	*Alternative Asset Management*	*Alternative Investment / Holdings*	**Consolidated**
Alternative Asset Management fees	71,466	(150)	71,316
Income (loss) from investments valued at equity	388	(241)	147
Other investment income/expense	(446)	(8,773)	(9,219)
Other revenues and income	576	298	874
Other expenses and charges	(52,111)	(10,394)	(62,505)
Financial income and expenses	(307)	(1,291)	(1,598)
PROFIT/(LOSS) BEFORE TAXES	***19,567***	***(20,551)***	***(984)***
Income tax	11,266	3,630	14,895
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	***30,833***	***(16,921)***	***13,912***
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	***30,833***	***(16,921)***	***13,912***
- Group share	31,601	(11,191)	20,410
- Non controlling interests	(768)	(5,730)	(6,498)

Table linking statutory and management income statements for Alternative Asset Management

For the Alternative Asset Management sector, the reconciliation between the Summary Statutory Income Statement and the Managerial Income Statement presented in the Management Report is provided below.

Table linking the statutory income statement and the management income statement for AAM in Financial Year 2021

Connecting Table between Group Net Result and Operating Profit and Loss of AAM - €M	***AAM Operating Net Result (A)***	***Other AAM (B)***	**Net Result AAM (A+B)**
Alternative Asset Management fees	73.2	1.4	74.6
Income (loss) from investments valued at equity	1.3	0.5	1.8
Other investment incomes/expenses	(0.0)	(0.0)	(0.0)
Other revenues and incomes	0.0	0.1	0.1
Other expenses and charges	(47.8)	(8.5)	(56.3)
Financial income and expenses	(0.1)	(0.3)	(0.4)
PROFIT/(LOSS) BEFORE TAXES	***26.6***	***(6.8)***	***19.8***
Income tax	(7.9)	1.0	(6.8)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	***18.7***	***(5.8)***	***12.9***
Profit (Loss) from discontinued operations/held-for-sale assets	0.0	0.0	0.0
PROFIT/(LOSS) FOR THE PERIOD	***18.7***	***(5.8)***	***12.9***
- Group share	18.7	(4.9)	13.8
- Non controlling interests	0.0	(0.9)	(0.9)

The item "Other AAM" in the above table mainly includes the contribution of the foreign real estate platform and the non-recurring items of the three asset management companies of the Group.

Table linking the statutory income statement and the management income statement for AAM in Financial Year 2020

Connecting Table between Group Net Result and Operating Profit and Loss of AAM - €M	***AAM Operating Net Result (A)***	***Other AAM (B)***	**Net Result AAM (A+B)**
Alternative Asset Management fees	69.7	1.8	71.5
Income (loss) from investments valued at equity	0.6	(0.2)	0.4
Other investment incomes/expenses	(0.1)	(0.3)	(0.4)
Other revenues and incomes	0.4	0.2	0.6
Other expenses and charges	(43.7)	(8.4)	(52.1)
Financial income and expenses	(0.1)	(0.2)	(0.3)
PROFIT/(LOSS) BEFORE TAXES	***26.7***	***(7.1)***	***19.6***
Income tax	(8.1)	19.4	11.3
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	***18.6***	***12.2***	***30.8***
Profit (Loss) from discontinued operations/held-for-sale assets	0.0	0.0	0.0
PROFIT/(LOSS) FOR THE PERIOD	***18.6***	***12.2***	***30.8***
- Group share	18.6	13.0	31.6
- Non controlling interests	0.0	(0.8)	(0.8)

The item "Other AAM" in the above table mainly includes the contribution of the foreign real estate platform and the non-recurring items of the three asset management companies of the Group.

Notes to the Cash Flow Statement
Changes to the Cash Flow Statement have been reported using the direct method.

Given the operating activities carried out by the Group, cash flow from investment activities in companies and funds (one of the Group's typical activities) is included in cash flow from operating activities.

In Fiscal Year 2021, **operating activities** as defined above generated EUR +42,068 thousand of cash and cash equivalents (EUR +60,785 thousand in Fiascal Year 2020).
Please see the Consolidated Cash Flow Statement for information on changes to this item.

