

## 4. Significant events during the year

Significant events in 2021 are outlined below.

### ALTERNATIVE ASSET MANAGEMENT

Despite the complex framework induced by the spread of COVID-19, during 2021 the Group continued the Platform development activities in all business segments.

In particular, in the Real Estate segment, new initiatives for Assets Under Management have been finalised totalling approximately EUR 1,900 million (of which approximately EUR 1,100 million related to the acquisition of a management mandate for a closed-end real estate fund with a focus on logistics).

In terms of **Credit**, new assets of approximately 33 million euros were added to the CCR II fund, bringing its total size up to approximately 700 million euros.

With respect to **Private Equity**, new AUM was raised to a total of approximately 200 million euros, mainly due to:

- an **investment advisory** mandate for the selection of closed-end funds in the **Infrastructure** sector, on a fundraising *pool* of approximately 130 million euros;
- new *closings* of the **IDeA Agro** and **Sustainable Development** funds for 28 million euros (bringing the total to 110 million euros) and 21 million euros (bringing the total to 91 million euros), respectively.

### Strategic agreement in the real estate segment between the DeA Capital Group and CPI property Group

On 5 August 2021, a strategic agreement was signed between DeA Capital S.p.A. ("DeA Capital"), De Agostini S.p.A. (DeA), DeA Capital Real Estate SGR ("DeA Capital RE" or "SGR"), CPI Property Group S.A. ("CPIPG") and the latter's subsidiary, Next Re SIIQ ("Next RE", formerly Nova Re SIIQ), aimed at defining a potential *partnership* in real estate ("*Framework Agreement*").

CPIPG is a leading European property company, listed on the Frankfurt Stock Exchange, with a property portfolio valued at over EUR 10 billion. Next RE is a real estate operator listed on Euronext Milan (EXM, formerly MTA) of the Italian Stock Exchange, with a portfolio of properties valued at approximately 120 million euros as of 31 December 2020. In particular, the *Framework Agreement* provides that the parties to the agreement undertake to co-operate in the development of a joint project aimed at creating a *partnership* in the Italian real estate market (the "Joint Project"), including through Next RE's appointment of DeA Capital RE as *advisor* for the provision of certain *asset advisory* services to Next RE.

With the Framework Agreement, the parties are mainly aiming to regulate the terms, conditions and methods of implementation of the Joint Project based on the following milestones:

- (i) *Asset Advisory Agreement*: the central element of the Joint Project is the appointment of DeA Capital RE as *advisor* to Next RE for the provision of certain services for the latter's business;
- (ii) Acquisition of a minority stake in Next RE: subject to the execution of the *Asset Advisory Agreement* between DeA Capital RE and Next RE, DeA Capital, through one of its affiliates, will acquire a minority stake in Next RE ("Next RE Shareholding");

- (iii) Definition of the New Strategic Plan: the Joint Project will be based on a strategic plan ("New Strategic Plan") that will be developed by Nova RE based on the strategic guidelines shared with the SGR ("Strategic Guidelines");
- (iv) Further investment: for the purposes of implementing the Joint Project, and subject to the fulfilment of certain conditions, CPIPG and one or more companies of the DeA Group will subscribe to and pay a portion of the share capital increase approved by the administrative body of Next RE, under the power granted, under Article 2443 of the Italian Civil Code, to the administrative body on 26 April 2021 by the Extraordinary Shareholders' Meeting of Next RE to increase the company's share capital up to a maximum amount of 2.0 billion euros, including any share premium, to be carried out also in divisible form, in one or more instalments, within the date of approval by the Shareholders' Meeting of the financial statements for the year ended 31 December 2023, also excluding option rights pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code ("Delegated Capital Increase"). In particular, the *Framework Agreement* provides that Next RE undertakes to execute, as part of the Capital Increase, a divisible capital increase for an initial amount of up to 1.0 billion euros, including nominal value and any share premium, in accordance with the terms and conditions that will be outlined in the New Strategic Plan (the "Capital Increase").

Part of the Capital Increase will be subscribed by DeA and DeA Capital (or by one of their affiliates), on the one hand, and by CPIPG, on the other, in order to acquire properties on the market in line with the New Strategic Plan, as follows:

- (i) DeA and DeA Capital (or one of their affiliates) will subscribe and contribute in cash up to an amount ("DeA Subscription Amount") equal to the lesser of (a) 5% of the Capital Increase and (b) the amount equal to the difference between 50 million euros and the price paid for the purchase of the Next RE Shareholding (for a total investment in Next RE of up to 25 million euros each);
- (ii) CPIPG will subscribe to and contribute, in cash and/or in kind, an amount of the Capital Increase such that, as a result of the Capital Increase, its shareholding will be between 50% and 60% of Next RE.

As agreed between the parties, from the date of completion of the purchase and sale of the Next RE Shareholding, DeA and DeA Capital will have the right to jointly appoint a member of Next RE's management body.

