



**FINANCIAL STATEMENTS AT  
31 DECEMBER 2020**

**3<sup>o</sup>**

**FINANCIAL YEAR**

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*Directors' Report on Operations at 31 December 2020*

## 1. COMPANY PROFILE

## 1.1 Letter to Shareholders

Shareholders,

in December 2020, the Company approved the final iteration of the Group's 2020-2026 business plan, which envisages, for the end date, consolidated revenue of approximately € 50 million, a consolidated property GAV of approximately € 0.8 billion, and a capital structure with a debt ratio in the period averaging less than 50% of the GAV for the period. The plan has scaled down the size of investments and the resulting returns in terms of revenue and operating margins versus the plan approved in the prior year. The downward correction was made due to the major upheaval in the property market scenarios brought by the Covid-19 pandemic.

The results expected by 2026 stem from the optimization of the current income-generating property assets over the period of the plan, the development mainly of a property initiative already in the Group's pipeline, and the consolidation of a property portfolio already held by the Group. These activities are expected to be financed, over the period of the plan, thanks to the Group's capital strengthening, with the net proceeds from certain disposals of property and equity investments, and by further resorting to debt.

With regard to capital strengthening, mention should be made of the following points:

- a) in 2020, the finalization of a reserved capital increase of € 10 million, intended for the shareholder Augusto S.p.A. and completed on 24 July 2020;
- b) a capital increase with pre-emption rights for approximately € 50 million in first quarter 2021, with the exercise period ending on 11 March 2021 and the auction of the unexercised rights expected to take place by April 2021. The transaction, prior to the auction of the unexercised rights, allowed for a further strengthening of capital in 2021 of approximately € 41.6 million.

The year 2020 was dominated by the Covid-19 pandemic.

The main impacts regarded:

- a) Changes in future scenarios of the property market;
- b) Impacts in the short and medium term on rental revenue;
- c) Valuations on property assets.

The property market has seen the volume of transactions shrink, especially in the retail and office segments, with an increase in the cap rates implicit in the transactions following lower average prices.

Post-pandemic scenarios developed by leading industry experts forecast a modest recovery in these segments from 2022 onwards. Specifically

- a) in the Retail segment, the rebound could be stronger in tourism-related locations and formats (high streets, outlets) or those marked by outdoor access and low rent (Big Box Stores, Retail Parks, etc.);
- b) in the Office segment, the impact of agile working on the demand for space has yet to be assessed, even after the pandemic has ended; the assessment should not impact greatly on primary locations (Milan, Rome) and on new, functionally modern and environmentally sustainable formats.

The impact of the Covid-19 pandemic in 2020 on rental revenue, calculated on contracts formally renegotiated in the year and recognized under IFRS 16, amounted to approximately € 1 million in lower revenue for the Group.

However, the impact of the pandemic on the Independent Experts' valuation of the Group's property assets and minority property investments during the year is more significant. Specifically, the negative changes relating to 2020 amounted to:

- a) approximately € 29.4 million regarding the Group's property portfolio including inventory;
- b) approximately € 6.5 million regarding the valuation of investments in associates and joint ventures of a property nature.

In 2020, activities continued, albeit at a slower pace than in prior years, on the progress of major development and refurbishment projects on properties.

The main activities revolving around the Group's property and investment portfolio are summarized below:

- a) preliminary activities continued on the development of the Caselle Open Mall project, with further investments in 2020 of approximately € 6 million;
- b) the refurbishment of an office tower located in Viale Richard (*Torre C3*), Milan, is nearing completion; the investments made in 2020 on this building amount to approximately € 10.2 million;
- c) nearing completion are the activities involving the project for the development of an outlet in San Marino (*The Market*) in relation to the joint venture investment agreement between Aedes SIIQ S.p.A., BG Asset Management S.A. (Borletti Group) and other partners. The development of the first phase of the project is expected to be completed by spring 2021 with the opening of the Outlet;
- d) During the year, the Group also sold two property assets: a building located in Viale Richard, Milan - *Torre E5* - (sale value € 12 million) and a development area located in the municipality of Santa Vittoria d'Alba (sale value approximately € 0.5 million).

Mention should be made that, in light of the financial position and results of operations of the Parent Company at 31 December 2020, the third reference year for verifying the parameters set by the Special Regime of SIIQs, the asset and profit requirements have both been met.

In 2020 too, Aedes SIIQ complied with the EPRA - European Public Real Estate Association - disclosure standards, conforming with the main international Reits in terms of financial reporting.

The Aedes SIIQ S.p.A. Group closed 2020 with a loss of € 32,407,180 and a consolidated loss of € 52.981 million, of which approximately € 36 million attributable to property and investment write-downs and approximately € 3 million to write-downs of deferred tax assets.

The Aedes SIIQ S.p.A. Group intends to continue on its growth path over the next years, as set out in the 2020-2026 business plan, in the face of the risks and opportunities envisaged in the Prospectus published on 18 February 2021.

**The Chairman**

**The Chief Executive Officer**

## 1.2 Governance

### Board of Directors



**Giuseppe Roveda**  
Chief Executive Officer



**Carlo A. Puri Negri**  
Chairman



**Benedetto Ceglie**  
Vice-Chairman  
*(4)*



**Alessandro Gandolfo**  
Director



**Giorgio Gabrielli**  
Independent Director  
*(1)(2)(3)*



**Adriano Guarneri**  
Director  
*(1)*



**Annamaria Pontiggia**  
Independent Director  
*(1) (2) (3)*



**Rosanna Ricci**  
Independent Director  
*(2) (3)*



**Serenella Rossano**  
Director

*(1) Investment Committee*

*(2) Control, Risk and Related Party Transactions Committee*

*(3) Remuneration and Appointments Committee*

*(4) Director in charge of the internal control and risk management system*

### Board of Statutory Auditors



**Philipp Oberrauch**  
Standing Auditor  
*(1)*



**Cristiano Agogliati**  
Chairman  
*(1)*



**Roberta Moscaroli**  
Standing Auditor  
*(1)*

*(1) Supervisory Body*

### Independent Auditors

Deloitte & Touche S.p.A.

## 1.3 Shareholder structure

At 31 December 2020, the share capital of Aedes SIIQ S.p.A. amounts to € 212,000,067.31, divided into no. 40,030,397 shares with no par value, of which no. 34,714,156 are ordinary shares and no. 5,316,241 special shares.

At 31 December 2020, the Company is controlled, pursuant to Article 93 of the TUF, by Augusto S.p.A., holding an approximately 47.45% stake in the total share capital of the Company (i.e. made up of both ordinary and special shares), equal to approximately 39.40% of the voting capital at the shareholders' meetings for the appointment and removal of governing bodies (i.e. made up solely of ordinary shares).

At 31 December 2020, taking account of the results of the Shareholders' register and the notices made to the Company and CONSOB pursuant to Article 120 of the TUF, as well as other information available to the Issuer, the following parties held, directly and/or indirectly, a stake in the share capital equal to or greater than 3% (considering the Issuer's SME status pursuant to Article 1, paragraph 1, letter w-quad.1 of the TUF):

Shareholder	No. shares	Percentage of voting capital at the shareholders' meetings for the appointment and removal of governing bodies (i.e. ordinary shares)	Percentage of total share capital (i.e. Ordinary Shares + Special Shares)
Augusto S.p.A.	18,994,324	39.40% (*)	47.45% (**)
Vi-Ba S.r.l.	3,170,000	9.13%	7.92%
Itinera S.p.A.	1,693,554	4.87%	4.23%

(\*) This percentage does not take account of the no. 5,316,241 Special Shares issued by the Company on 24 July 2020 and fully subscribed by Augusto S.p.A. in execution of the Reserved Capital Increase.

(\*\*) It should be noted that, as a result of the sale of no. 360,300 Aedes ordinary shares, carried out by Augusto in second half 2020 and, most recently, on 16 December 2020, Augusto reduced its stake from 48.35% to 47.45% (of the total share capital of Aedes SIIQ S.p.A.), of which no. 13,678,083 are ordinary shares (representing 39.40% of the total number of ordinary shares) and no. 5,316,241 special shares (representing 100% of the total number of shares in this category).

Mention should be made that the Shareholder Augusto, as part of the updated notice pursuant to Article 120 of the TUF, resulting from the completion of the Reserved Capital Increase sent on 27 July 2020, announced that it holds no. 19,354,624 shares, equal to 48.35% of the total share capital, of which no. 14,038,383 are ordinary shares (equal to 40.44% of the total number of ordinary shares) and no. 5,316,241 special shares (equal to 100% of the total number of shares in this category). In the same notice, Augusto confirmed to the Company that it was the parent company and that it was the "legitimate owner of a further no. 5,020,618 ordinary shares, equal to 12.54% of the total share capital of Aedes, originally deposited with an English intermediary and in respect of which unlawful acts of disposal had been found of a nature and to recipients yet to be assessed, also as a result of legal action undertaken by Augusto. Specifically, Augusto is not in a position to assess whether the aforesaid Aedes shares are deposited in other accounts that are in any event traceable to the depositary intermediary or whether they have been, in whole or in part, definitively transferred to third parties".

Below is a summary of the changes in the share capital during the year:

A) on 18 June 2020, the Extraordinary Shareholders' Meeting resolved on: (i) a non-divisible capital increase against payment, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, for the amount of € 10,000,000 (including share premium), by issuing no. 2,683,759 ordinary shares and no. 5,316,241 shares with voting rights limited to specific items and convertible into ordinary shares ("Special Shares"), with no par value, at a unit price of € 1.25 (including share premium), with regular dividend entitlement, reserved for subscription to Augusto S.p.A. (the

## Directors' Report on Operations at 31 December 2020

"Reserved Capital Increase") and to be paid by offsetting the receivables claimed by the latter from the Company and resulting from the shareholder loan agreement signed on 20 April 2017; (ii) the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power, to be exercised by 31 July 2021, to increase the share capital, on one or more occasions, in a divisible manner, against payment, by a maximum total amount of € 50,000,000, including any share premium, by issuing ordinary shares and Special Shares in proportion to the existing shares, with no par value, with regular dividend entitlement, to be offered with pre-emption rights to those entitled pursuant to Article 2441, paragraph 1, of the Italian Civil Code.

B) On 7 July 2020, the deadline expired for exercising the "Warrant Aedes SIIQ S.p.A. 2018-2020" (the "Warrants"), admitted to trading on the MTA on the Effective Date and incorporating the right to subscribe, at the price of € 6.35 (including share premium), 1 new ordinary share of the Company for every 30 Warrants held, to be exercised by 7 July 2020. At such date, no. 1,590 warrants at the price of € 6.35 (including share premium) had been exercised, with the issue of 53 new shares for the amount of € 67.31, including share premium, in execution of the capital increase to service the exercise of the Warrants resolved by the Extraordinary Shareholders' Meeting of Aedes SIIQ S.p.A. on 27 September 2018.

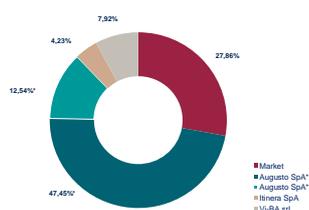
C) On 24 July 2020, the Reserved Capital Increase was executed by offsetting the capital receivable claimed by Augusto S.p.A. under the shareholder loan agreement of € 10 million disbursed to the Company in April 2017; accordingly:

i) no. 2,683,759 ordinary shares were issued with the same characteristics as the ordinary shares already outstanding and with regular dividend entitlement, admitted to listing on the MTA, at a price of € 1.25 per share (of which € 0.25 to be allocated to the share capital and € 1 to the share premium reserve), for a total value of € 3,354,698.75; and

ii) no. 5,316,241 Special Shares were issued, at a unit price of € 1.25 (of which € 0.25 to be allocated to the share capital and € 1 to be allocated to the share premium reserve), for a total value of € 6,645,301.25 (the "Special Shares"). The Special Shares have no voting rights at the Ordinary Shareholders' Meetings called to appoint or remove the members of the Board of Directors and are freely available and convertible, in the ratio of 1:1, into ordinary shares, which will be listed on the MTA, in the following cases:

- upon transfer of the Special Shares by Augusto to third parties other than Augusto's related parties, in which case the Special Shares will automatically convert into Aedes ordinary shares;
- 12 months after subscription of the Special Shares by Augusto, at Augusto's simple request. In such case, the conversion option may only be exercised during 4 conversion periods within a calendar year, each lasting 5 trading days.

The following chart shows the list of major shareholders at the date of approval of this Report, taking account of the abovementioned events:



(\* This percentage refers to shares originally deposited with an English intermediary and in respect of which unlawful acts of disposal had been found of a nature and to recipients yet to be assessed, also as a result of legal action undertaken by Augusto; further details are found above.

Additionally, on 15 February 2021, the Board of Directors of Aedes SIIQ S.p.A. resolved, pursuant to the authority granted to it, pursuant to Article 2443 of the Italian Civil Code, by the Extraordinary Shareholders' Meeting of 18 June 2020, to increase the share capital in divisible form, against payment,



by a maximum amount, including share premium, of € 49,980,808.72 (the "Capital Increase") and approved the final terms and conditions thereof, deciding to issue: (i) no. 228,121,590 Aedes ordinary shares, with no par value and with regular dividend entitlement (the "New Ordinary Shares"), to be offered with pre-emption rights to the Company's shareholders in the ratio of no. 46 New Ordinary Shares for every no. 7 ordinary shares held; and (ii) no. 34,935,298 special shares with no par value and with regular dividend entitlement (the "New Special Shares" and, together with the New Ordinary Shares, the "New Shares"), to be offered with pre-emption rights to the shareholder Augusto S.p.A., as the sole holder of the special shares outstanding, in the ratio of no. 46 New Special Shares for every no. 7 special shares held, and to set the subscription price of the New Shares at € 0.19 for each New Share, to be charged € 0.04 to share capital and € 0.15 to share premium.

Treasury shares

At 31 December 2020, Aedes did not hold any treasury shares.

## **2. DIRECTORS' REPORT ON OPERATIONS**

## 2.1 Performance Measures

- Financial Highlights<sup>1</sup>

NOI		EBITDA		EBIT		NET RESULT	
7.5	8.6	(3.4)	(3.6)	(41.3)	(3.8)	(53.0)	(13.5)
2020	2019	2020	2019	2020	2019	2020	2019

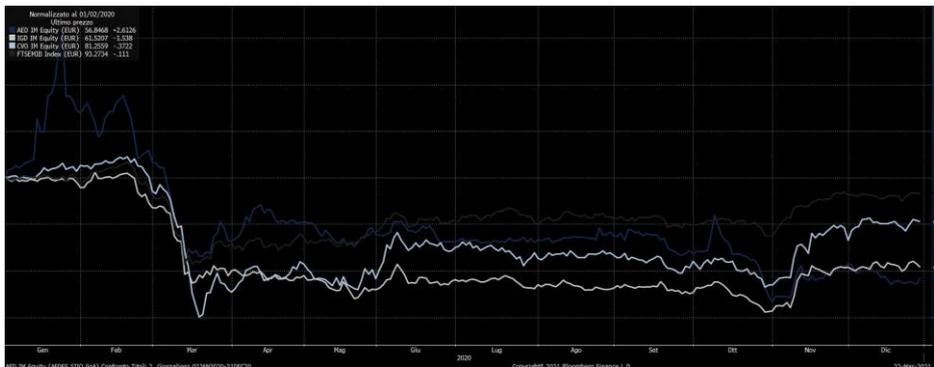
GAV		GFP		LTV % <sup>2</sup>		PROPERTY NAV	
390.1	416.2	(201.3)	(199.0)	51.6%	47.8%	246.3	296.0
2020	2019	2020	2019	2020	2019	2020	2019

EQUITY		NFP		GEARING RATIO		AVERAGE COST DBT%	
241.2	284.5	(192.7)	(192.4)	79.9%	67.6%	5.36%	3.89%
2020	2019	2020	2019	2020	2019	2020	2019

EPRA NAV		EPRA NAV/SHARE		EPRA NNAV		EPRA NNAV/SHARE	
242.2	285.6	6.05	8.92	239.8	281.4	5.99	8.79
2020	2019	2020	2019	2020	2019	2020	2019

- Market performance<sup>3</sup>

The chart below shows the trend of the Aedes share versus its main competitors and the market index over the period from 2 January 2020 to 30 December 2020.



Key statistics and price trend of the Aedes share:

Price at 30 December 2019: € 1.085  
 Price at 30 December 2020: € 0.631  
 Change for the period: -42%

<sup>1</sup> Figures in Euro millions. Consolidated figures.

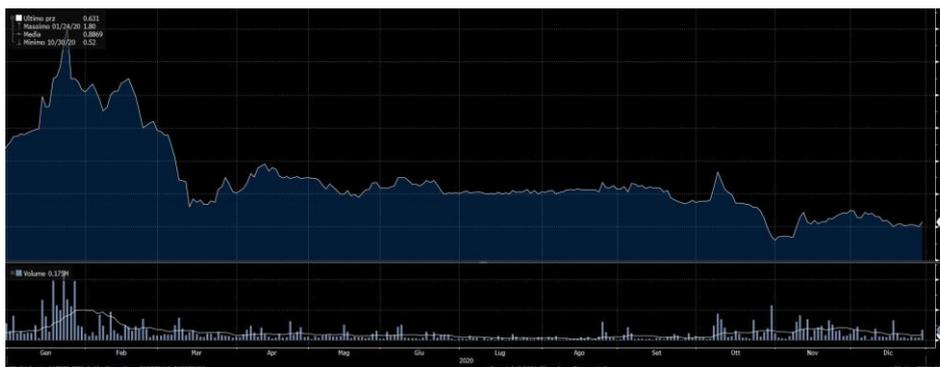
<sup>2</sup> GFP / GAV. Taking account of the debt allocated on properties alone, the LTV/GAV ratio stands at 36.9% (28.9% at 31/12/2019).

<sup>3</sup> Source Bloomberg

## Directors' Report on Operations at 31 December 2020

**Maximum price:** € 1.80 (24 January 2020)  
**Minimum price** € 0.52 (30 October 2020)  
**Average price:** € 1.032

Market capitalization at 30 December 2020: € 21.9 million



## 2.2 Net Asset Value

At 31 December 2020, the EPRA NNNAV of the Aedes Group amounted to € 239.8 million, including the pro-rata share of equity held through joint ventures, real-estate funds and associates measured at equity, taking account of the market value of the properties owned by them.

The table below shows the NAV and NNNAV of the Aedes Group:

(Euro/000)	31/12/2020	31/12/2019
<i>Outstanding shares</i>	40.030.397	32.030.344
<b>EPRA Net Asset Value</b>		
Equity	241.241	284.530
<b>NAV</b>		
<b>Includes:</b>		
Revaluation of Properties under Development	9	0
Revaluation of inventory	351	227
<b>Excludes:</b>		
Fair value of derivative financial instruments	612	846
<b>EPRA NAV</b>	<b>242.213</b>	<b>285.603</b>
<b>EPRA NAV per share</b>	<b>6,05</b>	<b>8,92</b>
Fair value of derivative financial instruments	(612)	(846)
Fair value of financial debt	(1.785)	(3.330)
<b>EPRA NNNAV</b>	<b>239.816</b>	<b>281.427</b>
<b>EPRA NNNAV per share</b>	<b>5,99</b>	<b>8,79</b>

At 31 December 2020, there were no outstanding warrants, therefore the diluted EPRA NAV and the diluted EPRA NNNAV correspond to the EPRA NAV and to the EPRA NNNAV respectively.

At 31 December 2019, the outstanding warrants, being out of the money at the reporting date, would not have had a dilutive effect. Accordingly, there was no need to calculate the diluted EPRA NAV and the diluted EPRA NNNAV.



With an NNNAV per share of € 5.99 and an NAV per share of € 6.05, the Aedes share price continues to be strongly discounted, in the face of which, as the Group's total property assets are measured at fair value based on appraisals prepared by independent experts, the Directors did not see any reason to recognize further impairment losses on its property and investment assets or to recognize risk provisions pursuant to IAS 37.

In this connection, also with regard to CONSOB Recommendation no. DIE/0061944 of 18 July 2013, for the preparation of the Consolidated Financial Statements at 31 December 2020, the Group appointed Duff & Phelps REAG as the primary independent expert to carry out appraisals of the property portfolio and support the Directors in their assessments. CB Richard Ellis was appointed as independent expert for the Group's property portfolio held through the Petrarca Fund, on behalf of the Fund's Management Company. The valuation assignments are awarded on the basis of fixed fees.

Attached are the property portfolio Evaluation Reports by Duff & Phelps REAG and CB Richard Ellis.

**DUFF & PHELPS**  
Real Estate Advisory Group

Agrate Brianza, 22 marzo 2021  
Pos. n. 23427, 03 / 04 / 05

Spett.le  
Aedes SIIQ S.p.A.  
Via Tortona, 37  
20144 - MILANO

Alla cortese attenzione del Dott. Cristiano Ciappolino

Oggetto: Determinazione del Valore di Mercato al 31 dicembre 2020 del portafoglio immobiliare costituito da n.48 immobili (strutture commerciali, terziarie, ricettive, residenziali, terreni edificabili, terreni agricoli, potenzialità edificatorie, autorizzazioni commerciali) distribuiti sul territorio italiano, indicatoci quale proprietà di Aedes Siiq S.p.A

Egregi Signori,  
in conformità all'incarico da Voi conferito, Duff & Phelps REAG S.p.A (di seguito REAG) ha effettuato una perizia estimativa del portafoglio immobiliare in oggetto, indicatoci quale proprietà di Aedes SIIQ S.p.A. (di seguito Cliente), al fine di determinare alla data del 31 dicembre 2020 il Valore di Mercato. Si riporta in seguito (Allegato A) la tabella relativa all'elenco degli immobili oggetto di valutazione.

La valutazione effettuata da REAG, in qualità di Esperto Indipendente, sarà utilizzata per una verifica patrimoniale a fini bilancistici.

La valutazione è stata effettuata sulla base delle seguenti ipotesi:

- ✓ determinazione del Valore di Mercato degli Immobili oggetto di stima, qualificabili come terreni edificabili (a destinazione mista, residenziale, commerciale/intrattenimento, terziaria, produttiva, a servizi o turistica/congressuale), considerandoli nell'attuale situazione di sviluppo (lotti ancora da sviluppare urbanizzati e/o da urbanizzare, lotti parzialmente cantierizzati con immobili realizzati e finiti e/o al rustico), detta "Condizione As-Is", assumendo i progetti di sviluppo come forniti dal Cliente, assunti come validi e senza effettuare alcuna autonoma verifica in ordine all'effettiva fattibilità. Laddove presente solamente un'idea progettuale, o un progetto con Piano Esecutivo Convenzionato in scadenza, si è proceduto alla valutazione nell'ottica di Highest&Best use, sulla

Duff & Phelps REAG SpA a socio unico  
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base della normativa urbanistica vigente, derivante sia dalla documentazione fornita dal Cliente, sia da analisi urbanistiche di massima attraverso la documentazione reperita presso gli uffici tecnici dei comuni competenti;

- ✓ determinazione del Valore di Mercato degli Immobili oggetto di stima, qualificabili come immobili finiti non a reddito (sfitti) o come terreni agricoli, **considerati nell'attuale stato d'uso/manutentivo** e situazione urbanistica;
- ✓ determinazione del Valore di Mercato degli Immobili oggetto di stima, qualificabili come immobili finiti a reddito, **considerati nell'attuale stato d'uso** e considerando la situazione locativa in essere alla data della stima, come da documentazione fornita dal Cliente.  
Laddove forniti dal Cliente sono stati considerati gli sconti sugli importi dei canoni in essere (sia già sottoscritti che, prudenzialmente, quelli in corso di trattativa), a fronte della crisi sanitaria per pandemia da COVID-19.
- ✓ determinazione del Valore di Mercato degli immobili qualificabili come capacità edificatoria con **destinazione d'uso deducibile da documentazione** fornita dal Cliente.

**Allegato A: Elenco degli Immobili**

N. asset	ID asset	SOCIETA'	REGIONE	PROVINCIA	CITTA'	NOMEZZO
1	1	Aedes SIQ SpA	Piemonte	AL	Acqui Terme	Via Cassaniga 48
2	2	Aedes SIQ SpA	Piemonte	CN	Bra	Borgo S. Martino
3	3	Aedes SIQ SpA	Lombardia	BS	Brescia A	Via Rieti A
4	4	Aedes SIQ SpA	Lombardia	BS	Brescia B	Via Rieti B
5	5	Aedes SIQ SpA	Lombardia	MI	Colegno di Sestale	S.S. Paullese km 10 - ex Euronics
6	6	Aedes SIQ SpA	Lombardia	MI	Colegno di Sestale	S.S. Paullese km 10 - Saponi Artigianali
7	7	Italo: SINQ S.p.A.	Piemonte	TO	Caselle (TO)	Caselle Designer Village
8	8	Aedes SIQ SpA	Piemonte	CN	Castagnito A	s.p. Nelve 18
9	9	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Castellazzo Bormida (AL)	Castellazzo Design Center
10	10	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Castellazzo Bormida (AL)	Loti agricoli
11	11	Aedes SIQ SpA	Sicilia	CT	Catania	Via Etna
12	12	Dorly s.r.l.	Lombardia	MI	Cinisello Balsamo (MI)	Via Dorly
13	13	Aedes SIQ SpA	Calabria	OZ	Favolato Antico - Lamezia Terme	loc. garube
14	14	Aedes SIQ SpA	Lombardia	VA	Gallarate (VA)	Via Don Reina ang. Via Gorizia
15	15	Aedes SIQ SpA	Piemonte	CN	Genola A	Via Frassinetto 24A
16	16	Aedes SIQ SpA	Piemonte	CN	Genola B	Via Frassinetto 24B
17	17	Aedes SIQ SpA	Liguria	SP	La Spezia	Via Federici
18	18	Aedes SIQ SpA	Lombardia	MI	Milano (MI)	Via Giulio Richard 3, 5 - Torre C
19	19	Aedes SIQ SpA	Lombardia	MI	Milano (MI)	Via Ancona 4
20	20	Aedes SIQ SpA	Lazio	RM	Roma	Via Venezia
21	21	Aedes SIQ SpA	Lazio	RM	Roma	Via Galata 1272
22	22	Aedes SIQ SpA	Piemonte	CN	Saluzzo	Via Torino 73
23	23	Aedes SIQ SpA	Piemonte	CN	Santa Vittoria d'Alba (CN)	Rosero Center - Fase B
24	24	Aedes SIQ SpA	Piemonte	CN	Santa Vittoria d'Alba (CN)	Rosero Center - Fase C
25	25	Aedes SIQ SpA	Piemonte	CN	Santa Vittoria d'Alba (CN)	Capacità edificatoria Commerciale (Fase C)
26	26	Aedes SIQ SpA	Lombardia	MI	Sanpao (MI)	Via Risorgimento 51
27	27	Aedes SIQ SpA	Piemonte	AL	Sermavalle Scabia (AL)	Praga Business Park
28	28	Aedes SIQ SpA	Piemonte	AL	Sermavalle Scabia (AL)	Lotte SC
29	29	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Sermavalle Golf Hotel
30	30	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Hotel Villa Bollina
31	31	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Casina Nuova
32	32	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Casina Vittoria
33	33	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	La Bollina - Market Place
34	34	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	La Bollina - Sport & Recreational
35	35	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	La Bollina - Sviluppo Comp. Res. (CMB)
36	36	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	La Bollina - Sviluppo Res. Luxury (CAS1)
37	37	Pragaquattro Center SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Vigneti
38	38	Pragaquattro SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Sermavalle Outlet Village - Fase 7
39	39	Italo: SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Residenza Porta Genova
40	40	Aedes SIQ SpA	Piemonte	AL	Sermavalle Scabia (AL)	Capacità edificatoria commerciale
41	41	Aedes SIQ SpA	Piemonte	AL	Sermavalle Scabia (AL)	Capacità edificatoria produttiva
42	42	Novipraga SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL)	Sermavalle Retail Park fase A + B + C1
43	43	Novipraga SINQ S.p.A.	Piemonte	AL	Sermavalle Scabia (AL) / Novi Ligure (AL)	Sermavalle Retail Park - fase C2
44	44	Novipraga SINQ S.p.A.	Piemonte	AL	Novi Ligure (AL)	Sermavalle Retail Park - capacità edificatoria
45	45	Novipraga SINQ S.p.A.	Piemonte	AL	Novi Ligure (AL)	Capacità edificatoria residenziale
46	46	Aedes SIQ SpA	Friuli-Venezia-Giulia	UD	Tavegnacco	Via Nazionale 114
47	47	Aedes SIQ SpA	Lombardia	MI	Trezzano S/N	Via Colombo
48	48	Aedes SIQ SpA	Lombardia	MB	Agrate Brianza	Via Paracelso - P. Andromeda (C. Dinez. Colson)



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### Definizioni

Nel ai termini di seguito elencati deve attribuirsi la corrispondente definizione, salvo sia diversamente indicato nel rapporto stesso. Per la definizione di tutti gli altri termini tecnici e/o giuridici contenuti nel presente rapporto si rimanda al Codice Civile e leggi collegate, ovvero al significato di uso comune.

**“Portafoglio Immobiliare”** indica l'insieme di beni immobili (terreni, fabbricati, impianti fissi e opere edili esterne) oggetto della Valutazione, con espressa esclusione di ogni altro e diverso bene, compresi i beni mobili e beni immateriali e precisamente indica l'insieme di tutte le Proprietà oggetto di analisi.

**“Immobile” o “Complesso Immobiliare” o “Unità Immobiliare”** (di seguito la “proprietà”) indica il bene, o se del caso, i beni (terreni, fabbricati, impianti fissi e opere edili esterne) oggetto della valutazione con espressa esclusione di ogni altro e diverso bene, compresi beni mobili e beni immateriali (Standard di valutazione RICS, ed. italiana, 01 Marzo 2009). Per i beni immobili a destinazione commerciale, dove l'attività di vendita al dettaglio in sede fissa sia subordinata all'esistenza di una Autorizzazione Commerciale, la definizione di bene immobile include l'attività immateriale relativa all'autorizzazione medesima.

**“Valutazione”** indica “un'opinione sul valore di un'attività o di una passività in base a criteri concordati e dichiarati, a una data specificata. Salvo limitazioni concordate nell'ambito dei termini dell'incarico, tale valutazione sarà espressa a seguito di un sopralluogo e di ulteriori opportune indagini e ricerche, tenuto conto della natura del bene e dello scopo della valutazione”. (RICS Red Book, ed. Italiana, luglio 2017).

**“Valore di Mercato”** indica “l'ammontare stimato a cui un'attività o una passività dovrebbe essere ceduta e acquistata, alla data di Valutazione, da un venditore e da un acquirente privi di legami particolari, entrambi interessati alla compravendita, a condizioni concorrenziali, dopo un'adeguata commercializzazione in cui le parti abbiano agito entrambe in modo informato, consapevole e senza coercizioni” (RICS Red Book, ed. Italiana, luglio 2017).

**“Autorizzazione Commerciale”** rappresenta l'attività immateriale relativa alla Proprietà soggetta alla Valutazione, consistente nell'insieme dei titoli autorizzativi necessari all'esercizio dell'attività commerciale.

**"Canone di Mercato"** indica l'ammontare stimato a cui un immobile dovrebbe essere locato, alla data di valutazione, da un locatore a un conduttore privi di legami particolari, entrambi interessati alla transazione, sulla base di termini contrattuali adeguati e a condizioni **concorrenziali, dopo un'adeguata commercializzazione** in cui le parti abbiano agito entrambe in modo informato, consapevole e **senza coercizioni**" (RICS Red Book, ed. Italiana, luglio 2017).

**"Superficie lorda"** espressa in mq, è quella misurata al filo esterno dei muri perimetrali del fabbricato, alla mezzera delle murature confinanti verso terzi.

**"Superficie commerciale"** espressa in mq, indica la superficie lorda al netto dei locali tecnologici, dei cavevi e dei vani scala/ascensori.

#### Criteria valutativi

Nell'effettuare la valutazione REAG ha adottato metodi e principi di generale accettazione ricorrendo, tenuto conto della tipologia della proprietà nonché del relativo mercato immobiliare di riferimento, ai criteri valutativi di seguito illustrati:

**Metodo Comparativo, o del Mercato**, si basa sul confronto fra la Proprietà e altri beni con essa comparabili, recentemente compravenduti o correntemente offerti sullo stesso mercato o su piazze concorrenziali.

**Metodo Reddittuale**: prende in considerazione due diversi approcci metodologici:

- **Capitalizzazione Diretta**: si basa sulla capitalizzazione, ad un tasso dedotto dal mercato immobiliare, dei redditi netti futuri generati dalla Proprietà.
- **Metodo dei Flussi di Cassa Attualizzati (DCF, Discounted Cash-Flow)**, basato:
  - sulla determinazione, per un periodo di "n" anni, dei redditi netti futuri derivanti dalla locazione della Proprietà;
  - sulla determinazione del *Valore di Mercato* della Proprietà mediante la capitalizzazione in perpetuità, alla fine di tale periodo, del reddito netto;
  - sull'attualizzazione, alla data di valutazione, dei redditi netti (flussi di cassa).

**Metodo della Trasformazione**: si basa sull'attualizzazione, alla data della Valutazione, dei flussi di cassa generati dall'operazione immobiliare (relativa alla proprietà) nell'arco di tempo corrispondente alla sua durata.

A tale Metodo è associabile un **modello valutativo finanziario (attualizzazione dei flussi di cassa)** basato su un progetto di sviluppo definito in quantità edificabili, destinazioni d'uso, costi di trasformazione e ricavi sostenibili. In altri termini, si utilizza una analisi costi / ricavi per individuare il Valore di Mercato della proprietà oggetto di indagine.

Il modello si articola in uno schema di flussi di cassa (entrate ed uscite) relative al progetto immobiliare di trasformazione. Le uscite sono costituite dai costi di costruzione, demolizione, urbanizzazione, progettazione, direzione lavori, profitto del promotore immobiliare e altri eventuali costi; le entrate sono formate dai ricavi relativi alle vendite delle destinazioni d'uso previste.

La distribuzione temporale dei costi e dei ricavi consente di ottenere uno schema di flussi di cassa, al netto del profitto del promotore immobiliare, che vanno portati all'attualità con un opportuno tasso di sconto che rappresenta il costo del capitale.

Quest'ultimo deve tenere in conto:

- le percentuali di capitale proprio e capitale di debito (struttura finanziaria);
- i tassi relativi ad investimenti privi di rischio con simile durata temporale dell'operazione;
- gli "spread" correttivi ai suddetti tassi (illiquidità, rischio paese, rischio iniziativa e rischio urbanistico);
- il costo del capitale di debito.

Ricavi e costi sono a moneta costante e posizionati nei momenti in cui si verificano.

Affinché il Valore determinato con il Metodo della Trasformazione si possa identificare con il suo Valore di Mercato, occorre che l'operazione economica legata alla trasformazione faccia riferimento ad un imprenditore "ordinario". È "ordinario" l'imprenditore di "normali" capacità tecniche ed organizzative, ossia quello che effettua un'operazione economica con ricavi e costi identici o molto simili ai ricavi ed ai costi che la maggioranza degli imprenditori avrebbero nella medesima operazione. Qualunque altro tipo di imprenditore che non fosse "ordinario" lascerebbe spazio ad extraredditi, positivi o negativi, inquinando così il Valore di Mercato.

I criteri di valutazione sopra descritti sono stati utilizzati singolarmente e/o integrati l'uno con l'altro a discrezione di REAG, tenendo presente che gli stessi non sono sempre applicabili a causa delle difficoltà di individuare mercati di riferimento adeguati.

REAG ha determinato il Valore nel presupposto del massimo e migliore utilizzo degli immobili e cioè considerando, tra tutti gli usi tecnicamente possibili, legalmente consentiti e finanziariamente possibili, soltanto quelli potenzialmente in grado di conferire agli immobili stessi il massimo valore.

**REAG, inoltre:**

- in accordo con il Cliente, ha effettuato i sopralluoghi sulle Proprietà in occasione di precedente incarico. I sopralluoghi permettono di rilevare, in aggiunta alle informazioni fornite dal Cliente medesimo, tutti i dati (qualità costruttive, stato di conservazione, ecc.) necessari allo sviluppo della Valutazione. La data del sopralluogo per ciascun asset è stata espressamente indicata nel rapporto valutativo di riferimento.
- ha dedotto la consistenza edilizia della proprietà dalla documentazione fornita dal Cliente (rent roll, documentazione urbanistica, brochure descrittive di progetto, documentazione catastale) integrando, laddove possibile con misurazioni a campione effettuate in situ e sulla documentazione fornita dal Cliente, quali planimetrie catastali o planimetrie in formato dwg, opportunamente scalate.
- per gli immobili indicati dal Cliente ha proceduto alla valutazione dell'Autorizzazione Commerciale, esplicitandone il valore rispetto al Valore di Mercato del solo fabbricato.
- non ha autonomamente proceduto alla verifica della situazione urbanistica delle proprietà, ma si è basata sulla documentazione fornita dal Cliente e sulle destinazioni d'uso da questi dichiarate, in relazione ai progetti di sviluppo forniti e oggetto di stima. Laddove il Cliente non abbia fornito dati sufficienti ad impostare la valutazione, REAG ha basato la stessa su analisi urbanistiche di massima derivanti da documentazione pubblica reperita presso gli Enti competenti;
- per gli immobili finiti ha considerato la situazione locativa come indicazioni del Cliente (a reddito o sfitti), considerando la Rent Roll fornita e confrontandola con i contratti di locazione vigenti forniti. Laddove forniti dal Cliente sono stati considerati gli sconti sugli importi dei canoni in essere (sia già sottoscritti che, prudenzialmente, quelli in corso di trattativa), a fronte della crisi sanitaria per pandemia da COVID-19;
- per gli sviluppi immobiliari ha assunto dal Cliente i relativi progetti di sviluppo e lo stato di avanzamento dell'iter urbanistico-autorizzativo, valutando invece nell'ottica di Highest&Best use laddove presente solamente un'idea progettuale, o un progetto con Piano Esecutivo Convenzionato in scadenza. Quando comunicati, REAG ha assunto (in alcuni casi solo parzialmente) i costi di sviluppo a finire, comprensivi dei relativi impegni urbanizzativi, e le eventuali attività di pre-commercializzazione in essere alla data della stima;
- ha considerato l'importo relativo all'IMU e TASI fornito dal Cliente, nonché l'importo capex per manutenzioni straordinarie come da indicazione del Cliente;

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- ha effettuato un'analisi delle condizioni del mercato immobiliare locale, considerando i dati economici in esso rilevati ed adattandoli alle specifiche caratteristiche delle Proprietà attraverso opportune elaborazioni statistiche. Ha esaminato i dati di mercato rilevati dai principali osservatori del mercato immobiliare italiano e dal proprio data base gestito dall'Ufficio Ricerche e Sviluppo, costituito dai "Rent comparables" e dai "Sale comparables" rilevati dalle recenti maggiori transazioni concluse nel mercato immobiliare italiano;
- ha effettuato per i più importanti asset commerciali un'indagine relativa ai Competitors e uno studio della Catchment Area tramite programma GIS (o equipollente) determinando, fornendo indicazioni su fasce isocrone relative alla popolazione residente, alla sua composizione socio-demografica, sui competitors potenziali attualmente già presenti, oltre a quelli in pipeline, comparativi per formato distributivo e capacità attrattiva;
- non ha verificato l'esistenza del relativo titolo di Proprietà in capo al soggetto che ne esercita attualmente il possesso, ma si è basata in merito esclusivamente sulle indicazioni del Cliente;
- non ha eseguito verifiche ipotecarie e catastali, né accertamenti in ordine all'esistenza di altri diritti di terzi sulle proprietà o in ordine alla conformità di esse alla normativa vigente;
- non ha eseguito alcuna indagine ambientale e la stima di valore eseguita esclude specificamente l'esame di impatto ambientale derivante da sostanze pericolose o potenzialmente tali;
- non ha eseguito verifiche circa la compatibilità delle proprietà con le prescrizioni vigenti in materia di accessibilità dei luoghi di lavoro alle persone disabili;
- non ha eseguito alcuna analisi dei suoli, né ha analizzato i diritti di proprietà e sfruttamento dei gas e dei minerali presenti nel sottosuolo.

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**Contenuto del Rapporto**

Il presente Rapporto, contenente la relazione finale sulle conclusioni cui REAG è pervenuta, comprende:

- una lettera di introduzione generale alla relazione, che descrive il tipo di indagine svolta e presenta, certificandole, le conclusioni di valore;
- assunzioni e limiti della valutazione;
- condizioni generali di servizio.

**Conclusioni**

Le conclusioni di valore concernenti l'**analisi** sono state tratte da REAG sulla base dei risultati ottenuti al termine di tutte le seguenti operazioni:

- Sopralluoghi sulle Proprietà;
- Raccolta, selezione, analisi e valutazione dei dati e dei documenti relativi alle Proprietà;
- Svolgimento di opportune indagini di mercato;
- Elaborazioni tecnico-finanziarie;

Nonché sulla base dei metodi e dei principi valutativi più sopra indicati.

**Tutto ciò premesso e considerato**

In base all'indagine svolta, e a quanto precedentemente indicato, è nostra opinione che, alla data del 31 dicembre 2020, il Valore di Mercato complessivo del Portafoglio Immobiliare, sia ragionevolmente espresso come segue:

**Euro 387.524.000,00**

(Euro Trecentottantasettemilionicinquecentoventiquattromila/00)

Tali valori sono da intendersi come mera sommatoria dei singoli valori contenuti nei report descrittivi.

*La stima di valore che REAG ha eseguito esclude specificatamente l'esame dell'impatto ambientale derivante da sostanze pericolose (amianto, formaldeide, rifiuti tossici, ecc.) o potenzialmente tali ed i costi necessari per un'eventuale bonifica dei suoli, o il danno strutturale e le contaminazioni derivanti dagli effetti di terremoti.*

*L'epidemia del Nuovo Coronavirus (COVID-19), dichiarata dall'Organizzazione Mondiale della Sanità come "pandemia globale" l'11 marzo 2020, ha avuto un impatto sui mercati finanziari globali. Restrizioni e limitazioni negli spostamenti sono state implementate da molti Paesi, e riconfermate a seguito della seconda ondata di COVID-19, con successive misure di lockdown, parziali o totali, avvenute tra l'estate e l'autunno 2020.*

*Si segnala che i mercati si sono mostrati fortemente sensibili alle notizie diffuse dalle diverse case farmaceutiche, e centri di ricerca internazionali, relative all'imminente rilascio del vaccino anti Covid-19, con risultati estremamente promettenti.*

*L'attività commerciale di molti settori è stata colpita. Riteniamo che, alla data della valutazione, si possa fare minor affidamento sulle transazioni immobiliari e sui dati di mercato pregressi per esprimere un'opinione di valore.*

*L'attuale situazione COVID-19 ci pone di fronte a circostanze senza precedenti su cui basare un giudizio.*

*La nostra valutazione considera pertanto "un'incertezza concreta" come indicato da VRS 3 e VPGA 10 del RICS Red Book Global. Di conseguenza, alla nostra valutazione deve essere attribuita una minore certezza e un più elevato livello di cautela rispetto a quanto normalmente necessario in normali condizioni di mercato. Visto l'incerto impatto futuro che COVID-19 potrebbe avere sul mercato immobiliare, si consiglia di aggiornare frequentemente la valutazione degli asset oggetto della presente.*

*Tale indicazione non intende suggerire che il Cliente non possa affidarsi ai risultati della valutazione svolta; piuttosto, è utile per chiarire a tutte le parti coinvolte, in maniera professionale che - nelle attuali condizioni straordinarie di mercato - alla valutazione si possa attribuire meno certezza di quanto non sarebbe altrimenti.*

Duff & Phelps REAG S.p.A.

