DeA Capital S.p.A.

Annual Report at 31 December 2021

This document, PDF format, does not fulfill the obligations deriving from Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "ESEF Regulation" - European Single Electronic Format). About that a dedicated XHTML format has been prepared.

DeA Capital S.p.A.
Registered Office at Via Brera, 21 - 20121 Milan
Share Capital of Euro 266,612,100, fully paid up
Tax Code, VAT reg. no. and Milan Register of Companies no. 07918170015
Member of the "Gruppo IVA B&D Holding" VAT No. 02611940038,
Milan REA 1833926

Notice Of Shareholders' Meeting

DeA Capital S.p.A.

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Registered Office at Via Brera 21, 20121 Milan
Share capital of EUR 266,612,100, fully paid up
Tax Code and Registration in the Milan Companies Register no. 07918170015
Member of the "IVA B & D Holding Group" VAT No. 02611940038, Milan REA 1833926
Company subject to the management and co-ordination of De Agostini S.p.A.

NOTICE OF SHAREHOLDERS' MEETING

Those entitled to be called to the ordinary meeting to be held – exclusively by means of telecommunications as specified below:

- at 10:00 am on Thursday 21 April 2022, on first call; and, if necessary

- at 10:00 am on Friday 22 April 2022, on second call,

to discuss and resolve on the following

Agenda

1. Approval of the annual financial statements at 31 December 2021 and presentation of the consolidated financial statements of the Group headed by DeA Capital S.p.A. at 31 December 2021. Related and consequent resolutions:

1.1 approval of the Annual Financial Statements at 31 December 2021;

1.2 partial distribution of the Share Premium Reserve;

2. Appointment of the Board of Directors:

2.1 determination of the number of members of the Board of Directors;

2.2 determination of the term of office of the Board of Directors;

2.3 appointment of the members of the Board of Directors;

2.4 determination of the emoluments of the members of the Board of Directors;

2.5 appointment of the Chair of the Board of Directors;

3. Appointment of the Board of Statutory Auditors:

3.1 appointment of the members of the Board of Statutory Auditors and of the Chair of the Board of Statutory Auditors for 2022–2024;

3.2 determination of the emoluments of the members of the Board of Statutory Auditors;

4. Authorisation to buy and sell treasury shares. Related and consequent resolutions;

5. Approval of a Performance Share plan reserved for certain employees, collaborators and/or directors vested with particular offices of DeA Capital S.p.A., its subsidiaries and the parent company De Agostini S.p.A. according to article 114-bis of Legislative Decree no. 58/98 Consolidated Finance Law (TUF). Related and consequent resolutions;

6. Approval of a share plan for the Chief Executive Officer of DeA Capital S.p.A. pursuant to article 114-bis TUF. Related and consequent resolutions;

7. Proposal to amend the 2019–2021 share plan in favour of the Chief Executive Officer of DeA Capital S.p.A. Related and consequent resolutions;

8. Report on Remuneration Policy and compensation paid under article 123-ter, TUF. Related and consequent resolutions:

8.1 approval of Section I - 2022 Remuneration Policy; resolutions pursuant to article 123-ter, paragraphs 3-bis and 3-ter of the TUF;

8.2 advisory vote on Section II of the Report on Remuneration Policy and Compensation paid - Compensation paid in 2021; resolutions pursuant to article 123-ter, paragraph 6 of the TUF.

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Submission of proposals for resolution/addition of the agenda

Shareholders of DeA Capital S.p.A. ("**DeA Capital**" or the "**Company**") which, even jointly, represent at least 2.5% of the share capital, may request, within 10 days of the publication of this notice (i.e. by **Monday 21 March 2022**), the addition of the list of matters to be dealt with in the Meeting, or submit proposals for resolution on matters already on the Meeting agenda, indicating in the request the additional matter they propose and/or proposals for resolution.

Pursuant to article 126-bis, paragraph 3, of the TUF, no additions may be made to the list of matters to be discussed in relation to matters on which the Meeting resolves, in accordance with the provisions in force, on the proposal of the Board of Directors or on the basis of a project or a report prepared by it, other than as referred to in article 125-*ter*, paragraph 1 of the TUF.

The request, together with the certification attesting the ownership of at least 2.5% of the share capital issued pursuant to the current provisions by the intermediaries who keep the accounts on which the shares of the requesting Shareholders are registered, shall be sent in writing by e-mail to deacapital@legalmail.it together with information that allows the identification of the submitting Shareholders (in this regard, please also provide a reference telephone number). Shareholders submitting such requests shall also provide, by the same deadline (i.e. by 21 March 2022) and by the same means, a report setting out the reasons for the proposals for resolution/addition to the agenda of the new items or the reasons for the additional proposals for resolution relating to items already on the agenda. The Company is responsible for notifying shareholders of the addition to the meeting agenda of any new items or additional proposals relating to existing items, in the same form as for the publication of this notice of shareholders' meeting, at least fifteen days before the scheduled first-call meeting date.

At the same time as publication of the notice confirming incorporation into the agenda of new items or proposals for resolutions on existing items, the proposals for incorporation/resolution, together with the corresponding reports submitted by the shareholders concerned and any opinion of the Board of Directors, shall be made public pursuant to article 125-*ter*, paragraph 1, of the TUF.

Right to ask questions about items on the agenda

Those who are entitled to vote may raise questions about items on the agenda, including in advance of the meeting. Questions may be sent by e-mail to ir@deacapital.com.

Questions shall be received by the Company by the end of the seventh trading day before the date of the Meeting on first call (record date, i.e. by Friday **8 April 2022**). Questions received within the aforementioned period shall be answered within 3 trading days before the Meeting (i.e. by Thursday **14 April 2022**). Those who attest to ownership of the shares at the date of submission of the question shall be entitled to obtain an answer. To this end, a certification shall be provided, even after the question has been submitted, provided within the third day following the record date (i.e. by Monday 11 April 2022) effective up to said date, issued by the depositary intermediary, certifying the ownership of the shares of the requesting party. This certification shall be sent to the Company by e-mail toir@deacapital.com.

Only questions relevant to the items on the agenda will be taken into consideration. In order to facilitate the organisation of answers, questions shall contain a reference to the page number of the relevant illustrative Report of the Board of Directors on the agenda items or other document made available for the Meeting.

The Company may provide a single answer to questions with the same content. The Company reserves the right to provide answers to the questions received by means of a special "Questions and Answers" space, which may be arranged and consulted on the Company's website www.deacapital.com (Governance/Shareholders' Meetings section).

The Company has decided to bring forward the deadline to provide an answer, with respect to the provisions of article 127-ter, paragraph 1-bis, of the TUF, in order to allow shareholders to make, in good time, a conscious choice for the purposes of the voting instructions to the Designated Representative.

Right to attend the Meeting and exercise the right to vote

Shareholders are entitled to take part in meetings and to exercise the right to vote, exclusively by granting a specific proxy to the Designated Representative if they are registered as holding voting rights on the record date – i.e. by the close of business on the seventh trading day before the date scheduled for the first-call meeting, Friday **08 April 2022** (record date), and if the related communication has been received from the authorised intermediary by the Company, in accordance with the provisions of article 83-*sexies* of the TUF. Owners of the shares of the Company only after that date shall not have the right to attend and vote at the Meeting and may not issue a proxy to the Designated Representative.

The communication by the authorised intermediary referred to above shall be received by the Company before close of business on the third trading day prior to the date scheduled for the first-call meeting. If the communication is received by the Company after said date, shareholders shall, however, still be entitled to take part in the meeting and vote, always exclusively through the Designated Representative, provided the communication is received before the start of the first-call meeting. As a reminder, the statement is communicated to the above Company by the authorised intermediary at the request of the individual holding the voting right. The holders of the right to vote shall be required to give instructions to the authorised intermediary who holds the relevant accounts, to provide said communication to the Company. Any requests for notice by the authorised intermediary or economic charges for the fulfilment of the obligations of the latter shall not be attributable to the Company.

It is noted that it shall not be possible to vote electronically and/or by correspondence.

Participation and representation at the Meeting

According to article 106, paragraph 4 of Decree Law no. 18 of 17 March 2020 laying down "Measures to strengthen the National Health Service and to provide economic support for families, workers and enterprises in connection with the Covid-19 emergency" ("Cura Italia Decree"), converted with amendments by Law no. 27 of 24 April 2020 and as extended until 31 July 2022 under the provisions of article 3 of D.L. 228 of 30 December 2021, **participation in the Meeting for those entitled to vote shall be permitted exclusively through the representative designated** by the Company pursuant to article 135-*undecies* of the TUF, to which proxy shall be conferred, in the manner and under the conditions indicated below.

The Company has designated Computershare S.p.A. – with registered office in Milan, via Mascheroni 19, 20145 – as representative of the shareholders designated pursuant to article 135-*undecies*, of the TUF (**Designated Representative**).

Directors and Auditors, as well as other parties entitled under the law, other than those entitled to vote (who shall have to confer proxy to the Designated Representative), may participate in the Meeting by means of telecommunication that also guarantee the identification thereof. Instructions for participation in the Meeting by means of telecommunications shall be made known by the Company to the parties concerned.

Conferral of proxy to the Designated Representative

Shareholders who wish to participate in the Meeting shall confer to the aforementioned Designated Representative the proxy – with voting instructions – for all or some of the proposals for resolutions on the agenda items.

The proxy may be conferred, alternatively, pursuant to:

(i) Article 135-*novies* of the TUF, by means of the "*Ordinary vote proxy form*". In this case, the proxy shall be conferred using the proxy and/or sub-proxy form available on the Company's website at www.deacapital.com (under the Governance/ Shareholders' Meetings section). The proxy and/or sub-proxy to the Designated Representative shall contain voting instructions on all or some of the proposals relating to the agenda items; the Designated Representative shall not vote in the Meeting in relation to proposals for which precise voting instructions have not been received. In order to allow the Company and the Designated Representative to receive and verify the proxy (or sub-proxy) in advance of the beginning of the Meeting, it is recommended that the entitled parties send their proxy (or sub-proxy) in the manner indicated on the Company's website by 12:00 am of **20 April 2022** (in relation to the first call) or by 12:00 am of **21 April 2022** (in relation to the second call) and it may be revoked by the same terms.

(ii) Article 135-*undecies* of the TUF, by means of the "*Designated Representative proxy form*". In this case, the proxy shall be conferred using the specific proxy form, including electronic, prepared by the same Designated Representative in agreement with the Company, available on the Company's website www.deacapital.com (in the Governance/Shareholders' Meetings section) providing the link to a procedure for the electronic forwarding of the proxy.

The proxy form with the voting instructions shall be sent following the instructions on the form and on the Company's website by the second trading day before the Meeting (i.e. by Tuesday **19 April 2022** in relation to the first call or by Wednesday **20 April 2022** in relation to the second call) and it may be revoked by the same terms, according to the instructions on the proxy form and on the Company's website.

The proxy, thus conferred, shall be valid only for the proposals in relation to which voting instructions were conferred.

It is specified that shares for which the proxy was conferred, even partial, are calculated for the purpose of regular constitution of the Meeting. With regard to proposals for which no voting instructions have been conferred, the shares are not counted for the calculation of the majority and the portion of capital required for the approval of resolutions.

The Designated Representative shall be available for clarification or information at 02-46776819 or at ufficiomi@computershare.it.

Other shareholders' rights

Taking into account that participation in the Meeting shall be provided exclusively through the Designated Representative, parties entitled to participate who intend to formulate individually proposals for resolution on the agenda items shall submit them in advance, by Wednesday **6 April 2022**, in writing by e-mail to deacapital@legalmail.it together with information allowing the identification of the Shareholders (in this regard it is also requested to provide a reference telephone address) and the percentage of the share capital held, as a whole, proven by the communication issued to the Company by the authorised intermediary in accordance with the law. It is recommended that the proposals be made in a clear and complete manner, preferably accompanied by a report providing the reasons thereof.

After verification of the relevance of the proposals to the agenda, as well as the completeness and compliance thereof with the applicable regulations, said proposals shall be published on the Company's website at www.deacapital.com (in the Governance/Shareholders' Meetings section) by Monday **11 April 2022**, in order to allow those entitled to vote to express themselves consciously, also taking into account these new proposals and to allow the Designated Representative to collect voting instructions on them. The requesting party shall provide appropriate documentation proving the legitimacy to participate in the Meeting and the granting of proxy to the Designated Representative for participation in the Meeting.

Share capital and voting shares

The share capital is EUR 266,612,100 divided into 266,612,100 ordinary shares, all with a nominal unit value of EUR 1.00.

Each ordinary share carries voting rights at the Meeting (except ordinary treasury shares, at 11 March 2022 equal to [5,734,546] shares, on which voting rights are suspended in accordance with the law). However, it is recalled that the Shareholders' Meeting of 17 April 2015 amended article 9 of the Articles of Association, introducing a loyalty shares mechanism pursuant to article 127-*quinquies* of the TUF. Specifically, pursuant to the aforementioned article 9, two voting rights will be allocated for every ordinary DeA Capital share held by the same shareholder of the Company, pursuant to a legal title establishing entitlement, for a continuous period of at least 24 months, starting from the registration of the shareholder on a special list, which will be set up and maintained by the Company at its registered office. As of today's date, of the 266,612,100 shares comprising the share capital of DeA Capital: (i) 264,979,899 grant a right to vote per share and (ii) 1,632,201 have fulfilled the requirements laid down in the Articles of Association for the granting of the increased voting rights to the relevant holders and, therefore, grant two voting rights per share.

For the list of relevant shareholders that have requested registration on the increased voting list of DeA Capital S.p.A. and that have obtained increased voting, reference shall be made to as published on the website www.deacapital.com in the "Governance/Loyalty Shares" section.

Appointment of the Board of Directors

According to article 147-*ter* of TUF and article 11 of the Company Articles of Association, the Board of Directors shall be appointed by the Meeting on the basis of lists submitted by shareholders. The drafting, filing and publication of lists shall be carried out in accordance with the terms and conditions laid down or referred to in article 11 of the Articles of Association, to which reference shall be made in full for any matters not expressly indicated below.

In accordance with the combined provisions of article 11 of the Articles of Association and the determination of Consob no. 60 of 28 January 2022, lists may be submitted by shareholders who have, alone or together with others, at least 2.5% of the share capital. The ownership of the minimum shareholding required for the submission of the lists is determined having regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the Company. The relative communication made by the authorised intermediary may be sent to the Company also after filing provided within the term set for the publication by the Company of the lists, i.e. by the 21st (twenty-first) day preceding the date of the Meeting (i.e. by 31 March 2022). Pursuant to article 11 of the Articles of Association, lists that have not obtained a percentage of votes equal to at least half of that required for the submission thereof shall not be considered.

Each shareholder, shareholders belonging to the same group and shareholders who are party to a shareholders' agreement according to article 122 of the TUF, may not submit or participate in submission, not even through a third party or trust company, more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in sequential order. Each candidate may appear on only one list under penalty of ineligibility.

According to article 147-*ter*, paragraph 1-*bis,* of the TUF, the lists, signed by those who submit them and accompanied by the necessary documentation, shall be filed by the Shareholders by the 25th (twenty-fifth) day preceding the date of the Meeting convened on first call, i.e. by 27 March 2022. The lists may be filed in one of the following ways: (i) by return registered, to be sent to the registered office of DeA Capital in Via Brera 21, Milan, or (ii) by electronic communication to the certified e-mail address deacapital@legalmail.it.

It is recalled that, according to article 11 of the Articles of Association, together with each list, the following shall be filed: (i) declarations in which each candidate accepts the candidacy, undertakes - if appointed - to accept the office and certifies, under own responsibility, the absence of causes of ineligibility and incompatibility, as well as the possession of the requisites prescribed for the respective offices by the laws in force (ii) a *curriculum vitae*, containing detailed information on the personal and professional characteristics of each candidate, with an indication of qualification as independent; (iii) an indication of the identity of the shareholders who have submitted lists and the total percentage of shares held. The certification issued by authorised intermediaries certifying the ownership of the number of shares necessary for the submission of the lists shall be provided together with the filing of the lists or by a term provided for by applicable legislation and regulations (i.e. within 21 days before the Meeting provided for publication of the lists by the Company).

The lists, together with the documentation filed with them, shall therefore be made available to the public, by the Company, by the 21st (twenty-first) day preceding the date of the Meeting on first call (i.e. by 31 March 2022), at the registered office, on the DeA Capital website (www.deacapital.com) and the authorised storage mechanism 1info (www.1info.it).

It is recalled that those presenting a minority list are also recipients of the recommendations formulated by Consob with Communication no. DEM/9017893 of 26 February 2009.

For any other information concerning the procedures for drafting, submitting and voting of lists, reference shall be made to the provisions of article 11 of the Company Articles of Association, available at the registered office and published on the Company's website www.deacapital.com, "Governance" – "Corporate Documents" section, and to the Explanatory Report on the 2nd (second) item on the agenda of the Meeting, prepared by the Board of Directors, which shall be made available to the public in the terms and in the manner prescribed by the laws and regulations.

Appointment of the Board of Statutory Auditors

According to article 148 of the TUF and article 18 of the Company Articles of Association, the Board of Statutory Auditors shall be appointed by the Meeting on the basis of lists submitted by shareholders. The procedure for the submission of lists and the appointment of the Board of Statutory Auditors shall be carried out according to the procedures and within the terms provided for or recalled by article 18 of the Articles of Association, to which reference shall be made in full for any matters not expressly indicated below.

In accordance with the combined provisions of article 18 of the Articles of Association and the determination of Consob no. 60 of 28 January 2022, lists may be submitted by shareholders who have, alone or together with others, at least 2.5% of the share capital with voting rights. The ownership of the minimum shareholding required for the submission of the lists is determined having regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the Company. The relative communication made by the authorised intermediary may be sent to the Company also after filing provided within the term set for the publication by the Company of the lists, i.e. by the 21st (twenty-first) day preceding the date of the Meeting (i.e. by 31 March 2022).

According to article 144-*sexies*, paragraph 5, of the Issuers' Regulation, and with exclusive reference to the submission of lists for the appointment of the Board of Statutory Auditors, in the event that, at the end of the deadline for the submission of lists (i.e. 27 March 2022), only one list has been filed, or only lists submitted by shareholders related to each other in accordance with the applicable provisions, lists of candidates for the office of statutory auditor and alternate auditor may be presented until the third day following that date (i.e. 30 March 2022). It is recalled that, in the event of an extension of the period in accordance with the above, the threshold for the submission of lists shall be reduced by half and therefore equal to 1.25% of the shares entitled to vote in the Meeting.

Pursuant to article 18 of the Articles of Association, each shareholder, as well as shareholders belonging to the same group and shareholders who are party to a shareholders' agreement according to article 122 of the TUF, may not submit, not even through a third party or trust company, more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list. Moreover, each candidate may appear on only one list under penalty of ineligibility.

The lists shall contain candidates for the office of statutory auditor and alternate auditor listed by a progressive number. Each list shall consist of two sections: one for candidates for the office of statutory auditor, the other for candidates for the office of alternate auditor. Lists submitted without compliance with the terms and conditions laid down in the Articles of Association shall be considered as not submitted.

According to article 147-*ter*, paragraph 1-*bis*, of the TUF – as recalled by article 148, paragraph 2, of the TUF – the lists, accompanied by the necessary documentation, shall be filed by the shareholders by the 25th (twenty-fifth) day before the date of the first-call Meeting, i.e. by 27 March 2022. The lists may be filed in one of the following ways: (i) by return registered, to be sent to the registered office of DeA Capital in Via Brera 21, Milan, or (ii) by electronic communication to the certified e-mail address deacapital@legalmail.it.

It is recalled that, according to article 18 of the Articles of Association and of article 144-*sexies* of the Issuers' Regulations, together with the lists, the following shall be filed with the Company: (i) information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of share capital held; (ii) a declaration by the shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection with the latter, as provided for by article 144-*quinquies* of the Consob Issuers' Regulations (iii) a *curriculum vitae* containing exhaustive information on the personal and professional characteristics of each candidate, highlighting any administration and control positions held in other companies, as well as declarations in which the individual candidates accept the nomination, undertake - if appointed - to accept the position and certify, under their responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the regulatory and statutory requirements for their respective offices.

With reference to the document under (iii), it is requested, pursuant to the last paragraph of article 2400 of the Civil Code and article 148-*bis* of the TUF, to update the list of administration and control offices held by candidates in other companies until the actual day of the meeting.

The lists, together with the documentation filed with them, shall therefore be made available to the public, by the Company, by the 21st (twenty-first) day preceding the date of the Meeting on first call (i.e. by 31 March 2022), at the registered office, on the DeA Capital website (www.deacapital.com) and the authorised storage mechanism 1info (www.1info.it).

Lastly, it is recalled that those presenting a minority list are also recipients of the recommendations formulated by Consob with Communication no. DEM/9017893 of 26 February 2009.

For any other information concerning the procedures for drafting, submitting and voting of lists, reference shall be made to the provisions of article 18 of the Company Articles of Association, available at the registered office and published on the Company's website www.deacapital.com, "Governance" – "Corporate Documents" section, and to the Explanatory Report on the 3rd (third) item on the agenda of the Meeting, prepared by the Board of Directors, which shall be made available to the public in the terms and in the manner prescribed by the laws and regulations.

Documentation and information

It is noted that documentation relating to the agenda items that is required by law or under regulatory provisions shall be made available to the public at the Company's website www.deacapital.com (Governance/Shareholders' Meetings section at the following link https://www.deacapital.com/governance/assemblee/assemblea-degli-azionisti-2022/), at the authorised storage mechanism 1info www.1info.it, and in any case with the methods provided for in accordance with the regulations in force within the term prescribed therein and the Shareholders and others entitled to participate in the Meeting shall have the right to obtain a copy. The following, in particular, will be made available to the public:

– from today's date, at the same time as the publication of this notice, the Explanatory Reports of the Directors pursuant to article 125-ter of the TUF on points 2 and 3;

– from 22 March 2022, the Explanatory Reports of the Directors pursuant to article 125-*ter* of the TUF concerning points 4, 5, 6 and 7 and information documents pursuant to article 84-*bis* of Consob Issuers' Regulations no. 11971 on points 5, 6 and 7;

– on 30 march 2022, the annual financial report and the other documents referred to in article 154-*ter* of the TUF, the report on corporate governance prepared in accordance with article 123-bis of the TUF, the report on remuneration policy and compensation paid and the explanatory report to it pursuant to article TUF 125-TER.

All eligible persons have the right to read and, on request, obtain a copy thereof.

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This notice is published, pursuant to article 125-*bis* of the TUF, on the Company's website (www.deacapital.com), according to the other procedures provided for under existing legislation, and as an excerpt in the newspaper Milano Finanza.

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It is hereby announced that the date, place and/or manner of conduct of the Meeting may be subject to change in the event of changes in the current legislation or measures taken by the relevant authorities for the Covid-19 emergency, effective on the date of the Meeting. Any changes shall be made known promptly in the same manner as for the publication of the convocation notice.

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Milan, 11 March 2022

For the Board of Directors

Chair of the Board of Directors

Lorenzo Pellicioli

Corporate Boards and Controlling Structure

Corporate information

DeA Capital S.p.A. is subject to the management and coordination of De Agostini S.p.A.
Registered office: Via Brera 21, Milan 20121, Italy

Share capital: EUR 266,612,100 (fully paid up), comprising 266,612,100 shares with a nominal value of EUR 1 each (including 5,734,546 treasury shares as at 31 December 2021)

Tax Code and Registration in the Milan Companies Register No 07918170015. Member of the "B&D Holding VAT Group", VAT No 02611940038, Milan Economic and Administrative Index No 1833926

Board of Directors (*)

Chair
Lorenzo Pellicioli

Chief Executive Officer
Paolo Ceretti

Directors
Marco Boroli
Donatella Busso (2 / 5)
Nicola Drago
Carlo Enrico Ferrari Ardicini
Dario Frigerio
Francesca Golfetto (3 / 5)
Davide Mereghetti (3 / 5)
Daniela Toscani (1 / 5)
Elena Vasco (1 / 4 / 5)

Board of Statutory Auditors (*)

Chair
Cesare Andrea Grifoni

Permanent Auditors
Annalisa Raffaella Donesana
Fabio Facchini

Deputy Auditors
Andrea Augusto Bonafè
Michele Maranò
Marco Sguazzini Viscontini

Manager responsible for preparing the Company's accounts and Chief Operating Officer
Manolo Santilli

Independent Auditors
PricewaterhouseCoopers S.p.A.