The obligations of the parties to the Framework Agreement to subscribe and pay part of the Capital Increase are subject to the fulfilment of the following conditions precedent:

(i) by 30 June 2022:

- (a) the approval of the New Strategic Plan by Next RE in accordance with the Strategic Guidelines, in a format, content and level of detail satisfactory to DeA Capital RE as asset advisor;
- (b) the appointment of a person designated jointly by DeA and DeA Capital as a member of the Board of Directors of Next RE;
- (c) the approval by Consob and Borsa Italiana S.p.A. of an offering and listing prospectus in accordance with Regulation (EU) 2017/1129, relating to the Capital Increase and its publication in accordance with applicable laws;
- (d) the occurrence of all of the following events with respect to Next RE in the context of the Capital Increase (prior to, or concurrently with, the subscription of the Capital Increase by DeA and DeA Capital): (x) the resolution by Next RE of an increase of the share capital of Next RE in divisible form, in the context of the Capital Increase, for an amount of up to 1.0 billion euros (including any amount subscribed for and paid-in by DeA, DeA Capital and CPIPG under the Framework Agreement) (y) the subscription and cash payment of the Capital Increase by third party investors (for clarity, other than DeA, DeA Capital and CPIPG) for an aggregate amount of at least 300 million euros; and (z) Next RE's compliance with the corporate and shareholding requirements set out in Article 20 of Legislative Decree no. 133/2014 in order to apply and adhere to the special tax regime provided for by it for "SIIQ" companies (it being understood that the requirements under this point (z) may also be achieved as a result of any transfer of Next RE's shares from CPIPG to third party investors prior to the subscription of the Capital Increase);

- (ii) the (x) continuing effectiveness and non-termination, for any reason whatsoever, of the Asset Advisory Agreement and (y) the maintenance of the terms of the New Strategic Plan approved, as of the date of subscription of the Capital Increase.

The Framework Agreement shall cease to have effect in the event of termination of the Asset Advisory Agreement pursuant to the relevant provisions.

Furthermore, when executing the Framework Agreement, the following were also signed on the same date:

- between CPIPG, as seller, and DeA Capital Partecipazioni S.p.A. (a subsidiary of DeA Capital), as purchaser, an agreement to sell the Next RE Shareholding, equal to 1,101,255 ordinary shares representing approximately 5% of the share capital of Next RE, a sale that was subsequently finalised on 23 September 2021, at a price of 3.169 euros per share, for a total price of 3,489,877.10 euros; the agreements signed provide, *inter alia*, for the appointment of a member of the Board of Directors of Next RE on the recommendation of DeA Capital Partecipazioni S.p.A., provided that such candidate complies with the legal requirements on eligibility and any KYC procedures of Next RE;
- between DeA Capital RE and Next RE, the *Asset Advisory Agreement*, concerning the assignment to DeA Capital RE of the exclusive provision to Next RE of *asset advisory* services, to be carried out in accordance with specified service levels, as well as in compliance with all specific instructions and guidelines issued by Next RE, including: (i) strategic assistance in the context of the capital increase operations stemming from the *Framework Agreement*; (ii) strategic assistance related to the approval of Next RE's business plan and related budgets; (iii) reporting; (iv) strategic assistance in the context of Next RE's real estate operations (i.e., real estate asset management, acquisition and disposal operations, etc.). The Asset Advisory Agreement has a term of six years, automatically renewable for a further six years, commencing on 1 September 2021 and expiring on 31 August 2027, subject to termination in the cases referred to therein.

## Dividends from Alternative Asset Management

In April 2021, the Asset Management Companies controlled by the Group distributed dividends totalling EUR 23.0 million to the holding companies (EUR 19.1 million in 2020), of which EUR 15.0 million to DeA Capital Real Estate SGR and EUR 8.0 million to DeA Capital Alternative Funds SGR.

On 10 August 2021, Quaestio Holding (parent company of Quaestio Capital SGR) distributed dividends for EUR 5.0 million, of which EUR 1.9 million to DeA Capital S.p.A.

Based on this distribution, total dividends distributed in 2021 from *Alternative Asset Management* activities to the Group's Holdings amounted to 24.9 million euros.

## OTHER MAJOR EVENTS

### Disposal of the remaining stake in Kenan Investments/Migros

Between late January and early February 2021, the investee Kenan Investments (17.1% of the capital) finalised the sale, through accelerated bookbuilding, of the remaining stake held in Migros (approximately 12% of the capital of the latter). In the context of this transaction, DeA Capital S.p.A. received overall distributions for EUR 19.5 million (substantially in line with the carrying value), which brought the total proceeds received from Kenan Investments to approximately EUR 249 million, against the investment made in 2008 for EUR 175 million (thus with a cumulative capital gain of approximately EUR 74 million and an overall return on investment for a cash-on-cash multiple of 1.42x).

### Establishment of an Advisory Board

In February 2021, DeA Capital S.p.A. finalised the establishment of the Advisory Board for the purpose of providing strategic advice for the Alternative Asset Management platform on various issues, with particular reference to business development and go-to-market strategies. The Advisory Board is currently made up of Flavio Valeri (Chair), Dario Frigerio (former member of the Board of Directors of DeA Capital S.p.A.) and Gianluca Muzzi.

### Share buy-back plan

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.

## Long-term incentive schemes

In April 2021, 1,304,132 treasury shares (representing approximately 0.5% of the share capital) were allocated under the 2017-2019 and 2018-2020 Performance Share Plans.

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.

## Partial extraordinary distribution of the Share Premium Reserve.

On 26 May 2021, in accordance with the vote of the Shareholders' Meeting on 20 April 2021, DeA Capital S.p.A. made a partial distribution of the Share Premium Reserve at EUR 0.10 per share, i.e. for an overall amount of around EUR 26.1 million based on the total number of entitled shares.