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**Alla stesura del Rapporto, con la direzione e la supervisione di:**

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Savino Natalicchio - *Managing Director Special Divisions & Feasibility Dept.*  
Federica Minnella - *Director, Hospitality & Leisure Division*  
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Mauro Tedde - *Senior Associate, Advisory & Valuation Dept.*  
Centro Studi REAG - *Analisi di Mercato*

Micaela Beretta - *Editing*

I sopralluoghi sono stati effettuati da (in occasione di precedente incarico):

Lara Agarla - *consultant*  
Lorenzo Balzi - *consultant*  
Ida De Angelis - *consultant*  
Massimo Forasacco - *consultant*  
Domenico Iuliano - *consultant*  
Susanna Merzagora - *Duff & Phelps - REAG*  
Gianluca Molli - *Duff & Phelps - REAG*  
Savino Natalicchio - *Duff & Phelps - REAG*  
Varniero Pozzo - *consultant*  
Emanuele Velluti - *consultant*

Per una corretta comprensione dei risultati delle analisi si demanda alla lettura integrale del testo, che si compone:

- del presente Volume Zero contenente la Lettera Certificazione Valori con Criteri Valutativi, Assunzioni e Limiti, Condizioni generali (del servizio);
- dei "Report Valutativi" e relativi allegati, contenuti nel Volume 1.

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**AVVERTENZE E LIMITI DELLA VALUTAZIONE**

REAG ha indicato espressamente la data alla quale sono riferite le opinioni e le conclusioni di **valore**. L'opinione di valore espressa è basata sulle condizioni di mercato e sul **potere d'acquisto** della moneta alla data di riferimento.

REAG non ha proceduto alla verifica in loco delle dimensioni della proprietà in oggetto della presente analisi.

Tutte le indicazioni concernenti le aree, le dimensioni delle proprietà sono state fornite da REAG al solo scopo di consentire l'**identificazione** dei beni in esame.

Esse non potranno essere inserite in atti di trasferimento di proprietà o in qualsiasi altro documento legale, senza la preventiva accurata verifica da parte di un notaio o legale.

Le planimetrie, qualora presenti, saranno da intendersi soltanto quali **ausili per rappresentare la proprietà e l'ambiente in cui essa è collocata**. Sebbene il materiale sia stato preparato utilizzando al meglio i dati disponibili, esso non deve essere considerato come un rilevamento topografico o come una planimetria in scala.

REAG, non ha eseguito alcuna indagine ambientale.

Se non diversamente indicato **nell'incarico**, REAG ha presunto la conformità della proprietà e dei beni in oggetto a quanto previsto dalle vigenti regolamentazioni in materia.

REAG inoltre, ha presunto che la parte proprietaria dei beni rispetti le regolamentazioni in materia ambientale e sia titolare di tutti i permessi, le concessioni rilevanti ai fini della presente analisi o che, in ogni caso, possa ottenerli e/o rinnovarli.

La stima di valore che REAG ha eseguito, esclude specificamente **l'esame dell'impatto ambientale derivante da sostanze pericolose** (amianto, formaldeide, rifiuti tossici, ecc.) o potenzialmente tali, o il danno strutturale e le contaminazioni derivanti dagli effetti di terremoti. **Si raccomanda l'esecuzione di un'indagine ambientale per la valutazione di possibili difetti strutturali/ambientali che potrebbero avere un impatto significativo sul valore.**



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REAG non ha eseguito verifiche circa la compatibilità della proprietà e dei beni con le prescrizioni vigenti in materia di accessibilità dei luoghi di lavoro alle persone disabili.

REAG non ha eseguito alcuna analisi del suolo, né analizzato i diritti di proprietà e sfruttamento dei gas e dei minerali presenti nel sottosuolo.

In relazione agli immobili oggetto della Valutazione, REAG non ha verificato l'esistenza del relativo titolo di proprietà in capo al soggetto che ne esercita attualmente il possesso, ma si è basata in merito esclusivamente sulle indicazioni fornite dalla proprietà. Del pari non ha eseguito verifiche ipotecarie, né accertamenti in ordine all'esistenza di altri diritti di terzi sulla Proprietà o in ordine alla conformità di essa alla normativa vigente.

REAG ha presupposto che la proprietà sia conforme al Piano Regolatore e alle destinazioni d'uso vigenti. Ha inoltre presupposto che il diritto di proprietà sia esercitato nell'ambito dei confini e che non esista violazione del diritto di proprietà altrui né sconfinamento.

Non sono stati considerati i costi, (ivi compresi quelli fiscali) potenzialmente emergenti dalla vendita o dall'acquisizione della Proprietà.

I valori espressi non comprendono l'IVA.

Il sopralluogo alla proprietà è stato condotto da personale esperto nel settore immobiliare. Ciò non di meno, REAG, salvo che non sia espressamente previsto nel presente incarico, non esprime opinioni, né si rende responsabile, circa l'integrità strutturale della proprietà, inclusa la sua conformità a speciali requisiti quali la prevenzione incendio, la resistenza ai terremoti, la sicurezza dei lavoratori o per difetti fisici che non siano apparenti per lo stimatore.



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**CONDIZIONI GENERALI DI SERVIZIO****Contratto**

Il Contratto che regola questo incarico, Condizioni Generali di Servizio incluse, riflette interamente gli accordi intercorsi tra REAG ed il Cliente. Esso sostituisce ogni precedente accordo sia verbale sia scritto e non può essere modificato, se non mediante accordo scritto tra le Parti.

**Cedibilità del Contratto e del credito**

Nessuna delle Parti potrà cedere a terzi il Contratto, in tutto o in parte, il contratto, senza il preventivo consenso scritto dell'altra, secondo il disposto dell'art. 1406 c.c., salvo nel caso di cessione di azienda.

Il Cliente non potrà delegare terzi ad eseguire il pagamento del corrispettivo stabilito a favore di REAG senza il consenso scritto di REAG.

Il Cliente riconosce di essere stato informato da REAG sull'eventualità di una possibile cessione del credito a titolo definitivo a beneficio di una qualsiasi persona giuridica a scelta di REAG, denominata qui di seguito Cessionario.

Il Cliente **consente, sin d'ora e senza riserve**, ad una tale cessione e si impegna a firmare su richiesta di REAG ogni documento necessario alla regolarizzazione giuridica e amministrativa. Detta cessione potrà eventualmente essergli semplicemente notificata a mezzo lettera raccomandata con ricevuta di ritorno o attraverso atto stragiudiziale.

A decorrere dall'eventuale cessione del credito il Cliente sarà obbligato di diritto nei confronti del Cessionario al pagamento di qualsiasi somma dovuta secondo il presente Contratto ed al rispetto di ogni suo obbligo.

**Utilizzo dei risultati dell'incarico da parte del Cliente**

Soltanto il Cliente, firmatario del Contratto, può utilizzare i risultati dell'incarico svolto da REAG. Il Cliente non potrà consentire a terzi l'utilizzo dei risultati medesimi e non potrà consentire a terzi di considerare i risultati del lavoro svolto da REAG come sostitutivi di quelli derivanti da proprie verifiche.

**Comunicazioni**

Le Parti hanno avuto facoltà di comunicare e trasferire informazioni tra loro a mezzo di e-mail e fax, eccetto che tali forme di comunicazione siano espressamente escluse dal Contratto. Il Cliente ha avuto l'onere di comunicare e fornire informazioni al team assegnato da REAG allo svolgimento dell'incarico. Il team assegnato all'incarico non è tenuto ad essere al corrente di informazioni fornite da altri, seppure appartenenti a

REAG. Né il Cliente potrà presumere che il team assegnato all'incarico sia al corrente di informazioni fornite a terzi.

**Corrispettivo**

Il corrispettivo stabilito a favore di REAG non è condizionato ai risultati dell'incarico, alle opinioni e conclusioni di valore raggiunte, né ad alcun fatto successivo in qualche modo collegabile ai risultati dell'incarico.

Il Cliente pagherà le fatture emesse da REAG alle scadenze pattuite.

**Riservatezza dei dati e delle informazioni**

REAG, salvo quanto strettamente finalizzato all'adempimento ed all'espletamento del presente incarico, si è obbligata a mantenere strettamente riservate tutte le informazioni e i dati relativi all'oggetto dell'incarico ed al suo svolgimento, e si obbliga a non divulgarli o renderli noti a terzi, salvo che in ottemperanza a disposizioni e provvedimenti dell'Autorità salvo che le attività oggetto del Contratto prevedano la comunicazione di tali dati a Enti Pubblici interessati nello svolgimento dell'incarico e, esclusivamente per il caso di attività di data room, a soggetti terzi autorizzati dal Cliente all'accesso alla piattaforma di gestione documentale.

REAG ha il diritto di mostrare i file e le note di lavoro nell'ambito di verifiche ispettive di qualità o di conformità svolte da enti accreditati ai quali REAG è associata. Sia REAG che gli enti di certificazione garantiscono, per queste forme di accesso ai dati, la stessa riservatezza.

Le informazioni non sono state trattate o non saranno trattate come riservate qualora:

- i) esse siano, al momento o nel futuro, di pubblica accessibilità;
- ii) le informazioni, nel momento in cui vengono fornite a REAG, siano già pubbliche;
- iii) le informazioni siano fornite da una parte terza non soggetta ad obblighi di riservatezza verso il Cliente.

Il Cliente non divulgherà, né renderà accessibile a terzi, nemmeno in parte, i risultati del lavoro svolto da REAG, il materiale riservato di proprietà di REAG e l'oggetto dell'incarico, del servizio e del ruolo svolto da REAG, fatto salvo il caso in cui i terzi siano espressamente contemplati nel Contratto e fatto salvo il caso in cui il Cliente sia tenuto a fornire le informazioni in ottemperanza a disposizioni o provvedimenti dell'Autorità.

Il possesso del Rapporto finale - in originale o in copia - non dà dunque il diritto di renderlo pubblico attraverso pubblicità, pubbliche relazioni, notiziari o altri mezzi di comunicazione senza il consenso scritto di REAG.



REAG ha inoltre facoltà di includere il nominativo del Cliente nel proprio elenco di referenze.

#### Protezione dei dati personali

Le Parti riconoscono che ciascuna di esse ha trattato e tratterà i dati personali in relazione all'esecuzione delle proprie obbligazioni ovvero all'esercizio dei propri diritti derivanti da questo Contratto e/o all'adempimento di obblighi di legge o di regolamento e che gli accordi tra esse hanno definito il ruolo di ciascuna Parte (quale Titolare o Responsabile del Trattamento) in relazione alla vigente normativa sulla protezione dei dati personali.

Salvo non sia diversamente stabilito, le Parti hanno concordato e riconosciuto che laddove ciascuna Parte tratti i dati in conseguenza a questo Contratto, la stessa ha eseguito il trattamento per le proprie finalità e, in quanto tale, è stata identificata come Titolare del Trattamento in relazione alla vigente normativa sulla protezione dei dati personali.

Ciascuna Parte ha riconosciuto e si è impegnata ad ottemperare alle obbligazioni derivanti dalla vigente normativa sulla protezione dei dati personali nella misura in cui abbiano trovato applicazione all'esecuzione dei propri obblighi ovvero all'esercizio dei propri diritti ai sensi del presente Contratto.

#### Limitazione della responsabilità per il caso di forza maggiore

Né il Cliente, né REAG, sono responsabili di eventuali ritardi o mancanze verificatisi nel corso di svolgimento dell'incarico e dovuti a circostanze che si trovino al di fuori del loro controllo individuale.

#### Legge applicabile e Foro competente

L'incarico è regolato esclusivamente dalla Legge Italiana.

Qualsiasi controversia, comunque derivante dall'incarico, sarà soggetta alla competenza esclusiva del Giudice Italiano, con competenza territoriale esclusiva del Foro di Milano.

#### Clausola di manleva, indennizzo e limitazione del risarcimento

Il Cliente si impegna a tenere indenne, manlevare e risarcire REAG da qualsivoglia conseguenza negativa, comunque dipendente dall'assunzione e dallo svolgimento dell'incarico, fatte salve le conseguenze derivanti da imperizia, negligenza o dolo di REAG.

REAG si impegna a tenere indenne, manlevare e risarcire il Cliente da qualsivoglia conseguenza pregiudizievole comunque dipendente



dall'inadempimento dell'incarico. Fermo quanto sotto disciplinato in ordine ai danni alle persone ed alle cose materiali, la misura massima dell'obbligo di indennizzo, ed in ogni caso del risarcimento, salvo il caso in cui le conseguenze pregiudizievoli derivino da dolo e colpa grave di REAG, è comunque e sempre, limitata nei confronti del Cliente e dei destinatari delle eventuali Reliance letters e Re-Addressing, all'onorario stabilito nel presente contratto a favore di REAG, da intendersi come limite in aggregato per tutte le pretese di indennizzo/risarcimento eventualmente formulate da tutti i destinatari del Rapporto e delle Reliance e/o Re-addressing.

REAG si impegna a tenere indenne, manlevare e risarcire il Cliente da qualsivoglia danno alle persone e/o alle cose materiali del Cliente causato dal personale di REAG o da suoi rappresentanti durante l'esecuzione dell'incarico, fatto salvo il caso in cui il danno derivi dal fatto del Cliente. La misura dell'indennizzo, e comunque del risarcimento, è strettamente consequenziale e proporzionale al comportamento ed al fatto del personale di REAG o dei suoi rappresentanti.

Mentre si trova nella proprietà del Cliente, il personale REAG assegnato all'incarico si impegna a conformarsi a tutte le prescrizioni e le procedure di sicurezza richieste dal Cliente.

#### **Indipendenza delle Parti**

REAG ed il Cliente agiscono come contraenti indipendenti, ciascuno nel rispetto dei diritti dell'altro. Nello svolgimento delle attività previste dal Contratto REAG si è riservata il diritto di utilizzare consulenti esterni. REAG è una società che rispetta la legge sulle pari opportunità.

#### **Limitazioni nell'uso del Rapporto**

Il Rapporto predisposto da REAG potrà essere utilizzato esclusivamente per le finalità indicate nel Contratto e secondo le avvertenze specificate nel Rapporto stesso. Ogni altro uso è considerato improprio.

#### **Presupposti e circostanze giuridico-legali**

REAG non si è assunta alcuna responsabilità in ordine a presupposti e circostanze giuridico-legali. REAG non ha verificato né la titolarità né le passività gravanti sulla proprietà. REAG ha presunto che il titolo di Proprietà sia valido ed efficace, che i diritti di Proprietà siano esercitabili e trasferibili e che non esista alcuna ipoteca che non possa essere cancellata attraverso normali procedure.



**Attendibilità delle informazioni fornite dal Cliente**

Tutte le informazioni e i dati forniti dal Cliente o dai suoi consulenti, sui quali REAG ha basato le proprie considerazioni e conclusioni di valore o semplicemente citerà nel Rapporto finale, sono stati assunti come attendibili ed accurati, salvo che non rientri espressamente nell'oggetto dell'incarico la verifica di tali dati ed informazioni.

**Assegnazione della proprietà dei documenti**

A meno che non sia diversamente stabilito nel Contratto o da successivo accordo scritto, tutti i documenti raccolti, i supporti informatici e le note di lavoro redatte da REAG rimarranno di sua proprietà e saranno da lei conservate per un periodo di almeno cinque anni. Durante questo periodo, e sulla base di una semplice richiesta, il Cliente avrà accesso a questi documenti al fine di soddisfare necessità connesse all'uso specificato nel Contratto o per usi ad esso collegati.

**Standard professionali**

REAG ha svolto l'incarico in conformità agli standard professionali applicabili. In ogni caso, i servizi professionali prevedono anche giudizi espressi in un ambito non sempre certo e basati su un'analisi di dati che possono non essere verificabili, oppure essere soggetti a cambiamenti nel tempo.

Il Cliente, e le altre parti autorizzate cui il Cliente comunicherà i risultati dell'incarico svolto da REAG, dovranno giudicare l'operato di REAG sulla base di quanto stabilito in Contratto e sulla base degli standard professionali applicabili.

**Ambito dell'incarico**

REAG sarà tenuta a rispettare le condizioni previste dal Contratto solo per quanto riguarda i servizi specificatamente indicati nello stesso e le modifiche riguardanti l'ambito di tali servizi espressamente indicate in ogni successivo accordo scritto tra le Parti. Di conseguenza, l'incarico oggetto della presente Offerta non include servizi che non siano correlati, né alcuna responsabilità di aggiornare il lavoro una volta che questi siano stati completati.

REAG inoltre si riserva il diritto di rifiutare di eseguire qualsiasi servizio aggiuntivo nel caso in cui ritenga che tali servizi possano generare un conflitto di interessi reale o anche solo percepito, o nel caso in cui l'esecuzione di tali attività sia illegale o in violazione delle normative applicabili o degli standard professionali.



**Oneri esclusi**

I servizi offerti da REAG non prevedono che il personale REAG presti testimonianza o presenzi in Tribunale e/o Arbitrati, in udienze e altro, a meno che ciò non sia stabilito nel Contratto o in un successivo accordo scritto.

**Codice Etico - Modello Organizzativo ai sensi del D.Lgs. 231/2001**

Il Cliente prende atto che REAG ha adottato un proprio codice etico (di seguito "Codice Etico") ed un modello di organizzazione, gestione e controllo in conformità ai principi ed alle linee guida pre-viste dal Decreto legislativo n. 231/2001 (di seguito "Modello 231"). L'adozione del Modello 231 ha lo scopo di prevenire la commissione dei reati previsti dal suddetto Decreto legislativo e di evitare l'applicazione delle relative sanzioni. Copia del vigente del Codice Etico è disponibile su esplicita richiesta del Cliente. Il Cliente dichiara, per sé ed in relazione a proprie eventuali controllanti e controllate direttamente e/o indirettamente: - di non operare (non avere uffici, attività, investimenti, transazioni) in paesi sensibili e/o soggetti a sanzioni ed embarghi disposti dalle Nazioni Unite, USA, UE e locali; - di non operare con persone o entità che hanno sede e/o attività nei predetti paesi; - non essere destinatario di siffatte sanzioni.

**Termine di decadenza per le contestazioni, Reclamo, Termine di prescrizione dell'azione**

Ferma peraltro l'applicazione di norme inderogabili di legge, il Cliente potrà manifestare, a pena di decadenza, entro 30 (trenta) giorni dal ricevimento del Rapporto, la propria insoddisfazione inviando a REAG un reclamo all'indirizzo [customer-care@reag-dp.com](mailto:customer-care@reag-dp.com), nel quale indicherà con precisione i motivi della propria insoddisfazione e gli eventuali vizi, errori e/o difformità oggetto di contestazione.

Al fine di accogliere e rispettare le esigenze del Cliente, REAG esaminerà l'eventuale reclamo con puntale attenzione verificando ed analizzando l'operato svolto.

REAG ed il Cliente riconoscono e dichiarano espressamente che il presente contratto costituisce contratto di appalto di servizi e che, **conseguentemente, l'azione nei confronti di Duff & Phelps REAG è in ogni caso soggetta al termine di prescrizione biennale di cui all'art 1667 cod.civ**



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**DUFF & PHELPS**  
Real Estate Advisory Group

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# **SEZIONE I**

## **RAPPORTO DI VALUTAZIONE**

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**CBRE**

## RAPPORTO DI VALUTAZIONE

<b>Data del Rapporto</b>	25 gennaio 2021
<b>Destinatario (o Cliente)</b>	<b>BLUE SGR S.p.A.</b> Via Santa Maria alla Porta 1 20123 Milano (MI)  Alla cortese attenzione di: <b>Pierpaolo Mazzella</b>
<b>La Proprietà</b>	Trattasi di una porzione di un più ampio complesso immobiliare di proprietà del Fondo Petrarca, gestito da BLUE SGR, ubicato ad Agrate Brianza (Milano), via Cardano.
<b>Descrizione della Proprietà</b>	La proprietà in oggetto è costituita da una porzione di un complesso, denominato "Astralabio", di tre piani fuori terra e uno seminterrato, a prevalente destinazione direzionale e commerciale, ubicato all'interno del Centro Direzionale Colleoni, del quale costituisce uno dei centri servizi. Il Centro Direzionale "Colleoni" si trova nel territorio comunale di Agrate Brianza (MI).
<b>Scopo della Titolarità</b>	Investimento
<b>Incarico</b>	Valutare sulla base del Valore di Mercato la piena titolarità delle Proprietà, interamente alienabili e libere da qualsiasi onerosa o limitante restrizione o condizione, alla Data di Valutazione e conformemente ai termini di incarico sottoscritti tra CBRE e il Destinatario in data 12 Novembre 2018.
<b>Data di Valutazione</b>	31 dicembre 2020
<b>Capacità del Valutatore</b>	Valutatore Indipendente, come definito nel nostro incarico.
<b>Scopo della Valutazione</b>	Informativa finanziaria per inserimento nel documento di bilancio societario.
<b>Valore di Mercato</b>	Valore di Mercato al 31 dicembre 2020: €4.770.000,00 (EURO QUATTRO MILIONI SETTE CENTO SETTANTA MILA/00) al netto di I.V.A.
<b>Contratto di Servizio</b>	La nostra opinione di valore è basata sugli Ambiti della Valutazione e le Assunzioni di Stima allegate.

Consob del 29 luglio 2010 relativa al processo di valutazione dei beni immobili dei Fondi Comuni di Investimento, nonché in applicazione al DM 30/2015 del 05 marzo 2015.

#### Condizioni di Mercato

L'epidemia del Nuovo Coronavirus (COVID-19), dichiarato "Pandemia Globale" dall'Organizzazione Mondiale della Sanità l'11 marzo 2020, continua ad avere impatti su molti aspetti della vita quotidiana e dell'economia globale - con alcuni mercati immobiliari che hanno registrato minori livelli di transazioni e liquidità. Molti paesi hanno implementato restrizioni sugli spostamenti, sui viaggi e operativi. In alcuni casi sono stati applicate - a vari livelli - "chiusure" ("lockdowns") per contrastare le ulteriori ondate di COVID-19. Se da un lato queste possono implicare una nuova fase della crisi, dall'altro non sono senza precedenti come verificatosi per l'impatto iniziale della pandemia.

La pandemia e le misure adottate per contrastare il COVID-19 continuano ad avere effetti sull'economia e sul mercato immobiliare globale. Tuttavia, alla data di valutazione, i mercati immobiliari hanno ripreso nella maggior parte dei casi a funzionare nuovamente, con un volume di transazioni e altre rilevanti evidenze di mercato ad un livello sufficiente su cui basare la nostra opinione di valore. Di conseguenza, per evitare dubbi, la nostra valutazione non è segnalata come soggetta a "rilevanti incertezze nella valutazione", come definito da VPS 3 e VPGA 10 della RICS Valuation - Global Standards.

A scanso di equivoci, la presente nota esplicativa è stata inserita per garantire la trasparenza necessaria e fornire ulteriori informazioni sul contesto di mercato in cui è stata redatta la nostra opinione di valore. Riconoscendo la possibilità che le condizioni di mercato si muovano rapidamente, come risposta ai cambiamenti nel controllo o per la diffusione futura di COVID-19, si evidenzia l'importanza della data di valutazione.

In Italia sin dal 23 febbraio 2020, il Governo ha preso provvedimenti immediati (rif. DPCM del 23 febbraio 2020 e successivi) per contrastare la diffusione del Coronavirus, includendo periodi di quarantena e altre restrizioni. Le attività di contrasto al Coronavirus del Governo italiano sono riprese con nuove ordinanze a partire dal DPCM datato 18 ottobre 2020 (e successivi).

#### Assunzioni Speciali

Nessuna

#### Conformità agli Standard Valutativi

La valutazione è stata redatta in accordo con il RICS Valuation - Global Standards (che incorpora gli International Valuation Standards) ("il Red Book") in vigore alla data di valutazione.

Si dichiara che possediamo una sufficiente conoscenza, nazionale e locale, dell'attuale e specifico mercato in questione, inoltre, possediamo le capacità e le conoscenze necessarie per poter effettuare l'analisi in modo competente.

Dove i requisiti di conoscenza e capacità richiesti dal Red Book siano stati soddisfatti complessivamente da più di un Valutatore in CBRE, Vi confermiamo che un elenco dei soggetti coinvolti è stato indicato nel presente documento di lavoro e che ciascuno di essi risponde ai requisiti richiesti dal Red Book.

La presente Valutazione è un parere professionale ed è espressamente non destinata a servire come garanzia, assicurazione o a garantire qualsiasi particolare valore della proprietà in esame. Altri periti potrebbero giungere a

	<p>conclusioni diverse riguardo al valore di detta Proprietà. La presente Valutazione ha il solo scopo di fornire al Destinatario un parere professionale indipendente circa il valore della proprietà in oggetto alla Data di Valutazione.</p>
<b>Assunzioni</b>	<p>Le specificità delle Proprietà considerate, utilizzate come base di ogni valutazione, sono quelle indicate nel presente Rapporto. Come indicato a seguire, abbiamo utilizzato diverse assunzioni riguardanti la titolarità, lo stato locativo, la tassazione, l'urbanistica, nonché le condizioni e lo stato manutentivo degli edifici e delle aree - tra cui lo stato dei suoli e dei sottosuoli -.</p> <p>Nel caso in cui, una o più, delle informazioni ricevute o delle assunzioni fatte, su cui si è basata ogni valutazione, non sia corretta, i valori finali potrebbero essere di conseguenza non corretti e potrebbero richiedere di essere rivisti.</p>
<b>Deroghe dalle Assunzioni Standard</b>	<p>Nessuna.</p>
<b>Valutatore</b>	<p>Le Proprietà sono state valutate da tecnici qualificati ai fini della valutazione in accordo con il Red Book. Vi confermiamo che la stessa è stata redatta in conformità ai criteri indicati al Titolo V, Capitolo IV, alla Sezione II, Paragrafi 2.4.5, 2.4.6, e 2.5 del Provvedimento della Banca d'Italia del 19 gennaio 2015 [il "Regolamento sulla gestione collettiva del risparmio"], e a quanto indicato nelle Linee Guida di Assogestioni e nella comunicazione congiunta Banca d'Italia – Consob del 29 luglio 2010 relativa al processo di valutazione dei beni immobili dei Fondi Comuni di Investimento, nonché in applicazione al DM 30/2015 del 05 marzo 2015.</p>
<b>Indipendenza</b>	<p>Il totale dei compensi, compreso il compenso per il presente Incarico, ottenuto da CBRE Valuation S.p.A. [o altre società facenti parte dello stesso gruppo in Italia] dal Destinatario [o altre società facenti parte dello stesso gruppo] ammonta a meno del 5,0% dei ricavi totali avuti in Italia.</p>
<b>Coinvolgimenti Precedenti e Conflitto di Interesse</b>	<p>Vi confermiamo che né i valutatori coinvolti in questo incarico né CBRE hanno avuto alcun coinvolgimento materiale passato, né attuale, con la Proprietà o le parti interessate, e che non hanno alcun interesse personale nel risultato della valutazione. Inoltre, non siamo a conoscenza di alcun conflitto di interesse che ci impedirebbe di esercitare i livelli richiesti di indipendenza e obiettività.</p> <p>Copia della nostra verifica circa i conflitti d'interesse è conservata tra la documentazione in nostro possesso.</p>
<b>Reliance</b>	<p>Potrà fare affidamento sul contenuto di questo Report esclusivamente:</p> <p>(i) il Destinatario del Report; e</p> <p>(ii) le Parti che hanno ricevuto previo consenso scritto da parte di CBRE sotto forma di lettera di affidamento (reliance letter);</p> <p>per la specifica finalità stabilita nel presente documento. CBRE declina ogni responsabilità nei confronti di terzi in relazione al Report e/o a parti del medesimo.</p> <p>Vorremmo richiamare la Vostra attenzione sul fatto che qualora il nostro Incarico sia stato conferito da un soggetto sottoposto alla Direttiva del Parlamento e del Consiglio Europeo 2011/61/EU [“la Direttiva”], riguardante la Gestione dei Fondi</p>

di Investimento Alternativi (Alternative Investment Fund Managers 'AIFM'), il nostro ruolo sarà limitato alla valutazione delle attività o delle passività delle singole proprietà [sulla base delle ipotesi riportate nel nostro Rapporto di Valutazione] e non alla determinazione del Valore del Patrimonio Netto ['NAV'], sia del Fondo che delle singole proprietà all'interno del Fondo. Inoltre, al fine di evitare qualsiasi dubbio, Vi informiamo che stiamo agendo in qualità di 'consulente valutatore' per conto dell'AIFM e non come 'valutatore esterno' come definito nella Direttiva. I dettagli di eventuali limitazioni alla nostra responsabilità, in merito alle valutazioni da noi svolte, sono quelli indicati in questo Rapporto e nella nostra proposta di collaborazione. Avete quindi confermato che la 'funzione di valutazione' ai sensi della Direttiva è stata direttamente eseguita dal Gestore del Fondo di Investimento Alternativo di Fondo Petrarca [il Fondo] e non da CBRE.

#### **Pubblicazione**

Il Rapporto non può essere citato, pubblicato o riprodotto in qualsiasi modo né integralmente né in parte, senza la nostra approvazione scritta del contesto e delle modalità relative; il medesimo trattamento andrà applicato per qualsiasi riferimento al Rapporto stesso.

In fede



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## FONTI E AMBITI DELLA VALUTAZIONE

<b>Fonti</b>	<p>Abbiamo eseguito l'incarico sulla base della documentazione fornita dal Cliente che, nei limiti evidenziati nel presente Rapporto, abbiamo assunto essere completa e corretta.</p> <p>Le informazioni ricevute sono le seguenti:</p> <ul style="list-style-type: none"><li>■ Importo IMU-TASI;</li><li>■ Importo premio assicurativi;</li><li>■ Rent roll;</li><li>■ Copia comunicazione recesso Banco BPM.</li></ul>
<b>La Proprietà</b>	<p>Il nostro Rapporto contiene un breve riassunto delle caratteristiche della proprietà sui cui si basa la nostra valutazione.</p>
<b>Sopralluogo</b>	<p>La Proprietà è oggetto di un sopralluogo interno con scadenza annuale. Una scheda di riepilogo, che evidenzia le date dei più recenti sopralluoghi alla Proprietà, è conservata nei nostri documenti di lavoro e può essere fornita se richiesta. La Proprietà per questo aggiornamento non è stata oggetto di una nuova visita (desktop); Voi ci avete confermato, rispetto all'ultimo sopralluogo effettuato, di non essere a conoscenza di alcun cambiamento rilevante delle relative caratteristiche fisiche, o della natura della sua localizzazione. Abbiamo assunto queste indicazioni come corrette.</p>
<b>Consistenze</b>	<p>Non abbiamo misurato la Proprietà ma abbiamo fatto affidamento sulla superficie fornita dal Cliente, come indicato in questo Rapporto, che abbiamo assunto essere completa e corretta. Ci è stato, inoltre, comunicato che la superficie è stata calcolata utilizzando le più comuni prassi del mercato italiano i cui metodi di misurazione sono indicati a seguire.</p> <p>In Italia il mercato esprime valori riferibili alla Superficie Commerciale [o GLA].</p> <p>La Superficie Commerciale [o GLA] è l'area, tipicamente non pesata, calcolata sottraendo alla Superficie Lorda tutte le parti della Proprietà che non concorrono direttamente a determinare alcun valore/canone, con esclusione delle superfici a parcheggio. A esempio, per gli uffici le seguenti superfici vengono di solito sottratte: il blocco di risalita verticale [scale, ascensori e loro sbarchi], i vani tecnologici, i cavevi, le aree comuni [hall d'ingresso, sale riunioni]. In casi di locazione secondo la logica monotenent è possibile conteggiare la superficie avente destinazione comune ma effettivamente utilizzate esclusivamente dall'unico Conduttore presente.</p> <p>Le superfici a parcheggio, escluse dalla GLA, concorrono invece alla determinazione del canone/valore [numero totale di posti auto coperti e/o scoperti].</p>
<b>Aspetti Ambientali</b>	<p>Non abbiamo svolto, né siamo a conoscenza del contenuto di qualsiasi analisi ambientale, o altre indagini ambientali o del terreno, che possano essere state svolte sulle Proprietà e che possano contenere riferimenti a eventuali e/o accertate contaminazioni.</p> <p>Non abbiamo svolto alcuna indagine circa gli usi passati o presenti della Proprietà, né dei terreni limitrofi, al fine di stabilire se vi siano potenziali passività ambientali e, pertanto, si è assunto che non ve ne siano.</p>

<b>Datazioni e Servizi</b>	Abbiamo inteso che le Proprietà sono servite dalle abituali reti e sottoservizi, quali a esempio le reti elettriche, del gas, di adduzione e scarico dell'acqua e fognaria. Nessuno degli impianti è stato da noi verificato.
<b>Condizioni e Stato Manutentivo</b>	Non abbiamo condotto indagini strutturali, edilizie, verifiche sugli impianti presenti, o eseguito indagini autonome sul sito, rilievi su parti esposte della struttura, che siano state coperte o rese inaccessibili, né istruito indagini volte a individuare la presenza e l'utilizzo di materiali e tecniche costruttive pericolose in alcuna parte delle Proprietà. Non siamo in grado, quindi, di dare alcuna garanzia che le Proprietà siano esenti da difetti.
<b>Urbanistica</b>	Abbiamo svolto indagini, presso la Pubblica Amministrazione, in merito allo stato urbanistico della Proprietà. Le informazioni riportate nel presente Rapporto sono riconducibili agli atti resi disponibili dalla stessa sul suo sito internet istituzionale. Non ci riteniamo pertanto responsabili di eventuali conseguenze derivanti da informazioni scorrette e/o omissioni.
<b>Titolarità e Stato Locativo</b>	Dettagli del diritto reale, con cui sono detenute le Proprietà, e dell'eventuale situazione locativa ci sono stati forniti dal Cliente. In generale non abbiamo analizzato né avuto copia di tutti gli atti recanti i diritti di proprietà, i contratti di locazione o gli altri documenti relativi alle Proprietà. Informazioni da atti, contratti o altri documenti riportati nel Rapporto derivano dalla nostra comprensione dei documenti pertinenti visionati. Sottolineiamo in ogni caso che l'interpretazione dei documenti riguardanti il titolo di proprietà/possesso [inclusi i pertinenti atti, contratti e autorizzazioni] è responsabilità del Vostro consulente legale. Non sono state condotte indagini sullo stato patrimoniale di alcun eventuale conduttore. La valutazione, in ogni caso, riflette la nostra comprensione generale di come potenziali acquirenti potrebbero percepire lo stato finanziario dei conduttori.

## ASSUNZIONI DI STIMA

### Base del Valore

La valutazione è stata eseguita sulla base del "Valore di Mercato", che è definito nel Red Book come:

*"L'ammontare stimato a cui un'attività o una passività dovrebbe essere ceduta e acquistata, alla data di valutazione, da un venditore e da un acquirente privi di legami particolari, entrambi interessati alla compravendita, a condizioni concorrenziali, dopo un'adeguata commercializzazione in cui le parti abbiano agito entrambe in modo informato, consapevole e senza coercizioni."*

valutazione, con materiali e manufatti di simile utilità e disponibilità corrente."

La valutazione rappresenta il valore che sarebbe espresso da un ipotetico contratto di vendita alla Data di Valutazione. Nessuna ulteriore deduzione o aggiustamento è richiesta per le spese di realizzazione o acquisizione - né per tassazioni che potrebbero sorgere nel caso di vendita.

Non sono stati considerati eventuali contratti, accordi inter-company, finanziamenti, obbligazioni, altri eventuali diritti sulla Proprietà da parte di terzi.

Non è stata considerata la disponibilità o meno di accesso a sovvenzioni statali o della Comunità Europea.

### Valori Locativi

Salvo diversa indicazione, i valori locativi, eventualmente indicati nel Rapporto, sono quelli che sono stati da noi ritenuti appropriati per determinare i relativi valori di vendita e non sono necessariamente appropriati ad altri fini né essi necessariamente corrispondono alla definizione di Canone di Mercato [Market Rent] indicata nel Red Book, che è la seguente:

*"L'ammontare stimato a cui una proprietà dovrebbe essere locata, alla data di valutazione, da un locatore a un conduttore privi di legami particolari, entrambi interessati alla transazione, sulla base di termini contrattuali adeguati e a condizioni concorrenziali, dopo un'adeguata commercializzazione in cui le parti abbiano agito entrambe in modo informato, consapevole e senza coercizioni"*.

### La Proprietà

Dove appropriato, abbiamo considerato le vetrine commerciali delle unità retail e gli spazi espositivi come parte integrante della Proprietà.

Gli impianti e i macchinari quali gli ascensori, le scale mobili, l'impianto dell'aria condizionata, la centrale termica e gli altri tradizionali impianti di servizio, usualmente installati dal proprietario, sono stati considerati come facenti parte del bene immobiliare e dunque inclusi nella nostra valutazione.

Gli impianti e i macchinari industriali, le attrezzature del conduttore e le finiture commerciali personalizzate sono state escluse dalla nostra valutazione.

Tutti i riferimenti dimensionali e le citazioni dell'epoca costruttiva/d'installazione presenti nel Rapporto sono approssimati.

#### Aspetti Ambientali

In assenza di alcuna informazione contraria, abbiamo assunto che:

[a] le Proprietà non siano contaminate e non siano soggette a leggi ambientali, o proposte di legge, che possano influenzarle negativamente;

[b] le Proprietà e le attività in esse svolte siano allineate alle vigenti normative in campo ambientale;

[c] le Proprietà posseggano o possiederanno, conformemente alle disposizioni nazionali in materia di trasferimento e locazione immobiliare, l'Attestato di Prestazione Energetica (A.P.E.) o equivalente;

[d] le Proprietà non siano soggette ad alcun rischio di inondazione o, se lo siano, posseggano delle difese adeguate. Inoltre, un'appropriata polizza assicurativa potrebbe essere ottenuta senza che questa influenzi effettivamente la base del valore utilizzata nel presente Rapporto;

[e] le Proprietà non siano soggette ad alcun rischio sismico o, se lo siano, posseggano delle caratteristiche costruttive in linea con la normativa di riferimento. Inoltre, un'appropriata polizza assicurativa potrebbe essere ottenuta senza che questa influenzi effettivamente la Base del Valore utilizzata nel presente Rapporto.

#### Condizioni e Stato Manutentivo

In assenza di alcuna informazione contraria, abbiamo assunto che:

[a] non siano presenti condizioni anomale del terreno o reperti archeologici che possano influire negativamente sulla presente o futura occupazione, sviluppo o valore delle Proprietà;

[b] le Proprietà non siano in uno stato di decadimento, infestate o abbiano difetti strutturali latenti;

[c] non siano stati usati durante la costruzione, o per le eventuali successive addizioni o migliorie, delle Proprietà materiali, che ad oggi siano riconosciuti come dannosi o pericolosi o tecniche sospette, inclusi ma non limitati a materiali compositi; e

[d] i servizi, tutti i controlli e gli impianti ad essi associati, siano funzionanti e senza difetti.

Abbiamo altrimenti tenuto conto dell'età e delle apparenti condizioni generali delle Proprietà. I commenti fatti sui dettagli delle stesse non hanno lo scopo di esprimere opinioni o di dare suggerimenti sulle condizioni di parti non ispezionate e non devono essere interpretate, nemmeno implicitamente, con valenza certificativa.

**Titolarità, Stato  
Locativo, Titoli  
Edilizi/Pianificazione  
Urbanistica, Fiscalità,  
Requisiti di Legge e  
delle Autorità Locali**

Se non diversamente indicato nel Rapporto, e in assenza d'informazioni contrarie, abbiamo considerato che:

[a] le Proprietà siano pienamente alienabili e libere da qualsiasi onerosa o limitante restrizione o condizione;

[b] i beni immobiliari siano stati costruiti prima dell'entrata in vigore o in conformità alle disposizioni urbanistiche vigenti, ovvero saranno costruiti in conformità ai disposti urbanistici ed edilizi vigenti alla Data di Valutazione, e siano oggetto di permessi permanenti che ne consentano l'uso attuale/considerato;

[c] le Proprietà non siano influenzate negativamente dallo strumento urbanistico vigente o da proposte di nuove infrastrutture;

[d] i beni immobiliari siano conformi, ovvero saranno pienamente conformi, a tutti i requisiti generali e/o dettati dalle autorità locali concernenti costruzione, prevenzione incendi, sanità e sicurezza e sia pertanto pienamente agibile;

[e] sia possibile, qualora si rendessero necessarie modifiche per rispettare le disposizioni relative al superamento delle barriere architettoniche, effettuare interventi sulle Proprietà solo attraverso costi marginali e occasionali;

[f] non ci siano miglioramenti contrattuali, ottenibili in sede di revisione o rinnovo, che avranno un impatto diretto sulla nostra opinione dei canoni di mercato;

[g] gli eventuali inquilini presenti adempiano, ovvero gli eventuali inquilini futuri adempiranno, ai loro obblighi nel quadro dei contratti di locazione considerati;

[h] non esistano restrizioni o limitazioni all'uso che possano influire negativamente sul valore espresso;

[i] ove pertinente, il proprietario, qualora richiesto, non negherà il permesso all'alienazione delle Proprietà;

[j] è concessa la piena e libera disponibilità di quegli spazi sfitti oppure utilizzati a fini strumentali; e

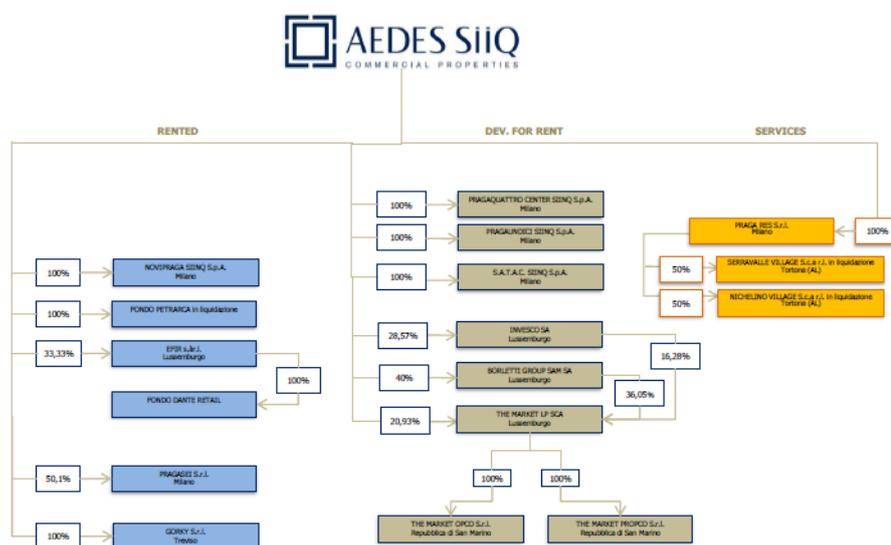
[k] in Italia non è infrequente, in quanto spesso fiscalmente vantaggioso, che trasferimenti di immobili avvengano tramite cessioni del capitale di società immobiliari: pertanto, in sede di valutazioni immobiliari, non è definibile a priori il livello di tassazione applicato per il trasferimento. Per definire il prezzo di transazione, se richiesto, saranno da aggiungere i costi professionali di acquisto, quali a esempio le consulenze tecniche e legali, e le più appropriate imposte in vigore per il suo trasferimento alla Data di Valutazione. Tutti gli importi relativi ai costi e/o ai ricavi espressi nel presente Rapporto, così come i valori da essi derivanti, sono da considerarsi al netto di I.V.A.

## 2.3 Group Structure

Aedes SIIQ S.p.A. ("**Aedes**", the "**Company**" or the "**Parent Company**"), following the decision to join the statutory and tax regime typical of listed property investment companies (so-called SIIQ Regime), switched to SIIQ status on 1 January 2018.

**AEDES** is an ancient name that has its roots in Latin, and its meaning is home, temple or construction. Aedes SIIQ was created with the aim of enhancing the value of its property assets, generating benefits for all its stakeholders.

The simplified structure of the Group at 31 December 2020 was as follows:



An annex to these Financial Statements provides further information on investments held directly and indirectly by the Parent Company.

## 2.4 Strategy and business model

The Aedes strategy aims to create and optimize in the medium to long term a portfolio of revenue properties and properties under development intended to generate revenue, primarily for Retail use and secondarily for Office use, with a sustainable resort to debt such as to generate future cash flows consistent with the SIIQ model.

Additionally, Aedes provides services (asset management, administration and finance) also through Group companies addressed exclusively to subsidiaries. The subsidiary Praga Res S.r.l. performs Project and Construction Management activities, mainly for Group companies, in order to maintain greater control over investments.