(*) In office until the approval of the Financial Statements at 31 December 2021
(1) Member of the Control and Risks Committee
(2) Member and Chair of the Control and Risks Committee
(3) Member of the Remuneration and Appointments Committee
(4) Member and Chair of the Remuneration and Appointments Committee
(5) Independent Director

Contents

Letter to

"We are a reference partner for Italian institutional investors, who rely on us for alternative asset management and allocation, and, more generally, for the good opportunities that these assets offer. Over time, we have developed an asset management platform that is unique in Italy in that is able to build innovative solutions supported by our usual responsible investors approach."

the Shareholders

Dear Shareholders,

In 2021, we achieved very positive results, solidifying our position on the Italian market and continuing on our development path at pan-European level, with combined assets under management reaching approximately EUR 26.5 billion

In economic terms, revenues grew to EUR 106.5 million (integrating the amounts attributable to Quaestio Capital SGR), while the group net result saw an improvement, reaching EUR 23.8 million (compared to EUR 20.4 million recorded in 2020); in financial terms, net cash grew to EUR 135.9 million, owing to flows generated from operating and portfolio investment income.

On the basis of the above results, the proposal in effect for the remuneration of the capital invested by shareholders was also renewed this year, with a dividend of EUR 0.10 per share, or approximately 8% of the stock exchange value of DeA Capital shares at the close of 31 December 2021 (EUR 1.31 per share).

Moreover, this financial statement marks the expiry of the three-year term of the current Board of Directors. Even taking into account the period of 2019-2021, largely characterised by the Covid-19 pandemic, the results achieved have been remarkable, with significant growth observed across all the main operational metrics, a net result of over EUR 55 million and almost EUR 90 million returned to shareholders in the form of dividends.

Our Alternative Asset Management platform is unique in Italy, both in terms of size and investment strategies developed — from real estate to credit, and from private equity to multi-asset/multi-manager solutions. On this basis, we are moving forward in our international growth — the ambition being to also establish ourselves a reference partner at pan-European level.

We have always put our investors at the core of our business, with investment solutions and initiatives that are innovative, disciplined and structurally oriented towards managing risk — all supported by our usual responsible investor approach, allowing for focus to be placed on sustainable value creation over time.

It is clear that recent geopolitical and macroeconomic developments - primarily concerning the conflict between Russia and Ukraine, as well as the continued spread of Covid-19, inflation dynamics 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 respect, we have already put in place the most rigorous safeguards to better deal with the most negative scenarios in relation to portfolio assets that have already demonstrated considerable resilience over the last two years of Covid-19 and a very solid balance sheet, with absolutely excellent management teams at our disposal.

Lorenzo Pellicioli
Chairman

Paolo Ceretti
Chief Executive Officer

Management Report

Profile of

DeA Capital S.p.A., with the companies belonging to the Group, is the leading independent ***Alternative Asset Management*** platform in Italy, with ***Combined AUM*** of approximately 26.5 billion euros and a wide range of products and services for institutional investors.

The platform – concentrated on the two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the indirect majority shareholding in Quaestio Capital SGR – is engaged in the promotion, management and development of ***real estate***, ***credit*** and ***private equity*** investment funds, as well as ***multi-asset/multi-manager*** investment solutions.

To support the platform's activities, DeA Capital S.p.A. has built up, over time, a portfolio of alternative investments, mainly consisting of funds managed by the platform's asset management companies.

The ability, on the one hand, to execute investment initiatives of high structural complexity and, on the other, to raise funds through asset management companies, demonstrates the validity of a business model that can create value in a way that is unique in Italy in alternative investments.

DeA Capital S.p.A.

7 offices across the main European Countries

+300 employees

Milan Headquarter

For further info:
www.deacapital.com
section: *Alternative Asset Management*

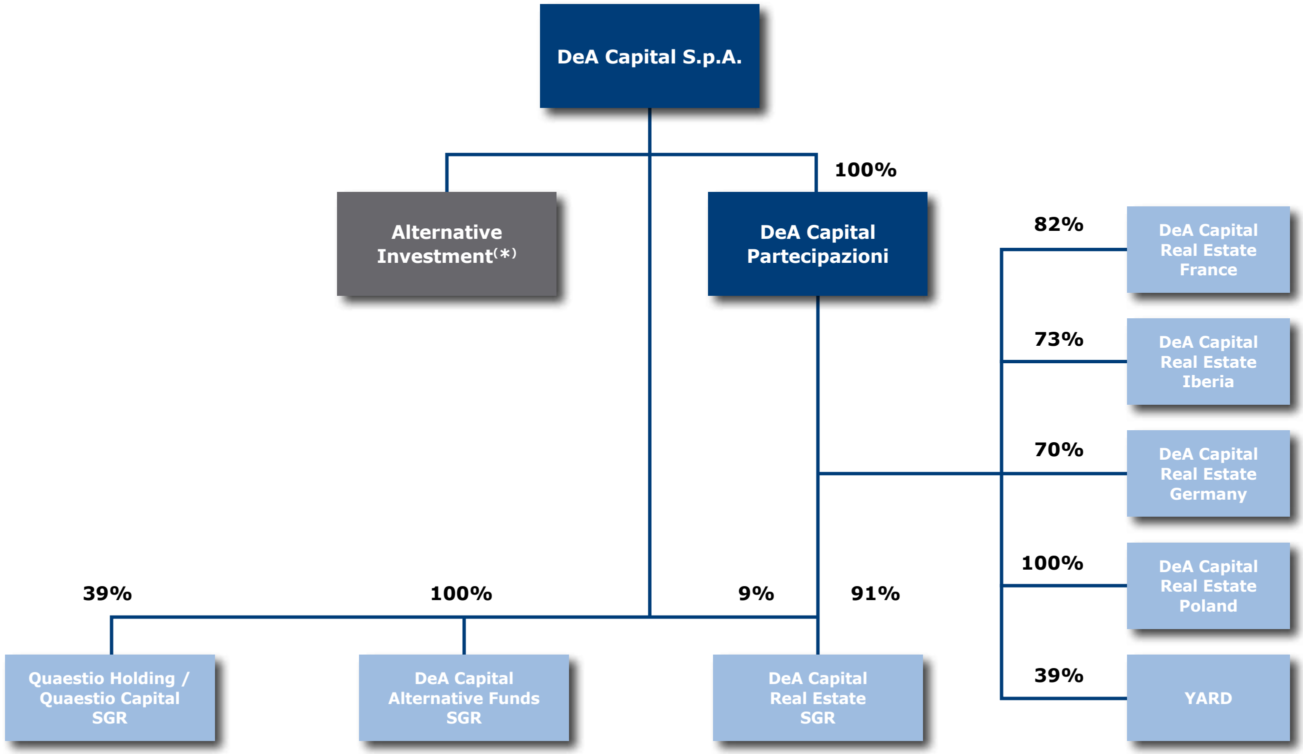
DeA Capital Platform

		Real Estate	Credit	Private Equity	Multi - Asset / Multi - Manager Solutions
Investment Solutions	**AUM (€)**	12.1 Bn	3.2 Bn	2.4 Bn	8.8 Bn
	Key Data	55 Funds 760 Assets Rent ~340 M€	4 Funds 33 Companies GBV >30 Bn€	13 Funds >100 Funds T-P >1,000 Companies	15 Internal "Pools" 34 T-P "Pools" ~70 Clients
	Products	• Core / Core+ • Value Added • Pan-European	• Turn-around • Debtor-in-possession • Shipping • NPE	• Global FoF • Food & Beverage • Agri-business • Sustainable Development	• Multi-Asset / Multi-Manager Platform • "Pool"strategies • Overlay

DeA Capital Group's Headquarters.

DeA Capital S.p.A. is listed on the Euronext STAR Milan segment of the Euronext Milan market of the Italian Stock Exchange and is the lead company of the De Agostini Group with regard to *Alternative Asset Management*.

As at 31 December 2021, the corporate structure of the Group headed by DeA Capital S.p.A. (the DeA Capital Group or the Group) was summarised below:

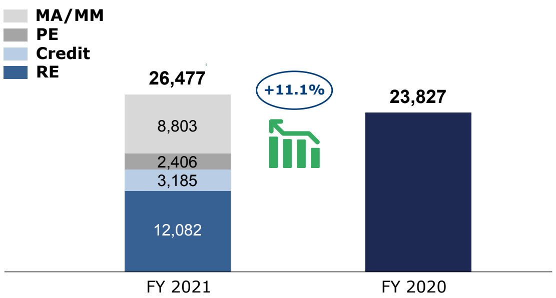


(*) *Alternative Investment substantially includes the investment portfolio supporting the initiatives of the Alternative Asset Management Platform.*

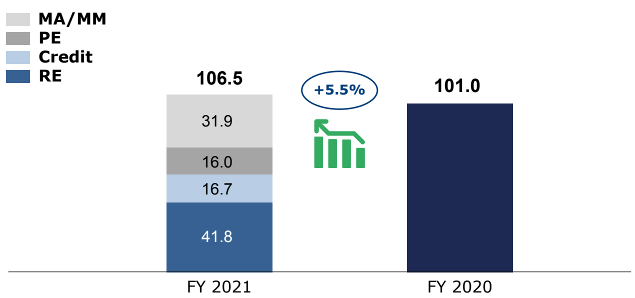
2. *Key Financials*

AAM Platform

Combined AUM (*)

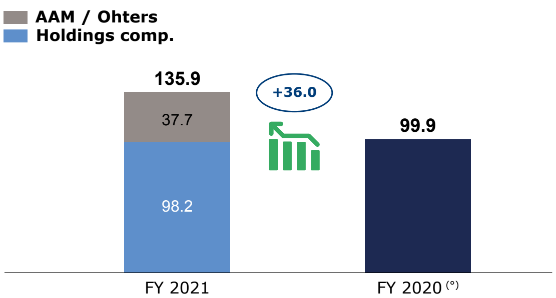


Combined Revenues (*)

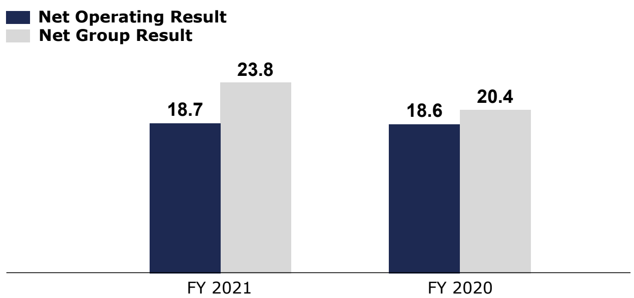


DeA Capital Group

Net Financial Position



Net Operating Result / Group Result



(°) Data at 31.12.2020 adjusted for dividend distribution of May 2021 (26.1 Eur million)

(*) Combined AUM (Assets under Management) and Combined Revenues mean, respectively, the assets under management and the revenues of the asset management companies in which the Group holds an absolute/relative majority (non-consolidated) interest, as well as the corresponding amounts recorded by international subsidiaries. As at 31 December 2021, the amounts relating to non-consolidated companies included in these amounts totalled EUR 8,803 million at the combined AUM level and EUR 31.9 million at the combined revenues level (in fact corresponding to 100% of the Quaestio Capital SGR AUM and revenues).

Managerial Income Statement

(€M)	FY 2021	FY 2020
Net Operating Result AAM (*)	**18.7**	**18.6**
AAM Other (Intern. RE Operations, PPA,….)	**(4.9)**	**13.0**
Alternative Investment	**20.2**	**(3.9)**
- Gross return	28.8	(6.4)
- Taxes	(8.6)	2.5
Other net operating costs	**(10.2)**	**(7.3)**
Net Group Result	**23.8**	**20.4**

(*) Includes the Net Result Before PPA/non-recurring items of the three asset management companies of the platform: DeA Capital Real Estate SGR, DeA Capital Alternative Funds SGR and Quaestio SGR (@ 38.82%, incl. Quaestio Holding). Further details are provided in the "Segment reporting" section of the Consolidated Financial Statements.

Macroeconomic scenario

	CAGR		GDP 2021			ACT	Consensus	
	(2007–2021)	(Base 100: 31.12.2007)	Nominal GDP (€ Bn)	GDP PPP (€ Bn)	GDP Pro Capite PPP (€ k)	2020	2021	2022
World	3.0%	151	83,379			-3.8%	5.8%	4.3%
USA	1.5%	128	20,147	20,147	60.0	-3.4%	5.6%	3.8%
China	7.6%	278	14,809	23,411	16.6	2.3%	8.1%	5.2%
Euro Area	0.5%	108	12,658	15,584	41.2	-6.4%	5.1%	4.0%
Italy	**-0.5%**	**93**	**1,862**	**2,292**	**38.1**	**-8.9%**	**6.3%**	**4.2%**

(Source: IMF – WEO Database October 2021; Bloomberg Consensus 31.12.2021)

Considering the increase in world GDP from the pre-Lehman Brothers crisis period to the present (2007-2021), it can be seen that it has grown at a compound average rate of 3.0%, with a significant increase in China.

The year 2021 was characterized by a substantial recovery of the global economy, partially due to the health crisis related to the spread of COVID-19.

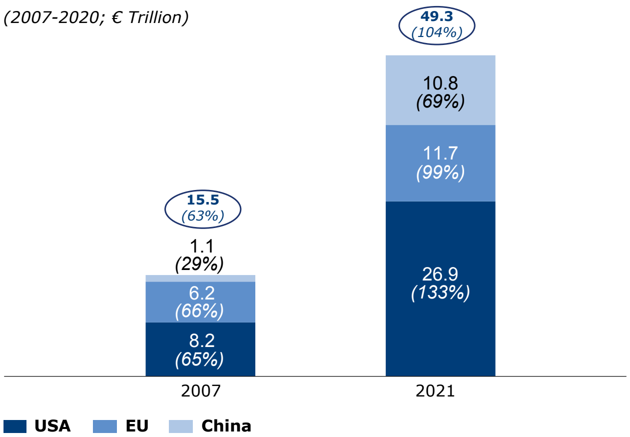
In the case of an early resolution of geopolitical tensions in early 2022, the world's major economies are expected to regain the GDP levels experienced in the pre-COVID era only at the close of the 2021-2022 period, with global growth forecast at 5.8% and 4.3% respectively.

From 2007 to 2021, the stock of accumulated government debt in the main economies (USA, eurozone and China) almost tripled in absolute terms, while at the same time its weight in terms of GDP also increased (from 63% in 2007 to 104% expected by 2021, mainly due to the expansionary policies adopted in the USA).

The economic recovery recorded in 2021 allowed countries to keep their debt ratios broadly unchanged from 2020 levels (also thanks to recorded inflation and despite significant government support plans for businesses and households).

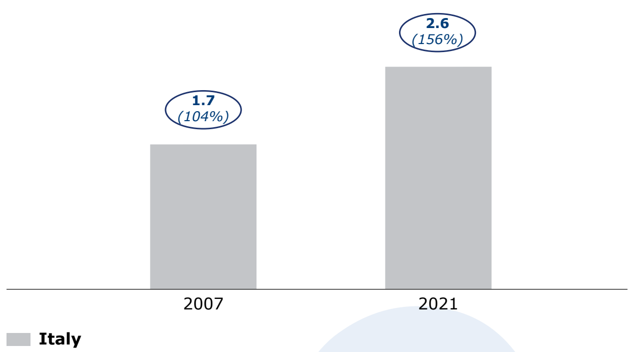
Usa / Euro Area / China

(2007-2020; € Trillion)



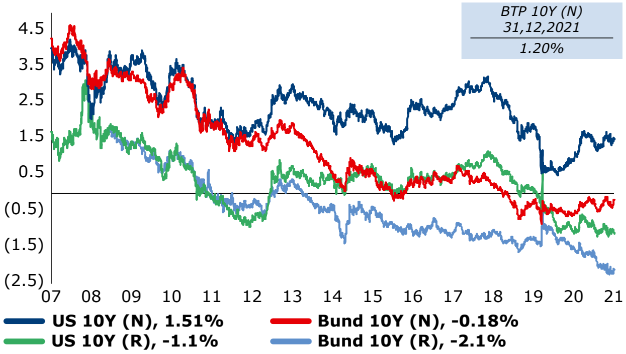
Italy

(2007-2020; € Trillion)



(Source: Bloomberg 31.12.2021)

In Italy, which started with a debt-to-GDP ratio already slightly above 100% in 2007, the stock of government debt is expected to reach around 150% by the end of 2021.

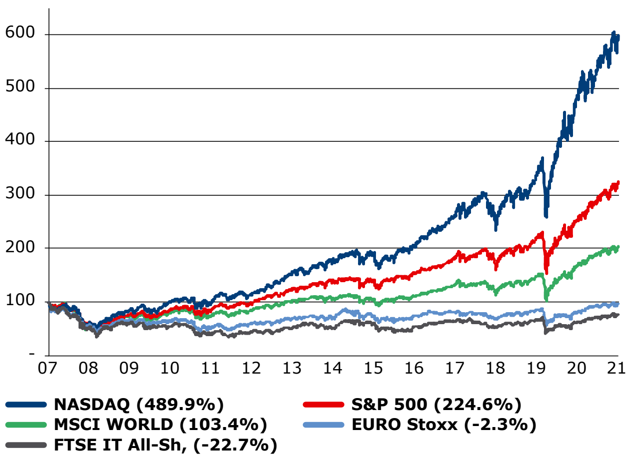


(Source: Bloomberg 31.12.2021)

10-year interest rates in the US, Germany, and in Europe in general, have been steadily decreasing since 2007, with real values (net of inflation) significantly negative.

Driven by the expansionary policies implemented by governments in recent years and by the economic recovery that has characterised many of the main mature and emerging economies, the main world and US stock market indices have recorded sustained growth, despite the violent economic, financial and health crises between 2007 and 2021(Lehman Brothers, European sovereign debt, Covid-19).

Notably, the NASDAQ recorded very significant growth rates over the period, with an appreciation of almost 500% over the period of 2007-2021.
On the other hand, Europe, and Italy in particular, are struggling to return to the levels of capitalisation recorded at the end of 2007, with a negative 2007-2021 return of -2.3% for the Eurostoxx and -22.7% for the FTSE All Share.



(Source: Bloomberg 31.12.2021)

Economic and financial expectations for 2022 are strongly impacted by expectations of a definitive exit from the health care crisis following the spread of COVID-19, as well as the current situation in Ukraine.

National and supra-national plans to support economic growth through borrowing will also continue in an attempt to kick-start the world economy.

The months spanning 2021 and 2022 saw a surge in inflation rates, especially in the US, which led central banks to consider possible interest rate hikes.

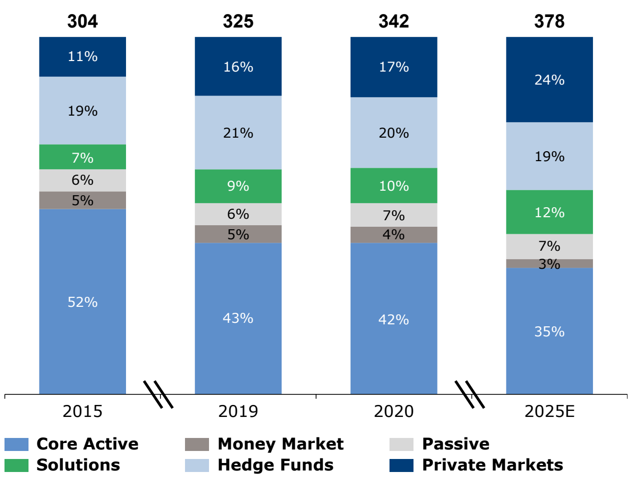
Finally, geopolitical tensions are rising in different parts of the world, with significant impacts also on the economy, commodity costs and financial market volatility.

Asset Management Segment

The global asset management market is expected to reach $140 trillion in assets under management by 2025, with revenues of approximately $378 billion.

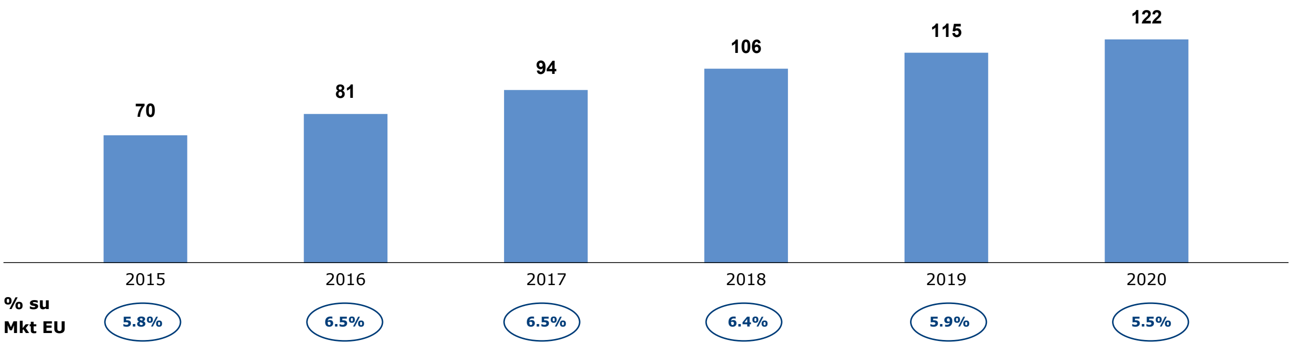
In terms of revenue per product, the weight of Core Active strategies declines with growth in Passive and especially Private Markets, which are expected to rise from 11% in 2015 to 24% in 2025E.

Breakdown global Asset Management Revenues ($/Bn)



(Source: PwC Market Research Centre & Morgan Stanley & Oliver Wyman – Global Asset Managers Report 2021)

Italian Alternative Asset Management industry (€/Bn)

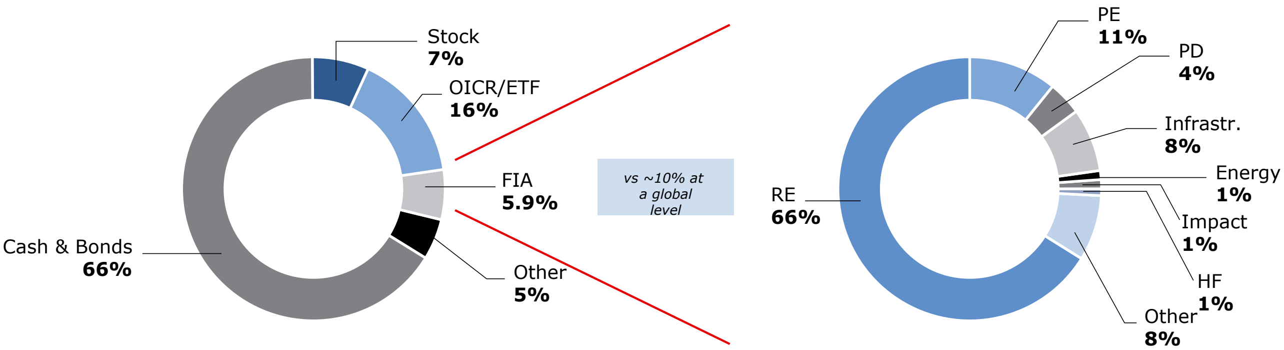


(Source, Prequin - Real estate scenarios)

The Italian market reached 122 billion in assets under management in 2020, with 2015-2020 growth at a CAGR (compound annual growth rate) of 12%. More than 70% of these assets were invested in real estate, while private equity amounted to 17%.

Italy remains a relatively small market compared to other European countries, with an overall weight of just over 5%.