In 2021, **investment activity** generated -4,691 thousand euros (-85 thousand euros in 2020). Please see the Consolidated Cash Flow Statement for information on changes to this item.

In Fiscal Year 2021, **financial activities** absorbed -29,878 thousand euros (-36,645 thousand euros in Fiscal Year 2020). Please see the Consolidated Cash Flow Statement for information on changes to this item.

Specifically, in 2021, dividends/reimbursements of -26,086 thousand euros (-32,531 thousand euros in 2020) were distributed in full to DeA Capital S.p.A. shareholders.

Cash and cash equivalents at the end of 2021 amounted to 131,232 thousand euros (123,566 thousand euros at the end of 2020).

Other information

Commitments
The remaining liabilities (commitments) as at 31 December 2021 for the total funds in portfolio are shown in the table below:

Residual commitments - M€	**31.12.2021**
Residual commitments DeA Capital S.p.A. (*)	74.9
Residual commitments DeA Capital Real Estate SGR	2.5
Total	**77.4**

(*) Net of funds' residual commitments included in the Consolidation Area (IDe AOF I and IDeA EESS).

Contingent liabilities
IAS 37 defines a contingent liability as an obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company must assess the risk deriving from the contingent liability and must recognise the related risk provision only if it considers such risk to be possible or probable.

For the following contingent liabilities, the risk was deemed to be low and therefore the company did not recognise any contingent liabilities, but disclosed the relevant information.

On 17 December 2014, DeA Capital S.p.A. received an assessment notice for the 2009 tax period relating to IDeA Alternative Investments S.p.A., a company which was merged into DeA Capital S.p.A. with effect from 1 January 2012. The assessment, which alleged that revenues had been under-reported, was challenged in an appeal by DeA Capital before the Milan Provincial Tax Court.

Subsequently, on 10 November 2015, DeA Capital S.p.A. received another assessment notice relating to IDeA Alternative Investments S.p.A. for the 2010 tax period. The assessment alleged that revenues had been under-reported and that spin-off costs had been unduly deducted. This assessment was also challenged in an appeal by DeA Capital before the Milan Provincial Tax Court.

On 14 November 2016, the Provincial Tax Commission of Milan fully upheld the appeals filed with regard to the presumption of higher revenues not accounted for the years 2009/2010 and partially that relating to demerger costs.

On 14 June 2017, the Tax Authority - Provincial Division of Milan filed an appeal with the Regional Tax Court of Lombardy against the first instance ruling on the dispute in question, resubmitting all the findings initially formulated. On 23 February 2018, the Lombardy Regional Tax Commission (Commissione Tributaria Regionale della Lombardia) held a hearing to discuss the dispute in question. With a ruling filed on 17 May 2018, the Commission rejected the Office's appeal, confirmed the contested ruling and accepted the cross-appeal regarding the demerger costs.

On 17 September 2019, the Italian Revenue Agency, through the Italian State Attorney's Office, notified the appeal to the Court of Cassation for the reform of the second instance decision. The company appeared within the time limits laid down by law and submitted its own defence. It should be noted that with regard to the second finding, relating to the deductibility of the costs incurred for the demerger, the Italian State Attorney has not put forward any grounds for appeal, so the annulment of the tax claim can be considered final.

Treasury and parent company shares

On 20 April 2021, the Shareholders' Meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, in one or more tranches and on a revolving basis, a maximum number of shares in the company up to a stake of no more than 20% of the share capital (or approximately 53.3 million shares).

The new Plan, which replaces the plan authorised by the Shareholders' Meeting of 20 April 2020 (which was due to expire upon the approval of the 2020 Financial Statements), includes the following objectives: (*i*) the acquisition of treasury shares to be used for extraordinary transactions and/or share incentive plans; (*ii*) the offer to shareholders of an additional instrument for the monetisation of their investment; (*iii*) the support of the liquidity of the financial instruments issued; (iv) usage of excess liquidity resources. The treasury shares may also be disposed of for trading purposes.

The Shareholders' Meeting authorisation specifies that purchases may be made until the date of the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2021 (and, in any event, not beyond the maximum period of 18 months allowed by law), while the authorisation to dispose of the treasury shares was granted without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase.