## 2.5 Performance during the year

### • Results

Below is a reclassification of the consolidated result of operations:

Description (Euro/000)	31/12/2020	31/12/2019	Change
Gross rental revenue	13.947	15.078	(1.131)
Margin from sale of properties	(1.120)	(122)	(998)
Other revenue	1.001	1.582	(581)
<b>Total Revenue</b>	<b>13.828</b>	<b>16.538</b>	<b>(2.710)</b>
Net losses from vacancies	(1.248)	(1.500)	252
IMU, other tax and insurance on properties	(2.828)	(3.293)	465
Opex	(1.265)	(1.396)	131
Commissions and fees	(292)	(478)	186
Other non-rechargeable costs	(740)	(1.232)	492
<b>Total External Direct Costs</b>	<b>(6.373)</b>	<b>(7.899)</b>	<b>1.526</b>
<b>Net Operating Income</b>	<b>7.455</b>	<b>8.639</b>	<b>(1.184)</b>
Direct Personnel Expense	(2.766)	(3.608)	842
Internal direct capitalized costs on properties	880	1.034	(154)
<b>Total Internal Direct Costs</b>	<b>(1.886)</b>	<b>(2.574)</b>	<b>688</b>
HQ Personnel Expense	(2.440)	(2.783)	343
Consultancy	(2.555)	(2.021)	(534)
G&A	(3.933)	(4.834)	901
<b>Total Indirect Costs</b>	<b>(8.928)</b>	<b>(9.638)</b>	<b>710</b>
<b>EBITDA</b>	<b>(3.359)</b>	<b>(3.573)</b>	<b>214</b>
Fair value adjustment of investment property	(28.574)	117	(28.691)
(Write-down)/write-back of inventory	(834)	0	(834)
Amortization, depreciation, provisions and other non-property write-downs	(1.957)	(1.234)	(723)
Income/(expense) from associates	(6.538)	911	(7.449)
<b>EBIT (Operating profit/loss)</b>	<b>(41.262)</b>	<b>(3.779)</b>	<b>(37.483)</b>
Financial income/(expense)	(8.536)	(9.589)	1.053
<b>EBT (Result before tax)</b>	<b>(49.798)</b>	<b>(13.368)</b>	<b>(36.430)</b>
Tax/tax expense	(3.183)	(166)	(3.017)
<b>Profit/ (loss)</b>	<b>(52.981)</b>	<b>(13.534)</b>	<b>(39.447)</b>
<b>Result - Group</b>	<b>(52.981)</b>	<b>(13.534)</b>	<b>(39.447)</b>

Gross rental revenue in 2020 fell by € 1.1 million versus 2019, due mainly to the renegotiation of contracts, following the Covid-19 emergency, with certain retail property tenants signed until 31 December 2020 (€ -1 million).

The margin from the sale of properties came to € -1.1 million, as a result of the disposal of properties at end September 2020. The result is attributable to the combined effects of the sale of *Torre E* located in Viale Giulio Richard 3, Milan (€ +0.1 million), and of an area located in Santa Vittoria D'Alba (CN) (€ -1.2 million).

The NOI margin in 2020, net of the margin from property sales, shows a smaller drop than revenue, due to the more than proportional reduction in certain external costs.

The actions taken to curb internal direct costs and indirect costs brought EBITDA in line with 2019, despite the drop in revenue.

The sharp fall of EBIT at 31 December 2020 versus the prior year is attributable mainly to higher negative fair value adjustments of investment properties and write-downs of property inventory totaling € 29.4 million versus € 0.1 in positive adjustments in 2019, and to expense from associates and JVs of €

### Directors' Report on Operations at 31 December 2020

6.5 million (€ +0.9 million in 2019), attributable mainly to property fair value adjustments of assets belonging to associates (€ 6.0 million).

The abovementioned write-downs of property assets held directly or through associates and JVs are the result mainly of the increase in cap rates and discount rates in the valuations performed by the Independent Experts due to the pandemic.

The result at 31 December 2020 includes lower financial expense of € 1.1 million, due mainly to the lower average rate of financial debt versus the prior year.

Tax expense includes the write-down, amounting to € 2.9 million, of deferred tax assets, prudentially considered not recoverable in the immediate future in view of the uncertainty generated by the pandemic in the property industry.

The Group's net result for the year ended 31 December 2020 came to a loss of approximately € 53 million versus a loss of approximately € 13.5 million in the prior year.

The consolidated income statement figures reclassified by item are analyzed below.

#### TOTAL REVENUE

Total revenue amounted to € 13.8 million, down versus the prior year.

Revenue (Euro/000)	31/12/2020	31/12/2019	Change
Gross rental revenue	13.947	15.078	(1.131)
Margin from sale of properties	(1.120)	(122)	(998)
Margin from sale of investments	0	0	0
Other revenue	1.001	1.582	(581)
<b>Total</b>	<b>13.828</b>	<b>16.538</b>	<b>(2.710)</b>

Margin from sale of properties (Euro/000)	31/12/2020	31/12/2019	Change
Revenue from disposal of properties	(1.120)	(122)	(998)
<b>Margin from sale of properties</b>	<b>(1.120)</b>	<b>(122)</b>	<b>(998)</b>

Other revenue (Euro/000)	31/12/2020	31/12/2019	Change
Construction Management revenue	0	20	(20)
Construction Management costs	(22)	(7)	(15)
<b>Margin from provision of Construction Management services</b>	<b>(22)</b>	<b>13</b>	<b>(35)</b>
Project Management revenue	365	316	49
Project Management costs	(183)	(237)	54
<b>Margin from provision of Project Management services</b>	<b>182</b>	<b>79</b>	<b>103</b>
<b>Sundry revenue</b>	<b>841</b>	<b>1.490</b>	<b>(649)</b>
<b>Other revenue</b>	<b>1.001</b>	<b>1.582</b>	<b>(581)</b>

Gross rental revenue in 2020 fell by € 1.1 million versus 2019, due mainly to the renegotiation of contracts, following the Covid-19 emergency, with certain retail property tenants signed until 31 December 2020 (€ -1 million).

The margin from the sale of properties came to € -1.1 million, as a result of the disposal of properties at end September 2020. The result is attributable to the combined effects of the sale of *Torre E* located in Viale Giulio Richard, Milan (€ +0.1 million), and of an area located in Santa Vittoria D'Alba (CN) (€ -1.2 million).

Other revenue includes:

- the margin from Construction and Project Management services, amounting to € 0.2 million (€ 0.1 million in 2019);
- sundry revenue of € 0.8 million versus € 1.5 million in 2019. The 2020 figure includes chargebacks of costs incurred on behalf of the purchaser of the property located in Milan San

Vigilio (€ 0.4 million), non-repayable contributions pursuant to Article 25 of the Relaunch Decree (€ 0.1 million), and revenue from services provided in the framework of The Market project (€ 0.1 million). The 2019 figure included chargebacks of costs incurred on behalf of the purchaser of the property located in Milan San Vigilio (€ 0.4 million), revenue from services provided in the framework of The Market project (€ 0.2 million) and for administrative, ICT, and property management services, provided to companies that left the scope of consolidation as a result of the demerger in 2018 (€ 0.2 million), as well as revenue from the write-off of trade payables (€ 0.4 million) that have become non-existent.

#### EXTERNAL DIRECT COSTS

Direct costs amounted to € 6.4 million at 31 December 2020 versus € 7.9 million at 31 December 2019.

<b>External Direct Costs (Euro/000)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Change</b>
Net losses from vacancies	(1.248)	(1.500)	252
IMU, other tax and insurance on properties	(2.828)	(3.293)	465
Opex	(1.265)	(1.396)	131
Commissions and fees	(292)	(478)	186
Other non-rechargeable costs	(740)	(1.232)	492
<b>Total External Direct Costs</b>	<b>(6.373)</b>	<b>(7.899)</b>	<b>1.526</b>

The decrease in net vacancy losses and property tax is related to the disposal of vacant properties in 2019.

Opex includes costs on the property located in Milan San Vigilio (€ 0.7 million), charged back to the purchaser for € 0.4 million.

The reduction in Commissions and Fees is attributable mainly to lower commissions paid to the SGR managing the Petrarca Fund as a result of the reduction of the GAV of the Fund.

Other non-rechargeable costs in the prior year included expense on vacant properties sold in the same year.

#### NET OPERATING INCOME

Net Operating Income, as a result of the items related to Total Revenue and Total External Direct Costs commented above, amounted to € 7.5 million versus € 8.6 million at 31 December 2019.

#### INTERNAL DIRECT COSTS

<b>Internal Direct Costs (Euro/000)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Change</b>
Direct Personnel Expense	(2.766)	(3.608)	842
Internal direct capitalized costs on properties	880	1.034	(154)
<b>Total Internal Direct Costs</b>	<b>(1.886)</b>	<b>(2.574)</b>	<b>688</b>

The reduction in direct personnel expense in 2020 versus 2019 is attributable mainly to the lower impact of the variable remuneration component versus the prior year (€ 0.1 million in 2020 versus € 0.7 million in 2019), as well as to the reduction in headcount.

Internal direct costs capitalized in both 2020 and the prior year are attributable mainly to the development of the Caselle Open Mall.

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### INDIRECT COSTS

Indirect costs amounted to € 8.9 million versus € 9.6 million at 31 December 2019.

Indirect Costs (Euro/000)	31/12/2020	31/12/2019	Change
HQ Personnel Expense	(2.440)	(2.783)	343
Consultancy	(2.555)	(2.021)	(534)
G&A	(3.933)	(4.834)	901
<b>Total Indirect Costs</b>	<b>(8.928)</b>	<b>(9.638)</b>	<b>710</b>

The decrease in costs is attributable to:

- lower head office personnel expense at 31 December 2020 versus 31 December 2019, attributable mainly to the lower impact of the variable remuneration component versus the prior year (€ 0.1 million in 2020 versus € 0.3 million in 2019), as well as to the reduction in headcount;
- higher Consultancy (€ 2.6 million versus € 2.0 million in 2019); the 2020 figure includes € 0.7 million in non-recurring expense;
- lower G&A (€ 3.9 million in 2020 versus € 4.8 million in 2019), as a result mainly of the lower impact of the variable component paid to the Chief Executive Officer (€ 0.3 million in 2020 versus € 0.9 million in 2019).

### EBITDA

As a result of the items referring to Revenue, Direct Costs and Indirect Costs commented above, EBITDA stood at approximately € -3.4 million versus € 3.6 million in 2019.

### FAIR VALUE ADJUSTMENT OF INVESTMENT PROPERTY

At 31 December 2020, investment property recorded net negative adjustments of € 28.6 million versus a positive € 0.1 million in 2019, as commented above.

### (WRITE-DOWN)/WRITE-BACK OF INVENTORY

At 31 December 2020, write-downs amounted to € 0.8 million (none in 2019).

### AMORTIZATION/DEPRECIATION, PROVISIONS AND OTHER NON-PROPERTY WRITE-DOWNS

Amortization, depreciation, provisions and other non-property write-downs at 31 December 2020 amounted to € 2.0 million versus € 1.2 million in 2019.

The item is broken down as follows:

- € 1.3 million in amortization and depreciation (€ 1.2 million in 2019);
- € 0.4 million in provisions for impairment of trade receivables (€ 0.3 million in 2019);
- € 0.2 million in provisions for risks and charges (€ 0.2 million of releases of provisions for risks and charges in 2019).

### INCOME/(EXPENSE) FROM ASSOCIATES AND JOINT VENTURES

The item at 31 December 2020 shows a negative balance of € 6.5 million (€ 0.9 million positive balance at 31 December 2019), attributable mainly to the negative change in the fair value of property assets held by associates (€ 6.0 million).

### EBIT

EBIT stood at € -41.3 million versus € 3.8 million in 2019. The figure was affected mainly by the significant write-downs made on the property portfolio.

### FINANCIAL INCOME/(EXPENSE)

Financial expense net of financial income, including the effects of the fair value adjustment of derivatives to hedge interest rate risk, amounted to € 8.5 million (€ 9.6 million in 2019).

The item is composed mainly of:

- Financial income: € +0.5 million (in line with 2019);
- Financial expense: € -9.1 million (€ -10.1 million in 2019); the decrease is attributable mainly to the lower average rate of financial debt versus the same period of 2019;
- Fair value adjustment of derivative instruments: € +0.1 million (in line with 2019).

### TAX

Tax for the period came to € -3.2 million (€ 0.2 million in 2019), due mainly to the write-down of € 2.9 million of deferred tax assets, prudentially considered not recoverable in the immediate future in view of the uncertainty generated by the pandemic in the property industry.

## • Financial position

The Group's financial position at 31 December 2020 versus 31 December 2019 is summarized as follows:

Description	31/12/2020	31/12/2019	Change
Fixed capital	445.483	479.785	(34.302)
Net working capital	(8.089)	(2.379)	(5.710)
<b>INVESTED CAPITAL</b>	<b>437.394</b>	<b>477.406</b>	<b>(40.012)</b>
Equity attributable to the owners of the Parent	241.241	284.530	(43.289)
Equity attributable to non-controlling interests	0	0	0
<b>Total equity</b>	<b>241.241</b>	<b>284.530</b>	<b>(43.289)</b>
<b>Other non-current (assets) and liabilities</b>	<b>3.483</b>	<b>488</b>	<b>2.995</b>
Non-current payables to banks and other lenders	152.295	96.952	55.343
Current payables to banks and other lenders	49.000	102.072	(53.072)
Cash and cash equivalents	(8.625)	(6.636)	(1.989)
<b>Total net financial debt</b>	<b>192.670</b>	<b>192.388</b>	<b>282</b>
<b>TOTAL FUNDING SOURCES</b>	<b>437.394</b>	<b>477.406</b>	<b>(40.012)</b>

### FIXED CAPITAL

Fixed capital amounted to € 445.5 million versus € 479.8 million at 31 December 2019, and consisted mainly of:

- investment property and other tangible fixed assets of € 383.3 million versus € 409.2 million at 31 December 2019. The negative change of € 25.9 million is explained mainly by the negative changes in fair value (€ 28.6 million), by disposals in the period (€ 13.6 million), partly offset by investments in the period (€ 16.8 million), particularly on the Caselle development area (€ 6.0 million) and on *Torre C* located in Viale Richard, Milan (€ 10.2 million);
- capital investment in associates and joint ventures of € 60.0 million versus € 68.0 million at 31 December 2019;
- rights of use of € 2.1 million (€ 2.5 million at 31 December 2019).

## *Directors' Report on Operations at 31 December 2020*

### NET WORKING CAPITAL

Net working capital came to € -8.1 million (€ -2.4 million at 31 December 2019), and is composed of:

- property inventory of € 7.7 million (€ 8.6 million at 31 December 2019); the change is due to the write-downs in the period;
- trade and other receivables of € 13.3 million (€ 12.5 million at 31 December 2019); the increase is attributable for € 1.5 million to the portion of the consideration subject to fulfilment of certain administrative conditions of the sale of *Torre E* in Viale Giulio Richard, Milan;
- trade and other payables of € 29.1 million (€ 23.5 million at 31 December 2019); the increase is attributable mainly to € 4.0 million in confirmation deposits received following the signing of a preliminary notary contract suspended on condition of the sale of the area and buildings located in Castellazzo Bormida.

At 31 December 2020, there were no tax, social security or employee debt positions that were past due or unpaid beyond the applicable time limits. With regard to trade and other payables, at 31 December 2020, the Aedes Group had overdue payables of € 6.5 million (of which € 4.2 million related to Aedes SIIQ S.p.A.), which do not give rise to disputes or legal proceedings, nor suspension of supply contracts.

### INVESTED CAPITAL

As a result of the above changes, invested capital decreased from € 477.4 million at 31 December 2019 to € 437.4 million at 31 December 2020. Invested capital is funded by equity of € 241.2 million (55.1%), by net financial debt of € 192.7 million (44.1%), and by other net non-current liabilities of € 3.5 million (0.8%).

### CONSOLIDATED EQUITY

Consolidated equity, wholly attributable to the Group, amounted to € 241.2 million (€ 284.5 million at 31 December 2019).

In this regard, it should be noted that on 24 July 2020, a reserved capital increase was completed through issue of no. 2,683,759 Aedes ordinary shares, automatically admitted to listing, and no. 5,316,241 Special Shares, not admitted to listing. All newly-issued shares are subscribed by Augusto by offsetting the shareholder loan of € 10 million disbursed by Augusto to the Company on 20 April 2017.

The change in consolidated equity stems mainly from the abovementioned reserved capital increase (approximately € 9.6 million, net of directly attributable costs), the loss for the period (approximately € 53.0 million), as well as from the change in the reserve for fair value measurement of derivative financial instruments considered hedges (approximately € +0.1 million).

### OTHER NON-CURRENT ASSETS AND LIABILITIES

Other non-current assets and liabilities show a negative balance of € 3.5 million and are composed as follows:

- net deferred tax liabilities of € 0.1 million (€ 2.8 million of net deferred tax assets at 31 December 2019);
- liabilities of € 1.5 million from the provision for severance indemnity (€ 1.5 million at 31 December 2019);
- liabilities of € 0.6 million (€ 0.4 million at 31 December 2019) from provisions for risks, mainly for contractual charges (€ 0.2 million, € 0.3 million at end 2019) and from provisions related to the management of property assets (€ 0.4 million, € 0.1 million at end 2019);
- net liabilities of € 0.6 million for the fair value measurement of derivative instruments (€ 0.8 million at end 2019);
- liabilities for other non-current net payables of € 0.7 million (€ 0.5 million at end 2019).

### CONSOLIDATED NET FINANCIAL DEBT

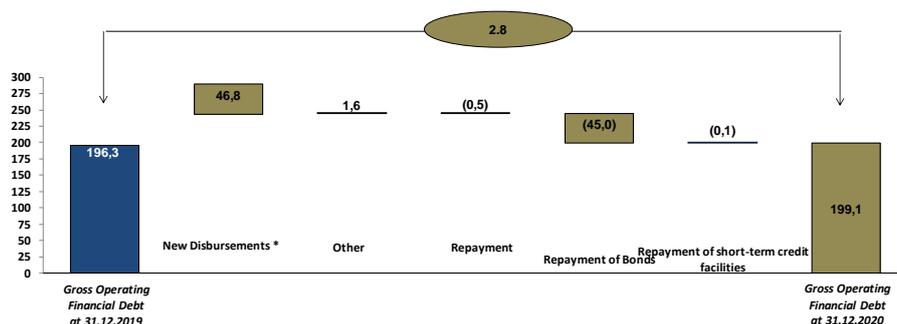
The Group's net financial debt at 31 December 2020, including lease liabilities, amounted to € 192.7 million (€ 192.4 million at 31 December 2019), resulting from a difference between gross payables of € 201.3 million and bank deposits of € 8.6 million.

The table below shows the net financial debt of the Group at end 2020 versus end 2019:

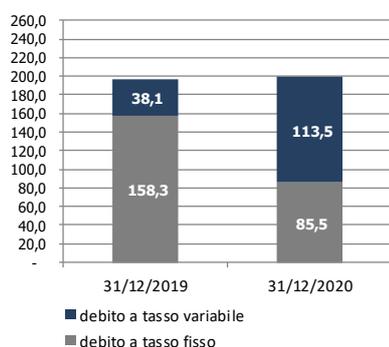
NFP (Euro/000)		31/12/2020	31/12/2019	Change
A	Cash on hand	8.625	6.638	1.987
B	Cash equivalents	0	0	0
C	Securities	0	0	0
D	<b>Liquidity (A) + (B) + (C)</b>	<b>8.625</b>	<b>6.638</b>	<b>1.987</b>
E	<b>Current financial receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>
F	Current payables to banks	(20.819)	(29.202)	8.383
G	Current portion of non-current financial liabilities	(45)	(44.666)	44.621
H	Other current financial liabilities	(27.267)	(27.446)	179
I	<b>Total current financial liabilities (F) + (G) + (H)</b>	<b>(48.131)</b>	<b>(101.314)</b>	<b>53.183</b>
J	<b>Net current financial debt (I) + (E) + (D)</b>	<b>(39.506)</b>	<b>(94.676)</b>	<b>55.170</b>
K	Non-current payables to banks	(105.759)	(93.773)	(11.986)
L	Bonds issued	(43.833)	0	(43.833)
M	Other non-current financial liabilities	(1.341)	(1.245)	(96)
N	<b>Non-current net financial debt (K) + (L) + (M)</b>	<b>(150.933)</b>	<b>(95.018)</b>	<b>(55.915)</b>
O	<b>Net operating financial debt (J) + (N)</b>	<b>(190.439)</b>	<b>(189.694)</b>	<b>(745)</b>
C	Current lease liability	(869)	(760)	(109)
Q	Non-current lease liability	(1.362)	(1.934)	572
R	<b>Net financial debt (O+P+Q)</b>	<b>(192.670)</b>	<b>(192.388)</b>	<b>(282)</b>

The Group's gross operating financial debt at 31 December 2020 stood at € 199.1 million (€ 196.3 million at 31 December 2019). Changes in gross operating financial debt in 2020 are shown below:

Amounts in Euro millions



\* Amounts net of (i) repayments for refinancing, (ii) the repayment on 24 July 2020 of the 2017 shareholder loan, through the offsetting subscription by Augusto of the shares and Special Shares resulting from the Reserved Capital Increase, (iii) the disbursement of the Augusto shareholder loan in 2020 for a total of € 8.6 million.



At 31 December 2020, the floating-rate gross operating financial debt accounted for 57% of the Group's total financial exposure.

## Directors' Report on Operations at 31 December 2020

The table below shows the reclassification of the gross financial debt of the Group by guarantee<sup>4</sup>:

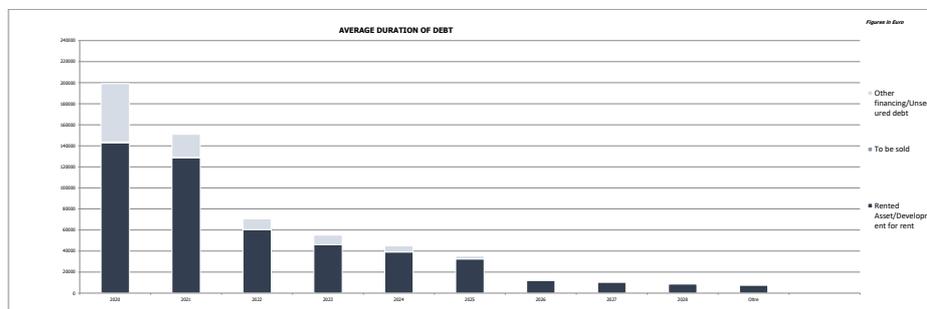
	31/12/2020	31/12/2019	Δ
<i>Investment property: mortgages</i>	121,8	98,5	23,3
<i>Investment property: leases</i>	1,4	1,4	(0,0)
<b>GFP Investment property</b>	<b>123,2</b>	<b>99,9</b>	<b>23,3</b>
<i>Properties under development: mortgages</i>	11,4	11,4	0,0
<i>Properties under development: other bans</i>	8,3	8,0	0,3
<b>GFP Properties under Development</b>	<b>19,7</b>	<b>19,3</b>	<b>0,4</b>
<b>GFP Subtotal investments</b>	<b>142,9</b>	<b>119,3</b>	<b>23,6</b>
<i>Inventory: mortgages</i>	0,9	0,9	(0,0)
<b>GFP Subtotal inventory</b>	<b>0,9</b>	<b>0,9</b>	<b>(0,0)</b>
<b>GFP property portfolio</b>	<b>143,8</b>	<b>120,2</b>	<b>23,6</b>
<b>Other bank payables</b>	<b>16,8</b>	<b>4,2</b>	<b>12,6</b>
<b>Other payables</b>	<b>40,7</b>	<b>74,6</b>	<b>(34,0)</b>
<b>GROSS FINANCIAL POSITION</b>	<b>201,3</b>	<b>199,0</b>	<b>2,2</b>

As regards financial payables, at 31 December 2020 the Aedes Group recorded € 1.6 million in interest on shareholder loans granted by Augusto S.p.A.. This amount is attributable entirely to Aedes.

At 31 December 2020, there were no unmet financial covenants or requests for Covenant Suspension (Covenant Holiday), made as a result of the effects of the pandemic, refused by credit institutions.

Gross operating financial debt at 31 December 2020 has an average duration of 2.89 years.

The chart below shows the trend of the stock of debt, taking account of maturity and repayment plan based on current exposure and maturity, at the end of each financial year, broken down by nature and type of business of the funded asset.



Reference is made to the Notes, in particular to the section on financial risk factors, for further information on the Group's total debt and for the disclosures required by IFRS 7.

<sup>4</sup> Figures in Euro millions

## 2.6 EPRA performance measures

The table below summarizes the main EPRA performance measures (EPM).

	EPRA – PERFORMANCE MEASURE	Definition	2020	2019
1.	EPRA EARNINGS (Euro/000)	Net adjusted income from operations	(16.771)	(12.719)
2	EPRA NAV (Euro/000)	Net Asset Value, which includes investment property at fair value and excludes fair value of financial instruments	242.213	285.603
3	EPRA NNAV (Euro/000)	Adjusted EPRA NAV to include fair value of financial instruments and financial payables.	239.816	281.427
4.	(I) EPRA NET INITIAL YIELD (%)	Ratio between annualized lease rents, net of non-recurring expense, and gross market value of investment property	4,6%	4,1%
	(II) EPRA 'TOPPED-UP' NIY (%)	Ratio between stabilized lease rents, net of non-recurring expense, and gross market value of investment property	6,0%	5,3%
5.	EPRA VACANCY RATE (%)	Ratio between market value (ERV) of vacant space and market value of the entire portfolio	21,52%	32,56%
6.	EPRA COST RATIO (including costs for vacant properties) (%)	Ratio between operating costs of the company and lease rents	110%	119%
	EPRA COST RATIO (excluding costs for vacant properties) (%)		95%	101%

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### EPRA Earnings

Diluted EPRA EPS is not shown as there are no outstanding financial instruments convertible into shares of the Company. Their calculation was, therefore, deemed unnecessary.

In the item related to specific adjustments, the Group includes provisions for risks, considering that they are of a non-recurring nature and costs for listing incurred in the prior year.

(Euro/000)	31/12/2020	31/12/2019
<b>Earnings per IFRS income statement</b>	<b>(52.981)</b>	<b>(13.534)</b>
<i>Adjustments to calculate EPRA Earnings, exclude:</i>		
Changes in value of investment properties, development properties held for investment and other interests	(29.408)	117
Profits or losses on disposal of investment properties, development properties held for investment and other interests	(1.120)	(122)
Profits or losses on sales of trading properties including impairment charges in respect of trading properties.	0	0
Changes in fair value of financial instruments and associated close-out costs	234	122
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(5.916)	(932)
<b>EPRA Earnings</b>	<b>(16.771)</b>	<b>(12.719)</b>
Basic number of shares	40.030.397	32.030.344
<b>EPRA Earnings per Share (EPS)</b>	<b>(0,419)</b>	<b>(0,397)</b>
<i>Company specific adjustments:</i>		
<i>Listing Costs</i>		
Provisions for risks	(250)	238
<b>Company specific Adjusted Earnings</b>	<b>(16.521)</b>	<b>(12.957)</b>
<b>Company specific Adjusted EPS</b>	<b>(0,413)</b>	<b>(0,405)</b>

### EPRA NAV (Net Asset Value) and EPRA NNAV (Triple Net Asset Value)

(Euro/000)	31/12/2020	31/12/2019
<i>Outstanding shares</i>	<i>40.030.397</i>	<i>32.030.344</i>
<b>EPRA Net Asset Value</b>		
Equity	241.241	284.530
<b>NAV</b>		
<b>Includes:</b>		
Revaluation of Properties under Development	9	0
Revaluation of inventory	351	227
<b>Excludes:</b>		
Fair value of derivative financial instruments	612	846
<b>EPRA NAV</b>	<b>242.213</b>	<b>285.603</b>
<b>EPRA NAV per share</b>	<b>6,05</b>	<b>8,92</b>
Fair value of derivative financial instruments	(612)	(846)
Fair value of financial debt	(1.785)	(3.330)
<b>EPRA NNAV</b>	<b>239.816</b>	<b>281.427</b>
<b>EPRA NNAV per share</b>	<b>5,99</b>	<b>8,79</b>

At 31 December 2020, there were no outstanding warrants, therefore the diluted EPRA NAV and the diluted EPRA NNAV correspond to the EPRA NAV and to the EPRA NNAV respectively.

At 31 December 2019, the outstanding warrants, being out of the money at the reporting date, would not have had a dilutive effect. Accordingly, there was no need to calculate the diluted EPRA NAV and the diluted EPRA NNAV.

"Revaluation of inventory and of properties under development" includes the difference between their carrying amount (cost) and fair value.

"Fair value of derivative financial instruments" represents the net value of derivative instruments

recognized in the financial statements, which shows a net negative balance.  
 The fair value of the financial debt is equal to the difference between the book value and the fair value of the latter, which is negative.

### EPRA NIY (Net Initial Yield) and EPRA "topped up" NIY

(Euro/000)	31/12/2020	31/12/2019
<b>EPRA NIY and 'topped-up' NIY</b>		
Investment property – wholly owned	381.975	407.405
Trading property – wholly owned	7.759	8.593
Less: developments – wholly owned	(128.084)	(147.161)
<b>Completed property portfolio</b>	<b>261.650</b>	<b>268.837</b>
Allowance for estimated purchasers' costs	10.466	10.753
<b>Gross up completed property portfolio valuation</b>	<b>272.116</b>	<b>279.590</b>
Annualised cash passing rental income	14.519	14.144
Property outgoings	(2.083)	(2.688)
<b>Annualised net rents</b>	<b>12.436</b>	<b>11.456</b>
Add: notional rent expiration of rent free periods or other lease incentives	3.840	3.436
<b>Topped-up net annualised rent</b>	<b>16.277</b>	<b>14.892</b>
<b>EPRA NIY</b>	<b>4,6%</b>	<b>4,1%</b>
<b>EPRA "topped-up" NIY</b>	<b>6,0%</b>	<b>5,3%</b>

"Notional rent expiration of rent-free periods" relates mainly to incentives granted to a number of tenants.

Excluding from "Rented Assets" the properties subject to renovation and the properties "to be sold" intended for disposal:

- the EPRA NIY would be 4.7%.
- the EPRA "topped up" NIY would be 6.2%.

The information in the above table refers to the consolidated property assets.

### EPRA Vacancy Rate

(Euro/000)	31/12/2020	31/12/2019
<b>EPRA Vacancy Rate</b>		
Estimated Rental Value of vacant space	4.643	7.491
Estimated rental value of the whole portfolio	21.573	23.007
<b>EPRA Vacancy Rate</b>	<b>21,52%</b>	<b>32,56%</b>

This index is not affected by properties undergoing renovation, as there are no vacant buildings owing to renovation.

It should be noted that the table above takes into account only "Rented Assets", that is, properties held for revenue generation to be kept in the portfolio, excluding properties "to be sold" intended for disposal.

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### EPRA Cost Ratio

(Euro/000)	31/12/2020	31/12/2019
<b>EPRA Cost Ratios</b>		
<i>Include:</i>		
Administrative/operating expense line per IFRS income statement	(17,411)	(20,284)
Net service charge costs/fees	1,870	2,039
Management fees less actual/estimated profit element		
Other operating income/recharges intended to cover overhead expenses less any related profits	200	418
<b>EPRA Costs (including direct vacancy costs)</b>	<b>(15,341)</b>	<b>(17,827)</b>
Direct vacancy costs	(2,083)	(2,688)
<b>EPRA Costs (excluding direct vacancy costs)</b>	<b>(13,258)</b>	<b>(15,139)</b>
Gross Rental Income less ground rents – per IFRS	13,947	15,019
<b>Gross Rental Income</b>	<b>13,947</b>	<b>15,019</b>
<b>EPRA Cost Ratio (including direct vacancy costs)</b>	<b>110%</b>	<b>119%</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	<b>95%</b>	<b>101%</b>

Costs incurred are capitalized on the book value of the property investment, only when they are likely to generate future economic benefits and their cost can be measured reliably. Other maintenance and repair costs are booked in the income statement when incurred. For details, reference should be made to the following table showing property related capex.

### Property portfolio - Completed assets

Information on completed investment properties								
Sub-portfolio	GLA (sqm)	Average rent per sqm	Annualised net rent	ERV	Net rental income	Fair Value	WALT	% of reversion
Retail	104.857	95	9.926	11.711	8.504	145.510	4,68	17,99%
Office	73.981	57	4.198	9.446	2.818	97.570	2,57	125,01%
Other uses	10.419	32	335	416	248	10.811	0,06	23,98%
	<b>189.257</b>		<b>14.459</b>	<b>21.573</b>	<b>11.570</b>	<b>253.891</b>	<b>7,31</b>	<b>49,20%</b>

Information on each major completed investment property				
Location	GLA (sqm)	Type of property	% of ownership	Form of ownership
Serravalle Retail Park fasi A +B +C1	38.075	Retail	100%	Intera Proprietà
Milano - Via Giulio Richard 3, 5 - Torre C	9.633	Office	100%	Intera Proprietà
Roma - Via Veneziani	21.652	Office	100%	Intera Proprietà
Cinisello Balsamo - Via Gorky	20.805	Office	100%	Intera Proprietà
Agrate Brianza - Centro dir. "Colleoni" – Palazzo Andromeda	16.422	Office	100%	Intera Proprietà
Catania - Via Etna	8.162	Retail	100%	Intera Proprietà
Roero Center - Fase B	9.113	Retail	100%	Intera Proprietà
Trezzano - Via Colombo	11.577	Retail	100%	Intera Proprietà
Roma - Via Salaria 1272	4.426	Retail	100%	Intera Proprietà
Agrate Brianza - Centro dir. "Colleoni" – Palazzo Astrolabio	5.469	Office	100%	Intera Proprietà
	<b>145.334</b>			

### List of main tenants

Top 10 tenants	%
Unieuro S.p.A.	18%
Coin S.p.A.	14%
Wind Tre S.p.A.	14%
Lutech S.p.A.	10%
Conforama Italia S.p.A.	10%
Calzature Pittarello GLG S.R.L.	8%
Metro Italia Cash and Carry S.p.A.	8%
IRIS Mobili S.R.L.	7%
STMICROELECTRONICS S.R.L.	6%
Bricoferr Group S.p.A.	5%

## Property portfolio under development

Euro/000													
Type of property	Breakdown of GLA according to regions			Breakdown of GLA according to usage						Cost to date (€/000)	Cost to completion (€/000)	ERV at completion	% of the development which has been let as of 31/12/2020
	GLA (sqm)	Italy (Piedmont)	Abroad	Retail	Produttivo	Entertainment	Servizi	Direzionale	Residenziale				
Retail	149.533	149.533	0	116.308	0	18.700	14.525	0	0	108.270	349.300	40.520	21%
Other	174.291	174.291	0	0	108.957	55.186	0	0	10.148	19.680	0	5.682	0%
	<b>323.824</b>	<b>323.824</b>	<b>0</b>	<b>116.308</b>	<b>108.957</b>	<b>73.886</b>	<b>14.525</b>	<b>0</b>	<b>10.148</b>	<b>127.950</b>	<b>349.300</b>	<b>46.203</b>	

Information on each major development asset									
Location	GLA (sqm)	Type of property	Breakdown of GLA according to usage (sqm)						
			Retail	Produttivo	Entertainment	Servizi	Direzionale	Residenziale	
Caselle Open Mall	126.525	Retail	93.300	0	18.700	14.525	0	0	0
Serravalle Scrivia - Praga Business Park	2.959	Retail	2.959	0	0	0	0	0	0
Santa Vittoria d'Alba - Roero Center - Fase C	6.400	Retail	6.400	0	0	0	0	0	0
Serravalle Outlet Village - Fase 7	4.149	Retail	4.149	0	0	0	0	0	0
Serravalle Retail Park - C2	6.363	Retail	6.363	0	0	0	0	0	0
	<b>146.396</b>		<b>113.171</b>	<b>0</b>	<b>18.700</b>	<b>14.525</b>	<b>0</b>	<b>0</b>	<b>0</b>

Information on each major development asset							
Location	Cost to date (€/000)	Cost to completion (€/000)	ERV at completion	% of the development which has been let as of 31/12/2020	Expected date of completion	% of ownership	Status
Caselle Open Mall	€ 86.400	€ 344.188	€ 36.434	0%	2H2024	100%	P.d.C. Ottenuti
Serravalle Scrivia - Praga Business Park	€ 6.800	€ -	€ 437	21%	n.d.	100%	Sottoscritta convenzione urbanistica
Santa Vittoria d'Alba - Roero Center - Fase C	€ 1.470	€ -	€ 652	0%	n.d.	100%	P.d.C. Ritirabili
Serravalle Outlet Village - Fase 7	€ 7.800	€ -	€ 2.498	0%	n.d.	100%	P.d.C. Ritirabili
Serravalle Retail Park - C2	€ 4.800	€ 5.112	€ 500	0%	1H2024	100%	Sottoscritta convenzione urbanistica
	<b>107.270</b>	<b>349.300</b>	<b>40.520</b>				

The value of cost to date shown in the tables above coincides with the carrying amount of the properties under development.

## Like-for-like rental growth

Euro/000					
Like for Like rental growth					
Sub-portfolio	Market value 2020	Net Rental Income 2019	Lfl growth	Net Rental Income 2020	Lfl growth %
Retail	145.510	9.372	(868)	8.504	-9%
Office	97.570	3.053	(236)	2.818	-8%
Other	10.811	206	42	248	20%
	<b>253.891</b>	<b>12.632</b>	<b>(1.062)</b>	<b>11.570</b>	<b>-8%</b>

The table shows, broadly speaking, a drop in net lease rents in 2020. This trend is related mainly to the decrease in net rental income of the Retail Park of Serravalle (€ -286 thousand) and office buildings located in Via Veneziani, Rome (€ -479 thousand).

## Capex

Euro/000		
Property related capex	31/12/2020	31/12/2019
Acquisitions	0	0
Development	6.140	9.058
Like for like portfolio	10.624	5.666
Other	0	73
<b>Total capital expenditure</b>	<b>16.764</b>	<b>14.797</b>

The above information refers to the consolidated property assets.

The development capex is related mainly to the Caselle Open Mall projects. Capital expenditure includes overheads and operating expenses of € 880 thousand, related almost entirely to Development investments.

Investments on the like-for-like portfolio refer mainly to the Milan Viale Richard *Torre C* property.

## 2.7 Glossary of terms and alternative performance measures used

This document, in addition to the statements and conventional financial measures under IFRS, presents a number of reclassified statements and various alternative performance measures to allow for a better measurement of the operating and financial performance of the Group. These statements and measures should not be considered as a substitute of those required by IFRS. Specifically, the alternative measures used include:

- **Cost of sales**  
Equal to the consolidated carrying amount of inventory at the time of their sale.
- **NOI (*Net Operating Income*)**  
Equal to EBITDA gross of indirect costs. The measure's purpose is to present a situation of operating profitability before indirect and overhead costs.
- **EBITDA (*Earnings before interest, tax, depreciation & amortization*)**  
Equal to the Operating Result (EBIT) before depreciation, amortization, impairment, fair value adjustment of investment property, provisions for risks, and income and expense from associates and joint ventures, as well as "restructuring income/expense". The measure's purpose is to present a recurring situation of operating profitability.
- **EBIT (*Earnings before interest & tax*)**  
Equal to the Operating Result net of financial expense capitalized under inventory.  
The measure can be also calculated net of non-recurring items and, in this case, specific explanations are included.
- **Fixed Capital**  
Includes the following items:
  - Investment property
  - Other tangible fixed assets (plant, equipment, other assets, fixed assets in progress)
  - Goodwill and other intangible fixed assets

- Investments in companies measured at equity
- Available-for-sale financial assets
- Financial receivables (non-current portion)
- **Net Working Capital**  
Equal to the algebraic sum of:
  - Trade and other receivables (current portion): net receivables from clients, receivables from subsidiaries and associates, receivables from others, tax receivables, accrued income and prepaid expenses
  - Inventory (land, property initiatives in progress and advance payments, properties)
  - Held-to-maturity financial assets
  - Trade payables (current portion)
  - Tax payables
- **GAV (Gross Asset Value)**  
Equal to the total value of property assets calculated at current market values.
- **Gearing Ratio**  
The ratio measures the impact of borrowed capital on a company's equity. It is represented by the ratio between financial debt and equity.
- **NAV (Net Asset Value)**  
Equal to the difference between the total value of assets calculated at current market values and the total value of liabilities.
- **Property NAV (Net Asset Value)**  
Equal to the difference between the total value of property assets calculated at current market values and the total value of financial liabilities allocated to properties.
- **Gross Financial Position** (or gross financial debt)  
Equal to the algebraic sum of:
  - Current financial liabilities (excluding the fair value of derivatives and including lease liabilities)
  - Non-current financial debt (excluding the fair value of derivatives and including lease liabilities)
- **Operating Gross Financial Position** (or operating GFP or gross financial debt)  
Equal to the algebraic sum of:
  - Current financial liabilities (excluding the fair value of derivatives and lease liabilities)
  - Non-current financial debt (excluding the fair value of derivatives and lease liabilities)
- **Net Financial Position** (NFP or net financial debt)  
Equal to the Gross Financial Position net of:
  - Liquidity, or cash (cash on hand and term deposits), cash equivalents and securities
  - Current financial receivables
- **EPRA performance measures**  
Reference is made to paragraph 2.6 "EPRA Performance Measures" for the definition of the measures used.

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The table below reconciles revenue and costs presented in the Directors' Report on Operations and the figures shown in the Financial Statements.

<b>Total revenue stated in the Report</b>	<b>13.828</b>
Revenue from chargebacks to tenants	2.084
Construction Management costs	22
Project Management costs	183
Loss from sale of investments	0
Loss from sale of properties	1.220
<b>Total revenue from sales and other revenue stated in the financial statements</b>	<b>17.337</b>

<b>Total costs stated in the Report</b>	<b>(17.187)</b>
Revenue from chargebacks to tenants	(2.084)
Construction Management costs	(22)
Project Management costs	(183)
Loss from sale of investments	0
Loss from sale of properties	(1.220)
<b>Total costs stated in the financial statements</b>	<b>(20.696)</b>

Revenue from chargebacks to tenants is shown in the Directors' Report on Operations as a reduction of "Net losses from vacancies", whereas in the notes to the consolidated financial statements it is shown under "Revenue from sales and services".

## 2.8 Actual figures versus the Plan

The 2020-2026 business plan was approved in its final iteration on 28 December 2020. The Prospectus, relating to the capital increase with pre-emption rights, published on 18 February 2021, shows the amounts of certain consolidated income statement and balance sheet variables for 2020, 2021 and 2026 deriving from the aforementioned plan.

With regard to these amounts, the actual 2020 figures show the following changes:

- 1) Rental and other revenue: reported amount approximately € 14.6 million, actual amount approximately € 14.9 million;
- 2) EBITDA: reported amount € -4 million, actual amount approximately € -3.4 million;
- 3) GAV: reported amount € 392-396 million, actual amount approximately € 390.1 million; the amount expressed by the independent experts is approximately € 392 million: the difference of approximately € 2 million derives from additional prudential write-downs approved by the Board of Directors.

The Prospectus also includes estimates for 2020 only for

- 1) Net Financial Expense: reported amount € -8.7 million, actual amount approximately € -8.5 million;
- 2) Consolidated net result: reported amount € -50/55 million, actual amount approximately € -53 million;
- 3) Gross Financial Debt (including payables from rights of use): reported amount € 201.9 million, actual amount € 201.3 million.

## 2.9 Analysis of the financial performance of the Parent Company Aedes SIIQ S.p.A.

The Parent Company, Aedes SIIQ S.p.A., closed 2020 with a loss of € 32.4 million versus a loss of € 12.5 million at 31 December 2019.

Company equity stands at € 232.0 million versus € 254.8 million at end 2019. The change is attributable almost entirely to the loss for the year, net of the contribution from the capital increase reserved for the shareholder Augusto S.p.A. completed on 24 July 2020 (€ 9.6 million).