Italian Institutional Investors Asset Allocation **Italian Asset Allocation in AIF**



(Source: Social Security Itineraries - 8th Report Institutional Investors)

In the Italian context, institutional investors' assets are mainly invested in monetary and bond products (66%), OICR units account for 16% and equities for 7%, while FIAs account for only 5.9% of total asset allocation.

Considering investment in FIAs alone, Real Estate accounts for over 60%, Private Equity and Private Debt for 15% and Infrastructure for 8%.

In a world of limited fixed income returns and increasing market volatility, the need for investors to seek structured solutions to manage exposure to an optimised range of investments consistent with their risk-return objectives is driving the expected growth of the asset management industry over the coming years. In this context, Alternative Asset Management is assuming an increasingly central role, including in Italy, offering investors new opportunities for diversification and return through its main asset classes.

Alternative Asset Management – Real Estate

The three most active European countries in terms of investments were Germany, Great Britain and France, accounting for about 60% of the total investments registered:

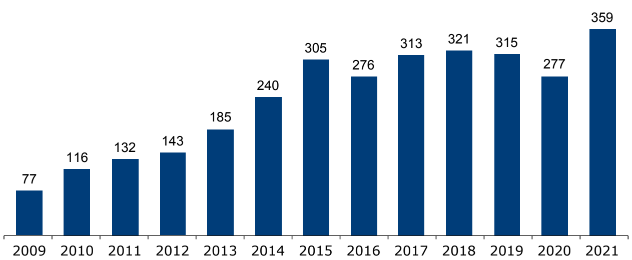
- Germany, with €110 billion in transacted business, remains the leading market, growing 39% YoY;
- Great Britain recorded a 49% YoY increase, reaching around €71 billion;
- France, with a total transacted volume of approximately €33 billion, recorded a 9% YoY decrease.

The volume of investments in Italy for the whole of 2021 is estimated at around €10.3 billion, up compared to 2020 but down with respect to the record values of 2019.

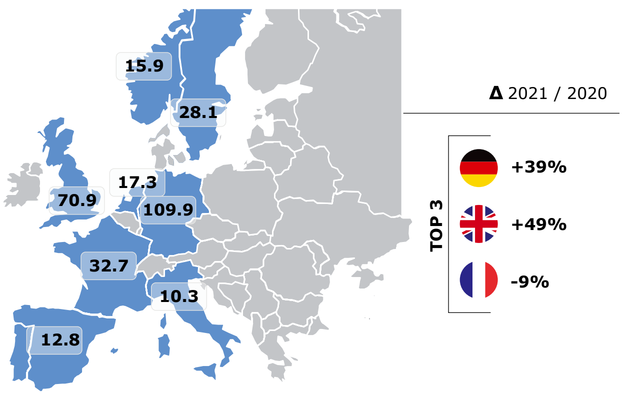
The presence of foreign investors has returned to pre-emergency average percentages, with around 70% of total investments, after a decline last year.

At the industry level, there was an excellent performance in logistics and a recovery in the hotel sector, mainly due to value-added operations.

Commercial RE Investments Evolution in Europe (€/Bn)



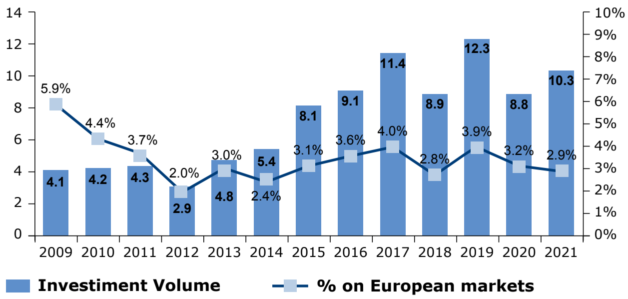
Real Estate Market in Europe

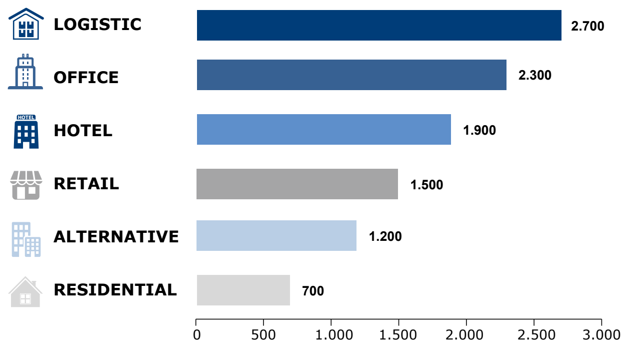


(Source: CBRE - European Investment Market Snapshot - Q4 2021)

The recovery in the office and retail sector is slower as a result of the accumulated delays during the most critical periods of the health care crisis, as well as uncertainty about future tenant demand and cautious investor interest.

Commercial RE Investments Evolution in Italy (€/Bn)



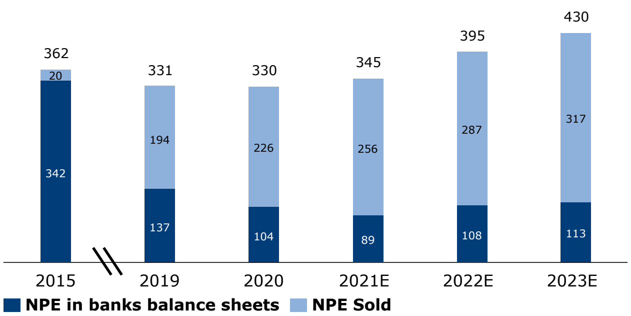


(Source: CBRE - Press release of 2.2.2022)

Alternative Asset Management – Credit

From the record stock of NPEs reached in 2015 (over €340 billion), banks have progressively carried out a series of divestments to arrive in 2021 at a stock of around €89 billion, of which €47 billion were in UTPs and €43 billion in NPLs.

NPE Stock in Italy (€/Bn)



(Source: Banca IFIS - NPL Transaction Market and Servicing Industry)

The positions sold were essentially taken over by specialised operators (AMCO, Banca IFIS, Fortress, ...) and were also finalised with the support of the GACS Guarantee (state guarantee on the securitisation of non-performing loans, aimed at facilitating the release of these loans from the banks' balance sheets).

NPE positions are mainly related to Corporate and SMI (63% of total positions), followed by Retail (27%) and Family Business (7%). More than 50% of these positions are larger than €1m.

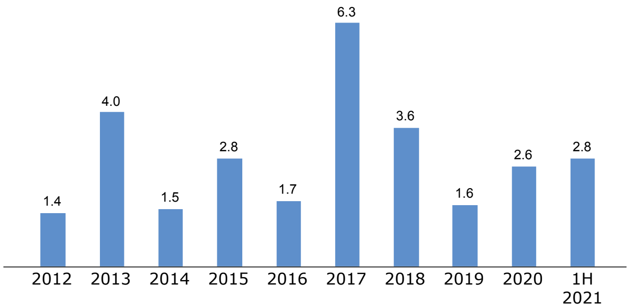
The healthcare crisis linked to COVID-19 suggests a pick-up in new bank NPE flows in the coming years, with estimates of more than €110bn in 2023 for loans on bank balance sheets and more than €430bn if transferred NPLs and UTPs are also considered.

Alternative Asset Management – Private Equity

In the first six months of 2021, private equity and venture capital market inflows amounted to €2.8 billion, already higher than the total recorded for the full year 2020 (€2.6 billion), confirming a less cautious approach by investors.

The capital raised comes mainly from pension funds (35%), banks (16%) and the public sector (10%).

Fundraising (€ Bn)



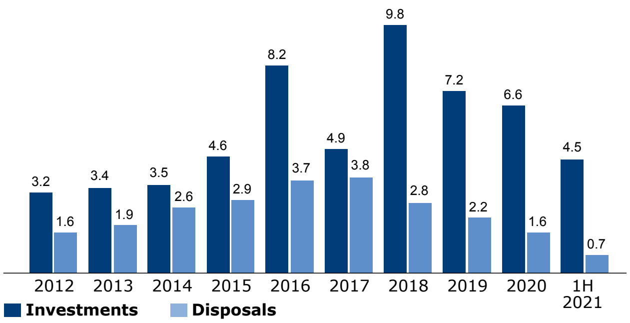
(Source: AIFI - The Italian Private Equity and Venture Capital market H1 2021)

In the first half of 2021, the disinvested amount of equity investments was €0.7bn, with investments of €4.5bn.

The number of exits was 43, higher than the 30 transactions in the first half of 2020 but down from 66 in the first half of 2019.

The major channel used for divestments, in terms of volume, was sales to industrial players (47%) and private equity operators (33%).

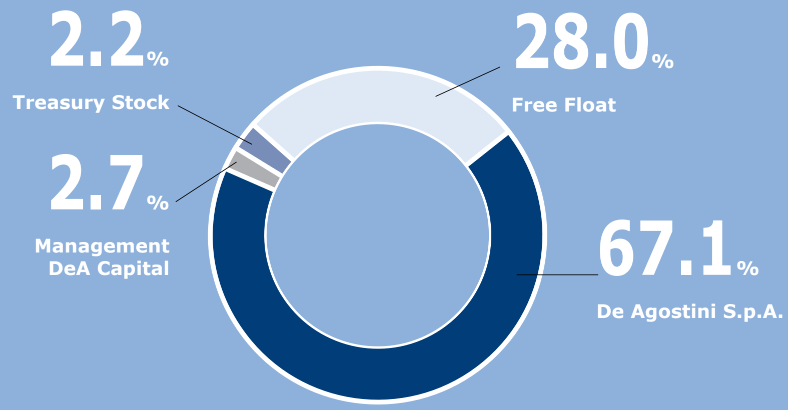
Investments and disposals (€/Bn)



(Source: AIFI - The Italian Private Equity and Venture Capital market H1 2021)

Information for

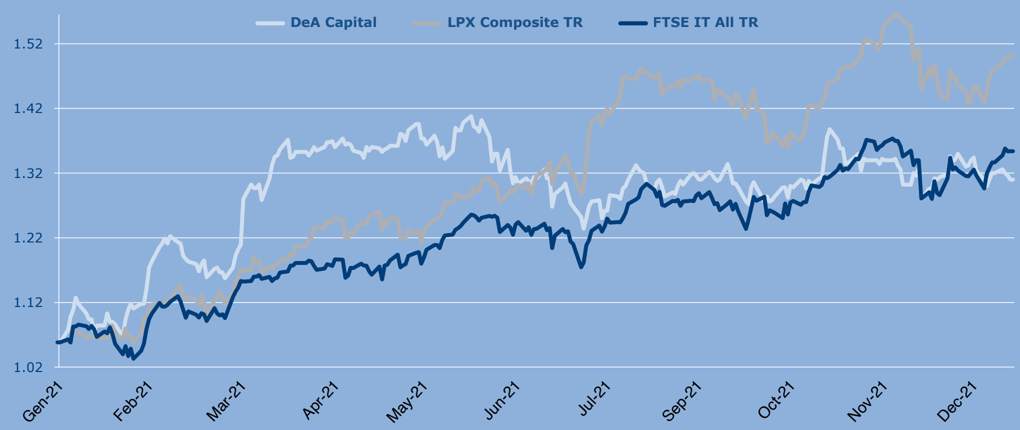
SHAREHOLDER STRUCTURE OF DEA CAPITAL S.P.A. (#)



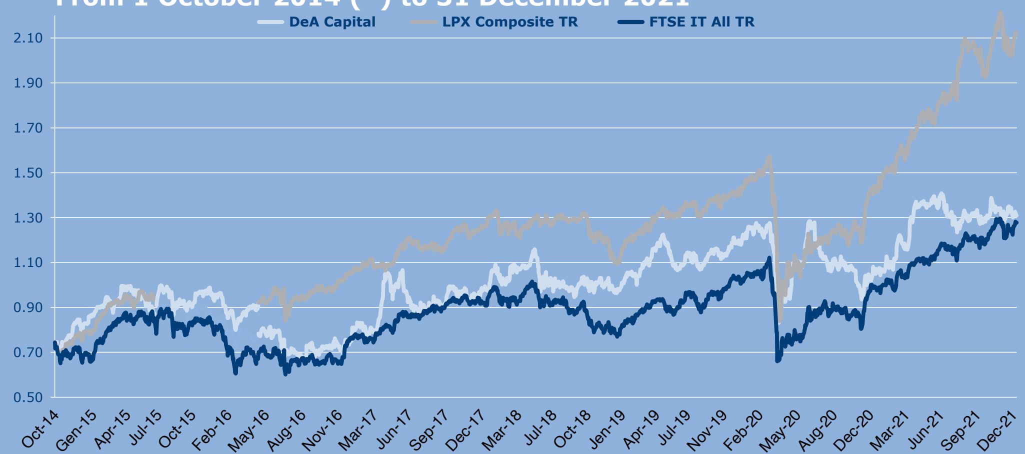
(#) Figures as at 31 December 2021, unchanged at the date of this document

SHARE PERFORMANCE *(Source: Bloomberg)*

From 1 January 2021 to 31 December 2021



From 1 October 2014 (*) to 31 December 2021



(*) Closing date for the exit from the investment in Générale de Santé

Shareholders

Performance of the DeA Capital share

With regard to *performance* in 2021, the DeA Capital share rose by 23.8%; over the same period, the FTSE All-Share® TR and *LPX Europe*® TR indices registered a *performance* equal to +27.9% and +41.8% respectively.

From 1 October 2014 (*closing* date for the sale of the stake in GDS) to 31 December 2021, DeA Capital shares achieved an overall *performance* (including extraordinary dividends) of +76.0%, while the Italian market index FTSE All-Share ® TR was +71.6% and the *LPX Europe*® TR index +185.4% (*source: Bloomberg*).

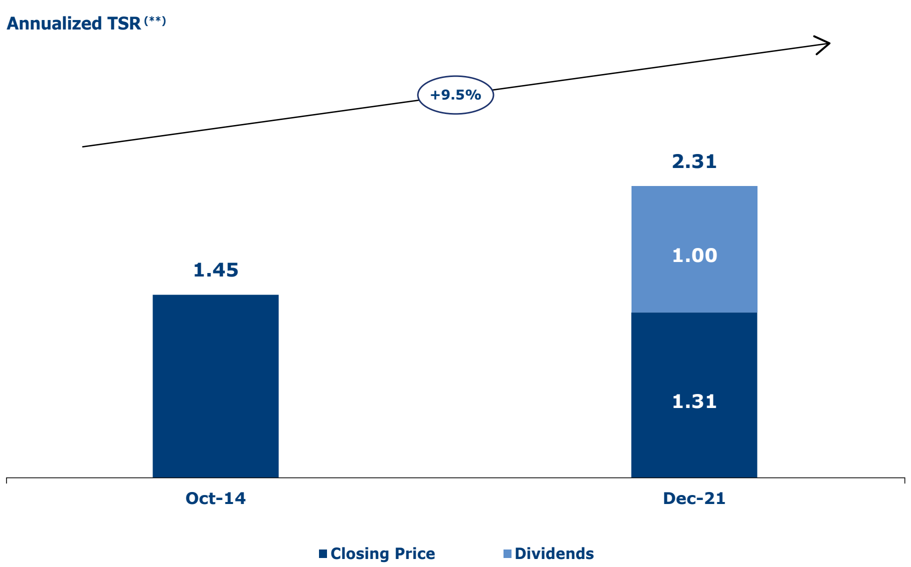
Share liquidity during 2021 stood at an average daily trading volume of approximately 232,000 shares, up from the average daily trading volume during the same period in 2020.

DeA Capital's share prices recorded in 2021 are listed below:

Figures in euros	1 Jan. / 31 Dec. 2021
Maximum price	1.41
Minimum price	1.06
Average price	1.29
Price as at 31 December 2021 (EUR per share)	**1.31**

€M	31 Dec. 2021
Market capitalisation as at 31 December 2021	**342**

From 1 October 2014 (*) to 31 December 2021 – *Total Shareholder Return*



(*) Closing date for the exit from the investment in Générale de Santé
(**) IRR basis

For further info:
www.deacapital.com
section: *Investor Relations*

Investor Relations

DeA Capital S.p.A. maintains stable and structured relationships with institutional and individual investors. During 2021, despite the difficult context due to the continued worldwide spread of the COVID-19 virus, the Company maintained a consistent and timely **communication campaign**, including through participation in the *roadshows* held virtually: the Virtual *STAR Conference 2021 Spring Edition,* held in March, and the *Virtual STAR Conference* 2021 *Fall Edition,* held in October. DeA Capital attended in person, for the first time in almost two years since the start of the pandemic, the "Excellence Made in Italy" event in Stresa organised by Intermonte in September. On these occasions, the Company met with numerous institutional investors (both domestic and international). Overall, telephone videoconferences were held during the year with institutional investors, portfolio managers and financial analysts, both from Italy and abroad.

The stock is currently being **researched** by one of the main intermediaries on the Italian market, **Intermonte SIM**, which is also DeA Capital's *specialist,* as well as **Kepler Cheuvreux**, Europe's leading international platform for *SME coverage*, with in-depth knowledge of the *Alternative Asset Management* sector, and **Banca Akros**, a leading Italian *Broker House* with excellent market expertise, with a *focus* on *diversified financials* and the Italian *Asset Management* market. The research carried out by these intermediaries, according to the respective policies, is available in the Investor Relations/Analyst Coverage section of the website www.deacapital.com.

In December 2008, the DeA Capital share joined the LPX® **indices**, specifically the LPX Composite® and LPX Europe®. The LPX® indices measure the performance of the main listed companies operating in private equity (Listed Private Equity, or LPE) and, thanks to the significant diversification by region and type of investment, have become one of the most popular benchmarks for the LPE asset class. The methods used to construct the indices are published in the *Guide to the LPX Equity Indices*. For further information, please visit the website: www.lpx.ch. DeA Capital is also included in the FTSE Italia Small Cap Index, the Italian stock exchange index of listed companies with a total capitalisation of around 4% of the value of the Index market.

The DeA Capital S.p.A. **website** can be accessed at www.deacapital.com and is available in Italian and English. The site is packed with information, financial data, instruments, documents and news about the DeA Capital Group. It is also possible to access the social networks used by DeA Capital S.p.A. directly from the homepage, as well as to share articles, press releases or sections on social networks. DeA Capital S.p.A. has consolidated its presence on *LinkedIn* (publishing the latest news as well as company documents such as reports, presentations and press releases through this channel).

Furthermore, DeA Capital S.p.A. has published an **interactive report** containing the annual financial results. These are available from the "Annual and quarterly reports" section of the website.

The website is the main point of contact for investors, who can subscribe to various mailing lists and instantly receive all news on the DeA Capital Group, as well as send questions or requests for information and documents to the company's Investor Relations area, which is committed to answering queries promptly, as stated in the Investor Relations Policy published on the site.

DeA Capital S.p.A. is thus continuing to strengthen its presence on the web and make its information available.

Finally, as part of the process of adapting the *Corporate Governance* of DeA Capital S.p.A. to the new provisions of the *Corporate Governance* Code for listed companies, the company's Board of Directors approved the "Policy for Managing Dialogue with Shareholders" in November 2021. This process defines, among other things: (i) how dialogue is carried out; (ii) who is involved and responsible; (iii) limitations on the information that can be provided.
The complete document is available on the DeA Capital website at the following link Shareholder Dialogue Policy.

For further info:
www.deacapital.com
section: *Investor Relations*

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;
(dthe 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).

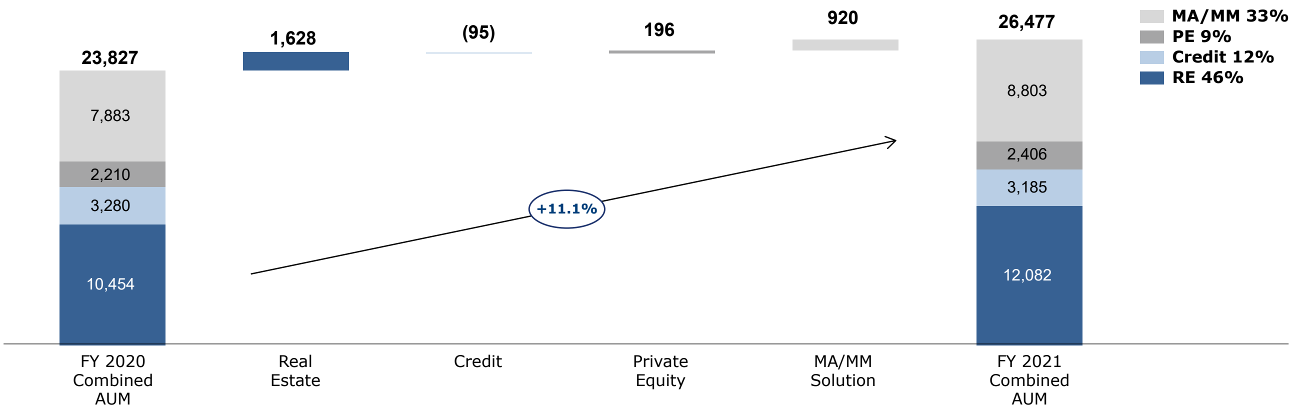
Shares allocated due to the vesting of units will be drawn from the company's treasury shares.

Partial extraordinary distribution of the Share Premium Reserve.

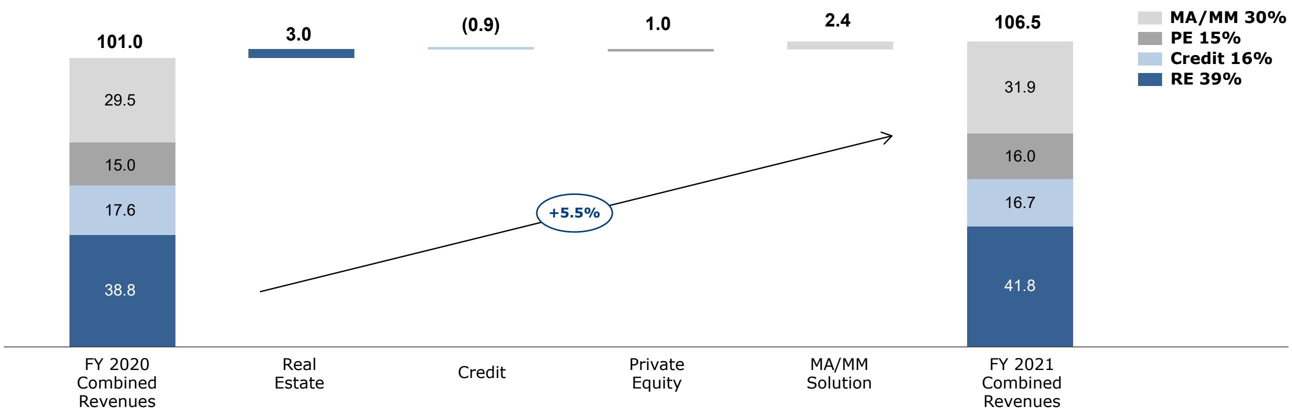
On 26 May 2021, in accordance with the vote of the Shareholders' Meeting on 20 April 2021, DeA Capital S.p.A. made a partial distribution of the Share Premium Reserve at EUR 0.10 per share, i.e. for an overall amount of around EUR 26.1 million based on the total number of entitled shares.