The authorisation to sell treasury shares already held in the company's portfolio and any shares bought in the future was granted for an unlimited period; sales may be carried out using the methods deemed most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which cannot, however, be more than 20% below the share's reference price on the trading day prior to each disposal (apart from certain exceptions specified in the Plan), although this limit may not apply in certain cases.

The Shareholders' Meeting determined a minimum consideration, conferring on the Board of Directors the power to determine, on a case-by-case basis, any further conditions, procedures and terms of the act of disposal. This minimum price may not be 20% lower than the reference price recorded by the share during the stock exchange session preceding each individual disposal, except in specific cases identified by the Shareholders' Meeting.

DeA Capital S.p.A. will disclose the launch date for the share buy-back plan to the market in compliance with current legislation.

Movements in treasury shares during the 2021 financial year are summarised below:
- Allocation of 1,304,132 treasury shares under the 2017-2019 and 2018-2020 Performance Shares and DeA Capital S.p.A. Plans;
- purchase of 116,275 treasury shares (for a countervalue of EUR 132,953).

Taking into account the purchases made in previous years on the plans in place from time to time, as well as the movements of treasury shares described above, at 31 December 2021 the Company owned 5,734,546 treasury shares (representing approximately 2.2% of the share capital).

During 2021, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in the Parent Company De Agostini S.p.A..

Long-term incentive schemes

On 20 April 2021, the DeA Capital S.p.A. Shareholders' Meeting approved the "DeA Capital Performance Share Plan 2021-2023" Incentive Plan, under which a maximum of 1,750,000 units may be granted. On 11 May 2021, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted: (*i*) to launch the "2021-2023 Performance Share Plan" approved by the Shareholders' Meeting, granting the Chairman of the Board of Directors and the Chief Executive Officer all the necessary powers, to be exercised separately and with the right to sub-delegate, and (*ii*) to assign 1,385,000 Units (representing the right to receive ordinary shares of the company free of charge, on the terms and conditions indicated in the plan itself).

Shares allocated due to the vesting of units will be drawn from the company's treasury shares.

The tables below summarise the assumptions made in calculating the *Fair Value* of the plans:

Shareholder plan (Figures in euros)	**Plan 2019**
No. of options granted	1,750,000
Average market price at the grant date (€)	1.51
Value at allocation/modification date (€)	2,642,500
Option expiry date	30/06/22

Performance Share (Figures in euros)	**Plan 2018**	**Plan 2019**	**Plan 2020**	**Plan 2021**
N° units granted	1,350,000	1,050,000	1,420,000	1,385,000
Unit value (€)	1.56	1.51	1.29	1.48
Value at the grant date/amendment date of the regulation (€)	2,106,000	1,585,500	1,831,800	2,049,800
Expiry date	30/06/22	30/06/23	30/06/24	30/06/25

Related-party transactions

Related-party transactions, including those with other Group companies, were carried out in accordance with the Procedure for Related-Party Transactions adopted by the company with effect from 1 January 2011, in accordance with the provisions of the Regulation implemented pursuant to Article 2391-bis of the Italian Civil Code by means of Consob Resolution 17221 of 12 March 2010, as amended.

It should be noted that during the first half of 2021, the Company did not carry out any atypical or unusual transactions with related parties, apart from those that are part of the normal business activities of group companies. It also did not carry out any "material transactions" as defined in the above-mentioned procedure.

Transactions with related parties concluded during 2021 were settled at market conditions, taking into account the characteristics of the goods and services provided.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., to provide operating services in the areas of administration, finance, control, *investor relations*, legal, corporate, tax, institutional services and press relations, at market conditions. Currently, this agreement is only active for the tax area.

   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property intended for use other than residential" again with De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera 21, Milan, comprising spaces for office use, warehousing and car parking. This Contract, which is renewable every 6 years, after an initial duration of 7 years, provides for market economic conditions.