The table below breaks down net financial debt of the Parent at end 2020 versus the end of the prior year:

(Euro/000)	31/12/2020	31/12/2019
A. Cash on hand	7.607	4.529
B. Other cash and cash equivalents	0	0
C. Securities held for trading	0	0
<b>D. Liquidity (A)+(B)+(C)</b>	<b>7.607</b>	<b>4.529</b>
<b>E. Current financial receivables</b>	<b>0</b>	<b>0</b>
F. Current portion of payables to banks	(5.352)	(5.191)
G. Current portion of non-current debt	(45)	(44.666)
H. Other current financial payables	(27.997)	(28.171)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(33.394)</b>	<b>(78.028)</b>
<b>J. Current net financial debt (I)+(E)+(D)</b>	<b>(25.787)</b>	<b>(73.499)</b>
K. Non-current payables to banks	(55.925)	(52.243)
L. Bonds issued	(43.833)	0
M. Other non-current financial liabilities	(2.652)	(3.150)
<b>N. Non-current net financial debt (K)+(L)+(M)</b>	<b>(102.410)</b>	<b>(55.393)</b>
<b>O. Net financial debt</b>	<b>(128.197)</b>	<b>(128.892)</b>

## 2.10 Significant events

As known, since January 2020, the national and international landscape has been swept by the spread of Covid-19 and the ensuing restrictions for its containment adopted by the governments of the countries involved. These circumstances, which are extraordinary in nature and magnitude, have direct and indirect effects on economic activities, and have created a climate of general uncertainty, the evolution and relating effects of which cannot be predicted at this time.

For a detailed account, in accordance with the disclosure purposes provided for by the ESMA, CONSOB and IOSCO communications, of the impact of the Covid-19 pandemic on the Operations of the Aedes Group, reference is made to the specific paragraph 2.13 of this Report.

On **24 January 2020**, the shareholder Augusto S.p.A. disclosed to the Company the existence of a condition of uncertainty it was not accountable for, with possible repercussions on the orderly exercise of no. 5,020,618 option rights it is entitled to, as part of the capital increase against payment for the maximum amount of € 50 million resolved by the Extraordinary Shareholders' Meeting of 10 September 2019, resulting from the non-fulfilment of obligations by an English intermediary with which a similar number of Aedes SIIQ S.p.A. shares owned by Augusto S.p.A. are deposited.

On **17 February 2020**, the Company announced a possible extension to 30 June 2020 of the deadline for the execution of the capital increase against payment for the maximum amount of € 50 million approved by the Extraordinary Shareholders' Meeting of 10 September 2019, to be submitted to the Shareholders' Meeting called to approve the financial statements at 31 December 2019.

On **24 April 2020**, the shareholder Augusto S.p.A. confirmed its commitment to subscribe to (a) a capital increase against payment, with the exclusion of option rights, for a total of € 10 million reserved for subscription by Augusto S.p.A. by converting the shareholder loan of the same amount disbursed in April 2017 into Aedes capital; (b) its share of a capital increase against payment with pre-emption rights for a total maximum amount of € 50 million, which replaces the capital increase with pre-emption rights resolved by the Shareholders' Meeting of 10 September 2019, within the maximum limit of the shareholder loans subscribed and disbursed in June and December 2019 for a total of approximately € 25.6 million.

On **28 April 2020**, the Meeting of the bondholders of the € 15 million loan (ISIN code IT0005250920), maturing on 30 April 2020, was held and approved the extension of the maturity to 30 September 2020. The Bondholders' Meeting also approved to remove the so-called cross-default clause, envisaging the obligation to repay the loan, before the maturity date, in the case of a default event related to the failure to repay the separate bond issued by the parent company Augusto. On the above date of 28 April 2020, the Company announced the outcome of the abovementioned Meeting, and concurrently announced that a new Bondholders' Meeting would be called - which was then held on 15 June 2020 - to resolve on a further amendment to the Bond Regulation, in order to introduce a new compulsory early repayment event in favour of Bondholders linked to the occurrence, by 30 September 2020, of certain specifically identified events capable of determining (added together) total proceeds for the Company of no less than € 30 million.

On **7 May 2020**, Augusto S.p.A. announced, pursuant to Article 120 of the TUF, with regard to its 51.12% stake in Aedes, the following: "Remarks on the actual exercise of part of the voting rights connected to the relevant interest: *also as a result of legal actions taken by Augusto, still underway in various venues, it was found that an English intermediary, with which no. 5,020,618 Aedes shares had been originally deposited - equal to 15.67% of the share capital of the current Aedes as a result of the exchange during the demerger - has carried out unlawful acts of disposal on these Aedes shares, of a nature and to recipients yet to be ascertained. Specifically, Augusto is not in a position yet to assess whether the aforesaid Aedes shares are deposited in other accounts that are in any event traceable to the depositary intermediary or whether they have been, in whole or in part, definitively transferred to third parties.*

*To date, Augusto is unable to exercise the rights relating to the abovementioned no. 5,020,618 Aedes shares, while there is uncertainty as to whether the rights can be available again."*

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On **13 May 2020**, the Board of Directors approved the capital strengthening plan (the "Capital Strengthening") for a total of € 60 million to be implemented through (i) a non-divisible capital increase against payment, with the exclusion of option rights, pursuant to Article 2441, paragraph 5, of the Italian Civil Code, for a total of € 10 million (the "Reserved Capital Increase") reserved for the subscription by Augusto through conversion into Aedes share capital of the shareholder loan of € 10 million disbursed by Augusto to the Company in April 2017 (the "2017 Shareholder Loan"); and (ii) the granting to the Board of Directors of Aedes, pursuant to Article 2443 of the Italian Civil Code, of the powers, which may be exercised by 31 July 2021, to increase the share capital against payment on a divisible basis by a maximum total amount of € 50 million by issuing shares to be offered with pre-emption rights to shareholders pursuant to Article 2441, paragraph 1, of the Italian Civil Code (the "Capital Increase with Pre-emption Rights").

Augusto undertook to subscribe to: (i) the Reserved Capital Increase by offsetting the capital receivable under the 2017 Shareholder Loan, executed on 24 July 2020; and (ii) the Capital Increase with Pre-emption Rights, up to the maximum limit of the shareholder loans subscribed to on 28 June 2019 and 13 December 2019 (jointly, the "2019 Shareholder Loans") and disbursed entirely by Augusto for a total of approximately € 25.6 million, indicating that if the 2019-2024 Business Plan "should undergo major revisions that transcend the rescheduling of the plan events owing to delays accumulated to date, the above commitment would remain in place if confirmed by Augusto upon the outcome of the shareholders' and board resolutions, in accordance with its bylaws".

At the same meeting of 13 May 2020, the Board of Directors also approved the extension of the maturity date of the 2017 Shareholder Loan until the earlier between 31 July 2020 and the date of execution of the Reserved Capital Increase, as well as the extension of the maturity date of the 2019 Shareholder Loans until the earlier between 31 July 2021 and the date of execution of the Capital Increase with Pre-emption Rights, as resolved and proposed by Augusto S.p.A..

On **15 June 2020**, the Meeting of the bondholders of the bond issued by the Company on 28 April 2017 for an amount of € 15 million (ISIN code IT0005250920) approved the amendment to the Loan Regulation to provide for mandatory early repayment in favour of the bondholders if, by 30 September 2020, one or more of the following events occurs (added together), leading to total proceeds for the Company of no less than € 30 million: (a) a capital increase with pre-emption rights to shareholders (excluding, for the purposes of calculating the above amount of € 30 million, the amounts paid by Augusto S.p.A. to the Company as a shareholder loan subject to conversion into capital); and/or (b) the sale of one or more properties; and/or (c) obtaining a bank loan.

On **18 June 2020**, the Shareholders' Meeting of Aedes approved the non-divisible capital increase against payment, with the exclusion of option rights, of € 10 million reserved for subscription to the shareholder Augusto S.p.A., and granted the Board of Directors the powers, to be exercised by 31 July 2021, to increase the share capital in one or more occasions, against payment, in a divisible form, for a maximum total amount of € 50 million.

On **7 July 2020**, the deadline to exercise the "Warrant Aedes SIIQ S.p.A. 2018-2020" expired and therefore, at that date, the Warrants became ineffective.

On **24 July 2020**, the shareholder Augusto S.p.A. subscribed to and paid in, by offsetting the capital receivable claimed under the 2017 Shareholder Loan of € 10 million disbursed to the Company, the Reserved Capital Increase, resolved by the Extraordinary Shareholders' Meeting on 18 June 2020.

The Reserved Capital Increase is part of the Company's broader Capital Strengthening plan for a total of € 60 million approved by the Board of Directors on 13 May 2020, which also includes, as disclosed to the market on the same date, the Capital Increase with Pre-emption Rights.

As part of the Reserved Capital Increase, the following were issued:

- no. 2,683,759 Aedes ordinary shares with the same characteristics as the ordinary shares already outstanding and with regular dividend entitlement, admitted to listing on the MTA, at a price of € 1.25 per share (of which € 0.25 to be allocated to the share capital and € 1 to the share premium reserve), for a total value of € 3,354,698.75; and
- no. 5,316,241 special shares of Aedes with limited voting rights, convertible into ordinary shares, with no par value and with regular dividend entitlement, unlisted, at a unit price of € 1.25 (of which € 0.25 to be allocated to the share capital and € 1 to the share premium reserve), for a total value of € 6,645,301.25 (the "Special Shares").

The Special Shares have no voting rights at the Ordinary Shareholders' Meetings called to appoint or remove the members of the board of directors, are freely available and convertible, in the ratio of 1:1, into Aedes ordinary shares, which will be listed on the MTA, in the following cases:

- upon transfer of the Special Shares by Augusto to third parties other than Augusto's related parties, in which case the Special Shares will automatically convert into Aedes ordinary shares;
- 12 months after subscription of the Special Shares by Augusto, at Augusto's simple request. In such case, the conversion option may only be exercised during 4 conversion periods within a calendar year, each lasting 5 trading days.

As a result of the Reserved Capital Increase and of the partial execution on 7 July 2020 of the Warrant Increase for the amount of € 67.31, plus the share premium, with the subsequent issue of no. 53 shares, the share capital of Aedes increased to € 212,000,067.311, divided into no. 34,714,156 ordinary shares with no par value and no. 5,316,241 Special Shares.

As part of the Reserved Capital Increase, given that as a result of the related subscription and taking also account of the Aedes ordinary shares deposited with the abovementioned English intermediary, Augusto could have held over 60% of the rights to share in Aedes profits, in order not to compromise the recognition of Aedes as a Listed Property Investment Company (SIIQ) pursuant to Law no. 296/2006, which requires, among other things, that no shareholder directly or indirectly holds more than 60% of the rights to share in the profits of a SIIQ, an escrow agreement and irrevocable authority to sell was entered into with Augusto, under which the shareholder Augusto:

- deposited the no. 360,300 Aedes ordinary shares it held in potential excess of the 60% threshold in its own escrow account with a leading Italian bank, chosen in agreement with Aedes, as depository; and
- granted a leading trustee, as agent, irrevocable authority to sell, also in the interest of Aedes, such shares on the market, in the name and on behalf of Augusto and in full independence from Augusto and/or Aedes.

On **27 July 2020**, the shareholder Augusto S.p.A., as part of the updated notice pursuant to Article 120 of the TUF, resulting from the completion of the Reserved Capital Increase, announced that it holds no. 19,354,624 shares, equal to 48.35% (of the total share capital), of which no. 14,038,383 are ordinary shares (equal to 40.44% of the total number of ordinary shares) and no. 5,316,241 are special shares (equal to 100% of the total number of shares in this category). In the same notice, Augusto confirmed to the Company that it was the *"legitimate owner of a further no. 5,020,618 ordinary shares, equal to 12.54% of the total share capital of Aedes, originally deposited with an English intermediary and in respect of which unlawful acts of disposal had been found of a nature and to recipients yet to be assessed, also as a result of legal action undertaken by Augusto. Specifically, Augusto is not in a position to assess whether the aforesaid Aedes shares are deposited in other accounts that are in any event traceable to the depository intermediary or whether they have been, in whole or in part, definitively transferred to third parties"*. Augusto then announced that *"to date, Augusto is unable to exercise the rights relating to the abovementioned no. 5,020,618 Aedes ordinary shares, and that there is uncertainty as to whether the rights can be available again."* The shareholder Augusto also announced to the Company that, *"in the event of a positive outcome of the case, Augusto would recover the legitimate availability of its stake equal to 60.89% of the total share capital of Aedes and to 54.9% of the share capital represented by ordinary shares, without this resulting in an obligation to launch a takeover bid"*.

On **10 August 2020**, the Board of Directors approved the 2020-2026 guidelines (the "Guidelines") revising the Company's 2019-2024 Business Plan approved on 28 June 2019 (the "2019-2024 Plan"). The Guidelines were approved following the granting of powers to the Chief Executive Officer to revise the 2019-2024 Plan and, consequently, the main 2024 Targets disclosed to the market on 1 July 2019, in order to take account of both the delayed execution of the € 50 million capital increase with pre-emption rights envisaged in the 2019-2024 Plan and the global economic crisis brought by the Covid-19 pandemic.

On **2 September 2020**, the Board of Directors approved the 2020-2026 Business Plan, prepared in implementation of the 2019-2024 Plan Revision Guidelines approved on 10 August 2020.

On **28 September 2020**, Aedes SIIQ S.p.A. entered with a leading institutional investor into the final contract for the sale of *Torre E* for office use and a GLA of over 8,000 sqm, located in Viale Giulio Richard 3, Milan. The sale price, equal to € 12.0 million, of which € 1.5 million subject to fulfilment of certain

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administrative conditions related to the redevelopment project to be carried out by the purchaser, improved slightly versus the fair value as per the last appraisal of the independent expert at 30 June 2020 equal to € 11.9 million.

On **30 September 2020**, the bond issued by the Company in April 2017 for an amount of € 15,000,000 (ISIN code IT0005250920) was repaid in accordance with the extended deadline of 30 September 2020.

On **26 October 2020**, the Board of Directors resolved to call a meeting of the bondholders of the listed bond with a nominal amount of € 30 million (ISIN code IT0005317174) on 27 November 2020 to propose to:

- (i) extend the duration of the loan, postponing the maturity date from 20 December 2020 to 20 June 2021 for an amount of € 14.85 million, and making this extension conditional upon repayment by 20 December 2020 of € 15.15 million;
- (ii) review the interest rate applicable from 20 December 2020 (included) until 20 June 2021 (excluded) to 7.5% per annum;
- (iii) introduce the assumption of compulsory full repayment in the event of the sale to third parties of one or more properties capable of generating (added together) overall proceeds for the Issuer of no less than € 15 million, calculated net of any debt allocated to the properties to be sold;
- (iii) introduce the right for the Issuer to repay, at any time, all or part of the bonds together with interest accrued up to the relevant repayment date.

On **27 November 2020**, Aedes SIIQ S.p.A. announced that the Meeting of the bondholders of the bond with a nominal amount of € 30 million (ISIN code IT0005317174), held on such date to resolve on the proposals to amend the above Loan Regulation (including the extension of the duration of the loan until 20 June 2021), did not reach the legal quorum and, therefore, such proposals were not approved. In the same press release, the Company announced that it believed that the Capital Increase with Pre-emption Rights for a total maximum amount of € 50 million could be executed by the end of first quarter 2021, taking account of the timing of the repayment of the above bond and subject to the issue of the necessary authorizations, as well as the presence of favourable market conditions; disclosure was additionally given to the market, following the press releases of 10 August and 2 September, that the Board of Directors had met on 19 November 2020 to assess and verify the relevance of the targets set out in the 2020-2026 Plan in light of the second wave of the Covid-19 pandemic, confirming the validity of the strategic guidelines of the Plan and the medium- to long-term targets set out therein, and noting certain changes in a number of figures between 2020 and 2021 due in particular to the delayed execution of a further property disposal originally planned in 2020.

On **16 December 2020**, Aedes SIIQ S.p.A. confirmed compliance with the so-called "investment" requirements set out in the regulations in force for the recognition of the status of Listed Property Investment Company (SIIQ) pursuant to Law no. 296/2006, which provides, among other things, that no shareholder may hold more than 60% of the rights to share in the profits of a SIIQ; this was the result of the full sale on the market - in execution of the escrow agreement and irrevocable authority to sell entered into by Augusto at the time of the Reserved Capital Increase - of no. 360,300 Aedes ordinary shares held by Augusto S.p.A. and potentially exceeding the threshold of 60% of the profit-sharing rights in the Company - taking also account of the no. 5,020,618 Aedes ordinary shares deposited by the same shareholder with the defaulting English intermediary.

On **29 December 2020**, Aedes SIIQ S.p.A. announced that the Board of Directors, which met on 28 December 2020 to assess the effects on the 2020-2026 Business Plan of the delayed execution of (i) the € 50 million Capital Increase with Pre-emption Rights, which is expected to be completed in first quarter 2021 (ii) two property disposals originally planned for second half 2020 and now scheduled to be completed by 2021, (iii) the issue of the new bond, confirmed the validity of the strategic guidelines of the Plan and the medium- to long-term targets (2026) envisaged in the Plan and previously disclosed to the market.

On **29 December 2020**, the Company issued a non-convertible bond of € 45,000,000, fully subscribed by CIO SPF S.à.r.l. and managed by Castlake L.P. The unlisted bond, the repayment of which is secured, inter alia, by a mortgage on two of the Company's properties and a pledge on the shares of the investee Efir S.ar.l. (equal to 33.33% of its share capital),

accrues a nominal interest rate equal to the 3 or 6 month Euribor, depending on the interest periods (floor equal to zero) plus a 12.0% spread with a 24-month maturity and full repayment at maturity, except in the case of voluntary early repayment at the Company's discretion or mandatory repayment in the case of sale of the pledged assets.

The Bond Regulation envisages the following as the only financial covenants: a loan-to-value ratio, meaning the ratio between the amount of the Bond and the value of the assets as collateral, no higher than 60%, as well as a loan-to-value at the level of the Company and the Group, meaning the ratio between the Company or Group debt, as the case may be, and the value of the relevant property assets, no higher than 60%. Representations and warranties and property covenants are also in place, in line with similar transactions.

Again on **29 December 2020**, a mortgage loan was concluded and disbursed by Banca Cividale for an amount of € 8.5 million, with an interest rate equal to the 3-month Euribor (floor equal to zero) plus 3.75% and maturity of 15 years. The proceeds from the Bond issue, net of the repayments of the debts currently on the pledged properties, together with the net proceeds from the disbursement of the above mortgage loan and other resources available to the Company, were used to repay the Aedes SIIQ S.p.A. 2017-2020 bond (ISIN code IT0005317174) for a total amount of € 30 million, plus € 825 thousand in interest, which took place on 31 December 2020.

On the above date, Aedes SIIQ S.p.A. notified the Company of the disbursement of two long-term loans, respectively:

- i) a loan granted by Banca IntesaSanpaolo guaranteed by the SME Fund for an amount of € 5.5 million, with an interest rate equal to the 3-month Euribor plus 2.4% and maturing on 26 November 2026;
- ii) a loan granted by Banco BPM guaranteed by SACE for an amount of € 5.0 million with an interest rate equal to the 3-month Euribor (floor equal to zero) plus 2.4% and maturing on 30 September 2026.

On **31 December 2020**, Aedes SIIQ S.p.A. fully repaid the Aedes SIIQ S.p.A. 2017-2020 bond (ISIN code IT0005317174) for a total of € 30 million, plus accrued interest for the period, in accordance with the terms set out in the relevant regulation.

#### Events after year end

On **15 February 2021**, the Board of Directors resolved, pursuant to the authority granted to it, pursuant to Article 2443 of the Italian Civil Code, by the Extraordinary Shareholders' Meeting of 18 June 2020, to increase the share capital in divisible form, against payment, by a maximum amount, including share premium, of € 49,980,808.72 (the "Capital Increase") and approved the final terms and conditions thereof, deciding to issue: (i) a maximum of no. 228,121,590 Aedes ordinary shares, with no par value and with regular dividend entitlement (the "New Ordinary Shares"), to be offered with pre-emption rights to the Company's shareholders in the ratio of no. 46 New Ordinary Shares for every no. 7 ordinary shares held; and (ii) no. 34,935,298 Special Shares with no par value and with regular dividend entitlement (the "New Special Shares" and, together with the New Ordinary Shares, the "New Shares"), to be offered with pre-emption rights to the shareholder Augusto S.p.A., as the sole holder of the special shares outstanding, in the ratio of no. 46 New Special Shares for every no. 7 special shares held, at the subscription price of € 0.19 for each New Share, to be charged € 0.04 to share capital and € 0.15 to share premium. The Company informed the market of the above resolution and announced that: i) the issue price of the New Ordinary Shares includes a discount of approximately 24.23% on the Theoretical Ex Right Price (TERP) of the ordinary shares of Aedes, calculated according to the current methods, based on the reference price of Borsa Italiana S.p.A. of the Aedes shares at 15 February 2021; ii) the period for exercising the option rights valid for the subscription of the New Ordinary Shares and the New Special Shares, under penalty of forfeiture, is envisaged from 22 February 2021 to 11 March 2021, included (the "Option Period") and that the trading period on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the "MTA") is envisaged from 22 February 2021 to 5 March 2021, included; iii) the launch of the option offer of the New Ordinary Shares is subject to the issue by CONSOB of the order approving the Prospectus relating to the option offer of the New Ordinary Shares and their admission to trading on the MTA (the "Prospectus").

## *Directors' Report on Operations at 31 December 2020*

In the same press release issued on 15 February 2021, the Company announced that the net proceeds from the Capital Increase will be used, together with other sources identified by the Company, to contribute to covering the overall net financial requirements of the Aedes Group for the twelve months following the above date, amounting to approximately € 147.3 million, of which approximately € 88.3 million for investments planned in the same period, and approximately € 23.7 million for shareholder loans disbursed by Augusto S.p.A.. The latter loans are intended to be offset with New Shares as part of the Capital Increase, in execution of the commitment undertaken, as already announced on 24 April 2020 and 10 August 2020, by the majority shareholder to subscribe to the Capital Increase for its share - equal to approximately 47.45% (calculated on the basis of the shares available as of today's date for the exercise of option rights).

The Company also announced that the Board of Directors, as part of its review of the Prospectus, took note of the following estimates on the consolidated figures for 2020:

- a) rental revenue of approximately € 13.2 million;
- b) non-rental revenue of approximately € 1.4 million;
- c) negative EBITDA of approximately € 4 million;
- d) property GAV ranging between € 392 million and € 396 million;
- e) gross financial debt of approximately € 201.9 million.

The Board of Directors also noted: (i) that in fourth quarter 2020, further impairment losses on consolidated property assets are estimated to range between zero and € 4 million (in the first nine months of 2020, impairment losses on property assets totaled approximately € 29 million, of which approximately € 27.5 million recognized in first half 2020; therefore, the property GAV at 31 December 2020 would range between € 392 million and € 396 million, as shown in point d above); (ii) that in fourth quarter 2020, net financial expense is estimated to reach approximately € 2.7 million (approximately € 8.7 million for the full year).

In light of the above, the Company has announced that it estimates the Group's consolidated net loss to range between € 50 million and € 55 million at 31 December 2020.

Again on 15 February 2021, the Board of Directors resolved to transpose in the Company Bylaws the amendments made to the TUF by Law no. 160 of 27 December 2019 regarding gender balance in corporate bodies.

On **18 February 2021**, Aedes SIIQ S.p.A. received authorization from CONSOB to publish the Prospectus related to the rights offering and admission to trading of newly-issued ordinary shares resulting from the divisible capital increase resolved by the Company's Board of Directors on 15 February 2021 and published the Prospectus.

On **11 March 2021**, the rights offering of a maximum of no. 228,121,590 ordinary shares and no. 34,935,298 newly-issued Aedes special shares resulting from the Capital Increase, for a maximum amount of € 49,980,808.72, resolved by the Board of Directors, in execution of the powers granted on 18 June 2020 by the Extraordinary Shareholders' Meeting, pursuant to Article 2443 of the Italian Civil Code, came to conclusion.

During the Offer Period, which started on 22 February 2021 and ended on 11 March 2021 (the "Offer Period"), a total of no. 33,369,217 option rights were exercised for the subscription of no. 219,283,426 ordinary and special shares for a total value of € 41,663,850.94, equal to approximately 83.4% of the total number of ordinary and special shares offered arising from the Capital Increase.

Specifically, during the Option Period:

- no. 28,052,976 option rights were exercised for the subscription of no. 184,348,128 ordinary shares, representing 80.81% of the total number of ordinary shares offered, for a total value of € 35,026,144.32. Mention should be made that no. 13,678,077 option rights were exercised by the controlling shareholder Augusto S.p.A., by offsetting receivables deriving from previously disbursed loans, for the subscription of no. 89,884,506 ordinary shares for a value of € 17,078,056.14; and
- Augusto S.p.A. fully exercised, again by offsetting the abovementioned loans, no. 5,316,241 option rights for the subscription of no. 34,935,298 special shares, equal to 100% of the total special shares offered, for a total value of € 6,637,706.62.

The remaining no. 6,661,179 unexercised option rights during the Option Period (the "Unexercised Rights" or the "Rights"), which entitle the holder to subscribe up to a maximum of no. 43,773,462 ordinary shares, equal to approximately 19.2% of the ordinary shares offered and to approximately 16.6% of the total ordinary and special shares offered, for a total value of € 8,316,957.78, will be offered on the Stock Exchange by Aedes, pursuant to Article 2441, paragraph 3, of the Italian Civil Code, through Intermondo SIM S.p.A..

As announced on 11 March 2021, the terms and conditions of the offer on the Stock Exchange of the Unexercised Rights will be disclosed to the market through a press release and related notice.

## 2.11 Property portfolio

- Italian property market trend<sup>5</sup>

### Investments

In Italy, the volume of corporate investments in 2020 totaled € 8.1 billion, a change of just over 30% versus 2019.

The figure reflects the uncertainty on the markets brought by the ongoing Covid-19 health emergency. Looking closer at the volume of investments over a six-month period, the first signs of anomaly started to appear in the period January-June, as a result of the ordered closure of business and social distancing obligations, measures that hampered the conclusion of deals.

In the second half of 2020, marked by a slower spread of the virus and then, in October, by a resurgence of the pandemic (second wave), the volume of investments grew, linked to both the consolidation of transactions left on hold at the beginning of the year, and to a newfound confidence in the markets resulting from the rollout of the mass vaccination campaign.

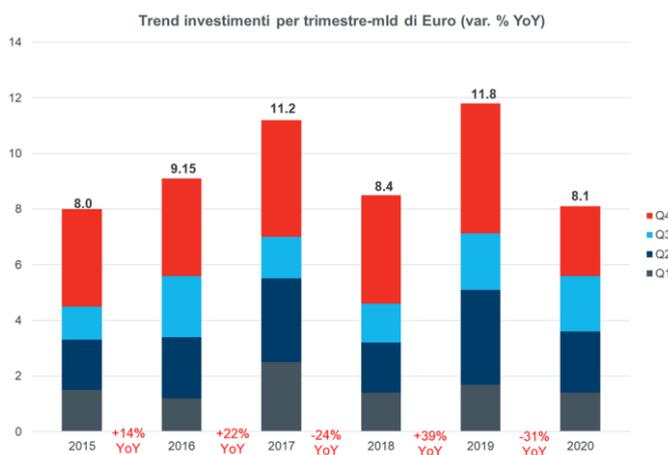
Below are some of the major transactions formalized from September to December, such as "The Dedic Anthology" between Varde and Covivio (8 hotels throughout Europe for a total of € 570 million, of which the portion relating solely to assets located in Italy amounts to roughly € 330 million), the "CER-L" portfolio sold by Axa to Carlyle (portfolio of logistics properties located in Milan, Turin and Padua worth € 270 million), and the sale of the former Porta Romana railway area by the COIMA SGR Covivio and Prada consortium for € 180 million.

Retail property, already undergoing pre-pandemic re-thinking, and hospitality are the asset classes most affected by the pandemic.

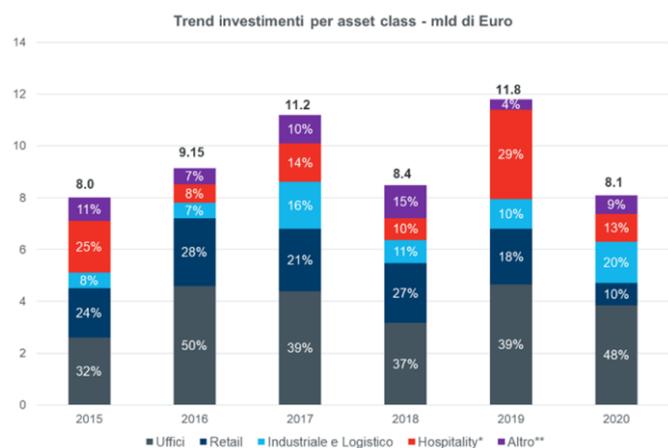
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<sup>5</sup> Sources: Duff & Phelps Real Estate Advisory Group

Directors' Report on Operations at 31 December 2020



**Commentato [TR1]:** Trend of investments by quarter - € bn (chg. % YoY)



**Commentato [TR2]:** Trend of investments by asset class - € bn  
Offices Retail Industrial and Logistics Hospitality\* Other\*\*

\*hotels and alternatives (student housing, healthcare, senior living, etc.)

\*\* developments and assets that cannot be traced to a specific asset class and/or are subject to value enhancement

N.B.: The volume of transactions in the retail segment does not include the approximately € 435 million paid by Unicredit for the acquisition of 32.5% of the share capital of La Villata S.p.A., a real-estate company controlled by Esselunga S.p.A. and owner of part of the chain's stores (deal recorded in I quarter 2020).

Post-crisis scenarios point to a deep reorganization of spaces and flows for all intended uses. Specifically, the large-scale retail segment will need to readjust to new consumer habits, for instance by speeding up the reorganization of e-commerce sales and integrating its activities with those of last-mile logistics. The latter is also a key driver in the recovery of the industrial/logistics asset class. Shops located in the High Streets and accommodation facilities, in particular upper upscale and luxury hotels, will need to wait for the recovery of tourist flows and business tourism, while taking actions for a possible rescheduling of existing leases (review of the amount of rents or postponement of payments), or will be committed to finding specific "ad hoc" solutions between owners and tenants. Additionally, the necessary reorganization of space layouts will greatly contribute to the internal organizational systems in terms of number and management of accesses based on the new needs, also weighing the option of a conversion to residence or to alternative forms of living (e.g. serviced apartments).

For other asset classes, such as office and residential properties, the evergreen key driver of "sustainability" is now joined by the focus on "working" and "living" spaces respectively. In particular, the demand for "smart" property is expected to grow for offices, marked by distribution layouts capable of accommodating, for instance, rotating workstation systems and of meeting the new health directives applied to square metres per workstation. As far as residential buildings are concerned, indications see an increased interest in property for residential use, to enhance with measures aimed at meeting the new needs of demand (wellness and smartworking areas, balconies, terraces, outdoor areas, etc.) and to rent out to users who, whether for family or work reasons, require living space for short to medium periods. The uses of the "alternative" group such as student housing, senior living, residences for the elderly and specialized clinics, after an initial moment of uncertainty attributable to social distancing and mobility reduction, are expected to return to a gradual pre-crisis expansionary trend.

2020 - Investimenti per Asset Class



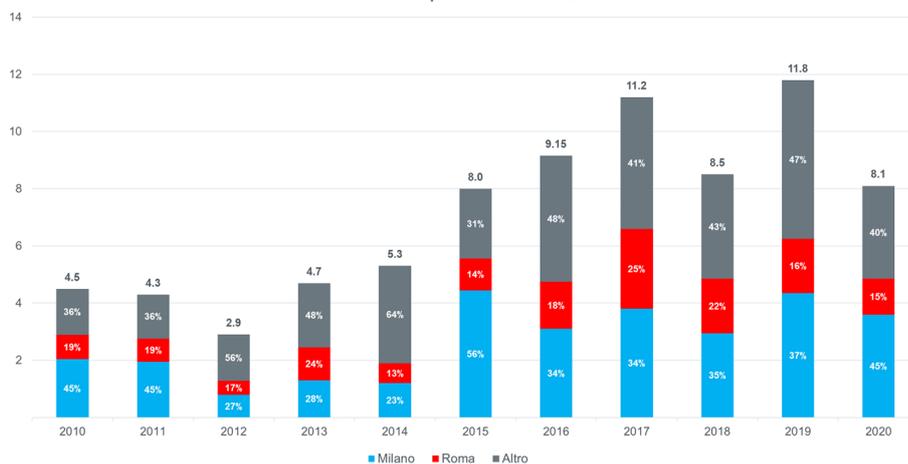
**Commentato [TR3]:** 2020 – Investments by asset class  
Offices Retail Industrial and Logistics Hospitality\* Other\*\*

\*hotels and alternatives (student housing, healthcare, senior living, etc.)  
\*\*developments and assets that cannot be traced to a specific asset class and/or are subject to value enhancement

Against this backdrop, a point worth mentioning is the resilience of Milan, the "magnet city" for investments. The volume of transactions recorded (approximately € 3.5 billion of the total) and the continued, albeit slower pace - due to the pandemic - of major urban regeneration projects, are proof of the Lombardy capital's appeal, even during historic periods of crisis such as the current. The main deals involving the capital city related to future developments and improvements are: the former Trotto area and former San Siro Training Centre, purchased by Hines and Snaitech, a portfolio of seven properties of UBI Banca sold to COIMA SGR with the aim of outsourcing the property assets and developing the offices, the former Porta Romana railway area sold in November by Ferrovie dello Stato to the COIMA SGR Covivio and Prada consortium for the price of € 180 million, and finally the property known as "Ex Palazzo delle Poste" located in Piazza Cordusio, sold by Kryalos to a group of investors of the private banking division of Mediobanca for € 246.7 million, a transaction proposed in late October and formalized in late December.

**Commentato [TR4]:** Trend of investments by location - € bn  
Milan Rome Other

Trend investimenti per location - mld di Euro



D&P REAG on various sources

The volatile performance of the markets and the effects of the pandemic on the indicators used in the analysis of the property market show persisting uncertainty over all property asset classes. However, it

Directors' Report on Operations at 31 December 2020

appears clear that certain asset classes, such as trophy asset mixed use (office/retail), logistics and predominantly residential developments (the latter mainly in the main cities) are highly appealing to investors and this appeal partly mitigates the uncertainty of the relevant markets.

Specifically, the market for logistics and related technological infrastructures (data centres and telephone exchanges) is showing strong potential for growth and consolidation, closely related to the deep digitization process underway and expected in line with the strategies for the use of European funds.

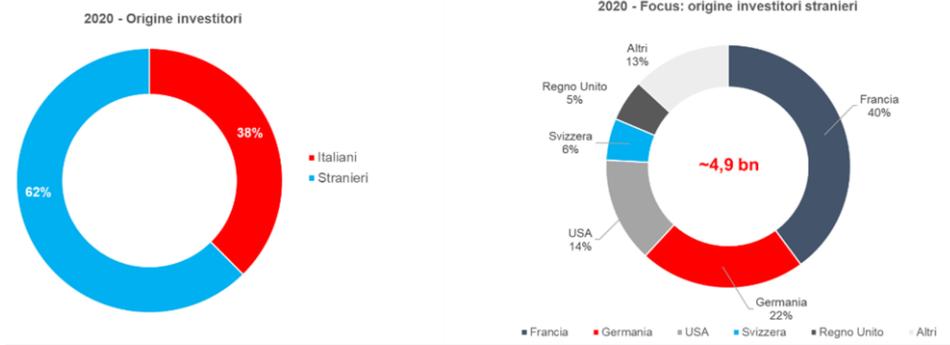
Likewise, the core assets belonging to the trophy mixed use and logistics categories, typified by prime tenants and long-term contracts, are experiencing an upward trend in values, driven by a bubbly demand and a really poor supply. This competitive environment points to a downward trend in gross yields which, for mixed-use trophy assets, can bottom to lower than 3% and for prime logistics to around 5%.

In the long term, with the recovery of travel and the resulting growth in international tourist flows, forecasts indicate a renewed interest in the hôtellerie segment, currently in the crosshairs of opportunistic investors.

**FOCUS BUYERS**

In 2020, 38% of capital flows came from domestic investors and 62% from international markets: of these, 40% were from France, followed by Germany (22%), USA (14%), Switzerland (6%), UK (6%) and other investments by players from other countries.

45% of investments were located in Milan, a higher percentage out of the total than in prior years, which proves once again that the Lombardy capital is a safe market for both domestic and international players. Rome saw an opposite trend, where the volume of investments, mainly from domestic capital, decreased.



D&P REAG on various sources

**Commentato [TR5]: 2020 - Investor origin 2020 - Focus: Foreign investor origin**

Italian Foreign  
Other UK Switzerland USA Germany France 4,9 bn

Capital flows, on the other hand, are unevenly distributed and composed mainly of assets of international origin (66%) and institutional players (28%).



**Commentato [TR6]: 2020 - Breakdown of capitals**

International  
Institutional  
Listed  
Private  
Other

D&P REAG on RCA

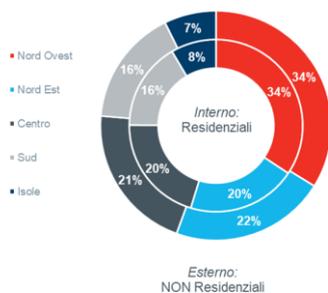
**Transactions**

Data for the period January-September 2020, while provisional, record a Number of Normalized Transactions (NNT) of approximately 375,000 referring to residential use, and 34,400 non-residential NNT, respectively -14% and -13% versus the transactions recorded in the same period of 2019. The worst performing non-residential properties in terms of transactions come from the manufacturing segment (-23% versus the January-September 2019 period).

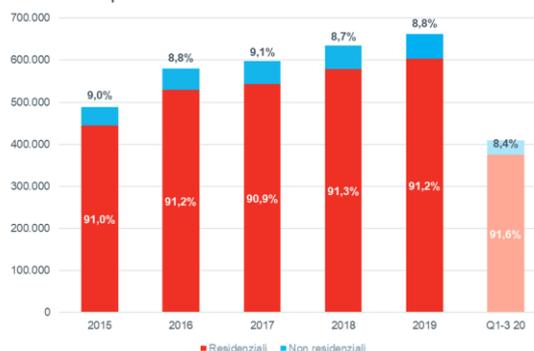
Specifically, in the first three quarters of 2020, the residential segment recorded 34% of transactions in the North West, followed by the Centre and North East (21% each), the South (16%) and the Islands (8%).

The North-East is the geographical area also recording more transactions in the non-residential segment. Among these, office transactions are distributed, both in terms of volume and intensity, more among the capital cities (52%). There is a sharper distinction between the NNT of shops (approximately 40% in capital cities), while the non-capital areas are the most appealing for investments in productive property (83% of the total).

**Distribuzione NTN Q1-3 2020 per area geografica**



**Compravendite residenziali e non residenziali trend 5 anni**



**Commentato [TR7]:** NTN distribution Q1-3 2020 by geographical area  
North West  
North East  
Centre  
South  
Islands

External:  
NON Residential

Residential and non-residential transactions trend 5 years  
Residential Non-residential

Duff & Phelps REAG on data from the Revenue Agency (OMI)

**Assets under management**

With regard to Italian property assets under management, the first half of 2020 saw an increase to 576 from 567 in 2019 in real estate funds targeting institutional investors. On the other hand, the period under review saw the continued divestment of retail real estate funds, an experience that will come to an end with the completion of the liquidations currently underway, net of further extensions or guarantee periods. The number of active asset management companies (SGRs) stands at 45, some of which are also active in markets other than property. The level of concentration in the fund industry appears not to be rather high, although in recent years SGRs have embarked on a merger/acquisition process by creating more structured companies on average. In the first half of the year, the debt level of real estate funds was kept in check, although concerns arising from the sector's exposure remain high.

According to institutional sources: "The operational limits that marked the first part of the year and the difficulties of

**I fondi immobiliari in Italia**



**Asset allocation dei fondi immobiliari**



**Commentato [TR8]:** Real estate funds in Italy

Retail funds Reserved funds

Asset allocation of real estate funds  
Europe Italy

Commercial Offices Industrial Residential Other

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the last divestments have generated complexity in the liquidation phase of many retail funds (whose maturities have been postponed to 2024). The SICAFs (Closed-End Investment Companies) are poised to replace retail real estate funds in the coming years, thanks to their different governance model and, most of all, to the absence of preset maturities, which have proved to be risky in the event of prolonged recessionary phases.

The discount to NAV (Net Asset Value) "has widened, although the trends have been far from even. The gap between discount and actual balance sheet performance of the funds is exacerbated by the current moment of uncertainty, although it has traditionally been a critical element. Once the liquidation of the real-estate funds still in activity has come to completion, valuations can be made on the actual performance of the funds to assess the consistency of stock exchange prices."

Looking at assets under management from the point of view of their intended use, the gap in asset allocation between European and Italian funds still remains. In the latter, the share of the tertiary portfolio dropped from 55% to 43% of Assets Under Management (AUM).

As for listed Real-Estate Companies, after the collapse in prices seen in the first months of 2020 owing to the Covid-19 emergency, the second half of 2020 witnessed an improved trend, which allowed prices to recover, although the discount to NAV widened relentlessly versus the figure at end 2019.

### THE TERTIARY PROPERTY MARKET<sup>6</sup>

Source: Duff & Phelps REAG on Nomisma data

#### Transaction volumes

The current health crisis will open up a period of deep rethinking of individual and collective spaces in the workplace. The need for "individual safety space" will usher in an increased demand for worker-friendly office space. Additionally, smart working, which has come to be a *modus operandi* forced on company routines in recent months, will lead to a re-thinking of the use of space and dimensions required by different tenants. Based on the findings of the ninth edition of the COIMA Real Estate forum, remote working, at least in the vast majority of cases, will imply a true structural change for companies and a change in internal organization, including space. Forecasts indicate that smart working in Italy will increase from 5% to 30-40%, thus reducing the need for office space. Parallel to that, the trend sees an increase in common spaces within workplaces, from the current 40% to 50-60%. The iconic and representative properties of the large corporates will not be questioned by tenants who, instead, will seek to rationalize the peripheral and secondary offices by grouping surfaces in newer spaces that adjust more to the changed needs, including the health requirements brought by the pandemic.

Transcending the new property trends that the market will have to take on board, the 2020 figures, while still provisional, point to a stark decrease on 2019. Scenari Immobiliari's estimates for the current year have been revised downwards, with a drop of over thirty percentage points in turnover. Property units bought and sold in the office segment in the first nine months of 2020 amount to approximately 5,700 units, down by 19 percentage points versus the same period of 2019.

Area	NTN 2019	NTN I-III 2020	Var. % NTN I-III 2020 vs I-III 2019	Quota NTN per area (2020)
Nord Est	2.657	1.398	-24,6%	24,5%
Nord Ovest	3.720	2.019	-18,2%	35,4%
Centro	2.089	1.181	-14,0%	20,7%
Sud	1.331	771	-13,0%	13,5%
Isole	680	330	-31,1%	5,8%
ITALY	10.477	5.699	-19,3%	100,0%

Duff & Phelps REAG su dati Agenzia delle Entrate (OMI)

The current year will, therefore, witness a major setback after the good performance of 2019, which had closed the twelve months up by almost +5%. More than a third of the sales recorded in nine months 2020 involved assets located in the North West regions, 44% of these in the Milan metropolitan area. Milan is therefore confirmed as a "magnet city" for investments in 2020. The largest decline was reported in the islands and the North-Eastern regions of Italy, down by 31% and 24.6% respectively.

The estimated turnover at end 2020, according to forecasts based on Scenari Immobiliari data, is around € 5 billion, or -33% versus 2019. Figures that represent a sector that has come to a standstill while waiting to understand how the pandemic plays out and the actual impact on the national economy. The first obvious effect of the Covid-19 containment measures was, therefore, the postponement of pipeline operations. Forecasts, however, point to a downturn in the market limited to the short term, particularly

**Commentato [TR9]:** Area NTN 2019 NTN I-III 2020 Chg. % NTN I-III 2020 vs. I-III 2019 Share NTN by area (2020)

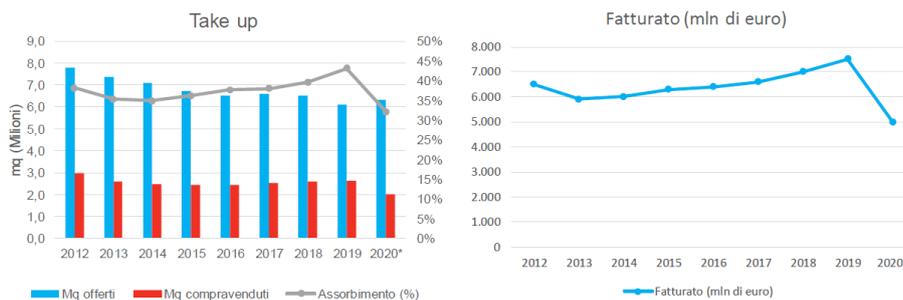
Duff & Phelps REAG on Revenue Agency data (OMI)

<sup>6</sup> Source: Duff & Phelps Real Estate Advisory Group

in Milan, where the growth recorded over the past five years has represented a real structural change that will allow, once the emergency is over, a rapid recovery of the positive trends. The Lombardy capital is considered, especially by foreign investors, a safe place with excellent returns. The Centre and the Porta Nuova Business District remain of undisputed appeal, although greater focus will be presumably placed on properties in peripheral areas or in the metropolitan city that offer lower rents for larger properties.