5. Results of the DeA Capital Group

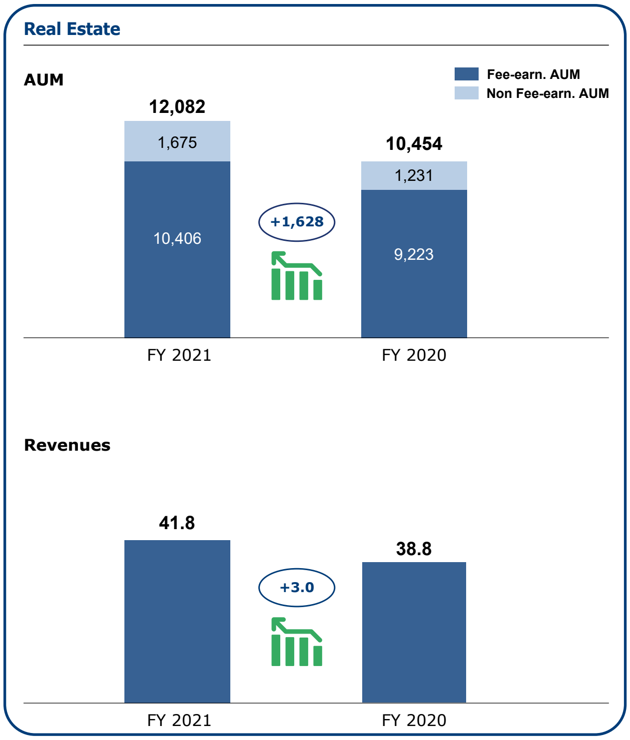
Alternative Asset Management platform - AUM (€M)

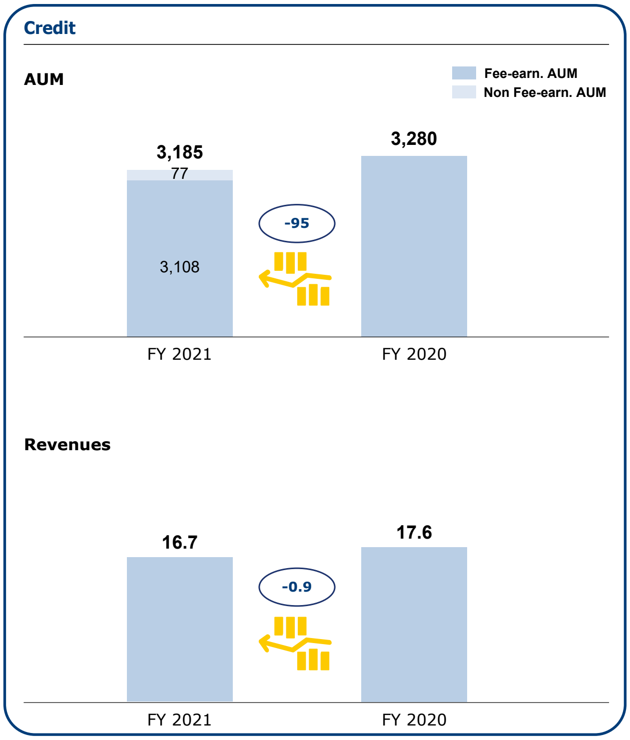


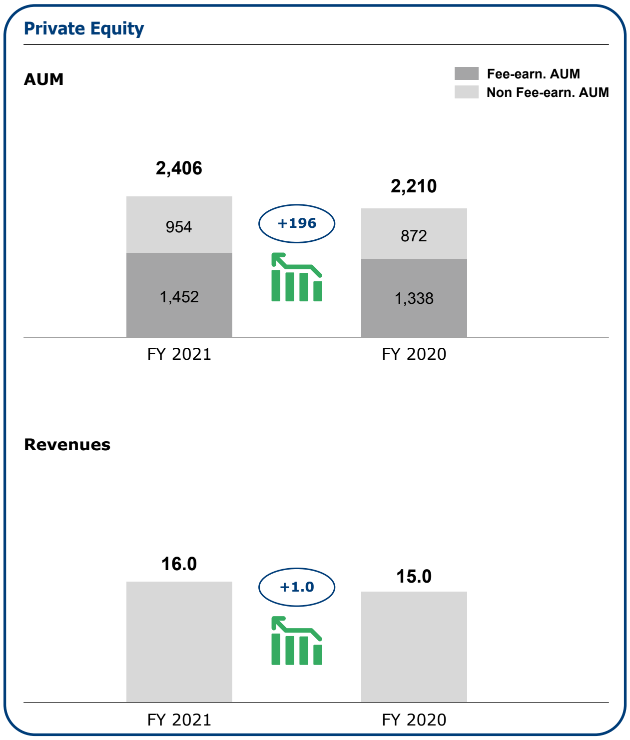
Alternative Asset Management platform - Revenues (€M)

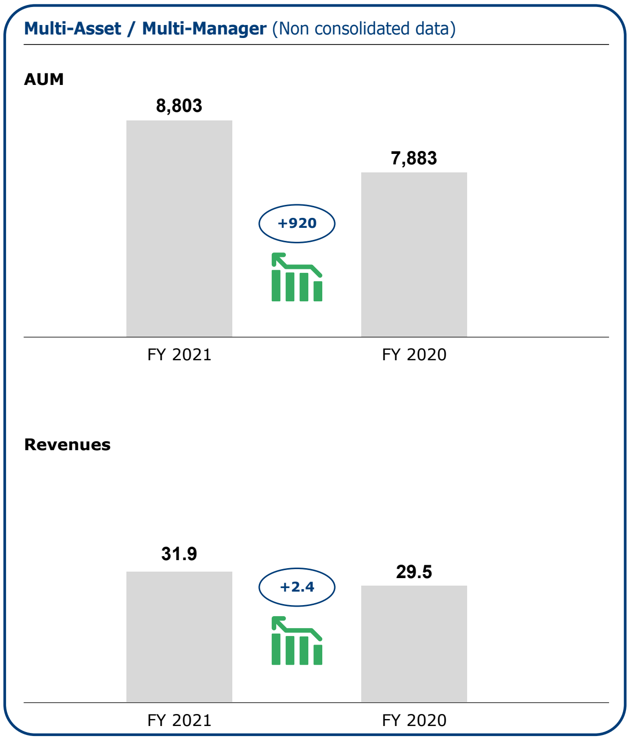


Details by investment strategy (€M)









Consolidated Results - Income Statement

The Group Net Profit recorded in FY2021 was positive and amounted to 23.8 million euros, compared to 20.4 million euros in FY 2020.

Revenues and other income as at 31 December 2021 break down as follows:

- Fees from *Alternative Asset Management* of EUR 74.4 million (EUR 71.3 million in 2020);
- Result from holdings valued at *equity* positive by EUR +2.2 million (EUR +0.1 million in 2020);
- Other investment income and expenses totalled +30.0 million euros (-9.2 million euros in 2020), primarily due to the revaluation of the *fair value* of investment funds (+22.5 million euros) and the Taste of Italy I fund (+5.2 million euros, mainly due to the impact of the sale of the stake held in *Casa Vinicola Botter*).

Operating costs totalled 69.9 million euros, compared with 62.5 million euros in 2020.

The overall tax impact in 2021 of -12.7 million euros (+14.9 million euros in 2020) includes the tax impact on the revaluation of funds in the portfolio described above (against a positive impact from the tax realignment of the goodwill of DeA Capital Real Estate SGR, which had affected the 2020 result).

Summary Consolidated Income Statement

(EUR thousand)	FY 2021	FY 2020
Alternative Asset Management fees	74,440	71,316
Income (loss) from investments valued at equity	2,216	147
Other investment income/expense	30,044	(9,219)
Other revenues and incomes (*)	159	874
Other expenses and charges (**)	(69,900)	(62,505)
Financial income and expenses	93	(1,597)
PROFIT/(LOSS) BEFORE TAXES	**37,052**	**(984)**
Income tax	(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)

(*) Includes the items "revenues from service activities" and "other revenues and incomes"
(**) Includes "personnel expenses", "expenses for services", "depreciations and amortisations" and "other expenses"

Consolidated Results - Statement of Financial Position

(EUR thousand)	**31.12.2021**	**31.12.2020**
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	99,935	99,935
Intangible assets	24,710	25,986
Property, plant and equipment	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	25,026	27,291
Investments held by Funds at Fair Value through P&L	17,950	14,888
Other Investments at Fair Value through P&L	14,536	29,992
Funds at Fair Value through P&L	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	22,267	22,289
Loans and receivables	10,329	7,425
Receivables for deferment of placement costs	1,693	1,673
Financial receivables for leasing - non current position	677	1,066
Other non-current assets	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	13,701	8,088
Financial assets at Fair Value	14,213	14,297
Financial receivables for leasing - current position	215	251
Tax receivables from parent companies	4,015	4,025
Other tax receivables	49,133	8,515
Other receivables	8,030	15,336
Cash and cash equivalents	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**

follows >>

(EUR thousand)	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	266,612	266,612
Share premium reserve	129,454	155,542
Legal reserve	61,322	61,322
Own share reserve	(8,941)	(10,712)
Fair value reserve	421	482
Other reserves	(16,084)	(17,967)
Retained earnings (losses)	(10,418)	(29,338)
Profit (loss) for the year	23,766	20,410
Net equity Group	**446,132**	**446,351**
Minority interests	**18,206**	**16,711**
Shareholders' equity	**464,338**	**463,062**
LIABILITIES		
Non-current liabilities		
Trade payables	600	800
Deferred tax liabilities	5,928	5,963
End-of-service payment fund	6,472	6,541
Payables to staff and social security organisations	1,931	1,423
Financial liabilities	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	3,731	6,004
End-of-service payment fund	59	37
Provision for risk and charges	1,619	0
Payables to staff and social security organisations	16,191	12,707
Current tax	15,733	8,138
Other tax payables	2,667	2,889
Other payables	50,424	17,725
Short term financial liabilites	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**

Consolidated Results - Net Financial Position

As at 31 December 2021, the consolidated Net Financial Position was positive for EUR 135.9 million, as shown in the table below (which incorporates the ESMA Guidelines published on 4 March 2021):

Net financial position (€M)	**31.12.2021**	**31.12.2020** (*)	**Change**
Cash and cash equivalents	131.2	97.5	33.7
Financial assets at Fair Value through OCI	14.2	14.3	(0.1)
Financial receivables / financial contractual rights	0.2	0.3	(0.1)
Total Liquidity	**145.6**	**112.1**	**33.5**
Non-current Financial receivables	2.8	3.5	(0.7)
Total liquidity and non-curr. financial receivables A)	**148.4**	**115.6**	**32.8**
Non-current financial liabilities	(9.3)	(12.0)	2.8
Current financial liabilities	(3.3)	(3.7)	0.4
Total financial liabilities B)	**(12.6)**	**(15.7)**	**3.2**
Net Financial Position (A+B)	**135.9**	**99.9**	**36.0**

(*) Data at 31.12.2020 restated for dividends distributed in May 2021 (26.1 € million)

The positive change in the consolidated Net Financial Position in 2021 compared to the figure at 31 December 2020 mainly reflects the impact of the disposal of the investment in Kenan Investments/Migros (+19.5 million euros) and net distributions of funds in the portfolio.

The company believes that the cash and cash equivalents and other financial resources available are sufficient to meet the requirement relating to payment commitments already subscribed to in funds, also taking into account the amounts expected to be called up/distributed by these funds. As regards these residual commitments, the company believes that the resources currently available, as well as those that will be generated by its operating activities, will enable the Group to meet the financing required for its investment activity and to manage working capital.

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

DeA Capital S.p.A. operates as the Group's holding company, coordinating, developing and strategically managing its subsidiaries, and as a company that makes financial investments directly.

A summary of the Income Statement and the Statement of Financial Position of DeA Capital S.p.A. for the year ended 31 December 2021 is shown below.

Results of the Parent Company - Economic Situation

(EUR)	FY 2021	FY 2020
Other investment income/expense	47,158,606	30,365,464
Income from services	888,339	864,062
Other income	1,099	199,839
Other expenses	(13,459,009)	(10,002,601)
Financial income	13,388	(13,876)
PROFIT/(LOSS) BEFORE TAX	**34,602,423**	**21,412,888**
Income tax	(6,156,056)	4,018,178
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**28,446,367**	**25,431,066**
PROFIT/(LOSS) FOR THE YEAR	**28,446,367**	**25,431,066**

The positive Net Profit of 28.4 million euros (compared to 25.4 million euros in 2020) essentially reflects the alignment of the *fair value* of funds in the portfolio for 28.9 million euros, dividends received for 11.3 million euros and the alignment of the value of investments due to the *Asset Valuation* process (specifically +7.9 million euros relating to DeA Capital Alternative Funds SGR).

Results of the Parent Company - Balance Sheet

(EUR)	31.12.2021	31.12.2020
ASSETS		
Non-current assets		
Intangible and tangible assets		
Intangible assets	0	0
Tangible assets	1,970,451	2,171,753
- Leased buildings	*1.814.379*	*2.069.554*
- Other leased assets	*104.968*	*47.932*
- Other tangible assets	*51.104*	*54.267*
Total intangible and tangible assets	1,970,451	2,171,753
Investments		
Subsidiaries and joint ventures	258,820,060	249,792,230
Associates	20,118,929	21,845,264
Other Investments at Fair Value through P&L	9,871,963	30,098,183
Funds at Fair Value through P&L	90,607,971	79,708,603
Total Investments	379,418,923	381,444,280
Other non-current assets		
Deferred tax assets	0	0
Financial receivables - non current position	700,150	649,011
Financial receivables for leasing- non current position	4,407,358	5,785,453
Total other non-current assets	5,107,508	6,434,464
Total non-current assets	**386,496,882**	**390,050,497**
Current assets		
Trade receivables	182,774	358,507
Financial receivables	1	1
Financial receivables for leasing- current position	1,403,449	1,365,830
Tax receivables from Parent companies	3,255,706	4,024,880
Other tax receivables	3,991,159	5,321,347
Other receivables	107,028	67,563
Cash and cash equivalents	89,536,729	72,023,426
Total current assets	98,476,846	83,161,554
Total current assets	**98,476,846**	**83,161,554**
TOTAL ASSETS	**484,973,728**	**473,212,051**

follows >>

(EUR)	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	266,612,100	266,612,100
Share premium reserve	129,454,279	155,542,010
Legal reserve	61,322,420	61,322,420
Own share reserve	(8,941,654)	(10,712,734)
Other reserves	(2,968,391)	(4,658,751)
Retained earnings (losses)	(8,262,344)	(33,214,718)
Profit/(loss) for the year	28,446,367	25,431,066
Shareholders' equity	**465,662,777**	**460,321,393**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	0	0
Provisions for employee termination benefits	202,394	461,689
Financial liabilities - non current position	5,892,104	7,501,924
- Financial liabilites for leased buildings	*5.892.104*	*7.501.924*
Total non-current liabilities	**6,094,498**	**7,963,613**
Current liabilities		
Trade payables	537,763	742,555
Provision for risk and charges	1,600,000	0
Payables to staff and social security organisations	2,610,671	2,091,375
Tax payables to Parent company	4,583,241	0
Other tax payables	1,955,471	262,822
Other payables	23,725	16,386
Short term financial payables	1,905,582	1,813,907
- Short term financial payables for leased buildings	*1.905.582*	*1.813.907*
Total current liabilities	**13,216,453**	**4,927,045**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**484,973,728**	**473,212,051**

At 31 December 2021, the Parent Company's shareholders' equity amounted to approximately EUR 465.7 million, compared to EUR 460.3 million at 31 December 2020, with a change of EUR +5.4 million mainly due to the partial distribution of the Share Premium Reserve (EUR -26.1 million) and the positive result for the year.

Pursuant to the CONSOB Communication of 28 July 2006, the table below shows the reconciliation between shareholders' equity and net profit at 31 December 2021 recorded by the parent company DeA Capital S.p.A. and the corresponding figures recorded at consolidated level.

(EUR thousand)	**Net Equity at 31.12.2021**	**Net Profit/ (Loss) 2021**	**Net Equity at 31.12.2020**	**Net Profit/ (Loss) 2020**
EQUITY and net profit/(loss) for the year, as reported in the Parent Company financial statement	**465,663**	**28,446**	**460,321**	**25,431**
- Surplus of net equity reported in financial statements compared to book values of shareholdings in consolidated companies	(19,531)	0	(13,969)	0
- Pro-rata results achieved by shareholding companies	0	27,509	0	39,790
- Elimination of dividends received from shareholding companies of DeA Capital S.p.A.	0	(13,657)	0	(5,360)
- Pro-rata results achieved by associated companies, valued as Shareholders' Equity	0	2,216	0	147
- Elimination of revaluation / devaluation of investments in DeA Capital S.p.A.	0	(9,451)	0	(25,894)
- Elimination of dividend received by DeA Capital S.p.A.	0	(11,296)	0	(13,704)
Elimination of the results of investment sales in DeA Capital S.p.A.	0	0	0	0
EQUITY and Group share of net profit/(loss)	**446,132**	**23,766**	**446,352**	**20,410**
EQUITY and minority interests share of net profit/(loss)	**18,206**	**596**	**16,710**	**(6,498)**
EQUITY and net profit for the year, as reported in the consolidated financial statements	**464,338**	**24,362**	**463,062**	**13,912**

7. Other information

Spread of COVID-19

Against the backdrop of the ongoing COVID-19 state of emergency, the DeA Capital Group confirmed the resilience of its *performance* both at the level of its *Alternative Asset Management* platform and at the level of its investment portfolio.

The operational and health safety practices established during 2020 have made it possible to also operate during 2021 in a largely *business-as-usual* mode, all without significant costs/ investments in terms of general and administrative expenses/ *capex*.

ESG framework

Starting in 2019, the DeA Capital Group has begun to define a framework relating to ESG issues aimed at rationalising and integrating into a homogeneous and governable framework the initiatives/criteria for managing the diverse lines of Alternative Asset Management business in which it operates. The direction taken has made it possible to achieve important ESG goals, namely:

- DeA Capital Alternative Funds SGR has achieved an 'A' rating from the PRI (Principles for Responsible Investment) and has produced its first Annual Report for 2020. It has also implemented a dedicated policy, adapted procedures and organisation, including through setting up a team, and developed a proprietary *tool* for monitoring certain parameters in the companies in which the funds are invested. Finally, it has launched new investment funds with ESG orientation, such as Taste of Italy 2 and Sviluppo Sostenibile, and the second annual ESG Report is expected to be released in the first half of 2022;
- DeA Capital Real Estate SGR, after joining the PRI, obtaining GRESB certification for a number of funds it manages, adapting its procedures and organisation by setting up a dedicated team and developing a screening and reporting tool, has begun the process of preparing its first annual ESG report, due to be published in the first half of 2022;
- In July 2021, the parent company DeA Capital S.p.A., which began a process of defining its own ESG framework at the end of 2020, received its first annual ESG rating from Sustainalytics (a leading ESG rating company, part of the Morningstar group), with a Low Risk rating that places it in the top 5% for the Asset Management and Custody Services sub-industry and in the top quartile worldwide for all sectors.

The company has also joined the United Nations Global Compact, an initiative that encourages companies around the world to adopt sustainable policies that respect corporate social responsibility and to publish the results of the actions taken.

DeA Capital has also set up an ESG Committee to support the Board of Directors in identifying and defining sustainability strategy and priorities, and in monitoring the application of and compliance with the ESG Policy.

Finally, the first Group ESG Report should be published in the first half of 2022. This document is intended as a summary of the ESG initiatives carried out by the DeA Capital Group, outlining the main objectives achieved and the commitments made in environmental, social and governance issues.

Treasury and parent company shares

As already noted in the section on "Significant events during the year" above, to which reference should be made for more information, on 20 April 2021, the shareholders' meeting of DeA Capital S.p.A. authorised the company's Board of Directors to carry out acts of purchase and disposal, on one or more occasions, on a revolving basis, of a maximum number of shares in the company up to a maximum holding of 20% of the share capital (i.e. approximately 53.3 million shares).

Movements in treasury shares during the 2021 financial year are summarised below:

(i) allocation of 1,304,132 treasury shares under the 2017-2019 and 2018-2020 *Performance Shares* Plans of DeA Capital S.p.A.;

(ii) purchase of 116,275 treasury shares (for a countervalue of EUR 132,953).

Taking into account the movements in previous years and the movements of treasury shares during the 2021 financial year, as described above, at 31 December 2021 the Company owned 5,734,546 treasury shares (or 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.

Related-party transactions

Transactions with related parties are reported in the "Other Information" section of the Notes to the Consolidated Financial Statements and the Notes to the Statutory Financial Statements.

Shareholdings, remuneration and performance shares of Directors, Statutory Auditors, General Manager/ Senior Managers with strategic responsibilities

Information on the shareholdings held by Directors, Statutory Auditors, General Manager/Senior Managers with strategic responsibilities is disclosed in the relevant sections of the Consolidated and Separate Financial Statements.

Information on the remuneration and incentive plans (including performance share plans) of Directors, Statutory Auditors and the General Manager/Senior Managers with strategic responsibilities, as well as in the relevant sections of the consolidated and annual financial statements, is also provided in the Remuneration Report prepared pursuant to Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulation, which is made available to the public at the registered office of DeA Capital S.p.A. as well as on the company's website www.deacapital.com in accordance with the terms set out in current legislation.

Management and coordination activities

The Company is controlled by De Agostini S.p.A., which, pursuant to article 2497-sexies of the Italian Civil Code, exercises management and coordination over the Company. Please see the Notes to the Financial Statements above for key figures from the latest approved financial statements of De Agostini S.p.A.

Research and development activities

Pursuant to art. 2428, para. 3 of the Italian Civil Code, the Company did not carry out any research and development activity in 2021.

Positions or transactions arising from atypical and/or unusual operations

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, it should be noted that, with reference to the activities carried out by the Company and the Group in the 2021 financial year, there are no positions or transactions deriving from atypical and/or unusual operations; in the period of reference, the Company and the Group did not carry out any atypical and/or unusual transactions as defined in the aforementioned CONSOB Communication, nor any significant transactions that are not part of their core business.

Significant non-recurring events and transactions

Pursuant to the aforementioned CONSOB Communication, the DeA Capital Group did not carry out any significant non-recurring transactions in 2021, since acquisitions or divestments relating to equity investments and funds in the portfolio are to be considered ordinary activities, nor did any significant non-recurring events occur within the scope of the aforementioned CONSOB Communication.

Corporate Governance

For more information on the corporate governance structure of DeA Capital S.p.A. ("**DeA Capital**" or the "**Issuer**" or the "**Company**") also adopted in accordance with the principles contained in the *Corporate Governance* Code approved by the "Committee for the *Corporate Governance* of Listed Companies" (the "**Code**" or the "***Corporate Governance* Code**"), please refer to the document "Report on Corporate Governance and Ownership Structure", published on the Company's *website*(*Corporate Governance* section); a summary of the key information governing the corporate governance of DeA Capital follows.

Issuer profile

The Issuer's corporate governance structure is based on the traditional administration and control model, and hinges on the central role played by the Board of Directors, the proper disclosure of management decisions, an effective internal control system, the appropriate regulation of potential conflicts of interest, and on rigorous standards of conduct for carrying out transactions with related parties.

Degree of application of the Code

During the financial year, the company carried out a review and adjustment of its *governance* structures and tools in accordance with the new *Corporate Governance* Code (applicable from 2021). With reference to the degree of application of the provisions contained in the Code, please refer to the "Report on Corporate Governance and Ownership Structures", published on the Company's *website* (*Corporate Governance* section) (the "**Corporate Governance Report**").

Corporate bodies

- The **Board of Directors** consists of eleven members - nine of whom are non-executive directors, five of whom are independent - and plays a central role in DeA Capital's *corporate governance* system; specifically, it has the power, as well as the duty, to manage the Issuer's business, pursuing the supreme objective of creating value for shareholders.

  Pursuant to the Statute, the Board is responsible for the management of the company and is therefore invested with all administrative powers (ordinary and extraordinary), with the exception of those reserved by law and by the Statute to the Shareholders' Meeting. The Board of Directors has granted the Chairman of the Board, Lorenzo Pellicioli, and the Chief Executive Officer, Paolo Ceretti, powers of ordinary and extraordinary administration, with the power to subscribe: (*i*) by means of a single signature, any deed, document or contract involving a commitment of expenditure, including prospective expenditure, or relating to an investment not exceeding €20,000,000; (*ii*) by means of a joint signature, any deed, document or contract involving a commitment of expenditure, including prospective expenditure, or relating to an investment exceeding €20,000,000 and up to €50,000,000.

  On the other hand, the Board of Directors shall have exclusive jurisdiction over all decisions relating to expenditure commitments and investments exceeding € 50,000,000, as well as transactions of significant strategic, economic, equity or financial importance for the Company pursuant to the recommendations of the Code. For more information on the powers of the Board of Directors, see the Corporate Governance Report.