2) DeA Capital S.p.A., DeA Capital Partecipazioni, DeA Capital Alternative Funds SGR and DeA Capital Real Estate SGR have joined the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A.). This option was exercised jointly by each company and De Agostini S.p.A., through the signing of the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and by notifying the tax authorities of this option pursuant to the terms and conditions laid down by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option is irrevocable for DeA Capital S.p.A. for the three-year period 2020-2022, for DeA Capital Partecipazioni for the three-year period 2019-2021, for DeA Capital Alternative Funds SGR for the three-year period 2018-2020 and for DeA Capital Real Estate SGR for the three-year period 2019-2021.

3) In order to allow more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions than those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (the Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany deposits/financing.

   Deposit/financing operations in this Framework Agreement can only be carried out subject to verification that the terms and conditions, as determined from time to time, are advantageous. They shall be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement has a duration of one year and is tacitly renewed each year.

   The amounts involved in deposit/financing operations will, however, always be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Related-Party Transactions) and the internal Procedure for Related-Party Transactions adopted by DeA Capital S.p.A.

   Note that there were no deposit/financing operations between DeA Capital S.p.A. and De Agostini S.p.A. arising from the above-mentioned Framework Agreement.

It is finally noted that from 1 January 2020, DeA Capital S.p.A. opted to participate in the "B&D Holding Group VAT" (led by the indirect parent company of DeA Capital S.p.A.), which allows companies belonging to the same Group to share a single VAT number and operate uniformly for VAT purposes only. Membership is binding for the three-year period from 2020 to 2022.

The table below summarises the amounts of trade-related transactions with related parties.

(EUR thousand)	31.12.2021					Financial year 2021				
	Trade receivables	Financial receivables for Leasing	Tax receivables	Tax payables	Trade payables	Revenues for services	Financial income	Tax income	Personnel costs	Service costs
De Agostini S.p.A.	1	796	3,983	10,123	-	58	21	47	5	20
B&D Holding S.p.A.			42	-						
Gruppo De Agostini Editore	-	-	-	-	31	-	-	-	63	95
Gruppo IGT	4	96	-	-	-	4	2	-	-	-
De Agostini Scuola S.p.A.	-	-	-	-	-	-	-	-	-	63
DeA Planeta Libri S.p.A.	-	-	-	-	1	-	-	-	-	1
Yard Reaas S.p.A.	10	1,369	-	2	5	-	47	-	10	92
Gruppo Quaestio	-	-	-	-	-	20	-	-	-	1
Total related parties	**15**	**2,261**	**4,025**	**10,123**	**37**	**82**	**70**	**47**	**78**	**272**
Total financial statement line item	**13,701**	**14,213**	**53,148**	**15,733**	**600**	**93**	**420**	**600**	**47,105**	**12,227**
As % of financial statement line item	**0.1%**	**15.9%**	**7.6%**	**64.3%**	**6%**	**88.2%**	**16.7%**	**7.8%**	**0.2%**	**2.2%**

Remuneration of Directors, Auditors, General Manager and Senior Managers with strategic responsibilities

The table below shows the remuneration paid to the Directors and Statutory Auditors in the FY 2021:

Director	Position	Period position held	Position expires	Fees for position at company preparing the financial statements -(€/000)	Non-cash benefits - (€/000)	Bonuses and other incentives - (€/000)	Statutory auditors' fees for positions held at subsidiaries - (€/000)	Other remuneration - (€/000)
Lorenzo Pellicioli	Chairman	2021	Approval fin. statements 2021	30	0	0	0	0
Paolo Ceretti	Chief Executive Officer	2021	Approval fin. statements 2021	750	0	840	0	41
Dario Frigerio	Director	2021	Approval fin. statements 2021	30	0	0	0	217
Dario Mereghetti	Director	2021	Approval fin. statements 2021	30	0	0	0	5
Carlo Ferrari Ardicini	Director	2021	Approval fin. statements 2021	30	0	0	0	0
Donatella Busso	Director	2021	Approval fin. statements 2021	30	0	0	0	27
Francesca Golfetto	Director	2021	Approval fin. statements 2021	30	0	0	0	5
Nicola Drago	Director	2021	Approval fin. statements 2021	30	0	0	0	0
Daniela Toscani	Director	2021	Approval fin. statements 2021	30	0	0	0	15
Elena Vasco	Director	2021	Approval fin. statements 2021	30	0	0	0	25
Marco Boroli	Director	2021	Approval fin. statements 2021	30	0	0	0	0
Cesare Grifoni	Chairman of the Board of Statutory Auditors	2021	Approval fin. statements 2021	45	0	0	7	10
Fabio Facchini	Permanent Auditor	2021	Approval fin. statements 2021	30	0	0	0	0
Annalisa Donesana	Permanent Auditor	2021	Approval fin. statements 2021	30	0	0	5	0
Total				**1,155**	**0**	**840**	**12**	**345**