**Commentato [TR10]:** Take up      Turnover (€ mn)

Sqm (million)  
Sqm offered    Sqm purchased/sold    Take up (%)



\*estimate  
Duff & Phelps REAG on Scenari Immobiliari data

Investors are currently eyeing the Porta Romana terminal, located in a strategic area for the future development and rapid recovery of Milan; the terminal has been awarded by Ferrovie dello Stato to "Fondo Porta Romana", the vehicle that brings together Coima Sgr, Covivio and Prada. The price is € 180 million. The tender saw the active participation of around 20 of the leading Italian and international players in the field and the submission of seven non-binding bids.

Another major transaction that will mark 2020 is the exclusive agreement between Kryalos Sgr and Mediobanca for the sale of the Poste Italiane building in Piazza Cordusio. The closing of the transaction, for approximately € 246 million, is scheduled by end 2020. For Mediobanca, this would be the third transaction in Milan in just over a year with the club deal formula. The last transaction took place at the beginning of September and regarded the acquisition of a property in Via Turati 12 bought by Immobiliare Stampa, a subsidiary of Bain Capital Credit, for approximately € 56 million. The first deal involved Kryalos again, as seller of a building in via Santa Margherita 12, Milan.

Together with Milan, Rome remains at the top of the wish lists. Investments in the Capital are definitely lower than in Milan, but compared to the numbers of the Lombard capital city, the first nine months of 2020 show a slight growth in transactions, 371 units versus 308 in 2019. The Capital accounts for 31% of total investments referred to central Italy and 6.5% at national level versus 10% in Milan.

The office market in Italy was marked by great uncertainty in 2020, although some important transactions took place in the prime locations of Rome and Milan. On the other hand, properties in less appealing locations are struggling, where prices are likely to be affected by both falling rents and higher expected yields.

Despite the general wait-and-see attitude that marks this phase of the market, Milan and Rome continue to suffer from a shortage of quality space and core assets continue to attract investors (mainly foreign, in more than 60% of cases).

This shortage of space and the concurrent search for core properties keeps rents high and in line with those of the last two years.

#### Prices and fees

Mention should be made, in the second half of 2020, of the continued uncertainty in all property asset classes; however, it appears clear that some asset classes, including trophy asset mixed use (office/retail) are highly appealing to investors and this appeal partly mitigates the uncertainty of the relevant markets. In this scenario, prices follow a dual trend: in primary cities such as Milan and Rome, where rents have remained steady all in all, and secondary cities, where the effects of market uncertainty have had a stronger impact.

Directors' Report on Operations at 31 December 2020

	Var. % Prezzi 2020/2019			Var. % Canoni 2020/2019		
	Centro	Semicentro	Periferia	Centro	Semicentro	Periferia
Bari	-1,2%	-1,1%	-1,4%	-1,0%	-1,2%	-1,4%
Bologna	-1,4%	-1,4%	-2,2%	-0,9%	-0,8%	-0,8%
Firenze	-0,6%	-0,5%	-1,6%	-1,3%	-1,8%	-1,8%
Milano	-0,1%	-0,2%	-0,5%	-0,1%	-0,2%	-0,5%
Napoli	-1,7%	-1,9%	-1,9%	-0,6%	-0,7%	-0,7%
Roma	-0,1%	-0,2%	-0,5%	-0,1%	-0,2%	-0,5%
Torino	-0,6%	-1,3%	-1,3%	-1,0%	-0,9%	-1,3%
Venezia (Laguna)	-0,8%	-1,1%	-1,1%	-0,9%	-0,2%	-1,2%
Media	-0,8%	-1,0%	-1,3%	-0,7%	-0,8%	-1,0%

Duff & Phelps REAG

**Yields**

Gross yields in 2020 ranged between 4.5% and 6.5% for central and semi-central locations and 6.0%-9.0% for peripheral locations.

Separate mention should be made of the prime locations (Milan and Rome), where investors' continued interest in prime properties brought gross yields in the second half of the year of approximately 3.3% for trophy assets in Milan and around 4% in Rome.

Trophy asset core mixed use, typified by prime tenants and long-term contracts, are experiencing an upward trend in values, driven by a bubbly demand and a really poor supply.

This competitive environment is leading to a downward trend in gross yields which, for the above asset class, can bottom to lower than 3%.

**Vacancy rates**

In 2020, office space vacancy rates on the existing stock of Italian cities were high but in line with 2016 figures.

In Milan, this figure is around 10.3% and in Rome 10%, with a slight decrease in both locations.

To date, the supply of space is greater in the peripheral areas of the cities, with no considerable growth in vacant space reported, but with a high demand for renegotiation of rents by tenants.

**Time to market and discounts**

The scenarios on sale times and discounts reflect the situation of uncertainty and market slowdown. The data on negotiation times are steady all in all, 6.9 months in Milan and 10 months in Rome, after three years of continued contraction. At an overall level too, intermediate cities and large capital cities show steady negotiation times, 10.8 months for the former and 9.5 months for the latter. With construction time still steady, discounts in the negotiating phase have, however, increased significantly: 14% in Milan, 18% in Rome, 19% in the intermediate cities and 16.2% in the 13 large Italian capital cities.

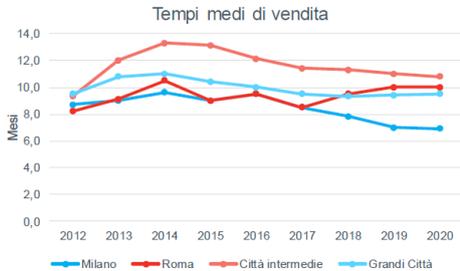


Duff & Phelps REAG su dati Nomisma

**Commentato [TR11]:** Chg. % prices 2020/2019 Chg. % rental 2020/2019  
Central Semi-central Peripheral

Bari Bologna Florence Milan Naples Rome Turin Venice (Lagoon)  
Average

**Commentato [TR12]:** Vacancy rates  
Milan Rome  
Duff & Phelps on Nomisma data



Duff & Phelps REAG on Nomisma [data]

**Commentato [TR13]:** Average sale time Discount in negotiation phase

Months  
Milan Rome Intermediate cities Large cities

**Forecasts**

The following is the forecast scenario that takes account of the trend of the epidemic curve and the resulting containment measures adopted, the effects of which are reflected in the main macroeconomic and property indicators.

Specifically, between the first and second half of 2020, the main sources of forecast data (European Central Bank and International Monetary Fund) revised their econometric forecasts downwards. In light of the new published values, an analysis was made of:

- data provided by leading research institutes;
- data provided by the Revenue Agency;
- data on the volume of residential and corporate investments;
- forward-looking macroeconomic data released by the European Commission

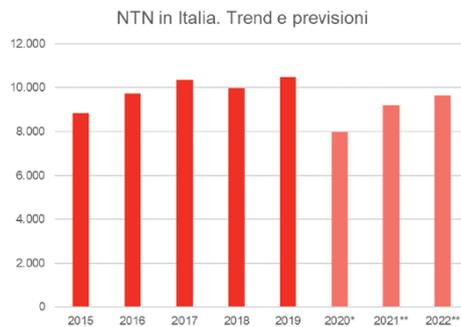
in order to determine the 2020 estimate and the 2021 and 2022 forecast of the volume of transactions and the trend in unit prices.

VARIAZIONE YOY - TERZIARIO	STIMA				PREVISIONE		
	2016	2017	2018	2019	2020*	2021**	2022**
COMPRAVENDITE	10,1%	6,4%	-3,5%	4,9%	-24,0%	15,5%	5,0%
PREZZI	-2,4%	-1,0%	-1,5%	-0,7%	-1,9%	-2,8%	-1,6%

**Commentato [TR14]:** CHANGE YOY - TERTIARY ESTIMATE FORECAST

TRANSACTIONS PRICES

NTN in Italy. Trends and forecasts



Duff & Phelps REAG

**Key drivers**

- The spread of smart working may drive the need for flexible solutions in the long run, e.g. by considering temporary leases;
- Safe environments from a health point of view and high standards for finishes and installations. This implies the need to upgrade the property by obtaining appropriate certifications;
- Search for space, even in secondary areas, capable of combining larger spaces with contained fees.

## **THE COMMERCIAL PROPERTY MARKET<sup>7</sup>**

The year 2020, marked by the Covid-19 pandemic, had a strong negative impact on the entire global economy; retail was certainly among the most affected segments. The second half of 2020 saw a return to normalcy in summer, thanks to the temporary reduction in cases, but from October onwards, the second wave of the pandemic brought new restrictions on activities, which affected Italy and most European countries.

The Italian Government, as many other European countries, introduced new restrictions, including a regional lockdown, with limitations that have impacted heavily, most of all, on commercial activities linked to tourism, catering and entertainment.

The vaccination campaign, which rolled out across Europe in the final days of 2020, should ensure a gradual improvement in the situation in 2021 and a relaxation of the restrictions needed to curb cases.

At the same, the ECB's policies in support of the European economy will presumably continue in 2021 and gradually accompany the exit from the health crisis and the start of the recovery phase. Additionally, the "Next Generation EU" Recovery Fund in favour of the countries hit most by the pandemic, such as Italy, will guarantee a share of € 209 billion (of which € 81.4 billion non-repayable) to our Country, raised through the issue of EU-backed debt. The aim is to rebuild the most affected economic sectors and support investments in the transition to a green and digital economy.

The volatile performance of the markets and the effects of the pandemic on the indicators used in the analysis of the property market show persisting uncertainty over all property asset classes, the retail segment in particular.

However, it appears clear that certain asset classes in the segment, such as trophy asset mixed use (office/retail), are highly appealing to investors and this appeal partly mitigates the uncertainty of the relevant markets.

These particular properties, typified by prime tenants and long-term contracts, are experiencing an upward trend in values, driven by a bubbly demand and a really poor supply. The abovementioned competitive scenario outlines a downward trend in gross yields for these assets, which can bottom to lower than 3%.

The restrictions brought by the pandemic are affecting retail, a segment that was already going through a phase of sweeping reorganization of sales formats in order to mitigate the growth of e-commerce.

Before the outbreak of the emergency, segment players were making a number of changes to their structures, re-sizing their outlets, the larger ones in particular, and changing the composition of the mix offered by increasing the shares dedicated to leisure, personal services and catering.

Against this backdrop, the pandemic has introduced not only severe constraints, but also a prevailing climate of uncertainty over the real impact on the segment on a global scale and what form and timing the recovery will take.

The short-term outlook for operators appears unclear. Social distancing measures are restraining recovery, especially for restaurant and leisure services; for retailers too, operating costs are high or debt levels are unsustainable.

### Investments

Retail recorded € 850 million in investments in 2020, making it the segment with the least appeal. Volumes were down by 60% on last year's performance, due to shopping center closures and storefronts in the old town centers driving investors away.

The volume of transactions in the retail segment does not include the approximately € 435 million paid by Unicredit for the acquisition of 32.5% of the share capital of La Villata S.p.A., a real-estate company controlled by Esselunga S.p.A. and owner of part of the chain's stores (deal recorded in I quarter 2020).

Against this backdrop of restrictions, the segment's appeal is low even for opportunistic investors, but could grow if specialized operators resume investing in order to aggregate portfolios.

Investment volumes in the suburban segment accounted for approximately 80% of the total.

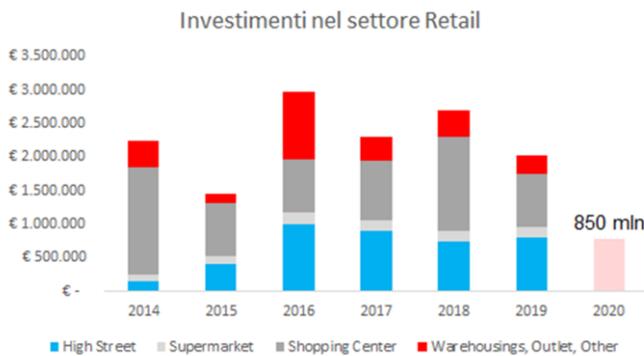
At end December, the Pacific 1 Real Estate Alternative Investment Fund, managed by Kryalos Sgr, completed the sale of the trophy asset in Piazza Cordusio 3, Milan, former headquarters of Poste Italiane, to the Milan Trophy RE Fund 3 Alternative Investment Fund, subscribed by a club deal of investors from Mediobanca's private banking division, at a value of € 246.7 million. The property is partly occupied by

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<sup>7</sup> Source: Duff & Phelps Real Estate Advisory Group

Starbucks, which chose the historic building after renovation in 2018 to open its first point of sale in Italy. The tenants occupying the office spaces include JP Morgan, Natwest and Kryalos Sgr itself. The real recovery seems to be postponed to 2022; in the meantime, retail properties that meet today's shopping experience will attract investors' interest in 2021. Additionally, spurred by the opportunity of concluding long-term leases with greater predictability in terms of revenue, specific opportunities are witnessed for the suburban segment, regarding the best properties located in the most relevant areas, including for large-scale retailers, given the dynamics of the food segment.

**Commentato [TR15]: Investments in the Retail segment**  
High Streets Supermarkets Shopping centers .....



Duff & Phelps REAG on various sources

**Shopping centers**

In 2020, the loss in turnover for the shopping center segment, with consequences on rents, was around 30%. However, in the weeks following the end of the first lockdown, from 18 May 2020, footfalls recovered steadily, reaching 80-85% in August versus the same month of 2019. In August, sales returned to pre-Covid levels in terms of value. All this suggests, thanks to the re-openings, a return in 2021 to reasonable levels, albeit lower than in 2019 (-4%). However, the situation for shopping centers is far from comfortable. The closures enforced by the Government even on pre-Christmas weekends have deteriorated the situation, deepening the drop in consumption, which will consequently affect the turnover of commercial activities, therefore employment levels, for a segment counting 700 thousand workers. Top Secondary centers, with narrow and well-defined catchment areas, should hold up better, driven also by the performance of food anchors, less affected by the limitations on admissions, having smaller footfalls than the large super-regional centers, which have felt the brunt of the crisis owing to their inability to manage footfalls of over ten million visitors due to crowding limits.

The trend points toward a transition to "integrated" shopping centers, where project and innovative products are synergistically managed, and "widespread" shopping centers, where the boundaries between indoor and outdoor spaces are flexible in order to increase health safety and ensure distancing requirements.

The large-scale food retail trade closed 2020 with a strong increase in turnover, +5.8% versus 2019; however, part of the progress made is expected to realign to pre-Covid values in 2021, with a gradual return to normalcy and increased people mobility. The segments gravitating around food (except for hypermarkets), home accessories, sportswear and consumer electronics are among those that have gained the most from adaptability and flexibility through digital skills. The purchasing methods of the past will be replaced by the new mantra of omnichannel. The different distribution systems will run parallel for a long time and, in Italy in particular, where 25% of the population uses digital channels, contributing only 2% of the turnover of the large-scale retail trade, growth margins are expected to be high.

**Yields and fees**

In 2020, the upward trend in yields was reinforced by the increased risk perceived. Prime yields rose across all segments, suggesting a narrowing of the gap with more resilient secondary assets. Owing to the demands from tenants for discounts and rent deferment, arcades have seen rent reductions of approximately 8% for shopping centers and 4% for business parks.

Directors' Report on Operations at 31 December 2020

The coming years should witness a contraction in rents, especially in the medium term, linked to the variable part of turnover, which has seen significant declines. The value will also be affected by a higher cost of equity and by an increase in operating costs attributable to the adjustments and sanitations required for reopenings.

No major transactions are reported such as to indicate a real "trend", but the capital market manifests an icy attitude on this asset class, both on the equity and debt side. The changes are based mainly on a sentiment vision reflecting a liquidity shortage, and do not reflect actual recorded transactions.

Rendimenti Lordi	Rendimenti Lordi			Rendimenti Lordi	Rendimenti Lordi	
	Prime*	Top Secondary	Secondary		Prime	Secondary
<b>Centri Commerciali</b>	6,25% - 7,50%	6,25% - 8%	7,75% - 10%	<b>Retail Park</b>	6,25% - 7,75%	7,5% - 9,5%

Duff and Phelps D&P REAG on various sources

\*Prime shopping centers are those that are dominant in their catchment, with high footfall and the ability to attract top brands, regardless of their location in major metropolitan cities. These kind of centers continue to be marked by a shortage of supply, so top yields remain only on paper. This is explained also by the fact that such property holders are unwilling to place them on the market.

NOTE: Given the negative sentiment of certain investors (English speaking in particular) on the shopping center market, due mainly to concerns arising from the Covid-19 pandemic, and the rise of e-commerce, the market should be closely monitored. Retail parks appear to be more resilient due to product shortage and lower operating costs.

**Commentato [TR16]:** Gross yields Prime\* Top secondary Secondary Shopping centers Retail parks

High Streets

Before the Covid-19 pandemic, high street retail property, especially in the luxury segment, was experiencing a bubbly phase, especially in big cities such as Milan, Venice, Florence and Rome, driven by strong tourist flows (over 62 million visitors to Italy in 2018, according to the World Tourism Organization).

Restrictions on the opening of activities and lockdown-related closures reversed the situation, virtually wiping out foreign tourism, without ignoring the entrenchment of home working.

The recovery of the High Street depends, therefore, on the return of international leisure and business tourism and on newfound home/work mobility. However, the trend points to a transformation in stores, which will become fewer in number but larger in size, with an emphasis on the showroom format. Adaptation appears to be necessary in view of the need to find more suitable solutions to meet changing consumer needs.

Rendimenti Lordi	Milano via Montenapoleone	Roma via Condotti	
<b>Retail</b>	3,0% - 4,0%	3,25% - 4,25%	4,

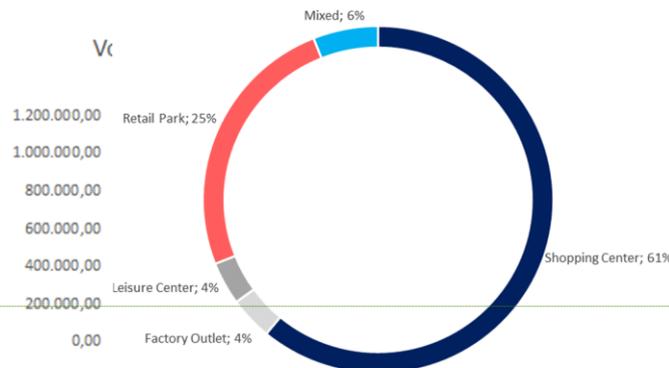
Duff and Phelps D&P REAG on various sources

**Commentato [TR17]:** Gross yields High Streets Milan via Montenapoleone Rome via Condotti Retail

Stock and Pipeline

The overall stock of Italian shopping centers has kept steady at around 19,500,000 sqm. The temporary closure of construction sites has hampered the completion of new facilities, although a good recovery was reported starting from third quarter 2020. Only one major

Pipeline 2020-221



**Commentato [TR18]:** Pipeline 2020 – 2021 (mi sa che c'è un errore nella vostra data)

opening was reported, the Maximo Shopping Village in Via Laurentina in Rome, at end November. The new shopping center is the third-largest in the capital, with a surface area of around 65 thousand sqm, 160 shops, including a Pam superstore, 12 large and medium-sized specialist stores, including Primark, over 40 bars, kiosks and restaurants, a multiplex with 7 latest-generation cinemas, a gym, a newly-designed family entertainment centre, a polyclinic and a veterinary clinic, and a three-storey car park covering 100 thousand sqm with over 3,000 parking spaces.

In November again, a new 10 thousand sqm retail park opened in Ambivere/Bergamo, with 5 sales outlets, including a 6,500 sqm Lidl supermarket.

October saw the opening of the new 8 Gallery in Turin, following refurbishment and extension of 8,000 sqm on two levels in Pavilion 5, originally used as a trade fair. In the same context, Eataly Real Estate S.r.l. opened the first retail park dedicated to sustainable living (Green Pea) in December, next to its historic Lingotto store. The building develops on five floors with a total of 15 thousand sqm dedicated to the relationship between energy, movement, home, clothing and leisure. Summer saw the opening of the 12,000 sqm Carpi Retail Park in the province of Modena and the extension of the Market Central Da Vinci, adding 24,000 new sqm of GLA to the existing 60 thousand sqm.

Over the next 2 years, the number of square metres of new GLA under construction will remain at high levels; these include the Merlata Bloom, scheduled for end 2021, of over 65,000 sqm, and Milanord2, for 2022, both in the Milan metropolitan area and strongly integrated with the public transport networks.

Milan remains the most bustling city also in the High Street segment.

The main developments underway include the impressive renovation of the historic Palazzo Broggi in Piazza Cordusio by Fosun (The Medalan), the conversion of Generali's Palazzo Venezia into a 5-star hotel (Hotel Gran Meliá), and the renovation of Invesco's Garage Traversi.

#### E-Commerce

"Covid and the health emergency have accelerated trends already underway in the segment, from omnichannels - which envisage strong interaction between online and offline - to the consumer's propensity to buy online. For the first time, during government-imposed lockdowns, e-commerce has stood out as the main, if not exclusive, driver of consumption generation. These changes have affected the shopping experience, with greater resort to technology than in the past, for instance by using interactive fitting rooms, or purchasing methods that devote more attention to health aspects. This has also led to an increased adoption of cashless systems, spurred by government cashback and aimed at limiting payment queues. More attention has been paid to the development of online shopping apps and the extension of locker networks for last-mile delivery. The very development of this segment could provide a viable alternative for the re-use of unused space, even in central areas.

In 2020, the online penetration rate of product sales increased from 6% to 8%, up two percentage points on 2019. Looking at the development trends in our Country, e-commerce has grown twice as fast in just one year. Services also penetrated well, rising from 10.7% to 11%. The pandemic, however, has disrupted e-commerce too, causing online purchases in Italy to fall by 3% (total value € 30.6 billion); product purchases have increased (+31%), while services have fallen sharply (-47%). Specifically, product purchases show the highest annual increase ever (€ +5.5 billion) to reach € 23.4 billion. In absolute terms, the three segments contributing most to growth are Food & Grocery (€ +1.1 billion), IT & Consumer Electronics (€ +1 billion) and Clothing (€ +700 million). Purchases of services are in sharp decline due mainly to the collapse of the tourism and transport segment (-56%), dropping to € 7.2 billion (Source: Osservatorio eCommerce B2c)."

#### • Independent expert appraisals

Mention should be made, also with regard to CONSOB Recommendation no. DIE/0061944 of 18 July 2013, that for the preparation of the Consolidated Financial Statements at 31 December 2020, the Group appointed Duff & Phelps REAG as the primary independent expert to carry out appraisals of the property portfolio and support the Directors in their assessments.

On completion of the portfolio appraisal process at 31 December 2020, after reviewing the reports prepared by the independent experts, the Company incorporated the relevant results at the Meeting of the Board of Directors held on 12 March 2021.

## Directors' Report on Operations at 31 December 2020

In performing their analyses, the independent experts adopted internationally accepted methods and standards, using, however, different valuation methods based on the type of asset being analyzed. The criteria can be generally summarized as follows.

**Comparative (or Market) approach:** based on a comparison between the Property and other comparables that have recently been bought or sold or are currently offered on the same or competitive markets.

**Income approach:** takes account of two different methodological approaches:

- **Direct capitalization:** based on capitalizing, at a rate inferred from the property market, the future net income generated by the property;
- **Discounted Cash Flow (DCF) approach:**
  - determination, over a period of "n" years, of future net income from rental of the property;
  - determination of the market value of the property by capitalizing in perpetuity, at the end of such period, the net income;
  - discounting, at the valuation date, of net income (cash flows).

**Development approach:** based on discounting, at the valuation date, the cash flows generated by the transaction (relating to the property) over the period of time corresponding to its duration.

A **financial valuation model (discounting of cash flows)** can be associated with this method based on a development project prepared in terms of building quantities, intended use, development costs and sustainable revenue. In other words, a cost/revenue analysis is used to identify the market value of the property being valuated.

The model hinges on a scheme of cash flows (income and expenditure) related to the development project. Expenditure includes the costs for building, demolition, urban development, planning, supervision of work, property developer profit and any other costs; income includes the revenue from the sale of the intended uses.

The distribution over time of costs and revenue generates a scheme of cash flows, net of the property developer profit, which are discounted using an appropriate discount rate representing the cost of capital.

The object of the estimation performed by the independent expert is Market Value, as defined by the RICS professional valuation standards, under which Market Value is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Aedes pursues maximum transparency in the selection and renewal of appointed experts, as well as in the different stages of the valuation process. Internal staff checks the consistency and correct application of the assessment criteria used by the expert, ensuring that the methods used are consistent with commonly accepted practice. Should significant discrepancies arise, such as to materially alter the valuation, the necessary verifications are carried out, including in contradiction with the experts.

The independent valuer is chosen based on professional qualities, nature of the task, and the specifics of the property portfolio valuated. Experts are also chosen taking account of the presence of possible conflicts of interest in order to assess whether their independence may be weakened.

Independent experts are selected by the Company in an alternating fashion to ensure a more objective and independent valuation of property assets.

### • Owned assets

The property portfolio owned by the Aedes Group is split up into two macro-categories:

#### • Revenue portfolio (or "rented")

Namely existing revenue properties or project developments intended to maintain revenue.

This category includes the following product segments:

- **Retail:** comprising revenue properties and revenue developments for commercial use (mainly stores, parks and shopping centers);

- *Offices*: comprising revenue properties and revenue developments intended for tertiary-office use;
- *Other Uses*: comprising revenue properties and revenue developments, with intended use other than the previous, including hotels;

These investments can also be classified, depending on the development stage, in:

- "revenue properties" (or "rented assets") and
- "revenue developments" (or "development for rent"), namely property development projects intended to build up the revenue properties portfolio.

#### • To be sold portfolio

This category consists of assets intended for sale in the short/medium term. It is split up into the following segments:

- *Properties for sale* (or *assets to be sold*): comprising existing property expected to be sold in bulk or piecemeal;
- *Areas to sell* (or "*land to be sold*"): areas and land sold at any stage of the production cycle, from the status of agricultural land until the obtaining of different kinds of authorizations and permits.

The Company holds investment property in the revenue portfolio or to be sold portfolio mainly directly or through subsidiaries and within the scope of the Group, i.e., through non-controlling equity interests in vehicle companies (so-called "SPV" or "special purpose vehicles") and real-estate funds.

The table below shows the pro-rata owned property assets by product implementation phase at 31 December 2020:

€/000	GAV				NAV			
	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	145.510	72.297	217.807	43,4%	71.325	35.713	107.038	35,0%
Office	97.570	-	97.570	19,5%	51.916	-	51.916	17,0%
Other Uses	10.811	-	10.811	2,2%	7.411	-	7.411	2,4%
<b>Rented Asset</b>	<b>253.891</b>	<b>72.297</b>	<b>326.188</b>	<b>65,0%</b>	<b>130.652</b>	<b>35.713</b>	<b>166.365</b>	<b>54,4%</b>
Retail Development for Rent	108.270	39.200	147.470	29,4%	92.005	23.810	115.815	37,9%
Other Uses Development for Rent	19.680	-	19.680	3,9%	16.307	-	16.307	5,3%
<b>Development for Rent</b>	<b>127.950</b>	<b>39.200</b>	<b>167.150</b>	<b>33,3%</b>	<b>108.313</b>	<b>23.810</b>	<b>132.123</b>	<b>43,2%</b>
<b>Sub Total Portfolio Rented/for Rent</b>	<b>381.841</b>	<b>111.497</b>	<b>493.338</b>	<b>98,4%</b>	<b>238.965</b>	<b>59.523</b>	<b>298.488</b>	<b>97,6%</b>
Other Uses	8.253	-	8.253	1,6%	7.355	-	7.355	2,4%
<b>Sub Total Portfolio to be sold</b>	<b>8.253</b>	<b>-</b>	<b>8.253</b>	<b>1,6%</b>	<b>7.355</b>	<b>-</b>	<b>7.355</b>	<b>2,4%</b>
<b>TOTAL GROUP PORTFOLIO</b>	<b>390.094</b>	<b>111.497</b>	<b>501.591</b>	<b>100,0%</b>	<b>246.320</b>	<b>59.523</b>	<b>305.843</b>	<b>100,0%</b>

At 31 December 2020, the consolidated GAV (Gross Asset Value) was € 390.1 million. Additionally, the property assets owned by the Aedes Group, including non-controlling interests and real-estate funds, amounted to a market value of € 501.6 million.

Regarding the property portfolio held by the Parent and by subsidiaries, additional details are shown as follows<sup>8</sup>:

<sup>8</sup> Under CONSOB Recommendation no. 9017965 of 26 February 2009.

## Directors' Report on Operations at 31 December 2020

€/000	Criterion	Book value	Market Value
Investment property: properties for investment	IAS 40 - Fair Value	253.891	253.891
<b>Rented asset</b>		<b>253.891</b>	<b>253.891</b>
Investment property: properties under development	IAS 40 - Fair Value	127.950	127.950
<b>Development for Rent</b>		<b>127.950</b>	<b>127.950</b>
<b>Sub Total Portfolio Rented/for Rent</b>		<b>381.841</b>	<b>381.841</b>
Inventory	IAS 2	7.759	8.110
Investment property: properties for investment - licences	IAS 40 - Cost	134	143
<b>Sub Total Portfolio to be sold</b>		<b>7.893</b>	<b>8.253</b>
<b>TOTAL PORTFOLIO</b>		<b>389.734</b>	<b>390.094</b>

### • Services area

The property services of the Aedes Group are mainly of the captive kind, aimed at controlling the Group's investments and supporting the target companies. The provision of property services is performed in particular by the following companies:

#### AEDES SIIQ S.p.A.

The company provides direct services for asset management, administrative and financial management and corporate governance to subsidiaries or associates. Additionally, it guarantees the management of the information systems and general services for Group companies.

#### PRAGA RES S.r.l.

Service company, resulting from the merger of Praga Service Real Estate S.r.l. and Praga Construction S.r.l., active in the project and construction management of intra-group or captive development projects.

## 2.12 SIIQ legal and regulatory framework

The Special Regime of SIIQs (Listed Property Investment Companies) was introduced by Article 1, paragraphs from 119 to 141, of Law no. 296 of 27 December 2006 (2007 Budget Law) as subsequently supplemented and amended. Lastly, Article 20 of Law Decree no. 133 of 12 September 2014, in force from 13 September 2014, and converted, with amendments, by Law 164 of 11 November 2014, introduced a number of important amendments. The requirements for admission to the special tax regime guaranteed to SIIQs can be summarized as follows:

#### SUBJECTIVE REQUIREMENTS

- Company established as an S.p.A. (joint-stock company)
- Residence in Italy or in an EU Country
- Status of company listed on Italian or EU regulated markets

#### STATUTORY REQUIREMENTS

- Investment rules
- Risk concentration limits on investments and counterparties
- Maximum limit of leverage on an individual and group level

#### INVESTMENT STRUCTURE REQUIREMENTS

- Ownership requirement: no Shareholder must hold over 60% of voting rights in the Ordinary Shareholders' Meeting and of profit sharing rights
- Float requirement: at least 25% of shares must be held by shareholders who do not hold more than 2% of the voting rights in the Ordinary Shareholders' Meeting and of profit-sharing rights (not applicable to companies that are already listed)

#### OBJECTIVE REQUIREMENTS

- Property lease as the main activity, a condition assessed by two indices:
  - Asset test: properties intended for lease amounting to at least 80% of the assets
  - Profit test: lease revenue amounting to at least 80% of the positive items in the income statement
- Requirement in each financial year to distribute to shareholders at least 70% of net profit arising from leasing and ownership of investments
- Distribution requirement, within 2 years following disposal, for 50% of capital gains from properties under lease and from investments in SIIQs, SIINQs and qualified real-estate funds.

Failure to comply for 3 consecutive years with one of the priority conditions results in permanent termination of the special regime and application of the ordinary rules from the second considered year.

Once the satisfaction of the subjective, investment and bylaw requirements had been ascertained, on 27 November 2017 Aedes SIIQ S.p.A. (formerly Sedea SIIQ S.p.A.) exercised the option for joining the Special Regime, effective as from 1 January 2018. On 28 January 2019, following the proportional demerger of Aedes SIIQ S.p.A. (now Restart SIIQ S.p.A.) into Sedea SIIQ S.p.A. (now Aedes SIIQ S.p.A.) and the admission to listing of the latter's shares, the Company announced that it met all the requirements of the SIIQ regime.

With regard to Statutory Requirements, in brief, under the Company Bylaws, business activities must comply with the following rules on investments, risk concentration and leverage limits:

1. investments in a single immovable asset other than the development plans covered by a single town-planning scheme, for a maximum of 25% of the Group's property assets;
2. lease rent revenue from a tenant or from tenants belonging to the same group, representing up to 30% of overall revenue from the Group's property lease business. The above limit is not applicable should the properties be rented to one or more tenants belonging to a group of national or international importance;
3. leverage at a Group level of up to 65% of the value of the property assets; leverage at an individual level of up to 80% of the value of the property assets.

The above limits can be exceeded in the event of extraordinary circumstances or beyond the control of the Company. Unless otherwise in the interest of the Shareholders and/or the Company, these limits shall not be exceeded for more than 12 months.

In light of the Parent Company's balance sheet and income statement at 31 December 2020, regarding the asset test, the value of properties and areas owned and to be leased represents over 80% of the total asset value; regarding the profit test, the amount of revenue generated by the lease of property held through ownership or other property rights, and of gains on the sale of property intended for leasing represents over 80% of the positive components of the income statement.

## 2.13 Main risks and uncertainties

The main sources of risk the Aedes Group is exposed to are set out below.

- **Strategic, Operational and Market Risks**

#### RISKS ASSOCIATED WITH THE SPREAD OF COVID

As known, since January 2020, the national and international landscape has been swept by the spread of the Coronavirus (Covid-19), declared a "global pandemic" by the World Health Organization on 11 March 2020, and the ensuing restrictions for its containment adopted by the governments of the countries involved; these measures were confirmed following the second wave of Covid-19, with subsequent partial or total lockdowns in the summer and autumn of 2020, and then in the first quarter of 2021 following the third wave, which is still in progress.

These circumstances, which are extraordinary in nature and magnitude, have direct and indirect effects on economic activities, and have created a climate of general uncertainty, the evolution and relating

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effects of which cannot be fully predicted yet at this time. The potential effects of this situation generate a greater degree of uncertainty over accounting estimates, fair value measurements, asset recoverability and liquidity risk, and will be constantly monitored in the near future.

Specifically, the current market uncertainty could have a significant impact, unmeasurable at this moment of time, on the inputs used by the independent expert in the valuation of the Aedes Group's property assets in the next financial year.

The structural effects of these uncertainties could in fact have a strong impact on the value of the property assets: specifically, the major inputs that could undergo significant changes due to the spread of Covid-19 are the discount rates and exit cap rates.

In order to measure the impact of a possible shock from an abrupt change in the core macroeconomic scenario on property valuations at 31 December 2020, the Company commissioned the independent expert Duff & Phelps REAG to conduct a sensitivity analysis to measure the changes in the fair value of the consolidated assets with the varying discount rates and exit cap rates. The shocks applied to both rates were +/-0.5% and +/-1%.

The table below shows the effect on the total fair value of the property assets included in the consolidated financial statements of the Aedes Group when the 2 indicators change individually and jointly:

		TASSI ATTUALIZZAZIONE				
		-1,00%	-0,50%	0,00%	0,50%	1,00%
CAP RATE	-1,00%	450.692	429.648	410.754	392.370	375.235
	-0,50%	439.082	419.088	400.664	383.420	366.675
	0,00%	429.142	409.698	392.294	375.310	359.465
	0,50%	420.332	401.918	385.074	368.540	353.185
	1,00%	413.072	395.038	378.574	362.640	347.725

NB: for assets measured using the comparative approach, a percentage change in unit value of +/-5% and +/-10% has been considered. This change is to be considered on average comparable to the percentage change in the exit cap rate of +/-0.5% and +/-1%.

It should be noted that the continued Covid-19 emergency situation generates uncertainties in the valuation of the property portfolio which, if results differ from the estimates made for the financial statements at 31 December 2020, could lead even to significant adjustments to the values of the investment properties in the coming years.

With regard to the impact of the Covid-19 pandemic on the valuation of property assets, the Independent Experts (Duff & Phelps) have clarified that their valuation considers "a material uncertainty" as indicated by the VPS 3 and VPGA 10 in the RICS Red Book Global. As a result, the Independent Experts found that a lower degree of certainty and a higher degree of caution should be attached to the valuation than would normally be required under normal market conditions. This indication is not meant to suggest that the results of the valuation carried out cannot be relied upon; rather, it is helpful in clarifying that - under the current extraordinary market conditions - less certainty can be attached to the valuation than would otherwise be the case.

Rental income too felt the brunt of the pandemic in 2020; in particular, the Company is keeping in close touch with tenants, heeding their requests for rescheduling and/or redefining quarterly instalments, mainly from retail tenants. In connection with the requests received, in 2020 negotiations with tenants led, on a case-by-case basis, to different ways of managing the fees and deadlines relating to the period of closure and gradual reopening of business, in a spirit of cooperation and trust. The effects of these renegotiations, with regard to the agreements formally concluded in 2020, were reflected in a reduction in rental revenue of approximately € 1 million.

In 2021, as part of the projections contained in the business plan, the Company has forecast an additional reduction of € 1 million attributable to the effects of the ongoing Covid-19 pandemic.

Lastly, it should be noted that the developments of the ongoing emergency may lead to a further

deterioration, not measurable in all its extent to date, of the conditions of the property and capital markets, with potentially significant effects on the ability to implement the Plan, since the occurrence of all or part of the actions envisaged in the Plan depends mainly on factors beyond the control of the Directors, which appear to be affected also by the Covid-19 emergency, whose impacts on the developments in the property market, on the supply of credit and on the developments in the capital market are not fully measurable to date.

**MARKET RISK**

Market risk lies in the possibility that changes in the general performance of the economy, in the property market and in exchange rates may adversely affect the value of assets, including property assets, liabilities or expected cash flows.

To reduce vacancy risk, the Group markets to premium tenants, with long-term leases including appropriate safeguards. The risk of failing to re-lease vacant spaces is mitigated by the quality of the Group's property assets.

**RISKS ASSOCIATED WITH CLIMATE CHANGE**

The following table summarizes the Aedes Group's approach to managing climate change risks:

OGGETTO	PERCHE' E' MATERIAL	RISCHI E POSSIBILI IMPATTI	POLITICHE E PIANI DI AZIONE
Climate change	Gli edifici retail e i complessi direzionali sono edifici per loro natura energivori e ambientalmente impattanti. L'impegno della società è quello di operare per una riduzione di questi impatti, e delle loro ripercussioni economiche, individuando azioni sempre più efficaci sia nella fase di realizzazione e restyling degli edifici sia nel ciclo di gestione degli stessi.	Incremento dei consumi, dei costi energetici e danni al patrimonio dovuti a eventi ambientali improvvisi come aumenti delle temperature, alluvioni,...	> <b>Aumento dell'utilizzo di fonti energetiche rinnovabili</b> (pannelli fotovoltaici, geotermico, ecc.). Miglioramento delle caratteristiche energetiche degli edifici e dei requisiti prestazionali degli impianti di condizionamento e riscaldamento. Progettazione dei sistemi di smaltimento acque meteoriche sulla base degli attuali standard di precipitazioni. Adozione sistemi automatici di verifica e controllo per il monitoraggio dei consumi.
		Aumento dei costi gestionali dovuto a mancato controllo sull'efficienza del consumo energetico e idrico degli edifici.	> <b>Interventi in termini di efficienza energetica.</b> Implementazione dei sistemi di verifica e miglioramento del controllo gestionale e di manutenzione degli impianti. Adottare adeguati programmi di formazione ed informazione per la conduzione ed esercizio degli impianti .
		Sanzioni collegate alla sempre più stringente normativa in ambito ambientale.	> <b>Implementazione sistemi per la prevenzione e la sicurezza ambientale degli edifici.</b> Puntuale effettuazione dei controlli di legge sugli impianti finalizzati al rispetto dei parametri ambientali (emissione fumi - gas refrigeranti ecc.)
		Calo reputazionale dovuto a mancanza gestionale/di investimenti in campo ambientale.	> <b>Implementazione acquisizioni certificazioni atte a valutare la sostenibilità ambientale degli edifici (BREEAM, LEED, ITACA).</b> Incremento livello di attenzione ed investimenti in tema di risparmio energetico e raccolta differenziata rifiuti.

**LEASE RISK**

Lease risk lies in the possibility that owned properties remain vacant for extended periods of time, exposing the Group to a reduction in cash flows from rents and an increase in property costs.

The Group has adopted a policy based on ongoing relations with tenants, with a view to their retention. The current situation of the property market and the uncertainties on the property segment generated by the pandemic, do not rule out the possibility that certain tenants, on expiry of the contract or during the window of exercise of the so-called break option, may exercise the right to terminate the lease contract or demand renegotiation of the lease rent, with potential impacts on the Group's revenue and profit margins.

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### • Compliance risks

#### LIABILITY PURSUANT TO LEGISLATIVE DECREE 231/01

The risk pursuant to Legislative Decree 231/01 is that the Company may incur penalties connected with the regulations governing the liability of entities for committing offences pursuant to Legislative Decree 231/01 ("*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*"), which envisages the administrative liability of entities as a result of certain offences committed in their interest or to their advantage by directors, managers and employees.

In order to mitigate such risk, the Company adopted the organizational, management and control model envisaged by Legislative Decree no. 231/2001 ("Organizational Model" or "Model 231") and made the necessary updates, most recently with effect from 1 August 2020; it is divided into the following sections: (i) a General Section, which presents the content of Legislative Decree 231/2001, the structure of Model 231 and the methods for managing the Model (adoption, updating and circulation criteria, staff training and information, etc.), the recipients, the Company's governance model and organizational setup, the objectives, structure and implementation methods of the Organizational Model, the methods for identifying and appointing the Supervisory Body and its requirements, specifying powers, duties, resources and information flows; the function of the disciplinary system and the related body of sanctions in the event of a breach of Model 231 and the provisions referred to therein; the sanctions provided for "predicate offences" considered relevant for the Company; ii) a Special Section, subdivided into parts related to the various "predicate offences" identified, following risk assessment, as being abstractly relevant for the Company owing to its activity; each part of the Special Section contains, with regard to each category of offence, an overview of the offences that may potentially be a source of administrative liability for the Company, an indication of the activities that have been identified as "sensitive" and a description of the conduct that all persons involved in the activities identified as "sensitive" are called to observe in order to prevent the commission of the offences set out in Legislative Decree 231/2001.

The Company has also drawn up a Code of Ethics and Conduct of Aedes SIIQ S.p.A. (the "Code of Ethics") that applies to the entire Group staff who are committed to comply and enforce the principles of the Code of Ethics as part of their duties and responsibilities.

The functions of the Supervisory Body pursuant to Article 6, paragraph 1, letter b) of the above Decree are entrusted to the Board of Statutory Auditors, under the resolution of the Board of Directors last adopted on 8 May 2019.

For further information, reference should be made to the Report on Corporate Governance and Ownership Structure for 2020, prepared pursuant to Article 123-bis of the TUF.

#### REGULATIONS FOR LISTED COMPANIES

The Company has the status of an issuer of securities listed on a regulated market and is, therefore, subject to specific regulations imposed by operational and oversight bodies.

The Company pays the utmost attention to compliance with legal and regulatory requirements arising from the listed company status. Specifically, Legal Counsel and Investor Relations watch over the obligations towards supervisory and market management authorities, handling the market disclosure process. This process, which requires close coordination with the internal departments for the identification, verification and communication of administration, accounting and management data and information, is carried out in compliance with specifically defined internal regulations and under the supervision of the Chairman, Chief Executive Officer and the Financial Reporting Manager.