Seven meetings of the Board of Directors were held in 2021. For the 2022 financial year, the planned schedule of meetings to approve the periodic financial reports has been published (also available at www.deacapital.com).

- The **Board of Auditors** comprises six members (the chairman, two permanent auditors and three deputy auditors). It monitors compliance with the law and the Company's articles of association, observance of the principles of proper management, and the suitability and proper functioning of the organisational, administrative and accounting structure. During 2021, 5 Board of Auditors meetings were held.

- The **Remuneration and Appointments Committee** is composed of three independent directors and performs the following tasks:
  — With regard to remuneration:
    - supports the Board of Directors in the elaboration of the remuneration policy;
    - submits proposals or expresses opinions on the remuneration of executive directors and other directors holding special offices, as well as on the establishment of *performance* objectives related to the variable component of their remuneration;
    - monitors the concrete application of the remuneration policy and verifies, in particular, the actual achievement of *performance* targets;
    - periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and *top management*;
    - supports the Board: (a) in the preparation of the *stock option* plans and other long-term plans adopted by the company from time to time; (b) in the definition of the relevant technical aspects related to the preparation and application of the plans referred to in point (a) above,

and (c) in the assessments regarding the incentive system deemed most appropriate (*stock option* plans, other share-based plans);

- supervises the application of the incentive systems, *stock option* plans, and other long-term plans adopted by the Company from time to time, the methods for selecting participants in the plans, the identification of the objectives and the determination of the bonuses as better described in the respective plans;
- verifies the achievement of results under the various annual and long-term incentive plans and approves the payment of incentives;
- expresses a prior informed opinion on the company's interest in carrying out transactions with related parties concerning the assignment or increase of remuneration and economic benefits, in any form, to a member of an administrative or control body or to a manager with strategic responsibilities, pursuant to the procedure for transactions with related parties of the company, as well as on the appropriateness and substantial fairness of the related conditions;
- at the request of *management*, is available to discuss remuneration issues;

— <u>with regard to appointments and composition of the Board of Directors</u>, the Committee supports the Board of Directors in the following activities:

- the self-assessment process of the Board of Directors and its committees;
- the definition of criteria and recommendations for the optimal composition of the Board of Directors and its committees;
* the identification of candidates for the office of director in the event of co-option under the law, ensuring compliance with the provisions on the minimum number of independent directors and the quotas reserved for the least represented gender;
* the possible submission of a list by the outgoing Board of Directors, to be implemented in accordance with the procedures adopted in this respect by the Company that ensure its transparent formation and presentation;
- the preparation, updating and implementation of any succession plan for the Chief Executive Officer and the other executive directors;
- the management of the preliminary activity relating to the periodic checks on (a) the independence and honourableness requirements of the directors and (b) the absence of causes of incompatibility and ineligibility on their part.

During the 2021 financial year, the Remuneration and Nomination Committee met four times.

• The **Control and Risks Committee** comprises three independent directors. The Committee supports the Board of Directors in carrying out, inter alia, the following activities:

(i) the definition of the guidelines of the internal control and risk management system in line with the Company's strategies to allow the Board of Directors to assess the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries;

(ii) evaluating, at least once a year, the adequacy of the internal control and risk management system concerning the characteristics of the Company and the risk profile assumed, as well as its effectiveness;

(iii) the appointment and dismissal of the head of the internal audit function, as well as the definition of their responsibilities and remuneration in line with the company's policies, and the allocation of adequate resources to carry out their tasks;

(iv) approval, at least once a year, of the work plan prepared by the head of the internal audit function;

(v) the assignment to the Board of Statutory Auditors or to a specially constituted body of supervisory functions pursuant to Article 6(1)(b) of Italian Legislative Decree no. 231/2001;

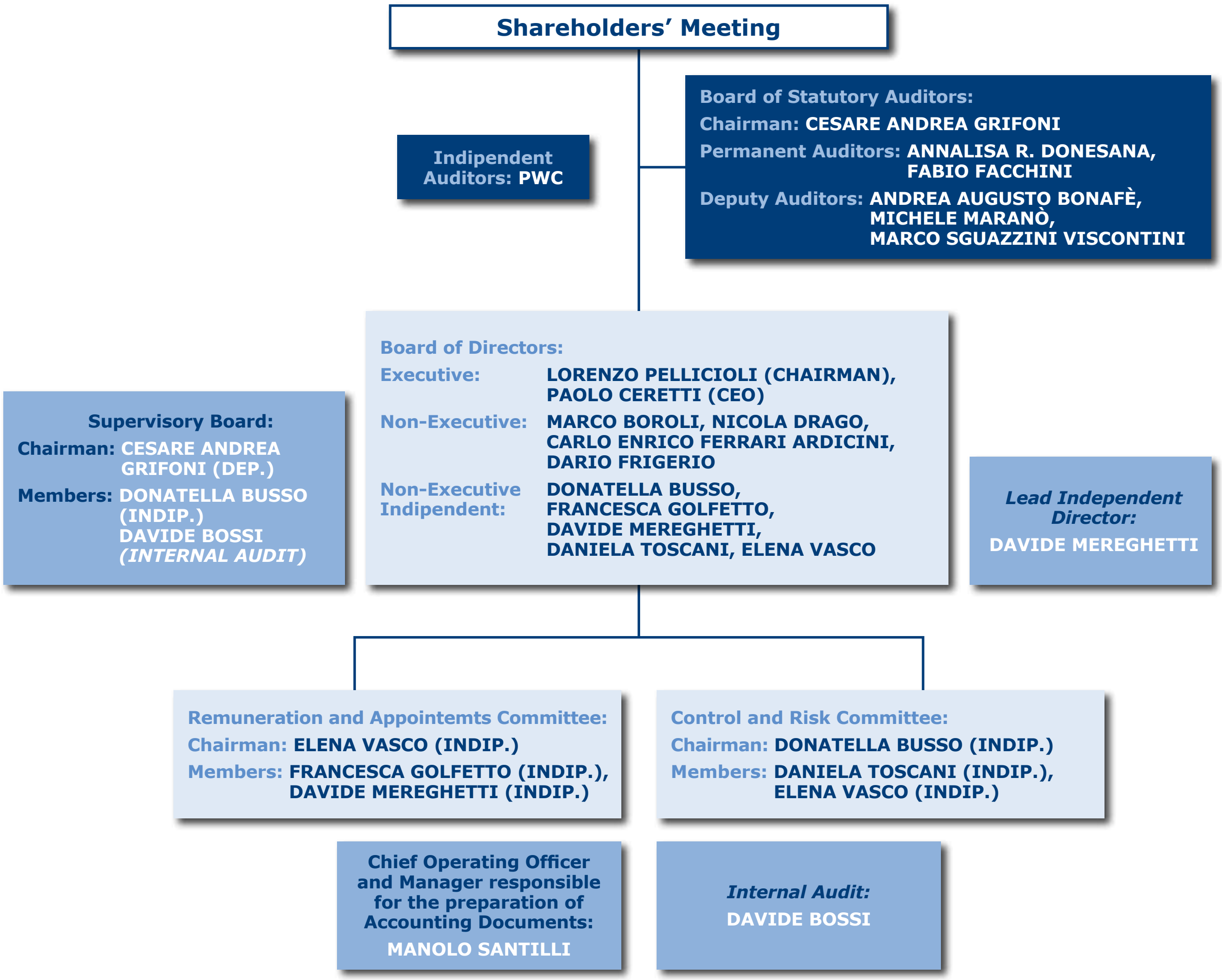
(vi) the assessment of the findings set out by the statutory auditor in any letter of recommendations and in the additional report addressed to the supervisory body;

(vii) a description, in the Corporate Governance Report, of the key aspects of the internal control and risk management system and the methods of coordination between the parties involved in it, its overall assessment of the adequacy of the system itself and the choices made regarding the composition of the supervisory body referred to in point (v).

The Control and Risk Committee also carries out the tasks provided for under the Code, as defined in the Committee's own rules of procedure and better described in the Corporate Governance Report.

During the 2021 financial year, the Audit and Risk Committee met five times.

Corporate Governance Chart as at 31 December 2021:



For further info:
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section: Governance

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.

Other information

As at 31 December 2021, the Group had 242 employees (227 at the end of 2020), of whom 48 were executives, 80 were middle managers and 114 were clerical staff, broken down by business segment: 220 in *Alternative Asset Management* and 22 in *Alternative Investment / Holdings*.

In relation to the regulatory provisions of Article 15 of the Market Regulation, concerning the conditions for the listing of parent companies of subsidiaries incorporated and regulated by the laws of non-EU countries and of significant relevance under the terms of that provision, it should be noted that no Group company falls within the scope of the aforementioned regulation.

Furthermore, conditions prohibiting listing pursuant to Article 16 of the Markets Regulation, relating to companies subject to the management and coordination of other parties, do not apply.

Management

Lorenzo Pellicioli, Chairman

Born on July 29th 1951 in Alzano Lombardo (BG). Married, with three children, **Lorenzo Pellicioli** lives in Paris.

He started his career as a journalist for the newspaper Giornale Di Bergamo and afterwards became Vice-President of Bergamo TV Programmes. From 1978 to 1981 he held different posts in Italian private television sector: for Manzoni Pubblicità, and for Publikompass up to his nomination as Rete 4 General Manager. In 1984 he joined Gruppo Mondadori, the leading Italian publishing group. He was initially appointed General Manager for Advertising Sales, and Mondadori Periodici (magazines) Deputy General Manager, and afterwards President and CEO of Manzoni & C. S.p.A, the Group's advertising representative.

From 1990 to 1997, he served as First President and CEO of Costa Cruise Lines in Miami, which is part of the Costa Crociere Group operating in the North American market (USA, Canada and Mexico) and then became General Manager of Costa Crociere S.p.A., based in Genoa, with worldwide responsibilities. From 1995 to 1997 he was also President and CEO of Compagnie Française de Croisières (Costa-Paquet), the Paris-based subsidiary of Costa Crociere.

From 1997 onwards he participated in the privatisation of Seat Pagine Gialle, which was purchased by a group of financial investors. After the acquisition he was appointed CEO of SEAT. In February 2000 he also took charge of the Internet Business unit of Telecom Italia, subsequent to the sale of Seat. In September 2001, following the acquisition of Telecom Italia by the Pirelli Group, he resigned.
As from November 2005 he became CEO of the De Agostini Group.From August 2006 until April 2015 he was Chairman of Gtech S.p.A. then, following the merger with IGT, he was appointed Deputy Chariman of IGT and since November 2018 Chairman of IGT.
He is a member of the Board of Directors of Assicurazioni Generali S.p.A..
He is also member of the Advisory board of Palamon Capital Partners.

He was formerly also a member of the boards of Enel, INA-Assitalia and Toro Assicurazioni, and of the Advisory Board of Lehman Brothers Merchant Banking.
On April 3, 2017 he was honoured with the title of Chevalier dans l'ordre de la Légion d'Honneur (Knight of the French Legion of Honor).

Paolo Ceretti, Chief Executive Officer

Paolo Ceretti was appointed Chief Executive Officer of DeA Capital on 11th January 2007.

He gained his professional experience inside the Agnelli Group, holding from 1979 positions of increasing importance at Fiat SpA (Internal Auditing and Finance) and in the Financial Services Sector (Planning, Credit and Control) and subsequently assuming the position of Head of Strategic Planning and Development of Ifil (now EXOR).

After assuming responsibility for the internet B2C sector of Fiat/Ifil in 1999 as CEO of CiaoHolding and CiaoWeb, he was appointed CEO of GlobalValue SpA, a Fiat/IBM joint venture in the Information Technology sector.

Since 2004, he has been General Manager of De Agostini S.p.A., the holding of the De Agostini Group.

He is also Chairman of DeA Capital Alternative Funds and a member of the Board of Directors of Quaestio Holding and other companies of the Group.

Manolo Santilli, Chief Operating Officer

Manolo Santilli is Chief Operating Officer of DeA Capital S.p.A. since July 2020, after holding the position of Chief Financial Officer for over ten years; he is also Board Member of the three Group Asset Management Companies - DeA Capital Real Estate SGR, DeA Capital Alternative Funds SGR and Quaestio Capital SGR – as well as in the four companies belonging the International Real Estate Platform (France, Spain/Portugal, Germany and Poland).

He gained his professional experience starting in 1996 in STET International (Telecom Italia Group, in the Planning, Controlling and Initiative Evaluation area), subsequently in 2000 at IFIL/FIAT, in 2002 he became Investment Manager in Finmeccanica and since 2004 he entered the De Agostini Group.

Born in Pescara on 23 December 1969, he graduated in Economics at the Università Commerciale L. Bocconi of Milan in 1994; he is Auditor and member of the Professional Accountants register in Pescara.

Emanuele Caniggia
Chief Executive Officer
DeA Capital Real Estate SGR

Emanuele Caniggia, CEO of DeA Capital Real Estate SGR, married, has two children and lives in Rome.

During his business career, he has established numerous companies in which he has held various positions, beginning with Ar.Co.Graph in 1988. In 1996, he founded Abaco Servizi, a property services company, which contributed, through acquisitions in Italy and abroad, to the creation of Abaco Team, a leader in real-estate services.

In 2006, he sold a 65% stake in Abaco Team to Gabetti Property Solutions, while continuing as the CEO until 2009, when he sold the remaining 35% of the company and became a shareholder in Gabetti, which he left in August 2012. From 2009 to 2012, he was a member of the Boards of Directors of Gabetti Property Solutions, Gabetti Agency, Patrigest and TreeRe.

In October 2012, he set up Innovation Real Estate - formerly First Atlantic RE, which he took over, together with DeA Capital - and was the CEO until 2014. Since 28 April 2014, Emanuele Caniggia has been the CEO of the asset management company Dea Capital Real Estate SGR, which has assets under management of approximately EUR 10 billion, and whose main shareholder is the De Agostini group.

Gianandrea Perco
Chief Executive Officer
DeA Capital Alternative Funds SGR

Gianandrea Perco, already member of the Board of Directors at DeA Capital Alternative Funds SGR since April 2017, was appointed Chief Executive Officer and General Manager on 28th June 2017. Since July 2021 he is member of the Executive Board of AIFI (Italian Association of Private Equity, Venture Capital and Private Debt).

His professional experience began in 1997 in Mediobanca, in the equity capital market team, and in 2000, he moved to Lehman Brothers Investment Banking team. In 2001, he started his experience in UniCredit where he has developed his career for 10 years in the Corporate and Investment Banking division, heading the Italian Corporate Finance Advisory team and the Multinational Financing team. In 2011 he joined FondiariaSai as Deputy General Manager with the responsibility of the Real Estate business, of the diversified businesses and of the M&A team. From 2013 to July 2015 he was Partner at PwC Italy heading the M&A team.

From August 2015 to June 2017 he was Director of Strategy and Management of existing shareholdings at DeA Capital S.p.A. supporting the top management in strategic investments, divestments and management of the portfolio.

He graduated with full marks with honors in Business Administration at Università Commerciale Luigi Bocconi in Milan.

For further info:
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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).

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.

8. Proposal to approve the Financial Statements of DeA Capital S.p.A. for the Year Ending 31 December 2021 and the partial distribution of the share premium reserve

Dear Shareholders,

In submitting the Financial Statements as at 31 December 2021 for your approval, the Board of Directors proposes to pass the following resolutions:

"The DeA Capital S.p.A. ordinary shareholders' meeting,

- examined the Draft Financial Statements as at 31 December 2021, which show a profit of 28,446,367 euros (25,431,066 euros in 2020);
- acknowledged the Reports of the Board of Statutory Auditors and the Independent Auditors, PricewaterhouseCoopers S.p.A;
- noted that the Legal Reserve is at least one-fifth of the share capital and that the Share Premium Reserve of DeA Capital S.p.A. at 31 December 2021 was 129,454,279 euros

resolves

1. to approve the Board of Directors' report on the Group's situation and performance;
2. to approve the Statement of Financial Position, Income Statement and Notes to the Financial Statements for the Year Ending 31 December 2021 and the related annexes;
3. to carry forward a portion of 8,262,344 euros of the profit resulting from the Financial Statements as of 31 December 2021 to reduce the residual losses carried forward;
4. to proceed with the constitution of an unavailable reserve pursuant to Article 6 of Legislative Decree no. 38/2005 (the so-called "IAS Decree") through the allocation of the residual portion of the profit resulting from the Financial Statements as of 31 December 2021, equal to 20,184,023 euros;
5. to proceed with the partial distribution of the Share Premium Reserve in the amount of EUR 0.10 per share;
6. to grant the Board of Directors and, for this purpose, the Chairman of the Board of Directors and Chief Executive Officer, broad powers to execute these resolutions, jointly or severally through their agents and in compliance with the deadlines and procedures established by law."

Milan, 11 March 2022

FOR THE BOARD OF DIRECTORS
The Chairman
Lorenzo Pellicioli

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**

follows >>

(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%.

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*.

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%.

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*.

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:

(EUR thousand)	Not expired	expired less than 90 days	expired Between 90 days and 180 days	expired Between 180 days and 360 days	expired 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.

Certification of the Consolidated Financial Statements pursuant to Article 154-bis of the Legislative Decree. 58/98

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Certification of the Consolidated Financial Statements pursuant to Article 154-bis of the Legislative Decree. 58/98

The undersigned Paolo Ceretti, in his capacity as CEO, and Manolo Santilli, in his capacity as manager responsible for preparing the financial reports of DeA Capital S.p.A., taking into account the provisions of art. 154-bis, subsections 3 and 4, of Legislative Decree 58 of 24 February 1998, certify the adequacy in relation to the characteristics of the business and the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements during the 2021 financial year.

The assessment as to the suitability of the administrative and accounting procedures for preparing the Summary Half-Year Consolidated Financial Statements at 31 December 2021 was based on a process established by DeA Capital S.p.A. in keeping with the *Internal Control - Integrated Framework* model issued by the *Committee of Sponsoring Organisations of the Treadway Commission*, which is the generally accepted reference framework at the international level.

Note that in this regard, as described in the Notes to the Financial Statements, a significant portion of the assets are investments stated at *Fair Value. Fair Values* were determined by directors based on their best estimates and judgement using the knowledge and evidence available at the time the financial statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the Consolidated Financial Statements at 31 December 2021:
- correspond to the entries in the Company's books and records;
- are prepared in accordance with the *International Financial Reporting Standards* adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005;
- to the best of their knowledge, are suitable for giving a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and of all the companies included in the consolidation.

The Report on Operations contains a reliable analysis of operating performance and results and of the situation of the issuer and all companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

11/03/2022

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's account

Information pursuant to Article 149-duodecies of Consob Regulation on Issuers

The table below was prepared in accordance with art. 149-duodecies of the Consob Issuer Regulations and reports the fees for 2021 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(EUR thousand)	**Company providing the service**	**Beneficiary**	**Compensation FY 2021**
Audit	PwC S.p.A.	DeA Capital S.p.A.	84
	PwC S.p.A.	DeA Capital Partecipazioni	10
	PwC S.p.A.	DeA Capital Alternative Funds SGR	16
	PwC S.p.A.	IDeA Opportunity Fund I	13
	PwC France	DeA Capital Real Estate France S.A.S.	22
	PwC Spain	DeACapital Real Estate Iberia, SL	25
Total			**170**

Annual Financial Statements for the Year Ending 31 December 2021

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

Statements of Financial Position - Parent Company

(EUR)	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible and tangible assets			
Intangible assets	1a	0	0
Tangible assets	1b	1,970,451	2,171,753
- Leased buildings		*1,814,379*	*2,069,554*
- Other leased assets		*104,968*	*47,932*
- Other tangible assets		*51,104*	*54,267*
Total intangible and tangible assets		1,970,451	2,171,753
Investments			
Subsidiaries and joint ventures	2a	258,820,060	249,792,230
Associates	2b	20,118,929	21,845,264
Other Investments at Fair Value through P&L	2c	9,871,963	30,098,183
Funds at Fair Value through P&L	2d	90,607,971	79,708,603
Total Investments		379,418,923	381,444,280
Other non-current assets			
Deferred tax assets	3a	0	0
Financial receivables - non current position	3b	700,150	649,011
Financial receivables for leasing- non current position	3c	4,407,358	5,785,453
Total other non-current assets		5,107,508	6,434,464
Total non-current assets		**386,496,882**	**390,050,497**
Current assets			
Trade receivables			358,507
Financial receivables			1
Financial receivables for leasing- current position			1,365,830
Tax receivables from Parent companies			4,024,880
Other tax receivables			5,321,347
Other receivables			67,563
Cash and cash equivalents			72,023,426
Total current assets		98,476,846	83,161,554
Total current assets		**98,476,846**	**83,161,554**
TOTAL ASSETS		**484,973,728**	**473,212,051**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5a	266,612,100	266,612,100
Share premium reserve	5b	129,454,279	155,542,010
Legal reserve	5c	61,322,420	61,322,420
Own share reserve	5d	(8,941,654)	(10,712,734)
Other reserves	5e	(2,968,391)	(4,658,751)
Retained earnings (losses)	5f	(8,262,344)	(33,214,718)
Profit/(loss) for the year	5g	28,446,367	25,431,066
Shareholders' equity		**465,662,777**	**460,321,393**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	0	0
Provisions for employee termination benefits	6a	202,394	461,689
Financial liabilities - non current position	6b	5,892,104	7,501,924
- Financial liabilites for leased buildings		*5,892,104*	*7,501,924*
Total non-current liabilities		**6,094,498**	**7,963,613**
Current liabilities			
Trade payables	7a	537,763	742,555
Provision for risk and charges	7b	1,600,000	0
Payables to staff and social security organisations	7c	2,610,671	2,091,375
Tax payables to Parent company	7d	4,583,241	0
Other tax payables	7e	1,955,471	262,822
Other payables	7f	23,725	16,386
Short term financial payables	7g	1,905,582	1,813,907
- Short term financial payables for leased buildings		*1,905,582*	*1,813,907*
Total current liabilities		**13,216,453**	**4,927,045**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**484,973,728**	**473,212,051**

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.

Income Statement - Parent Company

(EUR)	Note	Financial Year 2021	Financial Year 2020
Dividends from Subsidiaries and joint ventures	8a	11,296,469	5,360,129
Profit/(loss) from valuation in Subsidiary companies	8a	9,027,831	22,721,346
Profit/(loss) from valuation in Related companies	8a	422,983	3,172,652
Profit/(loss) from valuation in other investments	8a	26,411,323	(888,663)
Income from services	8b	888,339	864,062
Other income		1,099	199,839
Personnel costs	9a	(8,559,741)	(6,966,188)
Service costs	9b	(2,720,252)	(2,454,291)
Depreciation, amortization and impairment	9c	(511,283)	(524,803)
Risks and charges	9d	(1,600,000)	0
Other expenses	9e	(67,733)	(57,319)
Financial income	10a	224,228	421,748
Financial expenses	10b	(210,840)	(435,624)
PROFIT/(LOSS) BEFORE TAX		**34,602,423**	**21,412,888**
Income tax	11a	(6,156,056)	4,018,178
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**28,446,367**	**25,431,066**
PROFIT/(LOSS) FOR THE YEAR		**28,446,367**	**25,431,066**

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.

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

The Statement of Comprehensive Income (or Statement of Performance - IAS 1), in which the result for the year is recorded, including the results recognised directly in equity, shows a net positive balance of approximately +28,612 thousand euros (net positive balance of approximately +25,386,000 euros in 2020), composed of:

- a net profit of EUR +28,446 thousand recorded on the Income Statement;
- results recognised directly in shareholders' equity for a total of EUR +166, thousand, due to actuarial gains/losses on severance pay.