"Other remuneration" relates to remuneration received for other positions held in either DeA Capital S.p.A. or other Group companies.

Remuneration for the year from employment, excluding non-monetary benefits, including *bonuses*, for the General Manager/Senior Managers with strategic responsibilities of the Parent Company amounted to approximately 1,099,000 euros for the year 2021.

It should be noted that the emoluments and compensation indicated above do not include share based payments and social security contributions, where applicable, unlike the data contained in the Remuneration Report, drawn up pursuant to Article 123 ter of the Consolidated Law on Finance in accordance with Article 84 quater of the Regulation on Issuers.

Shares held by Directors, Statutory Auditors, General Manager/Senior Managers with strategic responsibilities

Information on the equity investments held by members of the management and supervisory bodies and by the General Manager/Senior Managers with strategic responsibilities (shown as an aggregate) in DeA Capital S.p.A. and its subsidiaries is provided in tabular form.

This includes all individuals who, during the course of the financial year in question, held the position of member of the administrative and control bodies, General Manager/Strategic Senior Managers with strategic responsibilities, even for part of a year.

Name and surname	Investee company	No. of shares held at 1.1.2021	No. of shares purchased	No. of shares sold	No. of shares held at 31.12.2021
Lorenzo Pellicioli	DeA Capital S.p.A.	2,566,323	0	0	2,566,323
Paolo Ceretti	DeA Capital S.p.A.	2,507,242	471,956	0	2,979,198
Chief Operating Officer	DeA Capital S.p.A.	1,332,735	331,813	0	1,664,548
Total		**6,406,300**	**803,769**	**0**	**7,210,069**

No DeA Capital shares are held by other directors or auditors who are currently in office; furthermore, no shares are held in companies controlled by DeA Capital.

It should be noted that Directors Marco Boroli, Nicola Drago and Carlo Enrico Ferrari Ardicini own shares in B&D Holding S.p.A. and - with reference to Director Marco Boroli - shares in De Agostini S.p.A., companies that indirectly and directly control the Company.

Long-term share incentive plans granted to members of the Board of Directors, the General Manager/Senior Managers with strategic responsibilities

On 18 April 2019, the DeA Capital S.p.A. shareholders' meeting approved the 2019-2021 share plan for the company's CEO, which provides for the free allocation of up to a maximum of 1,750,000 shares if certain performance parameters are achieved, the information is provided in table form.

Shareholding Plan		Options outstanding at 1 January 2021			Options granted during 2021			Options exercised during 2021	Options lapsed/ cancelled during 2021	Options outstanding at 31 December 2021		
Beneficiary	Position	Number of options	Average exercise price (€)	Average expiry date	Number of options	Average exercise price (€)	Average expiry date	Number of options	Number of options	Number of options	Average exercise price (€)	Average expiry date
Paolo Ceretti	CEO	1,750,000	1.51	3	0	0	0	0	0	1,750,000	1.51	3

Lastly, it should be noted that a total of 695,459 *performance shares* were assigned to the Company's Chief Executive Officer and General Manager/Senior Managers with strategic responsibilities in the 2021 financial year, as shown in the table attached:

Performance shares		**Units outstanding at 1 January 2021**			**Units granted during 2021**			**Units delivered during 2021**	**Units lapsed/ cancelled during 2021**	**Units outstanding at 31 December 2021**		
Beneficiary	**Position**	***Number of Units***	**Units Price (€)**	**Average expiry date**	***Number of Units***	**Units Price (€)**	**Average expiry date**	***Number of Units***	***Number of Units***	***Number of Units***	**Units Price (€)**	**Average expiry date**
Paolo Ceretti	CEO	175,000	1.36	4	76,015	1.36	4	251,015	0	0	0	0
Paolo Ceretti	CEO	500,000	1.56	4	54,291	1.56	4	220,941	0	333,350	1.56	4
Chief Operating Officer/ Senior managers with strategic responsibilities		100,000	1.36	4	43,437	1.36	4	143,437	0	0	0	0
Chief Operating Officer/ Senior managers with strategic responsibilities		200,000	1.56	4	21,716	1.56	4	88,376	0	133,340	1.56	4
Chief Operating Officer/ Senior managers with strategic responsibilities		225,000	1.51	4	0	0	0	0	0	225,000	1.51	4
Chief Operating Officer/ Senior managers with strategic responsibilities		500,000	1.29	4	0	0	0	0	0	500,000	1.29	4
Chief Operating Officer/ Senior managers with strategic responsibilities		0	0	0	500,000	1.48	4	0	0	500,000	1.48	4

Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

The assessment of risk factors for the DeA Capital Group should be viewed primarily in relation to their impact (*i*) on the economic results of the **Alternative Asset Management** platform (real estate, credit, private equity and multi-asset/multi-manager solutions) and of the investment activities carried out to support the platform's operations (i.e. ***platform investments***, consisting of investments in minority stakes in part of the funds managed by the platform and co-investments alongside these funds, or lead investment partners in the real estate initiatives promoted by the Group's foreign ventures) and (*ii*) the Group's ability to ensure balanced and holistic development of all these activities.

With reference to **Alternative Asset Management** activities, these are particularly sensitive to all the risk variables that may impact the "organic" performance of Assets Under Management (which essentially represent the basis for calculating management fees) which, for closed-end funds (real estate, credit, private equity), will depend substantially on: (*i*) the ability to launch new funds and (*ii*) the value of the assets in which these are invested plus, in the case of open-ended funds accessed by the multi-asset/multi-management investment solutions offered to investors, the (*iii*) redemptions by the investors served.

The development of the three main variables affecting the performance of Assets Under Management depends on:

- exogenous contextual factors (general economic conditions, socio-political events, regulatory developments, trends in financial markets and interest rates, and the impact these have on the availability and direction of investment flows);
- endogenous factors (which can be summarised as the asset manager's credibility in terms of its ability to generate satisfactory performance for investors, the effectiveness of the operational processes structured to regulate the launch and management of investment products/solutions, constant attention in terms of compliance with the industry's stringent regulations and the Group's willingness to share the investment risk with investors).

The variety of business streams in which the platform operates is a mitigating factor for all contextual risks that impact the ability to launch new funds/investment solutions. However, the recent start of international development for the Real Estate sector, if on the one hand it has a favourable impact on the reduction of the same risks due to the diversification that it entails, on the other hand it increases this riskiness (because there is exposure to the same "country-specific" contextual factors relating to the new markets) while acting on the endogenous risk factors by increasing the operational complexity of the Group.

With regard to the performance of the platform investments portfolio, this will depend on both the aforementioned exogenous contextual factors, as well as endogenous factors (in particular, capacity and timing of selection, management and divestment of investments). The mitigation of the impact of exogenous and endogenous risks to which the Group's activities are subjected is mainly achieved through:

- the systematic monitoring of reference markets, the competitive framework and the main trends in the industry;
- the gradual diversification of business streams (both *product-related*, for example by extending the portfolio of products offered to the NPL management, managed accounts and international real estate club deal segments, or by entering the segment of investment solutions for institutional investors; and *geographical*, with the launch of real estate ventures in partnership with local key managers, first in France and Iberia and then in Poland and Germany);
- the maintenance of effective investment governance (though not control) levers and risk diversification mechanisms (such as asset concentration constraints in funds under management) across all asset classes;
- the continuous monitoring of the trend in key performance indicators of Alternative Asset Management and platform investments;
- maintaining an industrial and never purely financial approach to investment activities and strict ethical standards throughout the structure;
- the growing focus on sustainable investment issues with reference to environmental, social and governance aspects, through the definition of policies, adherence to international certification standards and the cross-sector involvement of the various corporate functions, initially defined at the level of subsidiary asset management companies and currently being extended to the Group as a whole;
- the strengthening of the operational structure (in particular with the integration of a Chief Operating Officer into the company's organisation chart) and strategic orientation (with the recent establishment of the Advisory Board to support business development and go-to-market activities for the Alternative Asset Management platform);
- the periodic assessment and monitoring of the risk framework in which the Group operates through a structured *risk assessment* process and the related updating of operating procedures and governance mechanisms.