#### LIABILITY PURSUANT TO LAW 262/05

The risk under Law 262/05 refers to the liability of the Financial Reporting Manager, pursuant to Law 262/05.

In compliance with the regulatory provisions of Law no. 262 of 28 December 2005, "Investment Law", the Company has adopted an internal administrative-accounting control system over financial reporting,

with the purpose of (i) ascertaining that the Internal Control System currently in place is able to provide reasonable certainty on the true and fair view of income statement, balance sheet and cash flow information submitted; (ii) implementing adequate administrative-accounting procedures for the preparation of the financial statements and consolidated financial statements, as well as any other disclosure of a financial nature; (iii) guaranteeing the effective application of the administrative and accounting procedures prepared over the period to which the above documents refer.

#### TAX RISK - SIIQ REGIME REQUIREMENTS

Maintenance of the SIIQ status is conditional on complying with the subjective, statutory, investment and objective requirements envisaged by the relevant legislation. Aedes is exposed to the risk that some of the above investment and subjective requirements will no longer apply and, as a result, it will lose its SIIQ status. In such an event, Aedes would lose the tax benefits associated with the regime, specifically, exemption from income tax of rental income, and Aedes would not be required, according to the SIIQ legislation, to pay out dividends.

With regard to compliance with the objective requirements and, specifically, the risk that the Company may fail to comply with the asset and profit requirements to remain in such tax regime, with the consequent loss (in the event that such circumstance extends under the time limits of the law) of the SIIQ status, it should be noted that the Company attaches great importance to monitoring this risk; the assessments made on the tax model adopted are verified with the help of select experts. Separate accounting is used for taxable and tax-exempt operations. The structure is designed to carry out regular asset and profit tests in order to monitor compliance with legal requirements, including in the long term.

In light of the Parent Company's balance sheet and income statement at 31 December 2020, regarding the asset test, the value of properties and areas owned and to be leased represents over 80% of the total asset value; regarding the profit test, the amount of revenue generated by the lease of property held through ownership or other property rights, and of gains on the sale of property intended for leasing represents over 80% of the positive components of the income statement.

#### OCCUPATIONAL HEALTH AND SAFETY RISK AND ENVIRONMENTAL RISK

The Aedes Group has taken all the necessary steps to safeguard health in the workplace, as required by law. For the purposes of the regulations, in 2020 no such accidents occurred as to involve serious or extremely serious injuries in the workplace, or deaths.

The risks related to the occurrence of events that may impact on the environment or on the health of the population in the areas of operation of the Group are under the spotlight of public regulators and are the object of increasingly stringent legislation. In the year under review, the Aedes Group caused no damage to the environment for which it was found guilty, nor was it imposed fines or penalties for environmental offences or damage.

The Company is strongly committed to preventing such risks and has adopted management systems capable of preventing and documenting the management approach to these issues.

Additionally, the Company pays special attention to the aspects governing administrative, safety and environmental liability related to the risk of the perpetration of offences as set out in Legislative Decree 231/01.

The Company has put in place an appropriate security protocol for combating and containing the Covid-19 virus.

#### • Financial risks

##### LIQUIDITY RISK

Liquidity risk is the risk that the Group fails to meet its payment obligations, due to the difficulty in raising funds (funding liquidity risk) or in liquidating its property assets on the market (asset liquidity risk). The occurrence of such events may have a negative impact on the Group's operating results if the Group is forced to incur additional costs to meet its commitments or, as a consequence, a situation of financial

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stress that may compromise its ability to continue as a going concern.

The Group keeps a watchful eye on cash and financial commitments. Specifically, the Group monitors the liquidity risk by preparing a detailed periodical financial budget, considering a time horizon of at least one year and the effective management of property sales and assumption of financial commitments.

In order to assess liquidity risk and the resulting going concern assumption, the Group has prepared financial projections, the key assumptions of which are drawn from the Plan, taking account of the operating cash flows and financial commitments involving all Group companies over a period of 12 months from the date of approval of these financial statements until 31 May 2022, including the planned investment activities and the forthcoming maturity of certain loan agreements currently in place (the "Projections"). As seen, these consolidated financial statements at 31 December 2020 show a net current financial debt of approximately € 40.4 million, of which € 27.2 million towards the shareholder Augusto S.p.A. (approximately € 23.7 million of which was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights). At the date of approval of these draft financial statements, the exposure towards Augusto S.p.A. is therefore equal to approximately € 3.5 million.

Based on the current net debt and the additional requirements arising from the Projections, deriving from the planned investments, from operations and from the normalization of working capital, the Group has identified sources of financial coverage until 31 May 2022 deriving mainly from the:

- a) sale of certain assets as part of the recurring portfolio rotation for an amount of up to approximately € 100 million which, net of the repayments of the debt on the assets to be sold, would generate a net cash flow of approximately € 35 million;
- b) financing activities: new loans and refinancing are expected to bring net cash flows of approximately € 9 million, in addition to the debt allocated to a property portfolio whose acquisition is planned;
- c) strengthening of the Company and the Group's capital, specifically:
  - on 11 March, option rights were exercised for a value of € 41.7 million with a cash contribution, net of the conversion of the shareholder loan of Augusto S.p.A. for € 23.7 million, of approximately € 18 million. The possible subscription and exercise of the unexercised portion of the capital increase (the outcome of which cannot be predicted at this time) could bring an additional source of funding of up to approximately € 8.3 million by April 2021.
  - further capital strengthening is also planned to be carried out by a subsidiary (SATAC SIINQ S.p.A.), with the presence of investors outside the Group.

These actions to locate sources to cover financial requirements are marked by great uncertainty, as they require the involvement and consent of third parties outside the Group and, for almost all of the abovementioned actions, no binding agreement has been formalized. Accordingly, the actions envisaged to cover the financial requirements (in particular, sale of the properties and financing) may not achieve, in terms of value or timing, the assumptions set out in the Projections.

The Directors believe that there is still great uncertainty over the coverage of the Company and the Group's short-term financial requirements, even after the capital strengthening transactions carried out, owing to the spread of Covid-19 and its effects on the property and capital markets. This circumstance therefore indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company and the Group to continue as a going concern. The developments of the ongoing emergency may lead to a further deterioration, not measurable in all its extent to date, of the conditions of the property and capital markets, with potentially significant effects on the timing and consideration of the disposals envisaged in the Projections, on the success of the new financing transactions, and on the valuation of the property assets, with possible negative impacts on the compliance with the loan to value ratios envisaged in the loan agreements described in Note 14 to the Consolidated Financial Statements to which reference should be made. Whether or not, in fact, the actions envisaged in the Projections are fully or partly achieved according to schedule and to the procedures set will also depend on factors beyond the control of the Directors, which appear to be affected also by the Covid-19 emergency, whose impacts on the development of the property market, on the supply of credit and on the developments in the capital market are not fully measurable to date.

Given the high level of uncertainty, the Directors have reviewed the further actions that could be taken were the main assumptions related to locating the sources needed to cover short-term financial requirements not to materialize.

The assessment of assumptions relating to:

- a) failure to raise additional liquidity at the auction of the unexercised rights;
- b) delayed implementation of part of the property disposal plan;
- c) failure to raise third-party capital on SATAC SIINQ S.p.A.,

led the Directors to conclude that, even in such a scenario, the Group's ability to meet its obligations over the period envisaged in the Projections (until 31 May 2022) would not be compromised on the assumption, deemed reasonable, that the Group is able to defer the investments envisaged in the Projections and not subject to final commitment and/or to execute in 2021, one year earlier than envisaged in the business plan, the disposal of a non-controlling interest, without prejudice to the need to carry out part of the property disposal plan and to obtain new loans and refinancing as described above within a timeframe close to the horizon envisaged in the Projections. These corrective actions, some of which are beyond the control of the Directors, while preserving the going concern assumption, would have the effect of delaying or rescaling the growth forecasts set out in the Plan, with resulting negative impacts on the valuation of the property and investment portfolio, on the Group's ability to reverse the income trend from negative to positive and on the ability to generate cash flows consistent with the Group's future financial requirements.

In consideration of:

- the certain, albeit not final, outcome of the capital increase with pre-emption rights,
- the reasonable expectation that the actions currently underway and being defined with regard to the above sources of financial coverage will be completed in a timeframe consistent with the financial requirements,
- taking the possible and timely corrective actions indicated above, where necessary,

the Board of Directors has deemed that the going concern assumption still applies.

Against this backdrop, the Directors will carry out ongoing and regular monitoring of the evolution of the factors considered, in order, should conditions arise, to adopt the most appropriate and timely corrective actions to safeguard the prospect of the Company and the Group as a going concern.

Note 3.7 to the consolidated financial statements and Note 4.7 to the financial statements contain the Directors' considerations on the assessment of the going concern assumption.

#### INTEREST RATE RISK

The Group's exposure to interest rate risk originates mainly in medium and long-term financial payables. Floating-rate payables expose the Group to a cash flow risk, while fixed-rate payables expose the Group to a fair value risk.

The Aedes Group's exposure to risk originates mainly in payables indexed to a floating market rate, with a resulting risk of cash flow fluctuations, since the changes in fair value are not booked in the income statement and do not present cash flows that are subject to market conditions.

Interest rate risks can be reduced by concluding derivative contracts. The instruments generally used are "plain vanilla" or "step-up" interest rate swaps, which convert the floating rate into a fixed rate, and/or caps, which set a cap on the interest rates payable by the Company, and/or collars, namely instruments represented by the purchase of a cap and sale of a floor, which set a floor and a cap on interest rates payable by the Company, allowing it to maintain a floating rate within the set range.

A derivative instrument is chosen by analyzing the individual investment projects and relevant loans, i.e. assessing the market conditions and the medium-long term strategy.

In order to reduce the Group's overall exposure to interest rate risk, hedging derivative contracts were entered into, as explained in Note 35.

The notional amount of the subscribed derivatives is equivalent to approximately 29.3% of the Group's gross operating financial debt at 31 December 2020. Mention should be made that on 28 June 2019, 6 December 2019 and 24 December 2019, loans totaling € 27.2 million were granted by the shareholder Augusto at a 5.5% fixed rate outstanding at the date of approval of the draft financial statements,

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amounting to 13.7% of the gross operating financial debt.

The portion of gross operating financial debt exposed to interest rate risk is therefore approximately 57%.

### CREDIT RISK

Credit risk lies mainly in a client's inability to pay, regarding specifically tenants of owned assets. The Group is not affected by significant credit risk concentration, given the adequate diversification in terms of tenants.

The activity carried out to reduce credit risk exposure is based on an analysis of the composition of the client portfolio for each business area, to ensure adequate guarantee on the financial health of clients. Where deemed necessary, suitable guarantees are required for property transactions.

The maximum theoretical exposure to credit risk for the Group is represented by the book value of financial assets, in addition to the face value of guarantees given to third-party debts or commitments as set out in Note 31 in relation to the financial assets.

Most of the financial assets are from associates. The financial assets consist mainly of receivables, whose collection is tied to the development/disposal cycle of the property assets of the associates. Any write-downs of financial assets are made on an individual basis, and the write-downs are deemed to reflect the actual collection risk.

### EXCHANGE RATE RISK

At 31 December 2020, the Group is not subject to exchange rate risk, as it has no exposure to currencies other than the €.

## • Risks related to the main outstanding disputes

Information on the main disputes and tax audits involving Group companies pending at 31 December 2020 is found below. With regard to these main and other minor disputes, the Group has made additions to the provisions for risks where it believes it will probably lose the case.

### **Fih dispute**

On 14 December 2011, Fih S.a.g.l. (formerly Fih SA - hereinafter "Fih") brought arbitration proceedings against Satac S.p.A. (now Satac SIINQ S.p.A. - hereinafter "Satac") to challenge the recapitalization resolutions passed by the Satac shareholders on 10 November 2011 (the "First Arbitration"); Fih concurrently filed an appeal with the Court of Alessandria requesting, by injunction, suspension of the execution of the resolution. In February 2012, the Court of Alessandria dismissed the appeal, ordering Fih to pay the legal expenses. As thoroughly explained in prior annual and interim financial reports, to which reference is made to trace the specific events that gave rise to the disputes, it should be noted that the grounds of appeal against the recapitalization resolutions put forward by Fih in the First Arbitration were based on: (i) the alleged non-compliance with the law of the balance sheet - prepared by the managing body of Satac under Article 2446 of the Italian Civil Code, and underlying the first capital increase intended to cover losses and replenish the share capital - allegedly taken for the sole purpose of excluding Fih from Satac; (ii) the alleged unlawfulness of the resolution on the second capital increase, owing to the fact that Fih, having not participated in the resolution to write off and replenish the share capital - and, therefore, being no longer a shareholder - had not been able to participate in the subscription for and payment of the second increase.

With the award rendered on 4 December 2014, the Arbitration Board dismissed all the claims submitted by Fih in the First Arbitration. The award was challenged under Article 827 and ensuing articles of the Code of Civil Procedure by Fih before the Court of Appeal of Turin. With the ruling issued on 17 January 2017, the Court of Appeal fully dismissed the action for annulment brought by Fih and ordered it to pay Satac the legal expenses for the appeal proceedings. Fih filed an appeal with the Court of Cassation against the ruling issued by the Court of Appeal of Turin. With the ruling issued on 29 May 2019, the Court of Cassation overturned the decision of the Court of Appeal of Turin, apportioning the expenses of the entire proceedings to the parties, and declared the award rendered on 4 December 2014 null and void as the matter of the dispute was not arbitrable. Through a writ of summons served on 23 September

2019, Fih resumed the proceedings before the Court of Milan - Special Section on Business Matters, requesting to ascertain and declare the non-existence, invalidity, nullity and, in any event, to quash the recapitalization resolutions passed by the Shareholders' Meeting of Satac on 10 November 2011, and summoned the latter to a hearing on 26 May 2020, which was then adjourned to 13 October 2020. The Company appeared within the terms at the hearing, held on 13 October 2020, and the Judge granted the terms for filing the briefs pursuant to Article 183 of the Code of Civil Procedure, adjourning the case to the hearing of 13 April 2021.

In May 2014, Fih, again with regard to the events that led to its exit from the shareholder structure, filed an arbitration proceeding in Milan (the "Second Arbitration") against Pragacinq S.r.l. ("Pragacinq", now Restart S.p.A.) regarding the Framework Agreement concluded by the latter and the trust companies Cofircont Compagnia Fiduciaria S.p.A. and Timone Fiduciaria S.p.A. in January 2007 for the purpose of acquiring a share in the capital of Satac. In connection to the Second Arbitration, in May 2014 Fih also filed an appeal with the Milan Court against Pragacinq for the court-ordered seizure of 55.15% of Satac and for the attachment of Pragacinq assets. With the decision rendered on 12 June 2014, the Court of Milan - dismissing the court-ordered seizure and considering groundless the requirement of the *periculum in mora* relating to the other measures requested - dismissed the above appeal by Fih and ordered it to pay the legal expenses to Pragacinq.

With regard to the Second Arbitration, the Arbitration Board ruled on 23 May 2016 that Pragacinq had failed to fulfil its obligation on the capitalization of Satac SIIQ S.p.A. as set out in the above Framework Agreement, and sentenced Pragacinq (Pragacinq having in the meantime merged into Aedes SIIQ S.p.A. - now Restart S.p.A.) to pay damages to Fih in the amount - determined on an equitable basis and having regard to the contributory negligence of Fih - of € 2,093,000.00 plus legal interest, apportioning legal expenses. Through notice served on 27 January 2017, Fih challenged the award before the Court of Appeal of Milan, requesting that it be found and declared null and void. On 23 August 2018, the Milan Court of Appeal dismissed all the grounds of appeal submitted by Fih and, concurrently, sentenced Fih to pay the costs of the proceedings. On 31 October 2018, Fih appealed to the Court of Cassation against the ruling issued by the Court of Appeal of Milan, and on 10 December 2018, the demerged company Aedes SIIQ S.p.A. (now Restart S.p.A.) filed its counter-appeal. We are now awaiting the scheduling of the hearing pursuant to Article 377 c.p.c..

With regard to this dispute, were the demerged company Aedes SIIQ S.p.A. (now Restart S.p.A.) not to be excluded from the trial, any attributable contingent assets and liabilities will remain, respectively, to the exclusive benefit or expense of the Company.

The above proceedings brought by Fih fall into a general context of conflict with said company, in which most recently Fih has brought yet another action (alongside a citizen of Caselle Torinese) before the Regional Administrative Court of Piedmont against the Municipality of Caselle and Satac SIIQ S.p.A. for the annulment of the documents that led to the signing of the Town-Planning Agreement to implement the Detailed Plan as regards Sub-Portion A-B of the ATA Area. On 1 December 2017, Satac SIIQ S.p.A. appeared before the Regional Administrative Court (TAC), asking it to declare the appeal inadmissible, unacceptable and, in any event, to reject the appeal on its merits.

Based on the legal opinions rendered on the dispute, the Group considers it possible, but unlikely, to lose the case.

#### **RFI dispute**

Reference is made to the 2018 financial statements for a detailed description of the dispute; it should be noted, however, that under the ruling issued on 26 April 2019, the Piedmont Regional Administrative Court, having acknowledged the agreements reached between the Parties and definitively ruling on the appeal, declared the appeal inadmissible due to the lack of interest, fully apportioning the legal expenses. For information purposes only, since there is no pending litigation, following the agreements signed on 28 January 2019 between Novipraga SIIQ S.p.A. (the incorporating entity of Retail Park One S.r.l.), RFI and the Municipality of Serravalle Scrivia, RFI S.p.A. (also through COCIV) filed a claim for compensation regarding alleged damages suffered from the presence of one of the buildings of the Serravalle Retail Park on the land above the route of the HS/HC Terzo Valico dei Giovi section, which allegedly slowed down excavation works of the railway tunnel underneath it, for € 2,655,449.15. On 10 January 2020, Novipraga SIIQ S.p.A. challenged the claim for damages filed by COCIV. As there is no evidence

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supporting the merits of the claims filed, which would suggest a possible adverse outcome in the event of a trial, the Group did not consider it necessary to set aside provisions in this regard, deeming the risk of an adverse outcome possible but not likely.

### **Litigation Milan Via Agnello 12**

On 22 July 2020, the Company was served a preliminary technical inspection pursuant to articles 696 and 696-bis of the Italian Code of Civil Procedure (the latter for conciliation purposes) relating to the property located in Via Agnello 12, Milan (the "Property"), by BNP Paribas Reim SGR S.p.A., purchaser of the property: the purchaser argues, in particular, that the property contains glass fibres (in some of the systems) that need to be removed and that the asset does not comply with fire prevention regulations.

In this regard, it should be noted that the agreements reached on the purchase of the Property provided for (i) specific indemnities in favour of the purchaser with regard to the presence of the mentioned problems; and (ii) limits to the compensation payable by the seller in the event of breach of the above indemnities.

The appraisals are underway and the deadline for filing the final expert report is 23 April 2021, unless extended.

As there is no evidence supporting the merits of the claims filed, which would suggest an adverse outcome in the event of a trial, the Group did not consider it necessary to set aside provisions in this regard, deeming the risk of an adverse outcome possible but not likely.

### **Tax litigation**

It should be noted that all tax disputes involving the demerged company Restart, as the parent company at the date of effectiveness of the demerger, are still borne by the latter, as explained in the demerger project.

Pursuant to the combined provisions of Article 173 of Presidential Decree 917/1986 and Article 15 of Legislative Decree 472/1997, Aedes could be held by the Revenue Agency jointly and severally liable with Restart for any tax claims relating to years prior to the Demerger and still open, even beyond the limits of the equity transferred as a result of the Demerger.

In this regard, it should be noted that on 13 December 2019 Restart was served an assessment notice for 2014 issued by the Provincial Directorate II of Milan - Control Office, concerning a single dispute for direct tax and VAT on costs deemed unsubstantiated for a total of approximately € 64,000, plus penalties and interest. This notice was also served to Aedes as jointly and severally liable as beneficiary of the Demerger. On 29 May 2020, both Restart and Aedes appealed against the notice and, on 15 July 2020, the application to suspend the provisional execution of the measure was granted, the Commission having found the reasons put forward by the parties in the application to be well-founded. At the date of approval of these financial statements, the dispute is still ongoing and the hearing on the merits has yet to be set.

In light of the above, no Aedes Group company is currently involved in tax disputes and, therefore, the Company has not set aside any provisions.

## 2.14 Other information

- Research & Development

The Group companies did not carry out, strictly speaking, any research and development activities in the year.

- Transactions between Group companies and related parties

The transactions generally undertaken by the Aedes Group with related parties, namely Aedes subsidiaries, joint ventures and associates (so-called "Intragroup"), and transactions with other related parties other than Intragroup (so-called "Other Related Parties"), consist mainly in administrative, property and technical services conducted at normal market conditions, in addition to the loans granted by Group companies to their related companies, which bear interest at rates generally applied to similar transactions.

Transactions with related parties were carried out and are carried out at market conditions in compliance with the regulations specifically adopted by the Company.

Mention should be made that in 2020, the Company also carried out the following transactions with the controlling shareholder Augusto S.p.A.: (i) a transaction of lesser significance regarding a capital increase against payment, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, for a total of € 10 million, reserved for the subscription of Augusto S.p.A. (the "Reserved Capital Increase") to be paid by offsetting the receivable from the shareholder loan of € 10 million, disbursed by Augusto S.p.A. to the Company on 20 April 2017 ("2017 Shareholder Loan"), which formally expired on 30 April 2020 and was extended until the earlier between 31 July 2020 and the date of execution of the Reserved Capital Increase; the Reserved Capital Increase, approved by the Extraordinary Shareholders' Meeting of 18 June 2020, was subscribed by Augusto S.p.A. on 24 July 2020, offsetting it with the 2017 Shareholder Loan; (ii) a transaction of greater significance concerning the extension of the shareholder loans granted by Augusto S.p.A. to Aedes on 28 June and 13 December 2019 for a total of € 25.6 million (jointly, the "2019 Shareholder Loans"), to the earlier between 31 July 2021 and the date of execution of the divisible capital increase pursuant to Article 2443 of the Italian Civil Code, against payment, to be offered with pre-emption rights to the existing shareholders of Aedes for a maximum value of € 50 million (including any share premium) that the Board of Directors of Aedes on 13 May 2020 proposed to the Shareholders' Meeting held on 18 June 2020 (the "Capital Increase with Pre-emption Rights"); for further information on the transaction of greater significance, reference is made to the information document published on 20 May 2020 and available on the Company website and on the authorized storage mechanism IInfo at [www.1info.it](http://www.1info.it), as well as the information contained in Note 12 to the Consolidated Financial Statements, to which reference is made. Additionally, on 22 February 2021, the offer period relating to the Capital Increase with Pre-emption Rights was initiated, in the frame of which the Shareholder Augusto subscribed to no. 89,884,506 ordinary shares and no. 34,935,298 special shares for a total value of € 23,715,762.76, paid by offsetting a corresponding portion of the capital receivables arising from the 2019 Shareholder Loans.

The effects of transactions with related parties are shown in the Statement of Financial Position, the Income Statement and in the relevant explanatory notes.

Dealings with Group companies and other related parties show no atypical and/or unusual transactions during the reporting period.

- Atypical or unusual transactions

In 2020, no atypical and/or unusual transactions were carried out by the Group<sup>9</sup>.

<sup>9</sup> Under CONSOB Communication of 28 July 2006, which defines atypical and/or unusual transactions as transactions which, by significance/relevance, nature of the counterparties, object of the transaction, transfer pricing method and timing of the event, may give rise to doubts regarding: the accuracy/completeness of the information in the financial statements, conflicts of interest, safeguarding of company assets, and the protection of non-controlling interests.

- **Processing of personal data (Legislative Decree 196 of 30 June 2003, and EU Regulation 679/2016)**

Aedes has put in place the requirements to comply with EU Data Protection Regulation 679/2016. Along this path, Aedes will take the technical, organizational and procedural steps required to guarantee compliance with the principles and obligations set out in the Regulation, and will continue to implement the necessary measures to comply with the organizational requirements under Legislative Decree no. 196 of 30 June 2003, as amended by Legislative Decree no. 101 of 10 August 2018.

In compliance with both regulations in effect, Aedes undertakes to identify any new risks that may arise regarding confidentiality, integrity and availability of personal data, to oversee the status of previously identified risks, to assess the effectiveness and efficiency of the security measures taken to mitigate identified risks, and to draw up all the necessary documentation in this regard.

The Company has put in place additional measures to protect the privacy of individuals, in compliance with the provisions of law set out in the various health protocols on the Covid-19 health emergency.

- **Certification pursuant to Article 2.6.2 of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A.**

With regard to the provisions of Article 2.6.2, par. 8 of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A., the Board of Directors of Aedes SIIQ S.p.A. certifies the fulfilment of the conditions set out under Article 16 of the Regulations on markets adopted by CONSOB Resolution no. 20249 dated 28 December 2017 (formerly Article 37 of CONSOB Regulation 16191/2007).

As regards the provisions of Article 2.6.2, par. 7 of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A., it is clarified that Aedes SIIQ S.p.A. does not control companies incorporated under and governed by the laws of countries outside the European Union.

- **Right to opt-out of the obligation to publish a disclosure document in the event of relevant transactions**

On application for the admission to listing, the Company announced its decision to "opt-out" as per articles 70, par. 8, and 71, par. 1-bis, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "Issuer Regulation"), choosing to derogate from the obligations to publish information documents indicated therein.

- **Extended deadline for approving the financial statements**

With the new Public Statement, ESMA has requested national authorities to grant a grace period owing to the difficulties (i) issuers may face in meeting the deadlines set by national legislation transposing the Transparency Directive, as well as (ii) auditors in completing their tasks in a timely manner.

Following the ESMA Public Statement of 27 March 2020, having informed the Supervisory Authority and announced the delay to the market, the Company decided to postpone the publication of its financial report for a period of up to 2 months beyond the 4-month deadline provided for in Article 154-ter of Legislative Decree 58/98, with consequent postponement also of the deadline for issuing the audit report.

As an exception to the ordinary time limit for approval provided for in Article 2364, paragraph 2 of the Italian Civil Code, the Shareholders' Meeting was called to review and approve the financial statements for the year in question within the extended term of 180 days from the end of the financial year, as envisaged in Article 106, paragraph 1 of Legislative Decree 18/2020.

- **Postponement of the application of the ESEF Regulation on the tagging of consolidated financial statements of listed companies**

Law no. 21 of 26 February 2021 converted Law Decree 183/2020 (*Decreto Milleproroghe*), which confirmed the postponement of the provisions of Delegated Regulation (EU) 2019/815 on the single

electronic reporting format (ESEF) to financial years beginning on or after 1 January 2021.

## 2.15 Corporate governance and direction and coordination activities

Information on Aedes SIIQ S.p.A.'s corporate governance system is provided in the Report on Corporate Governance and Ownership Structure, approved by the Board of Directors on 24 March 2021. The Report provides a description of the corporate governance system adopted by the Company and its concrete terms of participation in the Corporate Governance Code for Listed Companies prepared by Borsa Italiana S.p.A., in compliance with the requirements under Article 123 bis of Legislative Decree no. 58 of 28 February 1998. Mention should be made that the Company has started the process of adapting to the provisions of the new Corporate Governance Code approved by the Corporate Governance Committee in January 2020.

The Report - to which reference is made - has been published in accordance with the procedures provided by law and the regulations in force, and is available at the registered office, on the Company website [www.aedes-siiq.com](http://www.aedes-siiq.com), and on the authorized dissemination and storage mechanism 1Info at [www.1info.it](http://www.1info.it).

The following is a summary of the key features of the corporate governance of the Company.

- **Direction and Coordination Activities**

Aedes SIIQ S.p.A. is subject to the direction and coordination activities, pursuant to Article 2497 and ensuing articles of the Italian Civil Code, of Augusto S.p.A., which holds the de iure control over the Company.

- **Traditional or "Latin" Corporate Governance System**

The corporate governance of Aedes SIIQ S.p.A. is based on the traditional system, the so-called "Latin model"; the company bodies are:

- the Shareholders' Meeting, called to resolve in ordinary and extraordinary session on the matters attributed to it by law and the Company By-laws;
- the Board of Directors, vested with full powers for the ordinary and extraordinary management of the Company, with the authority to take all the actions it deems necessary for the implementation and achievement of the corporate object, excluding only those reserved by law to the Shareholders' Meeting, and including the powers pursuant to Article 2365, par. 2, of the Italian Civil Code;
- the Board of Statutory Auditors, vested with the tasks of overseeing compliance with the law, the principles of sound governance, the adequacy of the administrative-accounting system and of internal controls, pursuant to Legislative Decree 58/98 and Legislative Decree 39/2010.

Additionally, in compliance with the provisions of the Corporate Governance Code, the following bodies have been established within the scope of the Board of Directors: (i) Control, Risk and Related Party Transactions Committee and (ii) the Remuneration and Appointments Committee. Both Committees have advisory roles with the power to formulate proposals. The Board of Directors has also set up an internal Investment Committee which, also in compliance with the provisions of Article 2.2.38, par. 15, of the Stock Exchange Regulations, has advisory roles with the power to formulate proposals supporting, with adequate preliminary activities, the assessments and decisions of the Board of Directors relating to certain investment and/or divestment operations.

The Corporate Governance system represents the set of standards and behavioural guidelines adopted by Aedes SIIQ to ensure the efficient and transparent operation of the governing bodies and the company's control systems. Aedes SIIQ, in developing its traditional governance structure, has adopted the principles and criteria recommended by the Corporate Governance Code for Listed Companies issued by Borsa Italiana.

## *Directors' Report on Operations at 31 December 2020*

### • The Bodies

#### BOARD OF DIRECTORS

The current Board of Directors was appointed by the Ordinary Shareholders' Meeting of 12 November 2018 for a period of three financial years until the approval of the financial statements for the year ending 31 December 2020, and is composed of the following members: Carlo A. Puri Negri, Benedetto Ceglie, Giuseppe Roveda, Alessandro Gandolfo, Adriano Guarneri, Giorgio Gabrielli, Annamaria Pontiggia, Rosanna Ricci and Serenella Rossano. Therefore, the next Shareholders' Meeting, called for 12 May 2021, will be convened to decide on the appointment of the new Board of Directors.

The Ordinary Shareholders' Meeting of 12 November 2018 appointed Carlo A. Puri Negri as Chairman of the Board of Directors, while the Board of Directors, which met on the same date, appointed Benedetto Ceglie as Executive Vice-Chairman and Giuseppe Roveda as Chief Executive Officer, effective from the first day of listing of the Company.

At its meeting of 12 November 2018, the Board of Directors resolved to appoint the following Committees, effective as of the first day of listing of the Company:

- (i) the Control, Risk and Related Party Transactions Committee, composed at the date of these financial statements of three non-executive and independent Directors: Rosanna Ricci (Chairman), Annamaria Pontiggia and Giorgio Gabrielli;
- (ii) the Remuneration and Appointments Committee, composed at the date of these financial statements of three non-executive and independent Directors: Rosanna Ricci (Chairman), Annamaria Pontiggia and Giorgio Gabrielli;
- (iii) the Investment Committee, composed at the date of these financial statements of three non-executive and independent Directors: Giorgio Gabrielli (Chairman), Annamaria Pontiggia and Adriano Guarneri.

#### BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 30 April 2019 for a three-year term, therefore until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

#### INDEPENDENT AUDITORS

Deloitte & Touche S.p.A. is the company appointed to perform the statutory audit for the period from 2018 to 2026 of the financial statements of Aedes SIIQ S.p.A. and of the other subsidiaries.

## 2.16 Reconciliation between Parent Company equity and results and Group consolidated equity and results

	31/12/2020		31/12/2019	
	Net result	Equity	Net result	Equity
<b>Balance per Parent Company financial statements</b>	<b>(32.407)</b>	<b>231.979</b>	<b>(12.490)</b>	<b>254.832</b>
<b>Elimination of carrying amount of consolidated equity investments:</b>				
Equity and pro rata result for the year of consolidated companies	(15.256)	966	(2.115)	16.092
<b>Effect of change and of standard use of measurement criteria within the Group net of tax effects:</b>				
Measurement at equity of companies recorded at cost in the financial statements	(2.375)	6.301	911	8.676
<b>Elimination of effects of transactions between consolidated companies net of tax effects:</b>				
- Elimination of dividends	0	0	(796)	0
- Reversal of valuation of shareholder loans under IFRS 9	22	2.149	956	2.127
<b>Effect of other adjustments:</b>				
- Other adjustments	(2.965)	(154)	0	2.803
<b>BALANCE PER CONSOLIDATED FINANCIAL STATEMENTS – Group share</b>	<b>(52.981)</b>	<b>241.241</b>	<b>(13.534)</b>	<b>284.530</b>
<b>BALANCE PER CONSOLIDATED FINANCIAL STATEMENTS – Non-controlling</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BALANCE PER CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>(52.981)</b>	<b>241.241</b>	<b>(13.534)</b>	<b>284.530</b>

## 2.17 Business outlook

The 2020-2026 business plan, approved in its final iteration by the Company on 28 December 2020, envisages a negative consolidated EBITDA in both its recurring and non-recurring components in 2021.

In 2021, the Group may

- a) record, on a like-for-like basis, a further drop in revenue of approximately € 1 million, as a result of the ongoing Covid-19 pandemic;
- b) significantly reduce debt, in its short-term component in particular and on the heaviest forms of debt;
- c) complete the purchase and consolidation of a property portfolio by the end of the year;
- d) continue the cost-curbing actions launched in 2020.

The achievement of the targets indicated in points b), c) and d) would lay the foundations in 2022 for the generation of positive margins.

The success of these actions rests on the positive outcome of all the activities required for the financing of the investments envisaged in the business plan.

## 2.18 Proposed allocation of the result for the year

Shareholders,

we submit for your approval the financial statements of Aedes SIIQ S.p.A. for the year ended 31 December 2020, which show a loss of € 32,407,180, which we propose to carry forward, without prejudice to the obligations required by law.

Milan, 24 March 2021

For the Board of Directors

The Chairman  
Carlo A. Puri Negri

### **3. FINANCIAL STATEMENTS AND EXPLANATORY NOTES OF THE AEDES GROUP**

### 3.1 Consolidated statement of financial position<sup>10</sup>

	Note	31/12/2020	of which related parties	31/12/2019	of which related parties
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	1	381.975		407.405	
Other tangible fixed assets	2	1.356		1.787	
Intangible fixed assets	3	32		40	
Right of use	4	2.076		2.530	
Equity-accounted investees	5	52.947		58.893	
Available-for-sale financial assets		1		-	
Deferred tax assets	6	210		3.236	
Derivative financial instruments	10	26		95	
Financial receivables	7	7.098	7.066	9.130	9.080
<b>Total non-current assets</b>		<b>445.721</b>		<b>483.116</b>	
<b>Current assets</b>					
Inventory	9	7.759		8.593	
Trade and other receivables	8	13.295	1.694	12.565	4.294
Cash and cash equivalents	11	8.625	8	6.636	15
<b>Total current assets</b>		<b>29.679</b>		<b>27.794</b>	
<b>TOTAL ASSETS</b>		<b>475.400</b>		<b>510.910</b>	

	Note	31/12/2020	of which related parties	31/12/2019	of which related parties
<b>EQUITY</b>					
<b>Equity attributable to the owners of the parent</b>					
Share capital		212.000		210.000	
Fair value and other reserves		36.158		28.457	
Retained earnings/(losses carried forward)		46.064		59.607	
Profit/(loss) for the period		(52.981)		(13.534)	
<b>Total equity attributable to the owners of the parent</b>	12	<b>241.241</b>		<b>284.530</b>	
<b>Equity attributable to non-controlling interests</b>	13	<b>-</b>		<b>-</b>	
<b>TOTAL EQUITY</b>		<b>241.241</b>		<b>284.530</b>	
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Payables to banks and other lenders	14	150.933		95.018	5.617
Derivative financial instruments	10	638		750	
Deferred tax liabilities	6	350		467	
Payables for severance indemnity	15	1.532		1.543	
Provisions for risks and charges	16	559		375	
Lease liabilities	18	1.362		1.934	
Trade and other payables	19	639	192	493	47
<b>Total non-current liabilities</b>		<b>156.013</b>		<b>100.580</b>	
<b>Current liabilities</b>					
Payables to banks and other lenders	14	48.131	29.156	101.312	29.296
Tax payables	17	1.346		1.468	
Trade and other payables	19	27.800	351	22.069	1.171
Derivative financial instruments	10	-		191	
Lease liabilities	18	869		760	
<b>Total current liabilities</b>		<b>78.146</b>		<b>125.800</b>	
<b>TOTAL LIABILITIES</b>		<b>234.159</b>		<b>226.380</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>475.400</b>		<b>510.910</b>	

<sup>10</sup> (in Euro thousands)

## 3.2 Consolidated income statement<sup>11</sup>

	Note	31/12/2020	of which related parties	31/12/2019	of which related parties
<b>INCOME STATEMENT</b>					
Revenue from sales and services	20	16.593	716	18.035	828
Other revenue	21	744	2	1.081	30
Change in inventory	22	(834)		-	-
Costs for raw materials and services	23	(11.213)	(48)	(12.550)	(117)
Personnel expense	24	(5.206)	(97)	(6.391)	(114)
Other operating costs	25	(4.277)	(19)	(3.748)	(26)
Amortization, depreciation and write-downs	26	(1.323)		(1.207)	
Fair value adjustments	26	(28.574)		117	
Write-downs and allocations	26	(634)		(27)	
Share of the result of companies measured at equity	27	(6.538)		911	
<b>EBIT</b>		<b>(41.262)</b>		<b>(3.779)</b>	
Financial income	28	686	448	559	483
Financial expense	28	(9.222)	(2.082)	(10.148)	(1.095)
<b>Result before tax</b>		<b>(49.798)</b>		<b>(13.368)</b>	
Tax	29	(3.183)		(166)	
<b>Profit / (loss) from continuing operations</b>		<b>(52.981)</b>		<b>(13.534)</b>	
<b>Result for the period</b>		<b>(52.981)</b>		<b>(13.534)</b>	
of which Profit/(Loss) attributable to non-controlling interests		-		-	
<b>of which Profit / (Loss) attributable to the owners of the Parent</b>		<b>(52.981)</b>		<b>(13.534)</b>	

<sup>11</sup> (in Euro thousands)

### 3.3 Consolidated statement of comprehensive income<sup>12</sup>

	Note	31/12/2020	31/12/2019
<b>COMPREHENSIVE INCOME STATEMENT</b>			
<b>Result for the period</b>		<b>(52.981)</b>	<b>(13.534)</b>
<i>Actuarial (gains)/losses</i>		<i>(9)</i>	<i>(104)</i>
<i>Hedge accounting of derivatives</i>		<i>118</i>	<i>(148)</i>
Total Other Profit/(Loss)		109	(252)
<b>Total comprehensive profit/(loss)</b>		<b>(52.872)</b>	<b>(13.786)</b>
of which attributable to non-controlling interests		-	-
<b>of which attributable to the owners of the Parent</b>		<b>(52.872)</b>	<b>(13.786)</b>
<u>Earnings per share</u>			
Euro	30	(1,32)	(0,43)

<sup>12</sup> (in Euro thousands)

### 3.4 Consolidated statement of changes in equity<sup>13</sup>

	Share capital	Merger surplus	Share premium reserve	Legal reserve	Other for capital increase	Contributions for capital increase	Cash flow hedge reserve	Retained earnings / (losses carried forward)	Result for the period	TOTAL
<b>01/01/2019</b>	<b>210.000</b>	<b>(3.516)</b>	<b>0</b>	<b>2.283</b>	<b>29.649</b>	<b>189</b>	<b>0</b>	<b>59.976</b>	<b>(265)</b>	<b>298.316</b>
Allocation of 2018 result								(265)	265	0
Hedge accounting of derivatives							(148)			(148)
Profit/(loss) for the period									(13.534)	(13.534)
Actuarial (gains)/losses								(104)		(104)
<i>Total comprehensive profit/(loss)</i>								<i>(148)</i>	<i>(104)</i>	<i>(13.534)</i>
<b>31/12/2019</b>	<b>210.000</b>	<b>(3.516)</b>	<b>0</b>	<b>2.283</b>	<b>29.649</b>	<b>189</b>	<b>(148)</b>	<b>59.607</b>	<b>(13.534)</b>	<b>284.530</b>

	Share capital	Merger surplus	Share premium reserve	Legal reserve	Other for capital increase	Contributions for capital increase	Cash flow hedge reserve	Retained earnings / (losses carried forward)	Result for the period	TOTAL
<b>31/12/2019</b>	<b>210.000</b>	<b>(3.516)</b>	<b>0</b>	<b>2.283</b>	<b>29.649</b>	<b>189</b>	<b>(148)</b>	<b>59.607</b>	<b>(13.534)</b>	<b>284.530</b>
Allocation of 2019 result								(13.534)	13.534	0
Capital increase with pre-emption rights	2.000		8.000							10.000
Costs for capital increase					(417)					(417)
Hedge accounting of derivatives							118			118
Profit/(loss) for the period									(52.981)	(52.981)
Actuarial (gains)/losses								(9)		(9)
<i>Total comprehensive profit/(loss)</i>								<i>118</i>	<i>(9)</i>	<i>(52.872)</i>
<b>31/12/2020</b>	<b>212.000</b>	<b>(3.516)</b>	<b>8.000</b>	<b>2.283</b>	<b>29.232</b>	<b>189</b>	<b>(30)</b>	<b>46.064</b>	<b>(52.981)</b>	<b>241.241</b>

<sup>13</sup> (in Euro thousands)

### 3.5 Consolidated statement of cash flows<sup>14</sup>

	31/12/2020	31/12/2019
Result - Group	(52.981)	(13.534)
Net (gains)/losses from sale of properties	1.100	-
Expense/(income) from investments	6.538	(911)
Amortization and depreciation	1.323	1.207
Fair value adjustments of property assets	28.574	(117)
Write-down/release of provisions for doubtful accounts and provisions for risks	935	317
Net financial expense/(income)	8.536	9.589
Current and deferred tax for the period	3.183	166
Change in the provision for severance indemnity	(332)	(132)
Change in the provisions for risks and charges	(66)	(2)
Write-down of inventory	834	-
Change in trade and other receivables	402	(1.253)
Change in trade and other payables	2.602	(5.709)
Income tax paid net of reimbursements	-	(84)
Interest (paid)/received	(3.248)	(7.438)
<b>Cash flow from operations</b>	<b>(2.600)</b>	<b>(17.901)</b>
(Increases) in investment property and other tangible fixed assets	(17.253)	(11.522)
Decreases in investment property and other tangible fixed assets	11.000	50.507
Advances on sales	4.000	-
Increases in intangible investments	(18)	(20)
Cash flows from (increase) and decrease in investments	660	(4.532)
Change in other financial items	18	244
<b>Cash flow from investing activities</b>	<b>(1.593)</b>	<b>34.677</b>
Changes in payables to banks and other lenders	7.016	(13.017)
Repayment of lease liabilities	(834)	(703)
<b>Cash flow from financing activities</b>	<b>6.182</b>	<b>(13.720)</b>
<b>Change in net liquidity available</b>	<b>1.989</b>	<b>3.056</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6.636</b>	<b>3.580</b>
<b>Cash and cash equivalents at end of period</b>	<b>8.625</b>	<b>6.636</b>

<sup>14</sup> (in Euro thousands)

## 3.6 Basis for preparation and new accounting standards

The consolidated financial statements were approved by the Board of Directors of the Company on 24 March 2021.

The financial statements and consolidated financial statements are audited by Deloitte & Touche S.p.A., pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010, and taking account of CONSOB recommendation of 20 February 1997.

The consolidated financial statements at 31 December 2020 have been prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, and with the provisions issued under Article 9 of Legislative Decree 38/2005. The IFRS also include all the revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The financial statements of the subsidiaries, associates and joint ventures used in the preparation of these Consolidated Financial Statements are those prepared by their respective administration, possibly reclassified to make them consistent with the position of the Parent Company.

The Consolidated Financial Statements have been prepared using the € as the reporting currency and all values are rounded to the nearest thousandth unless otherwise indicated.

The effects of transactions with related parties are shown in the income statement and statement of financial position, and in the relevant explanatory notes<sup>15</sup>.

In preparing the Consolidated Financial Statements, the same measurement and consolidation criteria adopted for the Consolidated Financial Statements at 31 December 2019 were used, except for the adoption of the new standards, amendments and interpretations in force as from 1 January 2020.