(in EUR)	**Financial Year 2021**	**Financial Year 2020**
Profit/(loss) for the year (A)	**28,446,367**	**25,431,066**
Components that may be subsequently restated under Profit/(Loss) for the year	0	0
Profits/(Losses) from recalculation of available-for-sale financial assets	*0*	*0*
Components that will not be subsequently restated under Profit/(Loss) for the year	165,531	(45,439)
Actuarial Profits/(Losses) to be revalued in defined benefit plans	*165,531*	*(45,439)*
Total other Profit/(Loss), net of tax effect (B)	**165,531**	**(45,439)**
Total comprehensive Profit/(Loss) for the year (A)+(B)	**28,611,898**	**25,385,627**

Cash flow statement - Parent Company - Direct method

(EUR thousand)	Financial Year 2021	Financial Year 2020
CASH FLOW from operating activities		
Investments in funds and shareholdings	(6,987)	(8,036)
Proceeds from the sale of investments	0	22,226
Capital reimbursements from funds and shareholdings	44,911	24,725
Intragroup interest received	0	3
Income from distribution from investments	0	310
Exchange gains (losses)	0	(3)
Taxes paid	(3,169)	(5,059)
Taxes refunded	5,428	4,855
Dividends received	11,296	6,418
Revenues for services	26	16
Intragroup revenues for services	2,444	2,119
Intragroup operating expenses	(329)	(510)
Operating expenses	(9,326)	(7,820)
Net cash flow from operations	**44,294**	**39,244**
CASH FLOW from investment activities		
Acquisition of tangible assets	(16)	(15)
Acquisition of intangible assets	0	(16,510)
Acquisition of property, plant and equipment ICO	0	(3)
Sale of intangible assets	0	22,320
Sale of property, plant and equipment ICO	0	2
Net cash flow from investments	**(16)**	**5,794**
CASH FLOW from financial activities		
Purchase of own shares	(133)	(1,653)
Cash flow from leasing contract	1,514	1,509
Cash flow for leasing contract	(2,045)	(2,052)
Dividends paid	(26,086)	(31,337)
Loans to third parties	(14)	(641)
Net cash flow from financial activities	**(26,764)**	**(34,174)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**17,514**	**10,864**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**72,023**	**61,159**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**89,537**	**72,023**

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.

Statement of changes in shareholders' equity of the parent company DeA Capital S.p.A.

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Share issued costs reserve	Long-term incentive plans reserve	Reserve for sale of option rights/ warrant subcriptions	Reserve for the IDeA AI merger	Reserve for actuarial gains/ losses	Profit/ (Loss) carried forward	Profit/ (Loss)	Total
Total at 31.12.2019	**266,612**	**186,882**	**61,322**	**(10,415)**	**(7,512)**	**2,811**	**413**	**(831)**	**(53)**	**(45,450)**	**12,451**	**466,230**
Allocation of Profit	0	0	0	0	0	0	0	0	0	12,451	(12,451)	0
Own shares delivered for incentive plans	0	0	0	1,356	0	(1,139)	0	0	0	(217)	0	0
Performance shares cost	0	0	0	0	0	1,698	0	0	0	0	0	1,698
Purchase of own shares	0	0	0	(1,653)	0	0	0	0	0	0	0	(1,653)
Dividend paid 2020	0	(31,340)	0	0	0	0	0	0	0	0	0	(31,340)
Total comprehensive Profit/ (Loss) for 2020	0	0	0	0	0	0	0	0	(45)	0	25,431	**25,386**
Total at 31.12.2020	**266,612**	**155,542**	**61,322**	**(10,712)**	**(7,512)**	**3,370**	**413**	**(831)**	**(98)**	**(33,216)**	**25,431**	**460,321**

follows >>

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Share issued costs reserve	Long-term incentive plans reserve	Reserve for sale of option rights/ warrant subcriptions	Reserve for the IDeA AI merger	Reserve for actuarial gains/ losses	Profit/ (Loss) carried forward	Profit/ (Loss)	Total
Total at 31.12.2020	**266,612**	**155,542**	**61,322**	**(10,712)**	**(7,512)**	**3,370**	**413**	**(831)**	**(98)**	**(33,216)**	**25,431**	**460,321**
Allocation of Profit	0	0	0	0	0	0	0	0	0	25,431	(25,431)	0
Own shares delivered for incentive plans	0	0	0	1,904	0	(1,425)	0	0	0	(479)	0	0
Performance shares cost	0	0	0	0	0	2,950	0	0	0	0	0	2,950
Purchase of own shares	0	0	0	(133)	0	0	0	0	0	0	0	(133)
Dividend paid 2021	0	(26,088)	0	0	0	0	0	0	0	0	0	(26,088)
Total comprehensive Profit/ (Loss) for 2021	0	0	0	0	0	0	0	0	165	0	28,446	**28,611**
Total at 31.12.2021	**266,612**	**129,454**	**61,322**	**(8,941)**	**(7,512)**	**4,895**	**413**	**(831)**	**67**	**(8,263)**	**28,446**	**465,663**

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 Annual Financial Statements for the Year Ending 31 December 2021

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

A. Structure and Content of the Financial Statements

DeA Capital S.p.A. (hereinafter also referred to as the Company or the Parent Company or DeA Capital) is a joint-stock company with registered office in Milan, via Brera 21.

Following the merger by incorporation of the Luxembourg company DeA Capital Investments S.A. in 2014, a Luxembourg branch was opened as a secondary office. Subsequently, on 1 September 2016, a secondary office was opened at via Mercadante 18 in Rome.

The financial statements were prepared in accordance with the general principles of IAS 1, 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 pandemic on the general economic situation, are not of an urgent nature and confirm the financial solidity of the parent company DeA Capital S.p.A.;
- 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: annual financial statements must show comparative information for the previous period.

The financial statements of DeA Capital consist of the balance sheet, the income statement, the statement of overall profitability (*Statement of Performance* - IAS 1), the cash flow statement, the statement of changes in shareholders' equity and these explanatory notes.

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 Company has adopted the "*nature of expense method*", whereby costs and revenues are classified based on their nature. The Cash Flow Statement is prepared using the "*direct method*".

All statements and data included in these explanatory notes are presented in millions of euros, unless otherwise indicated.

As Parent Company, DeA Capital S.p.A. has also prepared the Consolidated Financial Statements for the DeA Capital Group at 31 December 2021.

In addition to the figures at 31 December 2021, the financial statement formats used also provide comparable figures for 31 December 2020.

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

Statement of compliance with accounting standards

The financial statements for the year ended 31 December 2021 (Annual Report 2021) have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union and endorsed by the date of preparation of these financial statements, hereinafter referred to as International Accounting Standards or individually as IAS/IFRS or collectively as IFRS (*International Financial Reporting Standards*). In preparing the 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 Financial Statements have been prepared in a transparent manner and give a true and fair view of the assets, liabilities, financial position, results of operations and cash flows for the year.

Accounting standards, amendments and interpretations applied since 1 January

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 Company 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	25/06/2020	15/12/2020	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	27/08/2020	13/01/2021	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 significant impact on the financial statements of the parent company.

Future accounting standards, amendments and interpretations

Accounting standards, amendments and interpretations not yet applicable, not early adopted by the company and already endorsed 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	31/08/2021	30/08/2021	1 April 2021
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvement Cycle 2018-2020	14/05/2020	28/06/2021	1 January 2022
IFRS 17 “Insurance Contracts” and its subsequent amendments	18 May 2017 and 25 June 2020	19/11/2021	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.

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity should consider in assessing 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 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 Company has not received any rent relief related to COVID-19, 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 comprehensive new 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 the provisions of IFRS 4, which are largely based on the maintenance of previous accounting policies, IFRS 17 provides a comprehensive model for insurance contracts covering 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 Company's financial statements arising from the adoption of these amendments and from the new International Accounting Standard IFRS 17.

Accounting standards, amendments and interpretations not yet applicable, not adopted early by the Company and not yet endorsed 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	15/07/2020	-	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	12/02/2021	-	1 January 2023
Amendments to IAS 8: Definition of accounting estimates	12/02/2021	-	1 January 2023
Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction	07/05/2021	-	1 January 2023
Amendments to IFRS 17: Comparative information in the context of the initial application of IFRS 17 and IFRS 9	09/12/2021	-	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 issued 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 deferment of maturity
- that the right of deferment must exist at the close of the financial year
- the classification is not impacted by the likelihood that the entity will exercise its right of deferment
- 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 incorporating this amendment is effective for annual periods beginning on or after 1 January 2023.

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

B. Measurement criteria adopted

The accounting principles and valuation criteria adopted for the 2021 Annual Financial Statements of DeA Capital are the same as those used in drawing up the Consolidated Financial Statements, with the exception of specific principles and criteria relating to the Consolidated Financial Statements and methods for valuing subsidiaries and joint ventures, as specified below.

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.

Intangible assets

Intangible assets are those assets with no identifiable physical form that are controlled by the Company 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.

The item includes assets consisting of the right of use of an asset, for the portion belonging to the Company, relating to all contracts that fall within 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 (according to 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 (*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.

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 company has concerned:
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 that the classification of financial assets pertaining to DeA Capital S.p.A. be guided by the characteristics of the related contractual cash flows, on the one hand, and by the management intent (*Business Model*) for which these assets are held, on the other.

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 compliance with IFRS 9, the company has identified the following categories of financial assets:

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 company has decided to recognise changes in the value of this asset class 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 *plain vanilla* characteristics that enable them 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, non-controlling interests in companies and investments in funds, which constitute the company's principal and predominant area of business, are classified in the following categories of financial assets measured at *fair value* through profit or loss:

- Holdings held by Funds - measured at *Fair Value through P&L*;
- Holdings 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 that are not listed on active markets, such as the Company's direct investments in companies, investments in *venture capital* funds and investments in funds of funds, the *fair value* presented in the financial statements has been determined by the Directors based on their best judgement and estimation, using the knowledge and evidence available at the date of the financial statements.

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 company does not hold any derivative financial instruments and has no hedging transactions in place at 31 December 2021 (or 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 Company 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 in 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 relate to risks associated with commitments to issue funds and guarantees given, risks associated with the company's operations that may entail future charges, and retirement provisions.

If necessary, the Company 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 it will be necessary to use Company resources to fulfil 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 Company'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

The Company has recognised benefits in the form of equity holdings 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 recognised based on a reasonable expectation of the tax liability, as resulting from the application to taxable income of the tax rates in force in the various states in which the Company operates and considering any exemptions and tax credits to which they 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 as non-current assets and liabilities and are determined using the tax rates that are expected to apply, under the respective laws of the countries in which the Company operates, in the periods in which the temporary differences will be realised or settled.

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 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 was exercised by the company and 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.

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 contributes to providing more reliable information or more complete reporting of the impact of transactions on the company's balance sheet, income statement and cash flow.

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 special 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 Annual Report. 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"

In relation to financial instruments recognised at *fair value*, IFRS 13 requires these values to be classified on the basis of a hierarchy of levels that reflects the significance and quality of the inputs used in determining *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 table below shows assets measured at *fair value* by hierarchical level at 31 December 2021:

(EUR m)	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in Subsidiaries	0.0	9.0	249.8	258.8
Investments in Associates	0.0	2.4	17.7	20.1
Other Investments at *Fair Value* through P&L	4.2	0.0	5.7	9.9
Funds at *Fair Value* through P&L	0.0	90.6	0.0	90.6
Total	**4.2**	**102.0**	**273.2**	**379.4**

For **level 3**, a reconciliation of the opening and closing balances is shown in the table below. Income and expenses posted to the Income Statement or shareholders' equity, and purchases and sales made during 2021, are identified separately:

(EUR thousand)	Balance at 1.1.2021	Increases	Decreases	*Fair value* adjustment	Balance at 31.12.2021
Subsidiaries					
DeA Capital Partecipazioni S.p.A.	166,300	0	0	400	166,700
DeA Capital Real Estate SGR S.p.A.	13,000	0	0	(600)	12,400
DeA Capital Alternative Funds SGR S.p.A.	62,800	0	0	7,900	70,700
Associates					
Quaestio Holding S.A.	17,700	0	0	0	17,700
Other Investments at Fair Value through P&L					
Toi Due S.r.l.	5,000	0	0	0	5,000
Participatory Financial Instruments	690	0	0	0	690
Total	**265,490**	**0**	**0**	**7,700**	**273,190**

Valuation techniques and main input data

Subsidiaries

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

Equity investments are valued using calculation methodologies based on specific assumptions concerning:

- the growth of future *cash flows* contingent upon future events that can be assigned probabilities based on historical experience;
- the level of specific *input* parameters that are not listed on active markets; in all cases, the prices and spreads observed in the market are preferred for estimating these.

DeA Capital Real Estate SGR S.p.A.

The economic value of the subsidiary DeA Capital Real Estate SGR S.p.A. was estimated by determining the value in use intended as the sum of the present value of *dividend* flows (dividend discount model method or "*DDM*") expected by DeA Capital Real Estate SGR S.p.A. 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%.

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).

DeA Capital Partecipazioni S.p.A.

The economic value of the subsidiary DeA Capital Partecipazioni S.p.A. was estimated on the basis of a "*sum of the parts*" valuation that mainly includes the determination of the value of the holdings in DeA Capital Real Estate SGR S.p.A. (referred to in the previous point) and YARD Reaas S.p.A..

DeA Capital Alternative Funds SGR S.p.A.

The economic value of the subsidiary DeA Capital Alternative Funds SGR S.p.A. was estimated based on a specific report by an independent expert, which was carried out using a *sum-of-the-parts* approach, determining the value as the sum of (*i*) the present value of the dividend flows (*dividend discount model method, "DDM"*) expected by DeA Capital Alternative Funds SGR S.p.A. and (*ii*) the present value of the *carried interest* flows expected from the funds managed by the company (*discounted cash flow method, "DCF"*), relating to 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%.

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).

Quaestio Holding S.A.

The economic value of the shareholding in Quaestio Holding S.A. was estimated by determining the value in use intended as the sum of the current value of the dividend flows (*dividend discount model method or "DDM"*) expected by its subsidiary Quaestio Capital SGR both for the explicit forecast period (2022-2024) and for future periods (based on the projection of a normalised figure in the *terminal value*), integrated with the projection of the *run-rate* hypotheses of the costs of the holding companies included in the scope of the shareholding.

These flows were determined through a series of assumptions, including an estimate of future increases in turnover, based on the expected evolution of assets under management, net income and *performance fees*.

The valuation was based on a cost of capital of between +7.5% and +10.5%, depending on the nature of the flows (management fees vs. performance fees) supplemented by a terminal value based on a growth assumption ("g") of between 1.25% and 1.75%.

A sensitivity analysis carried out on the most significant variables in terms of sensitivity to the recoverable amount of Quaestio Holding, i.e. the cost of capital and the growth rate "g" used, leads to potential changes in the overall value of the company of -2.5/+2.8 million euros (for changes of +0.5% and -0.5% respectively in the cost of capital) and -1.0/+1.1 million euros (for changes of -0.25% and +0.25% respectively in the growth rate "g").

Venture Capital Funds, Funds of Funds, Co-investment Funds, Thematic Funds

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

With reference to the Funds, including controlled and linked Funds, at 31 December 2021 DeA Capital S.p.A. owned investment units in:
• IDeA I FoF (valued at EUR 14.3 million);
• ICF II (valued at EUR 32.2 million);
• ICF III (valued at EUR 15.1 million);
• IDeA OF I (valued at EUR 9.0 million);
• IDeA EESS (valued at EUR 2.0 million);
• IDeA ToI (valued at EUR 13.4 million);
• IDeA CCR I (valued at EUR 0.5 million);
• IDeA CCR II (valued at EUR 6.9 million);
• IDeA Agro (valued at EUR 2.7 million);
• Venere (valued at EUR 0.4 million);
• Santa Palomba (valued at EUR 0.7 million);
• Taste Of Italy 2 (valued of EUR 3.4 million)
• Sviluppo Sostenibile (Sustainable Development) (worth 1.0 million euros);
• 2 venture capital funds (valued at approximately EUR 0.4 million).

For *venture capital* funds, the *fair value* of each fund is based on the fund's stated NAV, calculated according to international valuation standards and adjusted if necessary to reflect capital reimbursements/calls that occurred between the reference date for the last available NAV and the balance sheet date.

For the other funds, the *fair value* of each fund is represented by the NAV advised by the management company in the half-year fund management report as at 31 December 2021, drafted in accordance with the Bank of Italy's regulation of 19 January 2015, as subsequently amended, on collective asset management.

Notes to the balance sheet

NON-CURRENT ASSETS

1 - Intangible and tangible assets

1 - 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	350	(350)	0	350	(350)	0
Total	**350**	**(350)**	**0**	**350**	**(350)**	**0**

(EUR thousand)	Balance at 1.1.2021	Acquisitions	Disposals	Disposals (provision)	Amort.	Balance at 31.12.2021
Concessions, licences and trademarks	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Intangible fixed assets were written off after having been fully amortised.

1b - Tangible assets

Changes in tangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2021	Cum. depr. & write-downs at 1.1.2021	Net carrying value at 1.1.2021	Historical cost at 31.12.2021	Cum. depr. & write-downs at 31.12.2021	Net carrying value at 31.12.2021
Plant	7	(6)	1	7	(6)	1
Furniture and fixtures	425	(422)	3	423	(421)	2
Computer and office equipment	96	(88)	8	58	(49)	9
Leasehold improvements	663	(663)	0	658	(658)	0
Leased buildings	2,999	(929)	2,070	3,069	(1,255)	1,814
Leased vehicles	103	(55)	48	132	(27)	105
Other tangible assets	10	(5)	5	10	(8)	2
Non-depreciable tangible assets	37	0	37	37	0	37
Total	**4,340**	**(2,168)**	**2,172**	**4,394**	**(2,424)**	**1,970**

(EUR thousand)	Balance at 1.1.2021	Acquisitions	Disposals (at cost)	Disposals (provision)	Depr.	Balance at 31.12.2021
Plant	1	0	0	0	0	1
Furniture and fixtures	3	0	(2)	2	(1)	2
Computer and office equipment	8	12	(50)	48	(9)	9
Leasehold improvements	0	0	(5)	5	0	0
Leased buildings	2,070	245	(175)	145	(471)	1,814
Leased vehicles	48	89	(60)	55	(27)	105
Other tangible assets	5	0	0	0	(3)	2
Non-depreciable tangible assets	37	0	0	0	0	37
Total	**2,172**	**346**	**(292)**	**255**	**(511)**	**1,970**

At 31 December 2021, property, plant and equipment amounted to 1,970 thousand euros (2,172 thousand euros at 31 December 2020), after depreciation for the period of -511 thousand euros.

Please note that, following the application of IFRS 16, as of 1 January 2019, related usage rights have been recognised under property, plant and equipment:

- the buildings where the companies have their headquarters, in particular the building at Via Brera 21 in Milan, which has been leased to DeA Capital since 2013;
- to lease vehicles.

The rights of use of the property in Via Brera 21, Milan, for the portion pertaining to DeA Capital, are posted under "Tangible fixed assets", while the portion pertaining to DeA Capital Group companies and the parent company De Agostini is posted under "Financial receivables for non-current *leases*" and "Financial receivables for current *leases*".

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

The depreciation rates used in the financial statements are:

- specific equipment 20%;
- furniture and furnishings 12%;
- computer and office equipment 20%;
- leasehold improvements 15%.

2 - Financial investments

2a - Investments in subsidiaries and joint ventures

Investments in subsidiaries are measured at *fair value* in accordance with IAS 27 and IFRS 13.

Details of the existing investments at 31 December 2021 are shown in the table below:

(EUR thousand)	Segment	% shareholding at 31.12.21	Value at 31.12.21	% shareholding at 31.12.20	Value at 31.12.20
DeA Capital Partecipazioni S.p.A.	Holding Companies	100.00%	166,700	100.00%	166,300
IDeA Opportunity Fund I	Platform Investments	46.99%	9,020	46.99%	7,692
DeA Capital Real Estate SGR S.p.A.	Alternative Asset Management	9.03%	12,400	9.03%	13,000
DeA Capital Alternative Funds SGR S.p.A.	Alternative Asset Management	100.00%	70,700	100.00%	62,800
Total			**258,820**		**249,792**

The changes in this item at 31 December 2021 compared to the end of 2020 are detailed below on an *asset-by-asset* basis..

DeA Capital Partecipazioni S.p.A.

The holdings in the financial statements as at 31 December 2021 amounts to EUR 166,700 thousand. The change in carrying amount, compared to 31 December 2020, was due to the favourable change in *fair value* of approximately +400 thausand euros, mainly as a result of (*i*) the valuation of the main investee companies and (*ii*) the increase in liquidity due to dividends received from the same investee companies.

In fact, the economic value of the subsidiary DeA Capital Partecipazioni S.p.A. was estimated on the basis of a "*sum-of-the-parts*" valuation that mainly includes the determination of the value of investments in DeA Capital Real Estate SGR S.p.A. (90.97% owned and valued as detailed below) and in Yard Reaas S.p.A..

IDeA Opportunity Fund I (IDeA OF I)

The units in IDeA OF I are valued at around EUR 9,020 thousand in the Financial Statements to 31 December 2021. The change in the carrying amount compared to 31 December 2020 is due to the favourable change in *fair value* of approximately EUR +1,328 thousand.

The *fair value* of the fund is represented by the NAV communicated by the Management Company in the Management Report of the Fund 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.

DeA Capital Real Estate SGR S.p.A.

The shareholding in the financial statements as at 31 December 2021 amounts to 12,400 thousand euros and corresponds to a 9.03% stake in the company. The change in the carrying amount compared to 31 December 2020, -600 thousand euros, is due to the unfavourable change in *fair value*.

The economic value of the subsidiary DeA Capital Real Estate SGR S.p.A. was estimated 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 S.p.A. 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%.

A sensitivity analysis conducted on the most significant variables in terms of sensitivity to the recoverable value of 100% of the capital of DeA Capital Real Estate SGR, i.e. the cost of capital and the "g" growth rate used, leads to potential changes in the overall value of the company (which, in addition to being held directly for 9.03%, is also held indirectly through the subsidiary DeA Capital Partecipazioni for the remaining 90.97%) of -3.8 million euros/+4.4 million euros (for variations of +0.5% and -0.5% in the cost of capital, respectively) and -1.3 million euros/+1.4 million euros (for variations of -0.25% and +0.25% in the growth rate "g", respectively).

DeA Capital Alternative Funds SGR S.p.A.

The holdings in the financial statements as at 31 December 2021 amounts to EUR 70,700 thousand. The change in carrying amount compared to 31 December 2020, equal to +7,900 thousand euros was caused by the unfavourable change in *fair value*.

The economic value of the subsidiary DeA Capital Alternative Funds SGR S.p.A. was estimated based on a specific report by an independent expert, which was based on a sum-of-the-parts approach, determining the value as the sum of (*i*) the present value of dividend flows (dividend discount model, "DDM" method) expected by DeA Capital Alternative Funds SGR S.p.A. and (*ii*) the present value of the carried interest flows expected from the funds managed by the company (discounted cash flow, "DCF" method), relating to 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%.
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).

Below is a list of equity investments, values as of 31 December 2021, with the information required by Article 2427 of the Italian Civil Code:

Company	Registered office	Currency	Share capital (EUR)	Consolidated shareholders' equity (EUR)	Consolidated net profit/ (loss) for the year (EUR)	% holding	Share of shareholders' equity (EUR)	Carrying value (EUR)
IDeA Opportunity Fund I	Milan, Italy	Euro	-	19,196,993	2,825,963	46,99%	9,020,060	9,020,060
DeA Capital Real Estate SGR S.p.A.	Rome, Italy	Euro	16,757,557	139,096,393	7,789,870	9,03%	12,560,404	12,400,000
DeA Capital Alternative Funds SGR S.p.A.	Milan, Italy	Euro	1,300,000	28,934,131	7,002,106	100,00%	28,934,131	70,700,000
Total					**31,810,370**		**210,510,109**	**258,820,060**

2b - Investments in associated companies

Investments in Associated Companies and Funds are measured at *fair value* in accordance with IAS 28 and IFRS 13.