The spread of COVID-19 has led to a generalised amplification of the complex of risk factors highlighted above, while at the same time imposing the rapid adoption of measures to ensure the continuing operations of the Group companies.

Also in 2021, operational integrity was guaranteed, without interruption, firstly through the prompt and general adoption of a *smart-working policy* (implemented, *inter alia*, by substantially equipping all staff with the appropriate technical means), and subsequently, once the regulatory constraints on the mobility of people had been relaxed, through the implementation of a regulatory protocol for combating and containing the spread of the virus in the workplace (supported by the adoption of all the technical and organisational devices necessary to ensure that all *professionals* in the workforce could return to their operational headquarters on a rotating basis). In this way, the Group has been able to oversee the governance of its activities in a period of extraordinary uncertainty with substantially unchanged response capabilities compared to a business-as-usual scenario, all without significant costs/investments in terms of general and administrative expenses/capex.

At an operational level, asset management has seen the integration of the aspect resulting from sensitivity to the "COVID-19 effect" in the monitoring of portfolios, both with an aggregate cut (typically by reference industry), and an individual cut, depending on the specificities of individual assets (liquidity, sustainability of the financial structure, sensitivity to operating leverage etc.). In particular, at the level of funds under management, actions were promptly taken primarily to: *i*) understand the opportunities and constraints defined by the Acts issued by the Government to cope with the COVID-19 epidemiological emergency; *ii*) analyse and estimate the financial needs to mitigate the risk of cash flow tension, especially in the short term; and *iii*) define the actions to prepare for the "post-crisis" recovery phase.

Finally, the recent geopolitical turmoil triggered by the development of relations between Russia and Ukraine has adversely affected the macroeconomic environment, representing a new factor of uncertainty that could affect the development of investments in funds managed by the Group, as well as geographical choices in asset allocation for some international investors.

In this regard, the Group immediately initiated the appropriate monitoring activities on the potential impacts that could arise on the product portfolio under management and on business development forecasts. However, it should be noted that current tensions on financial markets could lead investors to review the product asset allocation, making alternative products that are structurally characterised by lower volatility levels more attractive.

Significant events after the end of the period and outlook

New *closing* of the Sviluppo Sostenibile (Sustainable Development) Fund

In January 2022, the private equity fund known as Sviluppo Sostenibile (Sustainable Development) completed the 3rd closing for 50.5 million euros (bringing the total commitment to 141.5 million euros).

Russia-Ukraine geopolitical tensions

With reference to the geopolitical developments in question, at the date of approval of this document there is no evidence of any aspect that could have a significant impact on the financial position and operating results represented at 31 December 2021, as determined by IAS 10 § 9, or rather that would require their incorporation into the balance sheet values or that could affect business continuity.

Outlook

The recent geopolitical and macroeconomic developments - primarily concerning the conflict between Russia and Ukraine, as well as the continued spread of Covid-19, inflation dynamics in various countries worldwide and difficulties supplying raw materials and semi-finished products—are marking a decidedly complicated frame of reference worldwide and it remains unclear how the scope thereof will unfold.

In this context, the Group has already put in place the tightest controls in order to be prepared to face even the most negative scenarios, relying on management teams of outstanding excellence, on assets in the portfolio that have already demonstrated notable resilience in the most acute phases of the COVID-19 health care crisis and on a very solid balance sheet.

The management activity will therefore continue to focus on the development of the *Alternative Asset Management* platform, namely through the launch of new products and the further growth of activities at international level.