### **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS FROM 1 JANUARY 2020**

The following accounting standards, amendments and IFRS interpretations have been applied by the Group for the first time as from 1 January 2020:

On 31 October 2018, the IASB published "Definition of Material (Amendments to IAS 1 and IAS 8)". The document introduced a change in the definition of 'material' contained in IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. This amendment aims to make the definition of "material" more specific and introduces the concept of "obscured information" alongside the concepts of omitted or incorrect information already present in the two standards being amended. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated. The adoption of this amendment had no effects on the Group's consolidated financial statements.

On 29 March 2018, the IASB published an amendment to "References to the Conceptual Framework in IFRS Standards". The amendment applies to periods beginning on or after 1 January 2020, but early adoption is allowed. The Conceptual Framework sets out the fundamental concepts for financial reporting and guides the Board in the development of IFRS standards. The document helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual

<sup>15</sup> Under CONSOB Resolution no. 15519 of 27 July 2006.

Framework assists companies in developing accounting standards when no IFRS standard applies to a particular transaction and, more broadly, helps stakeholders to understand and interpret the Standards.

On 26 September 2019, the IASB published the amendment "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform". It amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. Specifically, the amendment changes some of the requirements for the application of hedge accounting, providing for temporary derogations from them, in order to mitigate the impact of the uncertainty of the IBOR reform on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional information in their financial statements on their hedging relationships that are directly affected by the uncertainties generated by the reform and to which the above derogations apply. The adoption of this amendment had no effects on the Group's consolidated financial statements.

On 22 October 2018, the IASB published "Definition of a Business (Amendments to IFRS 3)". The document provides a number of clarifications regarding the definition of business for the purposes of the correct application of IFRS 3. Specifically, the amendment clarifies that while a business usually produces an output, the presence of an output is not strictly necessary to identify a business in the presence of an integrated set of activities/processes and assets. However, to meet the definition of business, an integrated set of activities/processes and assets must include, at a minimum, a substantial input and process that together contribute significantly to the ability to create an output. For this purpose, the IASB has replaced the term "ability to create output" with "ability to contribute to the creation of outputs" to clarify that a business can exist even without the presence of all the inputs and processes needed to create an output.

The amendment also introduced an optional test ("concentration test"), which allows the exclusion of the presence of a business if the price paid is substantially related to a single asset or group of assets. The amendments apply to all business combinations and acquisitions of assets after 1 January 2020, but early adoption is allowed.

The adoption of these amendments had no impact on the financial statements.

#### **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS AND IFRIC INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORY TO APPLY AND NOT ADOPTED IN ADVANCE BY THE GROUP AT 31 DECEMBER 2020**

On 27 August 2020, in light of the IBOR interbank interest rate reform, the IASB published "Interest Rate Benchmark Reform-Phase 2", containing amendments to the following standards:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts; and
- IFRS 16 Leases.

All amendments come into force on 1 January 2021. The Directors are assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

#### **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT ENDORSED YET BY THE EUROPEAN UNION**

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and the standards described below.

- On 18 May 2017, the IASB issued IFRS 17 - Insurance Contracts, intended to supersede IFRS 4 - Insurance Contracts. The aim of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts issued. The IASB developed the standard to eliminate the inconsistencies and weaknesses of the existing

accounting standards, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts, that an insurer holds. The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of this standard.

- On 23 January 2020, the IASB published the amendment "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The document aims to clarify how to classify payables and other short-term or long-term liabilities. The amendments will come into force on 1 January 2023;
- On 14 May 2020, the IASB published the following amendments:
  - Amendments to IFRS 3 Business Combinations: the purpose of these amendments is to update the reference in IFRS 3 to the Conceptual Framework in its revised version, without this entailing any changes to the provisions of IFRS 3.
  - Amendments to IAS 16 Property, Plant and Equipment: the purpose of these amendments is not to allow deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced during the testing phase of the asset itself. The sales revenue and related costs will be therefore recognized in the income statement.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered when estimating whether a contract is onerous. As a result, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in the work), but also any costs that the company cannot avoid because it has entered into the contract (such as the share of the cost of personnel and depreciation of machinery used to perform the contract). All the changes will come into effect on 1 January 2022.

### 3.7 Going concern assumption

The consolidated financial statements of the Aedes Group for the year ended 31 December 2020 show net financial debt of € 193.8 million, while the current portion of net financial debt stands at € 40.4 million, of which € 27.2 million referring to financial payables towards the shareholder Augusto S.p.A.. Approximately € 23.7 million of this amount was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights.

Additionally, the Group recorded a significant loss of € 53 million in 2020, due mostly to heavy impairment losses on the property and investment portfolio as a result of changes in certain valuation assumptions, attributable mainly to higher cap rates and discount rates as a result of the pandemic. While the level of capitalization appears not to be critical (equity stands at € 241.2 million), the current operating and financial structure of the Aedes Group shows negative operating cash flows and a resulting financial tension, attributable mainly to the significant development activities in the portfolio, which do not generate rental revenue, and a high cost of debt.

In this regard, as indicated in the "Significant Events" section of the Directors' Report on Operations, on 2 September 2020 the Company's Board of Directors approved the 2020-2026 Plan of the Aedes Group. Given the Group's negative operating and financial performance versus forecasts after such date and in light of the deteriorated situation attributable to the Covid-19 pandemic from October 2020 onwards, the 2020-2026 Plan was updated, most recently on 28 December 2020, with a downward revision of certain income figures. The Plan envisages a return to a positive consolidated net result in 2022, while for 2026 (the last year of the forecast) it indicates consolidated revenue of approximately € 50 million, a consolidated property GAV of approximately € 0.8 billion and a capital structure with a debt ratio averaging less than 50%.

Specifically, the Plan is based on assumptions marked by great uncertainty, and the prospect of generating the forecast revenue and consequently positive profit margins is closely tied to the Group's ability to invest in expanding the property portfolio and in increasing rental revenue on properties that already generate income, and, most importantly, on the ability to raise the significant financial resources to fund these investments.

However, most of the assumptions underlying the Plan are beyond the control of the Directors and are particularly challenging given the context brought by the Covid-19 pandemic and the Group's historical performance trend. Given the uncertainty marking the assumptions of the Plan, the Aedes Group risks not achieving positive results and cash flows over the period of the Plan that are consistent with the financial outflows, or not achieving them according to the timeframes and measures set out in the Plan.

In light of this situation, in order to assess the going concern assumption, the Group has prepared financial projections, the key assumptions of which are drawn from the abovementioned Plan, taking account of the operating cash flows and financial commitments involving all Group companies over a period of 12 months from the date of approval of these financial statements until 31 May 2022, including the planned investment activities and the forthcoming maturity of certain loan agreements currently in place (the "Projections"). As previously seen, these consolidated financial statements at 31 December 2020 show a net current financial debt of approximately € 40.4 million, of which € 27.2 million towards the shareholder Augusto S.p.A. (approximately € 23.7 million of which was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights). At the date of approval of these draft financial statements, the exposure towards Augusto S.p.A. is therefore equal to approximately € 3.5 million.

Based on the current net debt and the additional requirements arising from the Projections, deriving from the planned investments, from operations and from the normalization of working capital, the Group has identified sources of financial coverage until 31 May 2022 deriving mainly from the:

- sale of certain assets as part of the recurring portfolio rotation for an amount of up to approximately € 100 million which, net of the repayments of the debt on the assets to be sold, would generate a net cash flow of approximately € 35 million;
- financing activities: new loans and refinancing are expected to bring net cash flows of approximately € 9 million, in addition to the debt allocated to a property portfolio whose acquisition is planned;
- strengthening of the Company and the Group's capital, specifically:
  - on 11 March, option rights were exercised for a value of € 41.7 million with a cash contribution, net of the conversion of the shareholder loan of Augusto S.p.A. for € 23.7 million, of approximately € 18 million. The possible subscription and exercise of the unexercised portion of the capital increase (the positive of which cannot be reasonably predicted at this time) could bring an additional source of funding of up to approximately € 8.3 million by April 2021.
  - further capital strengthening is also planned to be carried out by a subsidiary (SATAC SIIINQ S.p.A.), with resort to third-party capital.

These actions to locate sources to cover financial requirements are marked by great uncertainty, as they require the involvement and consent of third parties outside the Group and, for almost all of the abovementioned actions, no binding agreement has been formalized. Accordingly, the actions envisaged to cover the financial requirements (in particular, sale of the properties and financing) may not achieve, in terms of value or timing, the assumptions set out in the Projections.

The Directors believe that there is still great uncertainty over the coverage of the Company and the Group's short-term financial requirements, even after the capital strengthening transactions carried out, owing to the spread of Covid-19 and its effects on the property and capital markets. This circumstance therefore indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company and the Group to continue as a going concern. The developments of the ongoing emergency may lead to a further deterioration, not measurable in all its extent to date, of the conditions of the property and capital markets, with potentially significant effects on the timing and consideration of the disposals envisaged in the Projections, on the success of the new financing transactions, and on the valuation of the property assets, with possible negative impacts on the compliance with the loan to value ratios envisaged in the loan agreements described in Note 14 to the consolidated financial statements to which reference should be made. Whether or not, in fact, the actions envisaged in the Projections are fully or partly achieved according to schedule and to the procedures set will also depend on factors beyond the control of the Directors, which appear to be affected also by the Covid-19 emergency, whose impacts on the developments in the property market, on the supply of credit and on the developments in the capital market are not fully measurable to date.

### *Consolidated Financial Statements at 31 December 2020*

Given the high level of uncertainty, the Directors have reviewed the further actions that could be taken were the main assumptions related to locating the sources needed to cover short-term financial requirements not to materialize.

The assessment of assumptions relating to:

- failure to raise additional liquidity at the auction of the unexercised rights;
- delayed implementation of part of the property disposal plan;
- failure to raise third-party capital on SATAC SIINQ S.p.A.;

led the Directors to conclude that, even in such a scenario, the Group's ability to meet its obligations over the period envisaged in the Projections (until 31 May 2022) would not be compromised on the assumption, deemed reasonable, that the Group is able to defer the investments envisaged in the Projections and not subject to final commitment and/or to execute in 2021, earlier than envisaged in the business plan, the disposal of a non-controlling interest, without prejudice to the need to carry out part of the property disposal plan and to obtain new loans and refinancing as described above within a timeframe close to the horizon envisaged in the Projections. These corrective actions, some of which are beyond the control of the Directors, while preserving the going concern assumption, would have the effect of delaying or rescaling the growth forecasts set out in the Plan, with resulting negative impacts on the valuation of the property and investment portfolio, on the Group's ability to reverse the income trend from negative to positive and on the ability to generate cash flows consistent with the Group's future financial requirements.

In consideration of:

- the certain, albeit not final, outcome of the capital increase with pre-emption rights,
  - the reasonable expectation that the actions currently underway and being defined with regard to the above sources of financial coverage will be completed in a timeframe consistent with the financial requirements,
  - taking the possible and timely corrective actions indicated above, where necessary,
- the Board of Directors has deemed that the going concern assumption still applies.

Against this backdrop, the Directors will carry out ongoing and regular monitoring of the evolution of the factors considered, in order, should conditions arise, to adopt the most appropriate and timely corrective actions to safeguard the prospect of the Company and the Group as a going concern.

## 3.8 Financial statements

With regard to the format of the consolidated financial statements, the Group has opted to present the following types of statements:

### *Consolidated statement of financial position*

The consolidated statement of financial position is presented with separate disclosures of Assets, Liabilities and Equity.

In turn, Assets and Liabilities are shown in the Consolidated Financial Statements based on their classification as current and non-current.

An asset/liability is classified as current when it satisfies one of the following criteria:

- it is expected to be realized/settled or is expected to be sold or used in the normal operating cycle, or
- it is held principally to be traded or
- it is expected to be realized/settled within twelve months from the balance sheet date.

In the absence of all three conditions, assets/liabilities are classified as non-current.

Lastly, a liability is classified as current when the entity does not have an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

### *Consolidated income statement*

The consolidated income statement is presented in its classification by nature.

To provide a better understanding of the typical results of normal operations and of financial and tax management, the consolidated income statement shows the following consolidated interim results:

- Operating result;
- Pre-tax result;
- Profit/(loss) from continuing operations
- Result for the year.

*Consolidated statement of comprehensive income*

The consolidated comprehensive income statement includes all the changes in Other comprehensive gains (losses) for the year, generated by transactions other than those carried out with shareholders and on the basis of specific IAS/IFRS accounting standards. The Group has chosen to present these changes in a separate statement to the Consolidated Income Statement.

Changes in Other comprehensive gains (losses) are shown net of the relevant tax effects. The statement also provides separate evidence of the items that can be, or not be, subsequently reclassified in the consolidated income statement.

*Consolidated statement of changes in equity*

The consolidated statement of changes in equity, as required by international accounting standards, shows separately profit or loss for the year and other changes not recorded in the consolidated income statement, but attributed directly to other consolidated comprehensive gains (losses), based on specific IAS/IFRS accounting standards, as well as transactions with shareholders in their capacity as shareholders.

*Consolidated statement of cash flows*

The Consolidated Statement of Cash Flows is divided into cash flow generating areas as required by international accounting standards, prepared according to the indirect method.

Mention should finally be made that the Aedes Group has applied the provisions of CONSOB resolution no. 15519 of 27 July 2006, relevant to the financial statements and of CONSOB Communication no. 6064293 of 28 July 2006 relevant to company disclosure.

## 3.9 Consolidation principles

For the purposes of consolidation, the financial statements at 31 December 2020 of the companies included in this area have been used, prepared in accordance with Group accounting principles, which relate to IFRSs.

The consolidation scope includes the subsidiaries, associates and investments in joint ventures. Subsidiaries are all those entities over which the Group has the power to directly or indirectly determine their relevant activities (i.e., financial and operating policies). A joint venture is an entity in which the strategic financial and operating decisions on its relevant activities are taken with the unanimous consent of the parties sharing control. An associate is an entity in which the Group has a significant influence, but does not control the relevant activities of the investee.

The consolidation principles can be summarized as follows:

- subsidiaries are consolidated using the full consolidation method, based on which assets and liabilities, costs and revenue of the financial statements of the subsidiaries in their overall amount are taken, regardless of the amount of the investment held; the book value of investments is eliminated against the underlying equity shares; balance sheet and income statement transactions between fully consolidated companies, including dividends distributed within the Group are eliminated; non-controlling interests are recorded in the specific equity item and, similarly, the share of profits or losses of non-controlling interests is shown separately in the income statement;
- all intragroup balances and transactions, including any unrealized profits arising from transactions carried out with Group companies, are eliminated in full. Unrealized losses are eliminated except where they represent an impairment loss to be recorded in the Income Statement.
- investments in associates and joint ventures are measured at equity. The book value of investments is adjusted to reflect the investor's share in the results of the investee achieved after acquisition date;
- gains arising from transactions between companies included in the consolidation scope and measured at equity, not realized through transactions with third parties, are eliminated based on the percentage of the investment held.

The financial statements of the subsidiaries are drawn up using the currency of the primary economic environment in which they operate ("functional currency"). The consolidated financial statements are presented in €, the functional currency of the Parent and for the presentation of the consolidated financial statements of the Aedes Group. It should be noted that, in the scope of consolidation, there are no companies that prepare their financial statements in currencies other than the €.

Business combinations are accounted for using the acquisition method under IFRS 3.

Where, in the context of an acquisition, the fair value acquired is basically focused on an asset or homogeneous category of assets, the acquisition transaction is classified as a purchase of assets and related liabilities. Where the fair value cannot be focused on a specific category of assets, the presence of resources and structured processes is assessed as part of the net assets acquired which are able, in their combination and interaction, to generate specific results. Only in such circumstances is the acquisition transaction classified and accounted for as a business combination.

If a group of assets is acquired as part of a transaction classified as a purchase of assets, the consideration paid is allocated on the individual assets in proportion to their fair value.

## 3.10 Valuation criteria

### INTANGIBLE FIXED ASSETS

An intangible fixed asset is recognized only if identifiable, verifiable and if it is expected to generate future economic benefits and if its cost can be reliably measured.

Intangible fixed assets are recorded at purchase cost, net of accrued amortization and impairment. Amortization is recognized starting from when the asset is available for use or is capable of operating in the manner expected by Management, and is terminated at the date in which the asset is classified as owned for sale or is written off for accounting purposes.

### INVESTMENT PROPERTY

Investment property consists in property assets held to earn rental revenue or an appreciation of the invested capital, or as areas for development and building of properties in order to earn rentals.

Investment property can, therefore, be broken down as follows:

- **Properties for investment:** initially recognized at cost, including transaction costs. After initial recognition, this investment property is recorded at fair value, reflecting market conditions at the balance sheet date. Gains and losses deriving from the change in the fair value of investment property are recorded in the income statement for the year in which they occur;
- **Properties under development:** accounted for using the cost criterion until the fair value can be reliably determined on a continuous basis and, after that time, recorded at fair value with an equal treatment of properties for investment. It should be noted that, as indicated in CONSOB Recommendation no. DIE/0061944 of 18 July 2013, based on the procedure approved on 28 September 2016 by the Board of Directors, the Group has identified the approval of the town-planning agreement by the competent Body as the moment when the property projects in progress are measurable at fair value in a reliable and continuous manner.

Investment property is initially recognized at cost, including transaction costs, and subsequently measured at fair value, recognizing in the income statement under "fair value adjustments" effects from changes in fair value of the investment property.

Investment property is eliminated from the financial statements when it is sold or permanently withdrawn from use and no future economic benefits are expected from its disposal. Reclassifications from/to investment property occur when there is substantial evidence of a change of use. For investment property reclassifications to direct use (instrumental property), the reference value of the property for subsequent accounting is the fair value at the date of change in use. The property portfolio, including the portfolio held through associates and joint ventures, is assessed every six months with the help of independent experts with recognized and relevant professional qualification and recent experience in the location and features of the properties assessed.

Fair value represents the amount for which an asset could be exchanged or that would need to be paid to transfer the liability (exit price) in a free transaction between knowledgeable, independent parties. Accordingly, it is assumed that the entity is in operation and that neither party needs to liquidate its assets by engaging in transactions on unfavourable terms (i.e. forced sales).

The estimate of fair value is based on the concept of the "highest and best use of the asset", i.e. the use which, at the date of the estimate, optimizes its profitability from the point of view of an ordinary market participant and which is physically, legally and financially feasible. The fair value methodology is therefore independent of the specific situation of the entity (which may have different marketing priorities or may prioritize marketing from a portfolio perspective), but aims at identifying the value of the asset from a market perspective.

The highest and best use of a non-financial asset considers the use of the asset to be physically possible, legally permissible and financially feasible. Specifically:

- a physically possible use considers the physical characteristics of the asset that market participants would take into account in pricing the asset (e.g. the location or size of a property);
- a legally permissible use considers legal restrictions on the use of the asset that market participants would take into account in pricing the asset (e.g. zoning and land use regulations applicable to a property);
- a financially feasible use considers whether the use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking account of the costs of

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converting the asset to that use) to produce the return that market participants would expect from an investment in that asset used in that specific way.

### OTHER TANGIBLE FIXED ASSETS

Other tangible fixed assets are booked at purchase or production cost, including directly attributable ancillary costs, net of depreciations and impairments accrued.

Depreciation is calculated starting from when the property is available for use or is potentially able to provide the associated economic benefits.

Depreciation is calculated on a straight-line basis at rates that reflect the useful life or, in the case of disposal, until the end of use.

Subsequent costs are included in the book value of the asset and are recorded as a separate asset, depending on the more appropriate method, only when it is probable that the future economic benefits associated to the item will benefit the Group and the cost of the item can be reliably measured. All other costs for repairs and maintenance are recorded in the income statement during the year in which they are incurred.

The rates of depreciation, unchanged versus the prior year, are the following:

- o Plant and equipment 20%
- o Equipment 20% or, if lower, duration of the rental contract
- o Other assets – Vehicles 25%
- o Office equipment 20%-50%
- o Furniture and fittings 12%

Leasehold improvements are classified under tangible fixed assets, on the basis of the cost incurred. The depreciation period corresponds to the lower of the remaining useful life of the tangible fixed asset and the residual duration of the lease contract.

### RIGHTS OF USE

The Group recognizes rights of use and related liabilities for all lease agreements in which it acts as lessee, except for short-term leases (leases of 12 months or less) and leases of low-value assets (assets with a value of less than € 5,000 when new). For the latter, the Company recognizes the related payments as operating expense on a straight-line basis over the term of the contract unless another method is more representative.

The lease liability is initially recorded at the present value of future lease payments at the effective date of the contract, discounted at the lease's implicit rate. If that rate cannot be readily determined, the rate used shall be the lessee's incremental borrowing rate (IBR).

In order to determine the present value of lease liabilities, the Group determines an incremental borrowing rate (IBR) that is similar to the interest rate at which the lessee would finance itself under a contract with similar terms and guarantees in order to obtain an asset with a value similar to the right of use in a similar economic environment.

Lease liabilities are included under the item lease liabilities distinguishing between current and non-current portion.

### IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the book value of its property, plant, equipment, intangible assets and investments to determine whether there are any signs of impairment. If so, the recoverable amount of the assets is estimated to determine any impairment loss.

The recoverable amount of an asset is the higher of net selling price and value in use. The value in use is the current value of expected cash flows generated by the asset. In order to assess impairment, assets are analyzed starting from the lowest level for which the separate cash generating units can be identified.

Intangible and tangible fixed assets not subject to amortization/depreciation (indefinite useful life), as well as intangible fixed assets not yet available for use, are subject to an annual impairment test.

In the presence of an impairment reversal indicator, the recoverable value of the asset is recalculated and the book value is increased up to this new amount. The increase in the book value cannot, in any

case, exceed the net book value that the fixed asset would have had should the impairment loss not have occurred. Impairment losses of goodwill cannot be reversed.

With regard to property assets (including those held by associates and joint ventures), valuations are made on a property-by-property basis, based on fair value estimated with the support of independent experts.

For investments, given their nature (mainly property), the impairment assessments are developed on the basis of book equity appropriately adjusted in order to consider the fair value for the property units owned by each investee, taken from the above property appraisals, net of tax effects where applicable.

#### INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

These are companies over whose activities the Group exercises significant influence or has joint control as set out by IFRS 11. The consolidated financial statements include the Group's share in the results of these companies, booked using the equity method from the date that joint control starts until it ceases to exist.

#### RECEIVABLES AND OTHER FINANCIAL ASSETS

Receivables (with the exception of trade receivables) and other financial assets are initially recognized at fair value, plus (in the case of a financial asset classified at fair value with changes recognized in the income statement) any purchase-related costs. Trade receivables at initial recognition are measured at the price set in the transaction. Management determines upon initial recognition how financial assets are to be classified, in accordance with IAS 9 criteria and as required by IFRS 7.

After initial recognition, financial assets are measured in accordance with their classification within one of the categories set out in IFRS 9.

Specifically, receivables and other financial assets are measured at amortized cost using the effective interest method, in other words, recognizing in profit or loss the interest calculated using a rate that exactly discounts the financial asset's estimated future net cash flows to its carrying amount. Losses are recognized in profit or loss when the loans and receivables are derecognized or when they become impaired. Receivables are subject to impairment and recognized at their estimated realizable value by means of the allowance for impairment directly deducted from their carrying amount. Receivables are impaired when there is objective evidence that the receivable is unlikely to be collected and also on the basis of past experience and statistics (expected losses). Should the reasons for previous impairments cease to apply in subsequent periods, the value of the assets is reinstated up to the value that would have arisen from the application of amortized cost, had the impairment not been made. The Group mainly reports in this category assets due within twelve months, which are recognized at nominal amount as an approximation of amortized cost. If the terms of payment are longer than normal market terms and the loan or receivable does not earn interest, the amount recognized in the financial statements contains an implicit time value component and so must be discounted by recognizing the discount in profit or loss.

#### DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are classified as "Hedging derivatives" when they meet the requirements for hedge accounting, otherwise, even if they have been taken out with the intent of managing exposure to risks, they are recognized as "Non-hedging derivatives".

Under the provisions of IFRS 9, the Group has availed itself of the option to continue applying the methods and requirements established for hedge accounting by IAS 39, previously in force, and thus define the hedge effectiveness relationship relating to the derivative financial instrument. Specifically, financial instruments are accounted for according to the methods adopted by the Group for hedge accounting, only if the relationship between the derivative and the item being hedged is formally documented and the hedge is highly effective.

The effectiveness of hedging transactions is documented both at the inception of the hedge and periodically thereafter (quarterly or at least at every reporting date) and is measured by comparing changes in the hedging instrument's fair value with those in the hedged item (dollar offset method) for back testing effectiveness. Prospective testing effectiveness involves developing aggregate discounted cash flows by year for the hedged item and its hedging derivative (regression method).

The Group has only entered into derivatives to hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedges). For these derivatives, the effective portion of changes in the fair value of derivatives is recognized in other comprehensive income and presented in the hedging

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reserve of cash flows. The ineffective portion of changes in the fair value of the derivative financial instrument is immediately recognized in profit/(loss) for the year. If the derivative instrument is disposed of or no longer qualifies as an effective hedge against the risk for which it was originally arranged, or if the underlying transaction is no longer highly likely to take place, the portion of the cash flow hedge reserve relating to that derivative is released to profit or loss.

### NON-CURRENT ASSETS HELD FOR SALE

A non-current asset is classified separately as a non-current asset held for sale, if its book value will be recovered principally through a sale transaction, highly probable, rather than through continuing use. The Company measures a non-current asset classified as held for sale at the lower of its book value and fair value less costs to sell. Data on non-current assets held for sale are shown in two specific items of the balance sheet: "non-current assets held for sale" and "liabilities relevant to non-current assets held for sale". From the date on which such assets are classified as fixed assets held for sale, their depreciation is suspended.

### DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are calculated based on temporary differences between the carrying amount of assets and liabilities and their tax basis (full liability method).

Deferred tax assets and liabilities are calculated based on the tax rates expected to be applicable at the time such deferrals are realized, considering the rates in force or those expected to be issued.

They cannot be discounted back and are classified among non-current assets/liabilities.

Prepaid and deferred tax is credited or charged to equity if it relates to items that are credited or charged directly to equity in the year or in prior years.

Deferred tax assets are booked only when recovery is probable in future years. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced in the measure that it is no longer probable that sufficient income deriving from taxable operations exists in order to allow the total or partial review of such assets.

### EQUITY

Treasury shares are classified as a reduction in equity. The original cost of treasury shares and gains/losses from subsequent sale are recognized as changes in equity. Incremental costs directly attributable to the issue of new shares or options are deducted from equity at the same time as the issue of new shares.

### PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and expense of a definite nature and whose existence is certain or probable and that, at the reporting date, are indeterminable for amount or date of occurrence. Allocations are recognized when: (i) it is probable that a present, legal or implicit obligation exists arising from past events; (ii) it is probable that the fulfilment of the obligation involves a cost; (iii) the amount of the obligation can be reliably estimated. Allocations are booked at the amount representing the best estimate of the amount that the company would rationally pay to extinguish the obligation or to transfer it to third parties at the reporting date. When the financial effect of timing is significant and the dates of payment can be reasonably estimated, the allocation is subject to discounting; the increase in the provision to reflect the passing of time is recognized in the income statement under "Financial income (expense)".

Provisions are periodically updated to reflect changes in cost estimates, timing of implementation and the discounting rates; changes in estimates of the provisions are charged to the same item of the income statement that previously reported the allocation or, when the liability is relevant to tangible assets (i.e. land reclamation), in offset to the asset to which it relates.

Potential liabilities are shown in the explanatory notes, represented by: (i) possible obligations (but not probable), deriving from past events, whose existence will be confirmed only on the occurrence, or less, of one or more future events not totally under the control of the company; (ii) present obligations arising from past events whose amount cannot be reasonably estimated or whose settlement is not likely to involve a cost; (iii) obligations of the types described in paragraphs (i) and (ii) relating to associates or joint ventures, both in the case where the potential liability is proportionate to the interest held and in the event that the Company is fully liable for contingent liabilities of the associate or joint ventures.

#### EMPLOYEE BENEFITS

Post-employment benefits (severance indemnity) and other long-term benefits are subject to actuarial evaluations. Using this method, the liability booked in the financial statements represents the current value of the obligation, net of any other plan asset, adjusted for any actuarial losses or profits not booked. Accordingly, for Group companies with less than 50 employees, the measurement of the liability continues to be performed by using the actuarial method called "projected unit credit method". The Group recognizes actuarial gains and losses immediately in the statement of other comprehensive income (losses), so that the entire net amount of the provisions for defined benefits is recognized in the Consolidated Statement of Financial Position. The amendment also provides that changes between one financial year to the next in the provision for defined benefit plans and plan assets are broken down into three components: cost components relevant to the service period of the financial year must be recognized in the financial statements as "service costs"; the net financial expense, calculated applying the appropriate discount rate to the net balance of the provision for defined benefits net of the assets resulting at the beginning of the financial year, must be recognized in the income statement as such; the actuarial profits and losses that result from the remeasurement of the liabilities and assets must be recognized in the Statement of Other comprehensive profits (losses).

#### FINANCIAL PAYABLES

Financial payables are initially recognized at fair value net of the transaction costs and subsequently measured at amortized cost using the effective interest rate method. The amortized cost is calculated taking account of the issue costs and any discount or premium expected on settlement. Loans are classified as current liabilities unless the Group does not have the unconditional right to defer the payment of the liability for at least 12 months after the reporting date.

#### TRADE AND OTHER PAYABLES

Payables are initially recognized at fair value of the consideration to be paid and subsequently at amortized cost, which generally corresponds to the nominal value.

#### INVENTORY

Inventory consists mainly in land - also to be built on -, properties under construction and renovation, completed properties, intended for sale to third parties and not to be kept in the owned portfolio in order to earn rental revenue.

Land to be built on is measured at the lower of the cost of acquisition and the corresponding presumed realization value, net of the relating estimated cost to sell. The cost is increased by incremental expenses and financial expense eligible for capitalization where the following conditions are met:

- Management has taken a decision to use, develop or directly sell the areas;
- costs are being incurred to obtain the asset;
- financial expense is being incurred.

Properties under construction and/or being renovated are measured at the lower of cost, including incremental expense of their value and capitalizable financial expense, and the corresponding estimated realizable value.

Properties to be sold are measured at the lower of cost and market value based on similar property transactions by area and type. The purchase cost is increased by any incremental costs incurred at the time of sale.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include: cash on hand, demand deposits with banks and other short-term highly liquid investments. Bank overdrafts are recognized as loans under current liabilities in the consolidated statement of financial position.

#### SALE OF PROPERTY ASSETS

Revenue from the sale of assets is recognized only when all of the conditions under IFRS 15 are met. In the case of property, these conditions are deemed normally fulfilled by the notarial deed.

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### LEASE CONTRACT RECEIVABLES AND PROVISION OF SERVICES

The Company recognizes operating lease payments as income on a straight-line basis. Variable fees are recognized in the income statement in the period in which the event or circumstance that triggers the related payments occurs.

Incremental direct costs incurred in obtaining an operating lease are recognized as an offsetting entry to the carrying amount of the leased asset. The Group as lessor has not entered into any finance leases.

Revenue from services is recognized only when it can be reliably estimated, by reference to the stage of completion of the transaction at the reporting date. The result of a transaction can be reliably estimated when all of the following conditions are met:

1. the amount of revenue can be reliably measured;
2. it is probable that the company makes use of the economic benefits of the transaction;
3. the stage of completion of the transaction at the reporting date can be measured reliably and the costs incurred for the transaction and the costs to incur for its completion can be reliably calculated.

### INTEREST INCOME AND EXPENSE

Financial income is recognized in the income statement on an accrual basis, based on the interest accrued using the effective interest rate method.

Financial expense incurred for investments in assets that normally require a specific amount of time in order for the asset to be ready for use or sale (qualifying asset pursuant to IAS 23 - Borrowing costs) is capitalized and amortized over the useful life of the asset class to which it relates. All the other financial expense is recognized in the income statement during the year in which it is incurred using the effective interest rate method.

### DIVIDENDS

Dividends are recognized at the time when shareholders have the right to receive payment, which generally corresponds to the date of the Shareholders' Meeting called to resolve on dividend payout.

### CURRENT TAX

Current tax is calculated on the basis of a realistic estimate of tax payable pursuant to the tax laws in force.

The estimated liability is recognized under "Tax payables". Tax assets and liabilities for current tax are recorded at the amount expected to be paid/recovered to/from the tax authorities applying the rates and tax law in force or substantively approved at the balance sheet date.

As Parent Company, under Article 2359 of the Italian Civil Code, Aedes SIIQ S.p.A. has joined, through joint exercise of the option with various subsidiaries, the Group taxation scheme pursuant to Article 117 and ensuing articles of Presidential Decree 917/86 (so-called national tax consolidation).

As known, the national Tax Consolidation Scheme allows the calculation by Aedes SIIQ S.p.A. (consolidating company) of a single taxable base, resulting from the algebraic sum of the taxable amount or tax loss of each venturer. Joining the group taxation scheme is optional and, once exercised, is irrevocable, binding the participating companies for three years. Subsidiaries of Aedes SIIQ S.p.A. which, for the 2020 tax year, opted for group taxation pursuant to Article 117 and ensuing articles of Presidential Decree 917/86, are: Novipraga SIINQ S.p.A., Pragaquattro Center SIINQ S.p.A., Praga Res S.r.l., Pragasei S.r.l., Pragaundici SIINQ S.p.A., Gorky S.r.l. and S.A.T.A.C. SIINQ S.p.A..

The operating effects arising from the national tax consolidation scheme are governed by appropriate regulations signed by the consolidating company and the consolidated companies; under these regulations:

- 1) subsidiaries, for financial years with positive taxable income, transfer to Aedes SIIQ S.p.A. the amount equal to the tax payable in respect of the above tax (subsidiaries with taxable income reduce their tax liability with their losses from prior years);
- 2) subsidiaries with negative taxable income are split up into those with profitability prospects that allow, with reasonable certainty, in the absence of national tax consolidation, the recognition of deferred tax assets associated with the negative taxable income on the financial statements, and those without such profitability prospects:

- subsidiaries with negative taxable income in the first category receive from Aedes SIIQ S.p.A. compensation corresponding to the lower of the tax savings realized by Aedes SIIQ S.p.A. and the deferred tax assets associated with the negative taxable income on the financial statements; compensation, therefore, will be paid and will be due if and when the tax savings will be effectively realized by Aedes SIIQ S.p.A.;
- subsidiaries with a negative taxable income in the second category are not entitled to any compensation.

#### EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the total profit/loss for the period attributable to ordinary shareholders of Aedes SIIQ S.p.A. by the number of ordinary and special shares outstanding at year end, excluding treasury shares.

Diluted earnings per share are determined by adjusting the weighted average number of shares in circulation, to take account of all the potential ordinary shares, having a dilutive effect.

#### • Significant estimates and assumptions

The preparation of the financial statements and the related notes, in accordance with IFRS, requires the Directors to apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic under the relating circumstances, which affect the recognized amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates and assumptions are reviewed on a regular basis and the effects of any changes are reflected immediately in the income statement. It should be noted that the assumptions made on future performance are based on significant uncertainty. Therefore, future results may differ from estimates, and these could require even significant adjustments which cannot be predicted or estimated at this time.

Estimates and assumptions are used mainly in the assessment of the recoverable value of investments, the valuation of investment property and inventory, the recoverability of receivables, the fair value measurement of derivatives and the measurement of provisions for risks and charges.

With particular regard to the valuation of investment property (€ 382 million at 31 December 2020) and property inventory (€ 7.7 million at 31 December 2020), it should be noted that the assessment of fair value and the net realizable value, performed with the support of independent experts, derives from variables and assumptions on the future performance, which may vary significantly and thus produce changes - in the book value of properties - which cannot be predicted or estimated at this time.

The main variables and assumptions marked by uncertainty are:

- The expected net cash flows from the properties and the distribution of these flows over time;
- Discount rates and capitalization rates.

Similar considerations apply to the measurement of investments in associates and joint ventures (€ 52.9 million at 31 December 2020), whose equity reflects the fair value measurement of investment property held.

Added to that is the additional great uncertainty generated by the spread of Covid-19 in the assessment of the property scenario in Italy, with particular regard to the Retail segment. Specifically, the current market uncertainty could have a significant impact, unmeasurable at this moment of time, on the inputs used by the independent expert for the valuation of the Aedes Group's property assets at 31 December 2020. In particular, the major inputs that could undergo future significant changes due to the spread of Covid-19 are the discount rates and exit cap rates.

In this regard, it should be noted that the Independent Experts (Duff & Phelps) have clarified that their valuation considers "a material uncertainty" as indicated by the VPS 3 and VPGA 10 in the RICS Red Book Global. As a result, the Independent Experts found that a lower degree of certainty and a higher degree of caution should be attached to their valuation than would normally be required under normal market conditions. This indication is not meant to suggest that the results of the valuation carried out cannot be relied upon; rather, it is helpful in clarifying that - under the current

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extraordinary market conditions - less certainty can be attached to the valuation than would otherwise be the case.

Therefore, in light of this scenario of uncertainty, if results differ in future years from the estimates made for the financial statements at 31 December 2020, the need may arise to make even significant adjustments to the amounts subject to valuation, among which, owing to their importance, investment property measured at fair value, investments in associates and joint ventures and property inventory. This circumstance could have highly significant negative impacts on the assets and profitability of the Aedes Group.

Reference is made to Note 33 - IFRS 13 for further information on the methods of determining the fair value of properties and the section "Independent expert appraisals" in the Directors' Report on Operations for information on the selection process of independent experts.

### • Covid-19 impacts

For the disclosure purposes required by the communications of ESMA, CONSOB and IOSCO, the overall impact on operating and financial amounts and results, affected to a great extent if not exclusively by the pandemic, is outlined below.

Firstly, the epidemic has affected rental income starting from second quarter 2020: the Group has renegotiated from second quarter 2020 a number of existing contracts, choosing different ways of managing the fees and deadlines relating to the period of closure and reopening of business, in a spirit of cooperation and trust. These renegotiations led mainly to the redefinition of the prospective rents and/or the rescheduling of payments; in some cases, the expiry dates of the business unit lease agreements were extended and/or the break-option dates originally envisaged were moved forward in time.

The amending agreements already concluded at 31 December 2020 resulted in lower rental revenue of approximately € 1 million. Additionally, further negotiations are underway with retail tenants, which will presumably produce a further reduction in overall revenue for the Group, the accounting effects of which, unmeasurable to date, will be recognized starting from the date on which the relating amending agreements are signed and will continue until their expiry date. Conversely, there are no substantial changes in the contractual terms of tenants in the office segment.

With regard to credit risk, it should be noted that the Group had no evidence at 31 December 2020 of significant deteriorations in credit positions; however, one cannot rule out the circumstance that the pandemic could generate in the future, especially in the retail segment, significant financial distress, with potential repercussions on the solvency of the Group's clients with potential repercussions on the recoverability of the receivables recognized in the financial statements.

Additionally, in the year ended 31 December 2020, the following were recorded:

- negative fair value adjustments of investment properties of approximately € 28.6 million,
- inventory write-downs of approximately € 0.8 million,
- valuation costs of investments in associates and JVs in the amount of € 6.5 million.

These negative income items are believed to largely result from the impacts of the pandemic on valuation parameters used in the fair value estimate by the Independent Experts, based on information available at 31 December 2020.

While the office segment appears to show some signs of stability in values, in the cities of northern Italy in particular, the current market uncertainty could further significantly impact on the retail segment and on development properties, unmeasurable to date as it depends on factors beyond the control of Management, on the inputs used by the independent expert for the valuation of the Aedes Group's property assets at 31 December 2020. Therefore, if results differ in future years from the

estimates made for these financial statements or as a result of new epidemic waves, with possible consequent new restrictive measures, the need may arise to make even further significant adjustments to the amounts subject to valuation, with significant impacts on the Group's assets and profitability.

With particular regard to the reopening of the retail business, the corporate functions of Property, Leasing and Facility Management, in collaboration with the tenants, have prepared and implemented operational plans aimed at managing the operation of the sales areas in compliance with Covid-19 space safety and prevention protocols.

Despite the actions announced by the Public Administration in support of commercial and catering activities by the public sector, one cannot rule out an increase in both the rental risk and the credit risk linked mainly to tenants operating in the most affected segments.

The Group has also undertaken initiatives to reschedule outlays for investments and non-essential costs, by also possibly resorting to social shock absorbers provided for by recent legislation. To date, no such shock absorbers have been used. Additionally, bank loans for € 10.5 million were granted by two banks with the characteristics required by the most recent regulations (SME Fund guarantee and SACE guarantee).

The Group also applied for and obtained the standstill envisaged in the Liquidity Decree and the suspension of the Covenants (Covenant Holiday), made as a result of the effects of the pandemic.

Lastly, with regard to the impact on the Group's liquidity risk, Covid-19 has undoubtedly generated a high level of uncertainty over the availability of sources of coverage for short-term financial requirements, causing great uncertainty on the going concern assumption of the Aedes Group, as detailed in Note 3.7 "Going concern assumption".

### 3.11 Main types of risk

The Aedes Group is exposed to various kinds of risks, as discussed in detail in the Directors' Report on Operations in paragraph 2.13 Main risks and uncertainties. These Notes discuss the financial risks (see Note 36 Information on financial risks) and the risks associated with the main outstanding disputes (see Note 16. Provisions for risks and charges).

### 3.12 Consolidation scope

These consolidated financial statements at 31 December 2020 include the balance sheet and income statement figures of the Company and of the direct and indirect subsidiaries.

The companies in which the Parent Company, directly or indirectly, has significant influence, and joint ventures are consolidated at equity.

On 31 December 2019, the allocation of the assets of the Redwood Fund to the unitholders through early liquidation came to completion, in execution of the resolution passed on 30 May 2016 by the Redwood Fund's Meeting of Unitholders. On 6 February 2020, Castello SGR S.p.A., as the management company of the Redwood Fund, announced the allocation to Banca d'Italia, which removed the Fund from its register.

On 24 February 2021, Nichelino Village S.C.AR.L. in liquidation and Serravalle Village S.c.a r.l. in liquidation were removed from the Company Register.

### 3.13 Events after year end

On **15 February 2021**, the Board of Directors resolved, pursuant to the authority granted to it, pursuant to Article 2443 of the Italian Civil Code, by the Extraordinary Shareholders' Meeting of 18 June 2020, to increase the share capital in divisible form, against payment, by a maximum amount, including share premium, of € 49,980,808.72 (the "Capital Increase") and approved the final terms and conditions thereof, deciding to issue: (i) a maximum of no. 228,121,590 Aedes ordinary shares, with no par value and with regular dividend entitlement (the "New Ordinary Shares"), to be offered with pre-emption rights to the Company's shareholders in the ratio of no. 46 New Ordinary Shares for every no. 7 ordinary shares held; and (ii) no. 34,935,298 Special Shares with no par value and with regular dividend entitlement (the "New Special Shares" and, together with the New Ordinary Shares, the "New Shares"), to be offered with pre-emption rights to the shareholder Augusto S.p.A., as the sole holder of the special shares outstanding, in the ratio of no. 46 New Special Shares for every no. 7 special shares held, at the subscription price of € 0.19 for each New Share, to be charged € 0.04 to share capital and € 0.15 to share premium. The Company informed the market of the above resolution and announced that: i) the issue price of the New Ordinary Shares includes a discount of approximately 24.23% on the Theoretical Ex Right Price (TERP) of the ordinary shares of Aedes, calculated according to the current methods, based on the reference price of Borsa Italiana S.p.A. of the Aedes shares at 15 February 2021; ii) the period for exercising the option rights valid for the subscription of the New Ordinary Shares and the New Special Shares, under penalty of forfeiture, is envisaged from 22 February 2021 to 11 March 2021, included (the "Option Period") and that the trading period on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the "MTA") is envisaged from 22 February 2021 to 5 March 2021, included; iii) the launch of the option offer of the New Ordinary Shares is subject to the issue by CONSOB of the order approving the Prospectus relating to the option offer of the New Ordinary Shares and their admission to trading on the MTA (the "Prospectus").