At 31 December 2021, this item totalled EUR 20,119 thousand, as shown in the following table:

(EUR thousand)	Segment	Balance at 1.1.2021	Capital increases	Capital decreases	*Fair value* adjustment	Balance at 31.12.2021
Quaestio Holding S.A.	Alternative Asset Management	17,700	0	0	0	17,700
IDeA EESS	Platform Investments	3,541	133	(2,198)	498	1,974
Venere	Platform Investments	604	0	(84)	(75)	445
Total		**21,845**	**133**	**(2,282)**	**423**	**20,119**

The changes in the item under review at 31 December 2021 compared with end-2020 relate to:
- decrease of EUR -84, thousand in the Venere shares for capital redemptions received during the year;
- a decrease of 2,065 thousand euros in the shares of IDeA EESS due to capital calls paid out during the year (+133 thousand euros) and capital redemptions received (-2,198 thousand euros);
- the *fair value* measurement of associate companies, which resulted in a change of -75 thousand euros for Venere and +498 thousand euros for IDeA EESS.

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

This item, amounting to 9,872 thousand euros as of 31 December 2021, includes the investments in Cellularline S.p.A., in Category A Participating Financial Instruments and in Toi Due S.r.l., as shown in the following table:

(EUR thousand)	Segment	Balance at 1.1.2021	Increases (capital call/ purchase)	Decreases (capital distribution)	*Fair value* adjustment	Balance at 31.12.2021
Equity Financial Instruments	Alternative Asset Management	690	0	0	0	690
Toi Due S.r.l.	Platform Investments	5,000	0	0	0	5,000
Cellularline S.p.A.	Other Investments	4,750	0	0	(568)	4,182
Kenan Investments S.A.	Other Investments	19,658	(19,464)	0	(194)	0
Total		**30,098**	**(19,464)**	**0**	**(762)**	**9,872**

The changes in the item under review at 31 December 2021 compared with end-2020 relate to:

- a decrease of -19,464 thousand euros for the reimbursement of capital following the liquidation of Kenan Investments S.A., with the realisation of a negative delta *fair value* of 194 thousand euros;
- the *fair value* measurement of investments in other companies, which resulted in a decrease of 568 thousand euros for Cellularline S.p.A..

2d - Funds measured at fair value through P&L

This item refers to investments in 2 venture capital funds (for 416 thousand euros, compared to 427 thousand euros at the end of 2020) and 10 closed-end mutual funds (for 90,192 thousand euros , compared to 79,282 thousand euros at the end of 2020), as shown in the following table:

(EUR thousand)	**Balance at 1.1.2021**	**Increases (capital call)**	**Decreases (capital distribution)**	***Fair value* adjustment**	**Translation effect**	**Balance at 31.12.2021**
IDeA I FoF	15,185	132	(5,629)	4,604	0	14,292
ICF II	23,723	143	(4,554)	12,851	0	32,163
ICF III Core	1,076	22	(466)	1,015	0	1,647
ICF III Credit & Distressed	3,289	33	(920)	1,537	0	3,939
ICF III Emerging Markets	7,560	55	(555)	2,479	0	9,539
IDeA ToI	16,327	82	(8,155)	5,155	0	13,409
IDeA Agro	1,729	1,024	0	(74)	0	2,679
ToI 2	2,355	1,319	0	(283)	0	3,391
SS II	44	1,180	0	(234)	0	990
Total Platform Investments / Private Equity	**71,288**	**3,990**	**(20,279)**	**27,050**	**0**	**82,049**
IDeA CCR I CD	46	0	(5)	(1)	0	40
IDeA CCR I NF	961	18	(453)	(20)	0	506
IDeA CCR II CD	83	0	(14)	(7)	0	62
IDeA CCR II NF	6,201	2,847	(2,341)	102	0	6,809
Total Platform Investments / Credit	**7,291**	**2,865**	**(2,813)**	**74**	**0**	**7,417**
Santa Palomba	703	0	0	23	0	726
Total Platform Investments / Real Estate	**703**	**0**	**0**	**23**	**0**	**726**
Total Fondi di venture capital / Other Investments	**427**	**0**	**(75)**	**27**	**36**	**416**
Total funds	**79,709**	**6,855**	**(23,167)**	**27,174**	**36**	**90,608**

During the year 2021, the company received reimbursements amounting to 23,167 thousand euros.

Venture capital funds

Venture capital fund shares amounted to approximately EUR 416 thousand. The change in the carrying amount compared to 31 December 2020 is due to the distribution received of -75 thousand euros and the favourable change in *fair value* of approximately +63 thousand euros.

Closed-end mutual investment funds

Units in closed-end funds amounted to approximately EUR 90,192 thousand. The change in carrying value compared to 31 December 2020 was due to contributions paid as capital calls for 6,855 thousand euros, reimbursements received for -23,092 thousand euros and the favourable change in *fair value* of approximately +27,147 thousand euros.

3 - Non-current assets

3b Financial receivables - non current position

This item includes a loan of up to a maximum of approximately EUR 750 thousand in favour of SAS Saint Denis Le Cap, a company under French law intended for a real estate co-investment, in which DeA Capital Partecipazioni S.p.A. holds an interest (conditions 5.75% p.a., to be reimbursed by April 2025), used, at the date of this document, for approximately 700 thousand euros.

3c - Financial receivables for leasing non-current position

This item amounted to approximately 4,407 thousand euros (5,785 thousand euros at 31 December 2020) and mainly relates to the receivable of DeA Capital S.p.A., due in more than 12 months, from companies belonging to the same group as the parent company that uses space in the property at Via Brera 21 in Milan.

4 - Current assets

At 31 December 2021, current assets were approximately EUR 98,477 thousand compared with EUR 83,162 thousand at 31 December 2020.

4a - Trade receivables

This item amounted to 183 thousand euros (359 thousand euros at 31 December 2020) and mainly relates to the following trade receivables due within 12 months:

- 70 thousand euros to DeA Capital Alternative Funds SGR and 98 thousand euros to DeA Capital Real Estate SGR, for the sublease agreement for rental units and for the chargeback of accessory costs relating to this agreement;
- 10 thousand euros to Yard Reaas S.p.A. for the remuneration of the director with offices in the company, paid to DeA Capital;
- 4 thousand euros to IGT Lottery S.p.A. for the sublease agreement for rental units and the chargeback of ancillary costs related to this agreement;
- 1 thousand euros to De Agostini S.p.A. for the sublease contract of rental units and for the chargeback of accessory costs related to this contract.

Receivables are broken down by geographical area as follows:
- 91.57% for receivables from Subsidiaries - Italy;
- 5.67% for receivables from third parties - Italy;
- 2.10% for receivables from affiliated companies - Italy;
- 0.66% for receivables from Parent Company - Italy.

4c - Financial receivables for leasing - current leases

This item, amounting to approximately EUR 1,403 thousand (EUR 1,366 thousand at 31 December 2020), relates to the receivable of DeA Capital S.p.A. from the companies using space in the property at Via Brera 21 in Milan.

4d - Tax receivables from parent company

This item, amounting to approximately 3,256 thousand euros at 31 December 2021 (4,025 thousand euros at 31 December 2020), refers to the receivable from the parent company De Agostini S.p.A. for participation in the tax consolidation scheme and relates to the transfer to the parent company of the receivable for withholding taxes from the previous year.

4e - Other tax receivables

These receivables, which amounted to 3,991 thousand euros (5,321 thousand euros at 31 December 2020), mainly related to:
- withholding taxes of 3,188 thousand euros withheld by DeA Capital Alternative Funds SGR as withholding agent on distributions of income by IDeA I FoF, ICF II, IDeA EESS and IDeA ToI;
- the residual receivable from the sale of an IRES receivable from the 2020 Tax Consolidation for 704 thousand euros.

4f - Other receivables

These receivables, totalling EUR 107 thousand (EUR 68 thousand at 31 December 2020), relate mainly to prepaid expenses and receivables for guarantee deposits.

These receivables fall due within the next year.

4g - Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and cash (EUR 2 thousand), including interest accrued at 31 December 2021. This item amounted to 89,537 thousand euros at the end of 2021, compared to 72,023 thousand euros at the end of 2020.
This increase is primarily due to the combined effect of the following factors:

- collection of dividends of +1,356,000 euros from DeA Capital Real Estate SGR, +1,941 thousand euros from Quaestio and +8,000 thousand euros from DeA Capital Alternative Funds SGR;
- payment of dividends of EUR -26,086 thousand;
- receipt of EUR +37,924 thousand for pay-outs from available-for-sale funds excluding capital calls paid;
- collection of EUR +4,824 thousand for the remuneration of losses transferred to the parent company De Agostini S.p.A. for participation in the tax consolidation scheme;
- disbursement of EUR -3,094 thousand for tax advances paid;
- disbursement of EUR -133 thousand for the purchase of treasury shares;
- service expenses net of recharges to Subsidiaries and Affiliated Companies amounting to -7,205 thousand euros;
- disbursement of EUR -13 thousand for an interest-bearing loan to third parties.

Please see the Company's Cash Flow Statement for further information on changes to this item.

5 - Shareholders' equity

At 31 December 2021, shareholders' equity totalled approximately EUR 465,663 thousand, compared with EUR 460,321 thousand at 31 December 2020.
The change in shareholders' equity in 2021 (approximately +5,342 thousand euros) is mainly attributable to:

- the distribution of a dividend of EUR -26,088 thousand;
- the profit of EUR +28,446 thousand for the period.

Please see the Statement of Changes in Shareholders' Equity for more information on the main changes in this item.

5a - Share capital

The share capital, fully subscribed and paid up, is 266,612,100 euros, unchanged from 31 December 2020, represented by shares with a nominal value of 1 euro each, for a total of 266,612,100 shares (of which 5,734,546 shares are in the portfolio).

5b - Share premium reserve

This item decreased by -26,088 thousand euros, from 155,542 thousand euros at 31 December 2020 to 129,454 thousand euros at 31 December 2021, due to the distribution of dividends.

5c - Legal reserve

This reserve totalled EUR 61,322 thousand, which was unchanged from the figure at 31 December 2020.

5d - Own shares reserve

The reserve was negative at -8,942 thousand euros, from -10,713 thousand euros at 31 December 2020, and changed as shown below:

	No. of shares	**Amount (EUR)**
Shares at 31 December 2020	**6,922,403**	**(10,712,734)**
Changes in 2021		
Shares issued for performance shares	(1,304,132)	1,904,033
Purchase of own shares	116,275	(132,953)
Shares at 31 December 2021	**5,734,546**	**(8,941,654)**

5e - Other reserves

Other reserves, totalling EUR -2,968 thousand, comprise:

- the reserve related to the cost of long-term incentive plans amounting to EUR +4,895 thousand;
- the merger reserve of the subsidiary IDeA Alternative Investments of EUR -831 thousand (unchanged compared with 31 December 2020);
- the reserve for actuarial gains/losses on the end-of-service payment fund of EUR +67 thousand;
- the reserve for the sale of option rights/warrant subscription, amounting to EUR +413 thousand originating from the sale of residual options on the share capital increase not taken up by shareholders and sold by the Company;
- the reserve for share issuance costs, amounting to EUR -7,512 thousand, arising from the costs incurred for the share capital increase in 2007 for EUR -7,828 thousand and from the subscription of warrants by the Company's management in 2019 for EUR +316 thousand.

5f - Retained earnings (losses)

The item at 31 December 2021 amounted to -8,262 thousand euros, compared to -33,216 thousand euros at 31 December 2020, mainly due to the allocation of the previous year's result.

5g - Profit (loss) for the year

This item includes the positive result of EUR +28,446 thousand in 2021, compared to a profit of EUR +25,431 thousand in 2020.

Article 2427, paragraph 1 no. 7-bis of the Italian Civil Code: breakdown of shareholders' equity items.

The table below analyses the items of Shareholders' Equity as at 31 December 2021, detailing their origin, possibility of utilisation and distribution, as well as their utilisation in previous years:

	Amount	Potential use	Amount available	Summary of use in the three previous years	
Description (in EUR)				to cover losses	for other reasons
Share capital	**266.612.100**	=	=	=	=
Share premium reserve	**129.454.279**	A,B,C	129.454.279 (#)	=	115.766.699
Legal reserve	**61.322.420**	B	=	=	=
Profits (losses) of previous and current years	**20.184.023**	=	=	=	600.996
- of which: Portion from asset revaluation	*90.073.132*	*B (*)*	=	=	=
- of which: Other	*(69.889.109)*	=	=	=	=
Other reserves	**(2.968.391)**	=	=	=	=
Own Shares	**(8.941.654)**	=	=	=	=
TOTAL	**465.662.777**				

Key: A = capital increase, B = to cover loss, C = distribution to shareholders.
(#) Distributable portion equal to Eur 47,655,125
(*) this portion of the reserve can be used to cover losses only subordinate to the legal reserve.

6 - Non-current liabilities

Non-current liabilities amounted to EUR 6,094 thousand (EUR 7,964 thousand at 31 December 2020); they are not secured by any collateral on company assets.

6a - Provision for employee termination benefits

The end-of-service payment fund is a defined benefit plan, and has therefore been valued using actuarial assessments. The assumptions used in calculating the fund were: a discount rate of 0.98%; an annual rate of inflation of 1.20%; annual salary growth of 2.50%; and an annual fund growth rate of 2.40%.

Movements in the TFR can be summarised as follows:

(EUR thousand)	Balance at 1.1.2021	Portion accrued	Payments	Balance at 31.12.2021
Moviment in end-of-service payment fund	**462**	**(102)**	**(158)**	**202**

The amounts concerned were calculated as follows:

(EUR thousand)	31.12.2021	31.12.2020
Nominal value of end-of-service payment fund	341	407
Discounting effect	(139)	55
Current value of end-of-service payment fund	**202**	**462**

6b - Non-current financial liabilities

This item was 5,892 thousand euros in total and mainly related to the financial payable recorded as a result of the application of IFRS 16 for the lease of the building located in Via Brera 21, Milan, for 5,641 thousand euros, for the lease of buildings used by personnel for 179 thousand euros, and for the lease contracts of motor vehicles in use for 72 thousand euros.

7 - Current liabilities

Current liabilities amounted to EUR 13,216 thousand (EUR 4,927 thousand at 31 December 2020) and are all due within one year; they are not secured by any collateral on company assets.

7 - Trade payables

This item totalled EUR 538 thousand, compared with EUR 743 thousand in the previous year, and stems from ordinary operations.

With regard to transactions with related parties, this item includes payables to affiliate De Agostini Editore S.p.A. of approximately 20 thousand euros, to subsidiary DeA Capital Alternative Funds SGR S.p.A. of approximately 83 thousand euros, and to subsidiary DeA Capital Real Estate SGR S.p.A. of approximately 13 thousand euros.

Payables are broken down by region as follows:
- 76.69% for payables to suppliers - Italy;
- 17.85% for payables to suppliers - Italian subsidiaries;
- 3.84% for payables to suppliers - Italian affiliates;
- 1.39% for payables to suppliers - Luxembourg;
- 0.23% for payables to suppliers - Spain.

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 1,600 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

This item amounted to EUR 2,611 thousand (EUR 2,091 thousand at 31 December 2020) and breaks down as follows:
- 446 thousand euros for payables to social security institutions, paid on time after the end of the 2021 financial year;
- 2,165 thousand euros of payables to employees for unused holidays and accrued bonuses.

7d - Tax payable to Parent Company

This item totalled 4,583 thousand euros (not present at 31 December 2020) and relates to fees payable to the parent company De Agostini S.p.A. for participation in the tax consolidation scheme.

7e - Other tax payables

These payables amounted to 1,955 thousand euros (263 thousand euros at 31 December 2020) and related to:
- payables to tax authorities for withholding taxes on income from employment and self-employment for 287 thousand euros;
- payables to tax authorities for current corporate income taxes of 134 thousand euros and to IRAP of 1,534 thousand euros.

7f - Other payables

This item amounted to 24 thousand euros (16 thousand euros at 31 December 2020) and mainly consisted of a payable for dividends not yet paid.

7g - Short Term financial liabilities

The item amounted to EUR 1,906 thousand and related to the financial payables recorded as a result of the application of IFRS 16 for the lease of the building located in Via Brera 21, Milan for EUR 1,796 thousand, for the lease of buildings used by personnel for EUR 74 thousand and for the lease contracts of motor vehicles in use for EUR 36 thousand.

Notes to the Income Statement

8 - Revenues and income

8a - Investment income and expenses

In the 2021 financial year, net investment income was EUR 47,159 thousand (compared to net investment income of EUR 30,365 thousand in the 2020 financial year).

Details of this item are shown below:

(EUR thousand)	Financial year 2021	Financial year 2020
Dividends from subsidiaries and other income	**11,296**	**5,360**
Income from valuation of Dea Capital Allternative Funds SGR S.p.A.	7,900	(700)
Income from valuation of IDeA Opportunity Fund I	1,328	(5,079)
Loss from valuation of DeA Capital Real Estate SGR S.p.A	(600)	700
Income from valuation of DeA Capital Partecipazioni S.p.A	400	27,800
Income/(Loss) from valuation in subsidiary companies	**9,028**	**22,721**
Income from valuation of IDeA EESS	498	(161)
Income from valutation Quaestio Holding S.A.	0	3,415
Loss from valuation of Venere	(75)	(81)
Income/(Loss) from valuation in related companies	**423**	**3,173**
Dividends from Cellularline S.p.A.	0	310
Loss from Kenan Investments S.A.	(194)	0
Income from valuation of Kenan Investments S.A.	0	3,918
Loss from valuation of IDeaMI S.p.A. in liquidation	0	(194)
Loss from valuation of Cellularline S.p.A.	(568)	(2,040)
Income/(Loss) from valuation of Venture Capital	27	(1,536)
Income from valuation of IDeA FoF	4,604	(3,114)
Income from valuation of IDeA ICF II	12,851	2,759
Income from valuation of IDeA ICF III	5,031	(439)
Income from valuation of Santa Palomba	23	59
Income from valuation of IDeA ToI	5,155	(443)
Loss from valuation of ToI 2	(283)	(234)
Loss from valuation of SS II	(234)	(51)
Loss from valuation of IDeA CCR I	(21)	(54)
Income/(Loss) from valuation of IDeA CCR II	95	194
Loss from valuation of IDeA Agro	(74)	(24)
Income/(Loss) from valuation in other investments	**26,412**	**(889)**
Total investment Income (Losses)	**47,159**	**30,365**

Dividends from associates and other income

The item comprises dividends paid out by:

- DeA Capital Alternative Funds SGR S.p.A. for EUR 8,000 thousand;
- Quaestio Capital SGR for 1,941 thousand euros;
- DeA Capital Real Estate SGR S.p.A. for EUR 1,355 thousand.

8b - Service revenues

In the financial year 2021, an income of 888 thousand euros (864 thousand euros in the financial year 2020) was recorded due to the recharging of costs or the provision of services of:

-EUR 536 thousand to DeA Capital Real Estate SGR;

-EUR 225 thousand to DeA Capital Alternative Funds SGR;

-EUR 58 thousand to De Agostini S.p.A.;

-EUR 35 thousand to DeA Capital Partecipazioni;

-EUR 30 thousand for services rendered to third parties;

-EUR 4 thousand to IGT Lottery S.p.A..

9 - Operating costs

9a - Personnel costs

Total personnel costs amounted to 8,560 thousand euros compared to 6,966 thousand euros in 2020.

The item breaks down as follows:

(EUR thousand)	Financial year 2021	Financial year 2020
Salaries and wages	2,950	2,480
Social security charges	822	735
Net remuneration for the Board of Directors	1,589	1,854
Performance shares cost	2,950	1,698
End-of-service payment fund	222	168
Other personnel costs	27	31
Total	**8,560**	**6,966**

There are a total of 22 employees of the Parent Company (23 as at 31 December 2020).

The table below shows changes and the average number of Parent Company employees during the year.

Employees	1.1.2021	Recruits	Departures	31.12.2021	Average no.
Senior managers	6	1	1	6	6
Junior managers	7	3	3	7	9
Staff	10	0	1	9	9
Total	**23**	**4**	**5**	**22**	**24**

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 Company's share options still valid but not yet vested at 31 December 2021 amount to 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 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, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (*ii*) to grant 1,385,000 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees and/or directors performing particular roles at 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).

9b - Service costs

Costs for services in 2021 amounted to 2,720 thousand euros (2,454 thousand euros in 2020) and are detailed as follows:

(EUR thousand)	Financial year 2021	Financial year 2020
Administrative, tax, legal consultancy and other fees	1,337	1,338
Fees to corporate bodies and Advisory Board	425	198
Ordinary maintenance	345	315
Travel expenses	34	31
Utilities and general expenses	482	484
Bank charges	32	29
Advertising, conferences, online subscriptions, office supplies	58	54
Other charges	7	5
Total	**2,720**	**2,454**

9c - Depreciation, amortization and impairment

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

9d - Provision for risks and charges

The provision for risks and charges, which amounted to 1,600 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.

9e - Other expenses

This item amounted to EUR 68 thousand (EUR 57 thousand in 2020) and is mainly composed of registration tax, municipal taxes and non-deductible VAT due to the application of the pro-rata.

10 - Financial income and charges

10a - Financial income

Financial income was EUR 224 thousand (EUR 422 thousand in 2020) and is detailed as follows:

(EUR thousand)	Financial year 2021	Financial year 2020
Interests income	37	15
Interests income on leasing	144	175
Financial liabilities adjustment	0	170
Exchange gains	43	62
Total	**224**	**422**

In detail, this item mainly consists of:

- interest income on receivables, amounting to 37 thousand euros, accrued on the loan to SAS Saint Denis Le Cap;
- Interest income on *leases*, amounting to 144 thousand euros, related to financial receivables recognised as assets in the balance sheet following the application of IFRS 16;
- exchange gains of 43 thousand euros.

10b - Financial charges

Financial expenses amounted to EUR 211 thousand (EUR 436 thousand in 2020) and are detailed as follows:

(EUR thousand)	Financial year 2021	Financial year 2020
Interest payable on leasing	185	226
Interest's realignment on financial istruments - available for sale	15	0
Financial liabilities adjustment	2	0
Charges on financial liabilities	2	3
Exchange losses	7	207
Total	**211**	**436**

In detail, this item mainly consists of:

- interest payable on leases, amounting to EUR 185 thousand and related to the financial payables recognised as a liability in the balance sheet following the application of IFRS 16;
- negative adjustment on the discounting of the provision for severance indemnities accrued in the year 2021, amounting to EUR 2 thousand;
- exchange rate charges of EUR 7 thousand.

11 - Tax

11a - Income tax

The item, amounting to 6,156 thousand euros, consisted of:

- current IRES taxes for 4,669 thousand euros;
- current IRAP taxes for 1,534 thousand euros;
- tax income of 47 thousand euros, which refers to the benefit of participating in the De Agostini S.p.A. Group's national tax consolidation scheme.

The table below shows a reconciliation of the tax charges recorded in the Financial Statements and the theoretical tax charge calculated using the IRES rate applicable in Italy:

	2021		2020	
(EUR thousand)	Amount	Rate	Amount	Rate
Profit before tax	**34,602**		**21,413**	
Tax on theoretical income	8,304	24.0%	5,139	24.0%
Additional tax art. 1, co. 65 L. 208/2015	1,211	3.5%	749	3.5%
Tax on theoretical income	**9,515**	**27.5%**	**5,888**	**27.5%**
Tax effect of permanent differences				
- Write-downs on equity investments	*(1,961)*	*-5.7%*	*(9,100)*	*-42.5%*
- Losses on the sale of investments	*0*	*0.0%*	*53*	*0.2%*
- Dividends	*(2,951)*	*-8.5%*	*(1,481)*	*-6.9%*
- Other changes	*648*	*1.9%*	*28*	*0.1%*
Use of fiscal losses	(535)	-1.5%	0	0.0%
Income from tax consolidation scheme	(47)	-0.1%	7	0.0%
Additional tax art. 1, co. 65 L. 208/2015 not calculated on income from consolidation	0	0.0%	587	2.7%
Income tax reported in the income statement	**4,669**		**(4,018)**	

The table below shows a reconciliation of the tax charges recorded in the Financial Statements and the theoretical tax charge calculated using the IRAP rate applicable in Italy:

	2021		2020	
(EUR thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Gross taxable income	**39,464**		**(869)**	
Theroretic IRAP	**2,198**	**5.6%**	**(48)**	**5.6%**
Temporary and permanent differences				
- Dividends	*(315)*	*-0.8%*	*(158)*	*18.2%*
- Other deductible expenses	*(133)*	*-0.3%*	*(131)*	*15.0%*
- Tax wedge deduction	*(217)*	*-0.5%*	*0*	*0.0%*
IRAP reported in the income statement	**1,534**		**n.a.**	

Notes to the Cash Flow Statement

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

Given the type of activity carried out by the Company, cash flow from investment in companies and funds (the Company's normal activity) is included in cash flow from operating activities.

In 2021, operating activities as defined above generated 44,294 thousand euros of cash and cash equivalents (39,244 thousand euros in 2020). Please see the Cash Flow Statement for information on changes to this item.

In the financial year 2021 there was no investment activity flow (6,000 thousand euros in 2020).

In 2021, financial activities absorbed 26,764 thousand euros (34,174 thousand in 2020), mainly related to the payment of dividends of 26,086 thousand euros.

Cash and cash equivalents at the end of 2021 amounted to 89,537 thousand euros (72,023 thousand euros at the end of 2020).

Other information

Commitments

The residual commitments (commitments) as at 31 December 2021 for the total funds in portfolio amounted to EUR 84.8 million, compared to EUR 88.7 million in 2020.

The change in commitments is shown in the table below:

Residual *commitments* - €M	**1.1.2021**	**Capital calls / purchase of units**	**New commit."**	**Exchange rate / commitment decrease / others**	**31.12.2021**	**Commitment undertaken**	**Vintage**
Funds with investment period open							
IDeA CCR I - CD	0.0	0.0	0.0	0.0	0.0	0.1	2016
IDeA CCR II - CD	0.0	0.0	0.0	0.0	0.0	0.1	2017
IDeA CCR II - NF	9.6	(2.8)	0.0	0.0	6.8	15.6	2017
IDeA Agro	1.5	(1.0)	2.5	(0.1)	2.9	5.8	2018
SS	9.9	(1.2)	0.0	0.0	8.7	10.0	2020
ToI 2	12.6	(1.3)	0.0	0.0	11.3	15.2	2020
Total Funds with inv. period open	**33.6**	**(6.4)**	**2.5**	**(0.1)**	**29.7**	**46.8**	
Funds with investment period closed (*)							
IDeA I Fund of Funds	14.0	(0.1)	0.0	0.0	13.9	164.8	2007
ICF II	12.8	(0.1)	0.0	0.0	12.7	51.0	2009
ICF III	2.6	(0.1)	0.0	0.0	2.5	12.5	2009
IDeA OF I	4.5	0.0	0.0	0.0	4.5	92.4	2008
IDeA CCR I - NF	5.6	(0.0)	0.0	0.0	5.6	8.1	2016
IDeA EESS	5.5	(0.1)	0.0	0.0	5.4	30.4	2011
IDeA ToI	2.2	(0.1)	0.0	0.0	2.1	25.2	2014
Venere	0.0	0.0	0.0	0.0	0.0	7.0	2011
Santa Palomba	0.4	0.0	0.0	0.0	0.4	1.0	2016
Venture capital funds	7.5	0.0	0.0	0.5	8.0	18.8	2000
Total Funds with inv. period closed	**55.2**	**(0.6)**	**0.0**	**0.5**	**55.1**	**411.2**	
Total	**88.7**	**(7.0)**	**2.6**	**0.5**	**84.8**	**458.0**	

(*) Funds whit completed investment period.

In relation to these commitments, management believes that the funds currently available, in addition to the funds that will be generated by operating and financing activities, will enable DeA Capital to meet the needs arising from investment and working capital management activities.

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:

(i) allocation of 1,304,132 treasury shares under the 2017-2019 and 2018-2020 *Performance Shares* Plans of DeA Capital S.p.A.;
(ii) 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., for the latter to provide operating services in administration, finance, control, investor relations, legal, corporate, tax and institutional and press relations services, at market rates. 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 for intended use other than residential use" with the controlling shareholder, 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 term of 7 years, provides for the same conditions as the contract held by DeA Capital S.p.A..

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.

   In the case of DeA Capital S.p.A., the option is irrevocable for the three-year period 2020-2022.

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.

   It is expected that the deposit/financing operations that fall within the scope of the aforesaid Framework Agreement shall be activated only after verifying the convenience of the economic terms and conditions as determined from time to time, on a revolving basis and on the basis of a duration of the operations themselves not exceeding three months. It is also expected that the Framework Agreement will have a duration of one year and will be tacitly renewed every 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.

Finally, from 1 January 2020, DeA Capital S.p.A. joined the "B&D Holding VAT group" (promoted by the indirect parent company of DeA Capital S.p.A.), which allows companies in the same group to have a single VAT number and to operate as a single entity for VAT purposes. Membership is binding for the three-year period from 2020 to 2022.

The following is reported with reference to transactions with Subsidiaries:

1) On 1 January 2013, DeA Capital S.p.A. signed sublease agreements with the subsidiaries DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR for real estate portions of the property located at 21 Via Brera, Milan, consisting of office space, warehouse and parking spaces. This contract, which is renewable every 6 years after an initial term of 7 years, provides for the same conditions as the contract held by DeA Capital S.p.A..

2) DeA Capital S.p.A. signed "Contracts for the provision of Internal Audit services" with the subsidiaries DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR. These contracts, which are tacitly renewed annually, were entered into to increase the efficiency and effectiveness of Internal Audit activities as part of a more general strengthening of the internal audit function of the parent company DeA Capital S.p.A.

3) DeA Capital S.p.A. signed "Contracts for the provision of corporate services" with its subsidiaries DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR. These contracts - tacitly renewed annually - have been stipulated in order to support the legal functions of the Asset Management Companies, allowing them to benefit from a common platform of resources and professional knowledge functional to the standardisation and transversality of operating methodologies at Group level.

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 following table shows the amounts involved in transactions with related parties:

	31.12.2021					**Financial year 2021**				
(EUR thousand)	**Trade receivables**	**Financial receivables**	**Tax receivables**	**Tax payables**	**Trade payables**	**Revenues for services**	**Financial income**	**Tax income**	**Personnel costs net of recharged (*)**	**Service costs**
DeA Capital Alternative Funds SGR S.p.A.	70	2,173	-	-	(83)	225	51	-	337	-
DeA Capital Real Estate SGR S.p.A.	98	2,745	-	-	(13)	536	69	-	316	-
DeA Capital Partecipazione S.p.A.	-	-	-	-	-	35	-	-	10	-
Yard Reaas S.p.A.	10	-	-	-	(3)	-	-	-	10	(7)
Quaestio Capital SGR S.p.A.	-	-	-		-	20	-	-	-	-
De Agostini S.p.A.	1	796	3,256	(4,583)	-	58	21	47	-	(20)
DeA Planeta Libri S.p.A.	-	-		-	(1)	-	-	-	-	(1)
De Agostini Scuola S.p.A.	-	-		-	-	-	-	-	-	(7)
IGT Lottery S.p.A.	4	96	-	-	-	4	2	-	-	-
De Agostini Editore S.p.A.	-	-	-	-	(20)	-	-	-	(63)	(55)
Total related parties	**183**	**5,810**	**3,256**	**(4,583)**	**(120)**	**878**	**143**	**47**	**610**	**(90)**
Total financial statement line item	**183**	**5,810**	**3,256**	**(4,583)**	**538**	**888**	**224**	**47**	**(8,372)**	**(2,720)**
As % of financial statement line item	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**(22.3%)**	**98.9%**	**63.8%**	**100.0%**	**(7.3%)**	**3.3%**

(*) Values Net of revenues concerning the recharge of cost of personnel to the Group Companies.

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 financial year 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 thousand 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

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. This assessment, based on the presumption of higher unrecognised revenues, has been challenged by DeA Capital before the Milan Provincial Tax Commission ("CTP").

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. The assessment in question was also challenged by DeA Capital before the Milan Provincial Tax Commission.

On 14 November 2016, the Milan Provincial Tax Commission fully upheld the appeals filed with regard to the presumption of higher unrecognised revenues for the years 2009/2010 and partially upheld the appeal concerning the 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.

Management and coordination

The Parent Company is subject to the management and coordination of De Agostini S.p.A.

The essential data of the parent company De Agostini S.p.A. set out in the summary required by Article 2497-bis of the Civil Code were extracted from the financial statements for the year ended 31 December 2020.

For an appropriate and complete understanding of the balance sheet and financial position of De Agostini S.p.A. at 31 December 2020, as well as of the company's operating result for the year ended at that date, please refer to the financial statements, which, together with the independent auditor's report, are available according to the forms and methods required by law.

(in EUR)

INCOME STATEMENT	2020	2019
Revenues	2,888,143	5,675,418
Production costs	(25,974,480)	(32,484,708)
Financial income and charges	74,287,869	90,895,259
Adjustments to the value of financial assets	(18,069,064)	(16,373,933)
Taxes for the year	8,241,594	7,560,349
Net profit	41,374,062	55,272,385

STATEMENT OF FINANCIAL POSITION	2020	2019
Non-current assets	3,140,581,668	3,143,995,120
Current assets	179,552,936	184,799,715
Accruals and deferrals	4,502,087	8,306,143
Shareholders' equity	(2,669,773,536)	(2,582,781,567)
Provisions for risks and charges	(2,264,807)	(7,370,605)
End-of-service payment provision	(616,146)	(634,991)
Payables	(650,978,051)	(744,631,561)
Accruals and deferrals	(1,004,151)	(1,682,254)

Risks

The assessment of risk factors for DeA Capital is to be understood 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 in support of the platform's activities (so-called ***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 can 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, in the case of open-ended funds to which the *multi-asset/multi-management investment solutions* offered to investors have access, 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, 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 in some of the products it offers 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 (e.g. the establishment of the Security Operating Centre (SOC) to better monitor cybersecurity issues).

The spread of COVID-19 during 2020 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 continuity of operations of the companies belonging to the Group.

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 persons 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, DeA Capital was able to oversee the governance of its business in a period of extraordinary uncertainty with substantially unchanged response capabilities compared to *business-as-usual*, 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, with regard to the recent geopolitical turmoil triggered by the development of relations between Russia and Ukraine, this 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 reporting date for the 2021 Financial Statements

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.

Final Points

Publication of the 2021 Financial Report

In accordance with the provisions of IAS 10, the Parent Company has authorised the publication of these financial statements within the time limits set out in the current regulations.

Positions or transactions arising from atypical and/or unusual operations

Pursuant to CONSOB Communication no. 6064293 of 28 July 2006, it should be noted that, with reference to the activities carried out by the Company and the Group in the 2021 financial year, there are no positions or transactions deriving from atypical and/or unusual operations; in the period of reference, the Company and the Group did not carry out any atypical and/or unusual transactions as defined in the aforementioned CONSOB Communication, nor any significant transactions that are not part of their core business.

Significant non-recurring events and transactions

Pursuant to the aforementioned CONSOB Communication, the DeA Capital Group did not carry out any significant non-recurring transactions in 2021, since acquisitions or divestments relating to equity investments and funds in the portfolio are to be considered ordinary activities, nor did any significant non-recurring events occur within the scope of the aforementioned CONSOB Communication.

Certification of the Financial Statements pursuant to Article 154-*bis* of the Legislative Decree. 58/98

Certification of the Financial Statements pursuant to Article 154-*bis* of the Legislative Decree. 58/98

The undersigned Paolo Ceretti, in his capacity as Chief Executive Officer, and Manolo Santilli, in his capacity as Manager responsible for preparing the Company's financial reports, hereby certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, the adequacy in relation to the characteristics of the business and the effective application of the administrative and accounting procedures for the preparation of the Financial Statements for the year 2021.

The assessment of the adequacy of the administrative and accounting procedures for preparing the annual financial statements for the year ending 31 December 2021 was based on a process defined by DeA Capital S.p.A. in accordance with the *Internal Control - Integrated Framework* model issued by the *Committee of Sponsoring Organisations* of the *Treadway Commission*, which is a generally accepted reference *framework* at international level.

Note that in this regard, as described in the Notes to the Financial Statements, a significant portion of the assets are investments stated at *fair value*. *Fair values* were determined by directors based on their best estimates and judgement using the knowledge and evidence available at the time the financial statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the Financial Statements to 31 December 2021:
- correspond to the Company's accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer.

The Report on Operations contains a reliable analysis of operating performance and results and of the situation of the issuer and all companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

11/03/2022

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's accounts

Information pursuant to Article 149-*duodecies* of Consob Regulation on Issuers

The table below was prepared in accordance with art. 149-duodecies of the Consob Issuer Regulations and reports the fees for 2021 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(EUR thousand)	**Company providing the service**	**Beneficiary**	**Compensation FY 2021**
Audit	PricewaterhouseCoopers S.p.A.	DeA Capital S.p.A.	84
Total			**84**

Summary of Subsidiaries' Financial Statements as at 31 December 2021

(EUR thousand)	**DeA Capital Partecipazioni**	**DeA Capital Alternative Funds SGR**
Non-current assets	119,472	19,433
Current assets	10,519	30,278
Consolidated assets	**129,991**	**49,711**
Shareholders' equity	119,547	28,934
Non-current liabilities	9,175	6,544
Current liabilities	1,269	14,233
Consolidated liabilities	**129,991**	**49,711**
Alternative asset management fees	-	32,767
Other investment income/charges	14,271	48
Other income	-	4
Personnel costs	(522)	(16,285)
External service costs	(302)	(4,118)
Depreciation and amortisation	-	(2,000)
Provision for risks	(3,544)	-
Other charges	-	(313)
Financial income	429	97
Financial charges	-	(68)
Taxes	316	(3,130)
Net profit/(loss)	**10,648**	**7,002**

Independent Auditors' Report (Original available in Italian version)

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DeA Capital SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DeA Capital Group (the Group), which comprise the statement of financial position as of 31 December 2021, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flows statement for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2021 and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of DeA Capital SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	*Auditing procedures performed in response to key audit matters*
Evaluation of intangible assets	
Notes to the consolidated financial statements - Part B "Evaluation criteria adopted" – paragraphs on "Goodwill" and "Intangible assets", Notes 1a "Goodwill" and 1b "Intangible assets" of item "Intangible and tangible assets" of the Statement of Financial Position. Goodwill, amounting to Euro 99.9 million (17.2% of total consolidated assets), and "intangible assets from final variable commission", equal to Euro 19.1 million (3.3% of total consolidated assets), were tested for impairment in accordance with the provisions of IAS 36 "Impairment of assets". Estimating the recoverable amount, determined on the basis of its value in use, of the assets which were subject to the impairment test required significant professional judgement by management in respect of: • the definition of the key assumptions underlying the estimate of the expected cash flows of the identified cash generating units ("*CGUs*") to which the goodwill and the other intangible assets recognised in the financial statements belong and • the determination of the discount rate applied to discount the expected cash flows at the reporting date. Considering the valuation methods used by the Group which are characterised by a high degree of professional judgement and use of estimates, the significance of goodwill and of intangible assets from final variable commission recognised in the financial statements, as well as in the light of the current context of macro-economic uncertainty, we deemed this process as a key audit matter.	In performing our audit procedures on these items we were also supported by PwC network experts in business valuation, given that the complexity of the valuation process requires in-depth knowledge of the reference markets and specific expertise. After obtaining an understanding of the procedures and relevant controls related to the process of evaluation of the intangible assets, as well as of the valuations and criteria used by management to identify the CGUs, we verified their consistency with management reporting and with the organisational and operating structure of the Group. We checked, on a sample basis, the accuracy and reasonableness of the forecast data used to determine the expected cash flows of the CGUs identified and of the intangible assets from variable commission, also in light of the current economic scenario. We evaluated the reasonableness of the assumptions underlying the recoverable amount of the intangible assets tested for impairment, also through sensitivity analysis performed in an independent manner on the main parameters used in the estimate process. We verified the correct determination of the book value of assets and liabilities attributable to the individual CGUs, including the allocated goodwill, and of the intangible assets from final variable commissions, used for comparisons with the respective values in use. Finally, we evaluated the completeness and the adequacy of the disclosures provided in the notes of the financial statements on how the impairment test and its related sensitivity analysis have been performed.

Key audit matters	*Auditing procedures performed in response to key audit matters*
Evaluation of unlisted financial instruments	
Notes to the consolidated financial statements: Part B - Evaluation criteria adopted – paragraph on “Financial assets”, Part D – Use of estimates and assumptions in the preparation of the financial statements, Notes 2b “Investments held by funds at fair value through P&L” and 2c “Other investments at fair value through P&L” of the Statement of Financial Position. The Group holds, directly or indirectly through funds, investments in listed and unlisted companies. At 31 December 2021, total “Other investments at fair value through P&L” amounted to Euro 14.5 million, of which Euro 6.3 million in unlisted financial instruments, while total “Investments held by funds at fair value through P&L” were equal to Euro 18 million, entirely related to unlisted financial instruments. The total amount of unlisted financial instruments therefore equated to Euro 24.3 million (4.2% of total consolidated assets). Unlisted financial instruments were subject to an evaluation process founded also on valuation methods and techniques based on observable inputs other than prices quoted on active markets and on unobservable input data, which were the object of a structured estimate process. The fair value measurement of unlisted financial instruments is therefore characterised by a high degree of subjectivity in relation to: • the selected measurement technique which is considered more appropriate in relation to the characteristics of each individual investment and to the aim/manner through which it is held; • the determination of the assumptions and parameters to be used within the application framework of the adopted valuation techniques;	We gained an understanding and assessed the process and the related policies to determine the value of the Group’s financial investments and respective implemented controls. We discussed with management the appropriateness of methodology in the evaluations performed based on the characteristics of each investment, also assisted by PwC network experts in business valuation. In particular, on a sample basis, we: • obtained the calculation models used by management to evaluate individual assets and verified their mathematical accuracy; • verified that the balance-sheet, P&L and expected cash-flows data used as input data have not been determined using unreasonable hypotheses and assumptions, also in light of the current economic scenario; • verified the reasonableness of the other assumptions and hypotheses behind the valuation models, also through specific sensitivity analyses on the main parameters and observable and unobservable input data; • considered the choice made by management in respect of the precise fair value to use for financial statement purposes. Finally, we verified the correct recognition in the P&L of unrealised gains and losses deriving from the valuation of the unlisted financial instruments at 31 December 2021.

Key audit matters	*Auditing procedures performed in response to key audit matters*
• the determination of the precise fair value of the financial instrument within the valuation intervals identified through the various techniques. Considering the significance of these discretionary elements and the importance of the investments in unlisted companies recognised in the financial statements, as well as in the light of the current context of macro-economic uncertainty created by the spread of the pandemic, we deemed this process as a key audit matter.	
Recognition of commission income	
Notes to the consolidated financial statements: Part B - Evaluation criteria adopted – paragraph on "Revenues and Income", Note 8 "Alternative asset management fees" of the Income Statement. Revenues from commissions include management fees, fund set-up fees, subscription fees and performance fees. Management fees and set-up and/or subscription fees, if any, are calculated based on percentages applied to the Assets Under Management (hereinafter also "AUM") or on Commitments, with reference to certain private equity funds, according to the methods provided in the funds' relevant management rules. Performance fees, instead, are accounted for based on the achievement of contractually established performance thresholds. The recognition of commission income, amounting to Euro 74.4 million (96.9% of total consolidated revenues net of other investment income/expense), was considered as a key audit matter in light of the their significant contribution to the Group's income statement at 31 December 2021.	We obtained an understanding and assessed the internal control system over the generation and accounting recognition of commission income. With reference to the management fees of DeA Capital Alternative SGR SpA, we relied upon the audit procedures performed by us as part of the audit of the financial statements of the subsidiary and of its funds managed. In particular, we analysed the funds' management rules to verify the consistency of the calculation methods, the correctness of the commission percentages applied and the related mathematical accuracy. We also verified the existence and correct evaluation of the funds' net assets and related income results. With reference to the fees deriving from the asset management services provided by the subsidiary DeA Capital Real Estate SGR SpA, instead, whose auditor does not belong to the PwC network, in light of the significant contribution of these fees to the total of the item "Alternative asset management fees", we also carried out independent auditing procedures.

Key audit matters	Auditing procedures performed in response to key audit matters
	We shared and monitored the auditing procedures performed by the component auditor on the subsidiary's financial statements and on the financial statements of the funds managed by the subsidiary itself, reviewing the related working papers; in addition, we performed autonomous testing procedures such as substantive analytical procedures and analysis, on a sample basis, of the funds' management rules in order to verify the consistency of the calculation methods, the correctness of the commission percentages applied and the related mathematical accuracy.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate DeA Capital SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 17 April 2015, the shareholders of DeA Capital SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2015 to 31 December 2023.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DeA Capital SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DeA Capital SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the DeA Capital Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the DeA Capital Group as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of DeA Capital SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 29 March 2022

PricewaterhouseCoopers SpA

Signed by

Giovanni Ferraioli
(Partner)

As disclosed by the Directors, the accompanying consolidated financial statements of DeA Capital SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of DeA Capital SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DeA Capital SpA (the Company), which comprise the statement of financial position as of 31 December 2021, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flows statement for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2021 and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	*Auditing procedures performed in response to key audit matters*

Evaluation of investments in unlisted companies

Notes to the financial statements: Part B - Measurement criteria adopted – paragraph on "Financial assets", Part D – Use of estimates and assumptions in the preparation of the financial statements, Notes 2a "Investments in subsidiaries and joint ventures", 2b "Investments in associates", 2c "Other investments at fair value through P&L" of the Statement of Financial Position.

DeA Capital SpA holds investments in listed and unlisted companies. At 31 December 2021, total "Investments" recorded in the financial statements, including the value of "Investments in subsidiaries and joint ventures", "Investments in associates" and "Other investments at fair value through P&L" was equal to Euro 379.4 million, of which Euro 273.2 million relating to investments in unlisted companies (equal to 61.9% of the Company's total assets).

Investments in unlisted companies were subject to an evaluation process founded on valuation methods and techniques based on observable inputs other than prices quoted on active markets and on unobservable input data, which were the object of a structured estimate process.

The fair value measurement of investments in unlisted companies is therefore characterised by a high degree of professional judgement in relation to:

- the selected measurement technique which is considered more appropriate in relation to the characteristics of each individual investment;
- the determination of the assumptions and parameters to be used within the application of the adopted valuation techniques;

We gained an understanding and assessed the process to determine the value of the Company's financial investments and related implemented controls.

We discussed with management the appropriateness of methodology in the evaluations performed, based on the characteristics of each investment and with the assistance of PwC network experts in business valuation.

In particular, on a sample basis, we:

- obtained the calculation models used by management to evaluate individual assets and verified their mathematical accuracy;
- verified that the balance-sheet, P&L and expected cash-flows data used as input data have not been determined using unreasonable hypotheses and assumptions, also in light of the current economic scenario;
- verified the reasonableness of the other assumptions and hypotheses behind the valuation models, also through specific sensitivity analyses on the main parameters and observable and unobservable input data;
- considered the choice made by management in respect of the precise fair value to use for financial statement purposes.

Finally, we verified the correct recognition in P&L of the capital gains/losses deriving from the measurement of the investments in unlisted companies at 31 December 2021.

Key audit matters	Auditing procedures performed in response to key audit matters
• the determination of the precise fair value of the financial instrument within the valuation intervals identified through the various techniques. Considering the significance of these discretionary elements and the importance of the investments in unlisted companies recognised in the financial statements, as well as in the light of the current context of macro-economic uncertainty, we deemed this process as a key audit matter.	

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 17 April 2015, the shareholders of DeA Capital SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2015 to 31 December 2023.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of DeA Capital SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of DeA Capital SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of DeA Capital SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of DeA Capital SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of DeA Capital SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 29 March 2022

PricewaterhouseCoopers SpA

Signed by

Giovanni Ferraioli
(Partner)

As disclosed by the Directors, the accompanying financial statements of DeA Capital SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Report of the Board of Statutory Auditors (Original available in Italian version)

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