In the same press release issued on 15 February 2021, the Company announced that the net proceeds from the Capital Increase will be used, together with other sources identified by the Company, to contribute to covering the overall net financial requirements of the Aedes Group for the twelve months following the above date, amounting to approximately € 147.3 million, of which approximately € 88.3 million for investments planned in the same period, and approximately € 23.7 million for shareholder loans disbursed by Augusto S.p.A.. The latter loans are intended to be offset with New Shares as part of the Capital Increase, in execution of the commitment undertaken, as already announced on 24 April 2020 and 10 August 2020, by the majority shareholder to subscribe to the Capital Increase for its share - equal to approximately 47.45% (calculated on the basis of the shares available as of today's date for the exercise of option rights).

The Company also announced that the Board of Directors, as part of its review of the Prospectus, took note of the following estimates on the consolidated figures for 2020:

- a) rental revenue of approximately € 13.2 million;
- b) non-rental revenue of approximately € 1.4 million;
- c) negative EBITDA of approximately € 4 million;
- d) property GAV ranging between € 392 million and € 396 million;
- e) gross financial debt of approximately € 201.9 million.

The Board of Directors also noted: (i) that in fourth quarter 2020, further impairment losses on consolidated property assets are estimated to range between zero and € 4 million (in the first nine months of 2020, impairment losses on property assets totaled approximately € 29 million, of which approximately € 27.5 million recognized in first half 2020; therefore, the property GAV at 31 December 2020 would range between € 392 million and € 396 million, as shown in point d above); (ii) that in fourth quarter 2020, net financial expense is estimated to reach approximately € 2.7 million (approximately € 8.7 million for the full year).

In light of the above, the Company has announced that it estimates the Group's consolidated net loss to range between € 50 million and € 55 million at 31 December 2020.

Again on 15 February 2021, the Board of Directors resolved to transpose in the Company Bylaws the amendments made to the TUF by Law no. 160 of 27 December 2019 regarding gender balance in corporate bodies.

On **18 February 2021**, Aedes SiiQ S.p.A. received authorization from CONSOB to publish the Prospectus related to the rights offering and admission to trading of newly-issued ordinary shares resulting from the divisible capital increase resolved by the Company's Board of Directors on 15 February 2021 and published the Prospectus.

On **11 March 2021**, the rights offering of a maximum of no. 228,121,590 ordinary shares and no. 34,935,298 newly-issued Aedes special shares resulting from the Capital Increase, for a maximum amount of € 49,980,808.72, resolved by the Board of Directors, in execution of the powers granted on 18 June 2020 by the Extraordinary Shareholders' Meeting, pursuant to Article 2443 of the Italian Civil Code, came to conclusion.

During the Offer Period, which started on 22 February 2021 and ended on 11 March 2021 (the "Offer Period"), a total of no. 33,369,217 option rights were exercised for the subscription of no. 219,283,426 ordinary and special shares for a total value of € 41,663,850.94, equal to approximately 83.4% of the total number of ordinary and special shares offered arising from the Capital Increase.

Specifically, during the Option Period:

- no. 28,052,976 option rights were exercised for the subscription of no. 184,348,128 ordinary shares, representing 80.81% of the total number of ordinary shares offered, for a total value of € 35,026,144.32. Mention should be made that no. 13,678,077 option rights were exercised by the controlling shareholder Augusto S.p.A., by offsetting receivables deriving from previously disbursed loans, for the subscription of no. 89,884,506 ordinary shares for a value of € 17,078,056.14; and

- Augusto S.p.A. fully exercised, again by offsetting the abovementioned loans, no. 5,316,241 option rights for the subscription of no. 34,935,298 special shares, equal to 100% of the total special shares offered, for a total value of € 6,637,706.62.

The remaining no. 6,661,179 unexercised option rights during the Option Period (the "Unexercised Rights" or the "Rights"), which entitle the holder to subscribe up to a maximum of no. 43,773,462 ordinary shares, equal to approximately 19.2% of the ordinary shares offered and to approximately 16.6% of the total ordinary and special shares offered, for a total value of € 8,316,957.78, will be offered on the Stock Exchange by Aedes, pursuant to Article 2441, paragraph 3, of the Italian Civil Code, through Intermonte SIM S.p.A..

As announced on 11 March 2021, the terms and conditions of the offer on the Stock Exchange of the Unexercised Rights will be disclosed to the market through a press release and related notice.

### 3.14 Explanatory notes to the consolidated statement of financial position, cash flows and income statement

#### • Assets

##### NOTE 1. INVESTMENT PROPERTY

	Properties for investment	Properties under development	Total
<b>Balance at 1/1/2019</b>	<b>305.265</b>	<b>137.731</b>	<b>442.996</b>
<b>Balance at 31/12/2019</b>			
Net book value at 1/1/2019	305.265	137.731	442.996
Increases	5.739	9.058	14.797
Decreases	(50.505)	0	(50.505)
Fair value adjustment	(255)	372	117
<b>Net book value at 31/12/2019</b>	<b>260.244</b>	<b>147.161</b>	<b>407.405</b>
<b>Balance at 31/12/2020</b>			
Net book value at 1/1/2020	260.244	147.161	407.405
Increases	10.624	6.140	16.764
Decreases	(11.900)	(1.720)	(13.620)
Fair value adjustment	(5.077)	(23.497)	(28.574)
<b>Net book value at 31/12/2020</b>	<b>253.891</b>	<b>128.084</b>	<b>381.975</b>

Investment property at 31 December 2020 amounted to € 381,975 thousand, down by € 407,405 thousand versus the prior year, as a result mainly of write-downs made in 2020 following the independent expert's review of the input data, due mainly to the Covid-19 pandemic.

"Properties for investment" shows:

- increases for € 10,624 thousand, related mainly to the progress of works on the *Torre C* property located in Viale Richard, Milan;
- decreases for € 11,900 thousand, from the sale of the *Torre E* property located in Viale Richard, Milan;
- net negative fair value adjustments of € 5,077 thousand, of which
  - € 3,197 thousand in positive adjustments related to:
    - € 2,917 thousand in property held by the parent company;
    - € 280 thousand from the fair value adjustment of properties for investment of other group companies.
  - € 8,274 thousand from negative adjustments related mainly to:
    - € 6,709 thousand from the fair value adjustment of properties for investment owned by Aedes;
    - € 1,565 thousand from the fair value adjustment of properties for investment attributable to other group companies.

"Properties under development" shows:

- increases for € 6,140 thousand due mainly to the Caselle Open Mall project;
- disposals for € 1,720 thousand, arising from the sale of the properties located in Santa Vittoria D'Alba owned by Pragaquattro Center SIINQ S.p.A.;
- fair value adjustments for a net negative amount of € 23,497 thousand, of which
  - positive fair value adjustments of € 123 thousand, due mainly to the change in the fair value of a building capacity;
  - negative fair value adjustments of € 23,620 thousand due mainly to:
    - € 905 thousand from the fair value adjustment of properties under development owned by Aedes SIIQ S.p.A.;

- o € 22,715 thousand from the fair value adjustment of properties under development attributable to other group companies.

It should be noted that a number of these properties are subject to mortgages securing bank loans, explained in the specific liabilities section. The value of mortgages securing loans relates in many cases to the original amounts of the loans. In the event of sales of portions of properties or properties that are part of portfolios, with subsequent partial repayment of the loans, the mortgages originally registered on the entire properties package can be maintained for the full amount, encumbering only on the residual properties or portions. On the latter's sale, the mortgages are fully cancelled.

In preparing these consolidated financial statements, the Group appointed Duff & Phelps REAG as the primary independent expert to carry out appraisals of the property portfolio. It should be noted that, for the Group's property portfolio held through the Petrarca Fund, the Group appointed CB Richard Ellis as independent expert.

The table below shows the changes in investment property acquired through leases, already included in the movements of the table above, and an integral part thereof:

	<b>Total</b>
<b>Balance at 31/12/2019</b>	
Net book value at 1/1/2019	2.140
Fair value adjustment	10
<b>Net book value at 31/12/2019</b>	<b>2.150</b>
<b>Balance at 31/12/2020</b>	
Net book value at 1/1/2020	2.150
Fair value adjustment	430
<b>Net book value at 31/12/2020</b>	<b>2.580</b>

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**NOTE 2. OTHER TANGIBLE FIXED ASSETS**

	Specific	Industrial and plant commercial equipment	Other assets	Total
<b>Balance at 1/1/2019</b>				
Historical cost	2.100	3.644	4.180	9.924
Depreciation fund	- 2.011	- 2.292	- 3.640	- 7.943
<b>Net book value 1/1/2019</b>	<b>89</b>	<b>1.352</b>	<b>540</b>	<b>1.981</b>

<b>Balance at 31/12/2019</b>				
Net book value at 1/1/2019	89	1.352	540	1.981
Increases	15	32	160	207
Decreases	0	0	(2)	(2)
Depreciation and write-downs	(4)	(314)	(81)	(399)
Net book value at 31/12/2019	100	1.070	617	1.787

<b>Balance at 1/1/2020</b>				
Historical cost	2.115	3.676	4.263	10.054
Depreciation fund	(2.015)	(2.606)	(3.646)	(8.267)
<b>Net book value 1/1/2020</b>	<b>100</b>	<b>1.070</b>	<b>617</b>	<b>1.787</b>

<b>Balance at 31/12/2020</b>				
Net book value at 1/1/2020	100	1.070	617	1.787
Increases	0	97	44	141
Decreases	0	0	(100)	(100)
Depreciation and write-downs	(5)	(334)	(133)	(472)
Net book value at 31/12/2020	95	833	428	1.356

<b>Balance at 31/12/2020</b>				
Historical cost	2.115	3.770	4.066	9.951
Depreciation fund	(2.020)	(2.937)	(3.638)	(8.595)
<b>Net book value</b>	<b>95</b>	<b>833</b>	<b>428</b>	<b>1.356</b>

Other tangible fixed assets amounted to € 1,356 thousand at 31 December 2020 versus € 1,787 thousand at 31 December 2019. Increases amounted to € 141 thousand. Specifically, the increase in "Industrial and commercial equipment" amounted to € 97 thousand and was attributable to the purchase of equipment for fitting out properties. The increase in "Other assets" for € 44 thousand is split up in: furniture and fixtures for € 8 thousand, electronic equipment for € 7 thousand, and other goods for € 29 thousand. The decrease of € 100 thousand refers to the sale of a painting.

*NOTE 3. INTANGIBLE FIXED ASSETS*

	Other	Total
<b>Balance at 1/1/2019</b>		
Historical cost	254	254
Depreciation fund	(204)	(204)
<b>Net book value 1/1/2019</b>	<b>50</b>	<b>50</b>

<b>Balance at 31/12/2019</b>		
Net book value at 1/1/2019	50	50
Increases	20	20
Depreciation and write-downs	(30)	(30)
<b>Net book value at 31/12/2019</b>	<b>40</b>	<b>40</b>

<b>Balance at 1/1/2020</b>		
Historical cost	274	274
Depreciation fund	(234)	(234)
<b>Net book value</b>	<b>40</b>	<b>40</b>

<b>Balance at 31/12/2020</b>		
Net book value at 1/1/2020	40	40
Increases	18	18
Depreciation and write-downs	(26)	(26)
Net book value at 31/12/2020	32	32

<b>Balance at 31/12/2020</b>		
Historical cost	292	292
Depreciation fund	(260)	(260)
<b>Net book value</b>	<b>32</b>	<b>32</b>

Other intangible fixed assets amounted to € 32 thousand at 31 December 2020 versus € 40 thousand at 31 December 2019. The increase relates mainly to software licences.

*NOTE 4. RIGHTS OF USE*

This item includes rights of use from leases recognized in the financial statements following the application of the new IFRS 16 - Leases from 1 January 2019. At 31 December 2020, rights of use amounted to € 2,076 thousand (€ 2,530 thousand at 31 December 2019)

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	Buildings	Vehicles	Total
<b>Balance at 1/1/2019</b>			
Historical cost	-	-	-
Depreciation fund	-	-	-
<b>Net book value 1/1/2019</b>	-	-	-

<b>Balance at 31/12/2019</b>			
Net book value at 1/1/2019	-	-	-
First-time recognition rights of use	3.155	100	3.255
Increases	53	0	53
Depreciation and write-downs	(728)	(50)	(778)
<b>Net book value at 31/12/2019</b>	<b>2.480</b>	<b>50</b>	<b>2.530</b>

<b>Balance at 1/1/2020</b>			
Historical cost	3.208	100	3.308
Depreciation fund	(728)	(50)	(778)
<b>Net book value</b>	<b>2.480</b>	<b>50</b>	<b>2.530</b>

<b>Balance at 31/12/2020</b>			
Net book value at 1/1/2020	2.480	50	2.530
Increases	-	381	381
Decreases	-	(10)	(10)
Depreciation and write-downs	(719)	(106)	(825)
Net book value at 31/12/2020	1.761	315	2.076

<b>Balance at 31/12/2020</b>			
Historical cost	3.208	464	3.672
Depreciation fund	(1.447)	(149)	(1.596)
<b>Net book value</b>	<b>1.761</b>	<b>315</b>	<b>2.076</b>

In 2020, an increase of € 381 thousand was recorded due to the conclusion of operating lease contracts for new vehicles assigned to employees.

**NOTE 5. INVESTMENTS IN COMPANIES MEASURED AT EQUITY**

"Investments measured at equity" includes investments in associates and joint ventures:

	Amounts at 31/12/2019	Increases	Decreases	Wr.back (+) Wr.- down (-)	Amounts at 31/12/2020	% of investment
<b>Equity-accounted investees</b>						
Efir S.ar.l. - Dante Retail Fund	21.589	0	(1.233)	(1.513)	18.843	33,33%
Nichelino SCARL	5	0	(5)	0	0	0,00%
Pragasei S.r.l.	13.523	1.253	0	(1.123)	13.653	50,10%
Serravalle Village SCARL	5	0	(4)	(1)	0	0,00%
The Market project (*)	23.771	581	0	(3.901)	20.451	40,00%
<b>Total</b>	<b>58.893</b>	<b>1.834</b>	<b>(1.242)</b>	<b>(6.538)</b>	<b>52.947</b>	

(\*) Includes valuation of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

The Dante Retail Fund, wholly-owned by EFIR S.ar.l., has a derivative contract in place with a notional amount of € 37,500 thousand Bullet, fixed rate at 0.12%, with a fair value at 31 December 2020 of € -123 thousand.

Pragasei S.r.l. has the following derivative contracts in place:

- CAP with a notional amount of € 4,213 thousand Bullet, rate at 1.5%, concluded on 4 July 2016 and expiring on 27 January 2023, with a fair value at 31 December 2020 of € +0.2 thousand;

- CAP with a notional amount of € 17,495 thousand Bullet, rate at 1.5%, concluded on 17 January 2017 and expiring on 27 January 2023, with a fair value at 31 December 2020 of € +1 thousand;
- CAP with a notional amount of € 4,300 thousand Bullet, rate at 1.5%, concluded on 18 July 2017 and expiring on 27 January 2023, with a fair value at 31 December 2020 of € +0.3 thousand;
- CAP with a notional amount of € 4,750 thousand, rate at 1.5%, concluded on 11 March 2020 and expiring on 27 January 2023, with a fair value at 31 December 2020 of € +0.3 thousand.

The table below shows the reconciliation between the net assets held by the main associates and joint ventures and their carrying amount:

	EFIR S.ar.l - Dante Retail Fund		Pragasei S.r.l.		The Market project*	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net asset	53.003	56.874	8.593	5.409	70.406	68.980
Adjustment from measurement at equity of subsidiaries	3.531	7.900	18.658	21.583	7.308	21.541
% held	33,33%	33,33%	50,10%	50,10%	40,00%	40,00%
<b>Carrying amount</b>	<b>18.843</b>	<b>21.589</b>	<b>13.653</b>	<b>13.523</b>	<b>20.451</b>	<b>23.771</b>

(\*) Includes valuation of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

A summary of the financial statements figures of companies measured at equity is shown in Annex 3.

#### NOTE 6. DEFERRED TAX

	31/12/2020	31/12/2019
Deferred tax assets		
- Prepaid tax recoverable after 12 months	210	3.236
	<b>210</b>	<b>3.236</b>
Deferred tax liabilities		
- Deferred tax recoverable after 12 months	(350)	(467)
	<b>(350)</b>	<b>(467)</b>
<b>Total</b>	<b>(140)</b>	<b>2.769</b>

Deferred tax assets and liabilities show a net negative balance of € 140 thousand at 31 December 2020 versus a positive balance of € 2,769 thousand at 31 December 2019.

In light of the economic situation arising from the Covid-19 pandemic, the Group decided to prudentially write down a significant portion of the deferred tax assets recognized in the financial statements.

#### NOTE 7. FINANCIAL RECEIVABLES

	31/12/2020	31/12/2019
<b>Non-current receivables</b>		
Receivables from associates	7.066	9.080
Receivables from others	32	50
<b>Total</b>	<b>7.098</b>	<b>9.130</b>

Non-current financial receivables totaled € 7,098 thousand at 31 December 2020 (€ 9,130 thousand at 31 December 2019).

Receivables from associates, amounting to € 7,066 thousand, refer to loans granted at normal market conditions all with maturity over 12 months. The collection of these receivables is related to the development and sale of property assets owned by the associates.

The reduction in receivables refers:

- for € 1,024 thousand to the offsetting with payables of a loan granted in prior years to Nichelino Village S.c.ar.l. in liquidation, struck off from the Company Register on 24 February 2021;
- for € 1,253 thousand to the waiver on 13 July 2020 of the receivable due from Pragasei S.r.l. converted into a capital increase reserve.

The breakdown of receivables due from associates is shown in Annex 2.

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There were no current financial receivables at 31 December 2020.

The maturity of total financial assets is between 1 and 5 years.

### NOTE 8. TRADE AND OTHER RECEIVABLES

Current	31/12/2020	31/12/2019
Receivables from clients	12.463	8.619
Allowance for impairment	(3.980)	(3.645)
Net receivables from clients	8.483	4.974
Receivables from associates and other related parties	1.493	4.134
Receivables from parent companies	201	160
Receivables from others	326	489
Tax receivables	1.239	1.504
Accrued income and prepaid expenses	1.553	1.304
<b>Total</b>	<b>13.295</b>	<b>12.565</b>

The table below shows the maturity of current and non-current trade receivables (due from clients, associates and parent companies):

	Falling due	Overdue by						Total
		Less than 30 days	30-60 days	61-90 days	91-180 days	181-360 days	Over 360 days	
Gross Value	9.148	380	333	229	238	507	3.322	14.157
Allowance for impairment	(548)	(6)	(6)	(22)	(64)	(220)	(3.114)	(3.980)
<b>Net trade receivables</b>	<b>8.600</b>	<b>374</b>	<b>327</b>	<b>207</b>	<b>174</b>	<b>287</b>	<b>208</b>	<b>10.177</b>

#### Receivables from clients

Receivables from clients refer mainly to rental revenue and to revenue from the provision of services to third parties, for a gross amount of € 12,463 thousand at 31 December 2020 versus € 8,619 thousand at 31 December 2019. The increase is attributable for € 1.5 million to the portion of the consideration subject to fulfilment of certain administrative conditions of the sale of *Torre E* in Viale Giulio Richard, Milan;

Receivables from clients are shown net of the related allowance for impairment, which changed as follows during the year.

<b>Balance at 31/12/2019</b>	<b>3.645</b>
Allocations	569
Utilization	(49)
Release	(185)
<b>Balance at 31/12/2020</b>	<b>3.980</b>

#### Receivables from others

Current	31/12/2020	31/12/2019
Advances to suppliers	2	170
Other	324	319
<b>Current receivables from others</b>	<b>326</b>	<b>489</b>

Current receivables from others totaled € 326 thousand at 31 December 2020 versus € 489 thousand at 31 December 2019.

#### Tax receivables

<b>Current</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Receivables from the Revenue Agency for VAT	1.153	1.347
Receivables from the Revenue Agency for tax	86	157
<b>Current tax receivables</b>	<b>1.239</b>	<b>1.504</b>

Current tax receivables amounted to € 1,239 thousand versus € 1,504 thousand in the prior year, and included € 1,153 thousand in VAT receivables from the tax authorities (€ 1,347 thousand in the prior year), related mainly to the receivable resulting from the Group VAT settlement, and € 86 thousand in tax receivables (€ 157 thousand in the prior year).

Receivables from tax authorities for tax amounting to € 86 thousand consist of IRES and IRAP receivables.

#### Receivables from parent companies

This item originated mainly from the provision by Aedes SIIQ S.p.A. of coordination, administration and company services to the parent company Augusto S.p.A..

#### Receivables from associates and other related parties

For the breakdown of receivables from parent companies, associates and other related parties, see Annex 2.

#### Accrued income and prepaid expenses

Accrued income and prepaid expenses amounted to € 1,553 thousand at 31 December 2020 versus € 1,304 thousand at 31 December 2019.

"Other accrued income and prepaid expenses" consisted mainly of the portion of costs accrued in connection with the capital increase with pre-emption rights (€ 869 thousand), insurance premiums and costs related to property management (€ 150 thousand), maintenance of electronic machines, bank commissions, membership fees, advertising costs, and sundry subscriptions (€ 534 thousand).

#### NOTE 9. INVENTORY

	<b>31/12/2020</b>	<b>31/12/2019</b>
Properties and licenses	7.759	8.593
<b>Total</b>	<b>7.759</b>	<b>8.593</b>

Inventory includes property assets held for sale in the short and medium term. The balance at 31 December 2020 decreased by € 834 thousand versus 31 December 2019, due to the impairment loss for the period.

	<b>Properties and licenses</b>	<b>Total</b>
<b>Balance at 31/12/2019</b>	<b>8.593</b>	<b>8.593</b>
(Write-down)/Write-backs	(834)	(834)
<b>Balance at 31/12/2020</b>	<b>7.759</b>	<b>7.759</b>

A mortgage has been registered on one of the properties in question to secure the loan, granted by a credit institution, commented on in the appropriate section of liabilities. In the event of sales of portions of properties or properties that are part of portfolios, with subsequent partial repayment of the loans, the mortgages originally registered are limited and maintained for the full amount solely on the residual properties or portions. On the latter's sale, the mortgages are cancelled.

#### NOTE 10. DERIVATIVE FINANCIAL INSTRUMENTS

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	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives not treated under hedge accounting</b>				
fair value Cap	7	-	-	5
fair value Floor			-	191
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>196</b>

	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives treated under hedge accounting</b>				
fair value IRS	-	599	-	702
fair value Cap	19	39	95	43
<b>Total</b>	<b>19</b>	<b>638</b>	<b>95</b>	<b>745</b>

The item includes the fair value of derivative contracts:

- Interest Rate Swap with Floor concluded by Novipraga SIINQ S.p.A. in February 2018, strike rates 0.5965%, floor -2.75%, notional residual amount € 30,500 thousand and maturity in December 2022. The fair value measurement at 31 December 2020 of the derivative contract resulted in liabilities of € 599 thousand. Interest rate "CAP" contract concluded by Novipraga SIINQ S.p.A. in February 2018, with strike rates at 0.42%, notional amount of € 4,300 thousand and maturity on 18 December 2022. The fair value measurement at 31 December 2020 resulted in a liability of € 39 thousand. The change in fair value was recognized in other comprehensive income and partly in the income statement under "*financial expense*".
- contracts concluded by Aedes SIIQ S.p.A. with Banco BPM (formerly Banca Popolare di Milano S.c.ar.l.) and Monte dei Paschi di Siena, aimed at reducing the risk of increasing the Group's overall interest rate exposure. Fair value measurements at 31 December 2020 amounted to € 7 thousand in assets related to the fair value of the "CAP" derivative contract with notional amount of € 7,184 thousand, and assets of € 12 thousand related to the fair value of the "CAP" derivative contract with notional amount of € 11,755 thousand. The change in fair value was recorded in other profits/losses in the statement of comprehensive income.
- contract concluded by Aedes SIIQ S.p.A. with Banco BPM (formerly Banca Popolare di Milano S.c.ar.l.), aimed at reducing the risk of increasing the Group's overall interest rate exposure. The fair value measurement at 31 December 2020 of the "CAP" derivative contract with notional amount of € 4,625 thousand resulted in assets of € 7 thousand. The change in fair value was recognized in the income statement under "*Financial expense*".

As in the prior year, the Group appointed Ernst & Young Financial-Business Advisors S.p.A. as the independent expert tasked with the fair value measurements of the derivatives at 31 December 2020 and with the development of the effectiveness test on the derivative concluded by Novipraga.

The fair value of outstanding derivative financial instruments at 31 December 2020 was measured using the level 2 hierarchy (fair value determined on the basis of valuation models that use observable market inputs).

**NOTE 11. CASH AND CASH EQUIVALENTS**

	31/12/2020	31/12/2019
Cash on hand	5	4
Bank and postal deposits	5.288	4.980
Term current accounts	3.332	1.652
<b>Total</b>	<b>8.625</b>	<b>6.636</b>

The item shows a balance of € 8,625 thousand versus € 6,636 thousand in the prior year. Further details on the Group's financial trends are found in the "Consolidated Statement of Cash Flows".

- Equity

*NOTE 12. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT*

At 31 December 2020, the Parent's fully subscribed and paid-up share capital amounted to € 212,000,067.31, divided into no. 40,030,397 shares with no par value, of which no. 34,714,156 ordinary shares and no. 5,316,241 Special Shares, versus the share capital of € 210,000,000, divided into no. 32,030,344 ordinary shares with no par value, at 31 December 2019.

In execution of the Reserved Capital Increase, the following were issued on 24 July 2020:

- no. 2,683,759 Aedes ordinary shares with the same characteristics as the ordinary shares already outstanding and with regular dividend entitlement, admitted to listing on the MTA, at a price of € 1.25 per share (of which € 0.25 to be allocated to the share capital and € 1 to the share premium reserve), for a total value of € 3,354,698.75; and
- no. 5,316,241 special shares of Aedes with limited voting rights, convertible into ordinary shares, with no par value and with regular dividend entitlement, unlisted, at a unit price of € 1.25 (of which € 0.25 to be allocated to the share capital and € 1 to be allocated to the share premium reserve), for a total value of € 6,645,301.25 (the "Special Shares"). The Special Shares have no voting rights at the Ordinary Shareholders' Meetings called to appoint or remove the members of the board of directors, are freely available and convertible, in the ratio of 1:1, into Aedes ordinary shares, which will be listed on the MTA, in accordance with the Bylaws.

The amount of the share capital at 31 December 2020 takes account of the exercise, which took place by the time limit of 7 July 2020, of no. 1,590 "Warrant Aedes SIIQ S.p.A. 2018-2020" (the "Warrants") in the ratio of 1 new share for every 30 Warrants used, at a price of € 6.35 (including share premium), with the issue of no. 53 new shares for an amount of € 67.31, plus share premium, in execution of the capital increase to service the exercise of the Warrants resolved by the Extraordinary Shareholders' Meeting of Aedes SIIQ S.p.A. on 27 September 2018.

*NOTE 13. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS*

At 31 December 2020, equity attributable to non-controlling interests came to zero as there are no consolidated companies in which the Group holds an interest of less than 100%.

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• Liabilities

NOTE 14. PAYABLES TO BANKS AND OTHER LENDERS

Payables to banks and other lenders are broken down as follows:

	31/12/2020	31/12/2019
<b>Non-current</b>		
Bonds	43.833	-
Loans with properties granted as surety	96.607	95.018
<i>Payables to leasing companies for properties under finance lease</i>	1.341	1.245
<i>Mortgage loans</i>	95.266	93.773
Other loans	10.493	-
	<b>150.933</b>	<b>95.018</b>
<b>Current</b>		
Bonds	45	44.666
Loans with properties granted as surety	6.296	17.199
<i>Payables to leasing companies for properties under finance lease</i>	96	186
<i>Mortgage loans</i>	6.200	17.013
Payables to other lenders	27.171	27.259
Other loans	14.619	12.188
	<b>48.131</b>	<b>101.312</b>
<b>Total</b>	<b>199.064</b>	<b>196.330</b>

Financial payables held by associates are shown in Annex 3.

Details of net financial debt, prepared in accordance with CONSOB Communication No. DEM/6064293 of 28 July 2006 (including lease payables recognized in accordance with IFRS 16 and derivative liabilities), are presented below:

	31/12/2020	31/12/2019
A. Cash on hand	8.625	6.636
B. Other cash and cash equivalents	-	-
C. Securities held for trading	-	-
<b>D. Liquidity (A) + (B) + (C)</b>	<b>8.625</b>	<b>6.636</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>-</b>
F. Current payables to banks	(20.819)	(29.200)
G. Current portion of non-current debt	(45)	(44.666)
H. Other current financial payables	(28.136)	(28.397)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(49.000)</b>	<b>(102.263)</b>
<b>J. Current net financial debt (I) + (E) + (D)</b>	<b>(40.375)</b>	<b>(95.627)</b>
K. Non-current payables to banks	(105.759)	(93.773)
L. Bonds issued	(43.833)	-
M. Other non-current payables	(3.341)	(3.929)
<b>N. Non-current financial debt (K) + (L) + (M)</b>	<b>(152.933)</b>	<b>(97.702)</b>
<b>O. Net financial debt (J) + (N)</b>	<b>(193.308)</b>	<b>(193.329)</b>

The table below shows the reconciliation of net financial position figures indicated in the Directors' Report on Operations with the above table:

	31/12/2020	31/12/2019
Net financial debt included in the Directors' Report on Operations	(192.670)	(192.388)
Other current financial payables from derivative contracts	-	(191)
Other non-current financial payables from derivative contracts	(638)	(750)
<b>Net financial debt included in the Notes</b>	<b>(193.308)</b>	<b>(193.329)</b>

Set out below is a reconciliation of the changes in current and non-current financial debt with monetary and non-monetary items being shown separately:

	31/12/2019	Non-cash movements		Cash movements		31/12/2020
		Financial expense (accrued)	Changes in payables to banks and other lenders	Financial expense (paid/received)	Changes in payables to banks and other lenders	
Current and non-current payables to banks and other lenders	196.330	8.992	(10.000)	(3.274)	7.016	199.064
Derivative financial instruments	941	(303)				638
<b>Gross financial debt</b>	<b>197.271</b>	<b>8.689</b>	<b>(10.000)</b>	<b>(3.274)</b>	<b>7.016</b>	<b>199.702</b>

The table below shows a breakdown of payables to banks and other lenders and an indication of the covenants set forth in the relevant loan agreements:

TYPE OF LOAN AGREEMENT	PROJECT/PROPERTY ASSET	SHORT-TERM DEBT Within 1 month	SHORT-TERM DEBT 2-3 months	SHORT-TERM DEBT 4-12 months	LONG-TERM DEBT	TOTAL DEBT	DUE	MORTGAGE ON PROPERTIES / GUARANTEE	FINANCIAL COVENANTS	COMPLIANCE WITH COVENANTS
Mortgage Loan	Santa Vittoria d'Alba (CN) - PHASE B	0	0	221	5.461	5.682	28/02/2032	16.000	LTV≤80 %	YES
Mortgage Loan	Santa Vittoria d'Alba (CN) - PHASE B	0	0	44	197	241	30/04/2024	1.000	LTV≤80 %	YES
Mortgage loan	Serravalle Scrivia (AL) - Cascina Nuova	0	0	173	1.884	2.057	01/07/2026	5.000	LTV≤80 %	YES
Mortgage Loan	Cinesa	0	0	278	4.646	4.924	31/05/2029	10.000	n.a.	n.a.
Mortgage Loan	Serravalle Scrivia (AL) - Bolina	0	0	1.840	1.731	3.571	30/06/2022	37.500	LTV≤80 %	YES
Leases	Milan - Via Ancona	0	0	96	1.341	1.437	30/04/2028	n.a.	n.a.	n.a.
Mortgage Loan	Serravalle Scrivia (AL) - Bolina	0	0	19	712	731	25/07/2035	1.350	LTV≤80 %	YES
Mortgage Loan	Serravalle Scrivia (AL) - Via Novi	0	0	161	2.476	2.637	01/03/2025	8.000	LTV≤80 %	YES
Mortgage Loan	Serravalle Scrivia (AL) - Via Novi	0	0	181	1.413	1.594	31/07/2025	3.700	LTV≤80 %	YES
Mortgage Loan	Castelazzo Bormida (AL)	0	0	139	279	418	31/12/2022	1.400	LTV≤80 %	YES
Mortgage Loan	Castelazzo Bormida (AL)	0	0	235	494	719	22/12/2022	5.600	LTV≤80 %	YES
Mortgage Loan	Castelazzo Bormida (AL)	0	0	57	117	174	22/10/2022	1.400	LTV≤80 %	YES
Mortgage loan	Portofino	0	0	873	28.266	29.139	10/03/2026	58.000	Portfolio: LTV ≤65%; Df/Rz:9; Prospective DSCR ≥1.1%; Historical DSCR ≥1.1%; (*)	(**)
Mortgage loan	Serravalle Retail Park	0	0	1.703	38.568	40.271	18/06/2024	90.200	LTV≤55%; LTC ≤65%; ICR≥1.75; DYR≥5.5%; (*)	(**)
Mortgage loan	Agrate Brianza Andromeda	0	66	198	7.852	8.116	30/09/2035	17.000	NO	YES
Mortgage loan	Gallarate and Saronno	0	0	12	1.180	1.192	30/06/2022	2.385	NO	n.a.
<b>TOTAL LOANS WITH PROPERTIES GRANTED AS SURETY</b>		<b>0</b>	<b>66</b>	<b>6.230</b>	<b>96.607</b>	<b>102.903</b>				
Bank overdraft	n.a.	0	992	0	0	992	23/02/2021	Unsecured	n.a.	n.a.
Bank overdraft	n.a.	0	0	1.985	0	1.985	01/07/2021	Unsecured	(*)	n.a.
Loan agreement	n.a.	0	0	8.257	0	8.257	01/07/2021	Other Guarantees	n.a.	n.a.
Covid Line	n.a.	0	1	0	4.965	4.966	30/09/2026	Unsecured	n.a.	n.a.
Bank overdraft	n.a.	0	0	694	0	694	COMMITTED	Unsecured	n.a.	n.a.
Bank overdraft	n.a.	0	0	2.023	0	2.023	COMMITTED	Unsecured	n.a.	n.a.
Bank overdraft	n.a.	0	0	405	0	405	COMMITTED	Other Guarantees	n.a.	n.a.
Bank overdraft	n.a.	0	0	252	0	252	COMMITTED	Unsecured	n.a.	n.a.
Covid Line	n.a.	0	10	0	5.528	5.538	25/11/2026	Unsecured	n.a.	n.a.
<b>TOTAL OTHER LOANS</b>		<b>0</b>	<b>1.003</b>	<b>13.616</b>	<b>10.493</b>	<b>25.112</b>				
Bonds	Portofino	0	0	45	43.833	43.878	29/12/2022	90.000	LTV≤60% Portfolio; LTV≤60% (*)	YES
<b>TOTAL BONDS</b>		<b>0</b>	<b>0</b>	<b>45</b>	<b>43.833</b>	<b>43.878</b>				
Payables to other lenders		1.609	0	25.562	0	27.171			(**)	
<b>TOTAL PAYABLES TO OTHER LENDERS</b>		<b>1.609</b>	<b>0</b>	<b>25.562</b>	<b>0</b>	<b>27.171</b>				
<b>TOTAL PAYABLES TO BANKS AND OTHER LENDERS</b>		<b>1.609</b>	<b>1.069</b>	<b>45.453</b>	<b>150.933</b>	<b>199.064</b>				

(\*) Change of Control clauses in effect;  
 (\*\*) resolved Suspension assessment of Covenant following Covid 19

At 31 December 2020, there were no unmet financial covenants or requests for Covenant Suspension (Covenant Holiday), made as a result of the effects of the pandemic, refused by credit institutions.

#### Loans with properties granted as surety

At 31 December 2020, bank loans with properties granted as surety, composed of mortgage loans and finance leases, amounted to € 102,903 thousand versus € 112,217 thousand at 31 December 2019. The decrease of € 9,314 thousand was due mainly to repayments for repayment plans for the period and early repayments following refinancings.

## Consolidated Financial Statements at 31 December 2020

Future payments from investment property acquired under lease contracts are as follows:

	Payments	Principal
Within one year	113	96
Over one year, but within 5 years	904	817
Over five years	530	524
<b>Total lease payments</b>	<b>1.547</b>	<b>1.437</b>
Interest	(110)	-
<b>TOTAL PRESENT VALUE OF LEASE PAYMENTS</b>	<b>1.437</b>	<b>1.437</b>

### Other loans

At 31 December 2020, other loans, composed mainly of bank overdrafts, Covid lines and unsecured loans, amounted to € 25,112 thousand, of which € 14,619 thousand classified under current financial payables.

### Bonds

On 29 December 2020, Aedes SIIQ S.p.A. issued a non-convertible bond of € 45 million, fully subscribed by CIO SPF S.à.r.l., a vehicle managed by Castlake L.p. and with the following characteristics:

- Rate: 3- or 6-month Euribor depending on the interest periods (with zero floor) + 12% spread;
- Duration: 24 months with full repayment at maturity, except in the event of voluntary early repayment at the Company's discretion or compulsory repayment in the event of disposal of the pledged assets;
- Guarantees: *i)* pledge on the shares of the investee Efir S.ar.l. (equal to 33.33% of the related share capital); *ii)* first mortgage on the office buildings located in Viale G. Richard, Milan (*Torre C3*) and via Veneziani, Rome (*Roma Veneziani*);
- Financial covenants: a loan-to-value ratio, meaning the ratio between the amount of the Bond and the value of the assets as collateral, no higher than 60%, as well as a loan-to-value at the level of the Company and the Group, meaning the ratio between the Company or Group debt, as the case may be, and the value of the relevant property assets, no higher than 60%. Representations and warranties and property covenants are also in place, in line with similar transactions.

It should also be noted that on 31 December 2020, under the terms set out in the relevant regulation, the Company fully repaid the Aedes SIIQ S.p.A. 2017-2020 bond (ISIN Code IT0005317174) for a total of € 30 million plus interest accrued for the period.

### Payables to other lenders

Payables to other lenders relate entirely to shareholder loans disbursed by Augusto S.p.A. and related interest, whose maturity date was set at the earlier between 31 July 2021 and the date of execution of the capital increase with pre-emption rights and related interest.

On 24 July 2020, the majority shareholder Augusto S.p.A. confirmed its commitment to the planned strengthening of the Company's capital by converting the shareholder loan of € 10,000 thousand granted on 20 April 2017 into equity through a reserved capital increase.

At 31 December 2020, payables to other lenders relate entirely to shareholder loans disbursed by Augusto S.p.A. and related interest, in detail:

- a) a shareholder loan of € 10,000 thousand granted on 28 June 2019 by the controlling shareholder Augusto S.p.A., with a 12-month duration and bearing interest at a 5.5% annual rate. At 31 December 2020, the loan had been fully disbursed; on 13 May 2020, the Board of Directors approved the extension of the expiry date until the earlier of 31 July 2021 and the

date of execution of the Capital Increase with Pre-emption Rights, as resolved and proposed by Augusto S.p.A.;

- b) a shareholder loan of € 15,600 thousand granted on 13 December 2019 by the controlling shareholder Augusto S.p.A. with maturity on 30 April 2020 and bearing interest at a 5.5% annual rate. The loan, which can be disbursed in one or more tranches at the Company's request, was fully disbursed at 31 December 2020. On 13 May 2020, the Board of Directors approved the extension of the expiry date until the earlier of 31 July 2021 and the date of execution of the Capital Increase with Pre-emption Rights, as resolved and proposed by Augusto S.p.A..

On 11 March 2021, at the end of the offer period of the capital increase with pre-emption rights, the shareholder Augusto S.p.A. exercised:

- no. 13,678,077 rights, by offsetting the abovementioned receivables deriving from previously disbursed loans, for the subscription of no. 89,884,506 ordinary shares for a value of € 17.1 million;
- no. 5,316,241 option rights for the subscription of no. 34,935,298 special shares, equal to 100% of the total special shares offered, for a total value of € 6.6 million.

Following completion of the capital increase with pre-emption rights, the residual debt towards Augusto S.p.A. amounts to € 3.5 million, of which € 1.9 million for principal and € 1.6 million for interest expense, which is overdue to date.

Lastly, mention should be made that the Aedes Group is exposed to the risk that, as a result of the sale procedure launched by the shareholders of Augusto S.p.A., the lenders may trigger mandatory early repayment clauses for so-called "change of control" events (the Group's loans containing such clauses amount to approximately € 115 million).

In such a case, the Company believes that a potential purchaser may likely have, at the time of submission of the offer, the funds required to repay the loans involved or that any waiver requests made by the relevant credit institutions be positively accepted.

*NOTE 15. PAYABLES FOR EMPLOYEE SEVERANCE INDEMNITY*

	31/12/2020	31/12/2019
<b>Payables for post-employment benefits</b>		
Post-employment benefits	1.532	1.543
	<b>1.532</b>	<b>1.543</b>
<b>Allocations under the income statement</b>		
Service cost	300	289
Interest cost	12	21
	<b>312</b>	<b>310</b>

The provision for severance indemnity in the income statement is classified, for service costs, under personnel expense, as explained in Note 23, and, for interest costs, under financial expense.

The changes are shown below:

<b>Balance at 31/12/2019</b>	<b>1.543</b>
Service cost	300
Interest cost	12
Actuarial (gains)/losses under equity	9
Indemnities paid in the period	(247)
Transfers to other pension funds	(85)
<b>Balance at 31/12/2020</b>	<b>1.532</b>

The exact headcount at the end of the reporting period is split up by category as follows:

### Consolidated Financial Statements at 31 December 2020

Description	31/12/2020	31/12/2019
Executives	10	9
Managers	21	27
Employees	16	17
<b>Total</b>	<b>47</b>	<b>53</b>

With regard to the abovementioned international accounting standards, actuarial valuations were carried out according to the accrued benefits method using the Project Unit Credit Method, determining

- the cost of the service already rendered by the employee (Past Service Liability);
- the cost of the service rendered by the employee in the year (Service Cost);
- the cost of personnel recruited in the year (Past Service Liability of new recruits);
- the interest costs from actuarial liabilities (Net Interest Cost);
- actuarial gains/losses relating to the period between one assessment and the next (Actuarial (gains)/losses).

For the actuarial valuations of post-employment benefits at 31 December 2020, the following assumptions were adopted:

#### Economic-financial assumptions

1. Technical annual discounting rate 0.34%
2. Annual inflation rate 1.00%
3. Total annual salary increase rate 2.50%
4. Annual post-employment benefits increase rate 2.25%

With regard to the discounting rate, the iBoxx Eurozone Corporates AA 10+ index was used as reference to measure the above parameter, with a duration calculated on the average residual permanence of the collective subject to assessment at 31 December 2020.

As for the annual inflation rate, reference was made to the document on the forecast of inflation measured by the HICP index for 2020 - 2023, published by ISTAT on 8 June 2020 and assuming a constant value of 1.00% for the years after 2023.

#### Demographic assumptions

- for probabilities of death, those determined by the General State Accounting Office denominated RG48, split up by gender;
- for probabilities of disability, those split up by gender, adopted in the INPS model for 2010 projections. These probabilities were built starting from the distribution by age and gender of the pensions in force at 1 January 1987 effective from 1984, 1985, 1986 relevant to the staff of the credit line of business;
- for the retirement age for active employees, achievement of the first pensionable requirements valid for the Mandatory General Insurance was assumed;
- for the probability of leaving employment for reasons other than death, on the basis of statistics provided by the Group, annual frequencies were considered as follows:
  - Aedes SIIQ S.p.A. 10%
  - Praga Res S.r.l. 3%
- for the probability of anticipation, a yearly value of 3.00% for all Group companies was assumed.

Additionally, a sensitivity analysis was performed in scenarios of upward or downward movement of the average annual discount rate of half a point, which showed no significant changes from the booked liability.

NOTE 16. PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are shown below:

	31/12/2019	Increases	Decreases	31/12/2020
Provision for contractual charges	275	-	(66)	209
Provision for contractual risks	100	250	-	350
<b>Total</b>	<b>375</b>	<b>250</b>	<b>(66)</b>	<b>559</b>

<b>Balance at 31/12/2019</b>	<b>375</b>
Utilizations	(66)
Increases	250
<b>Balance at 31/12/2020</b>	<b>559</b>

Total provisions for risks and charges at 31 December 2020 consisted of:

- contractual charges: the item refers mainly to contractual charges from the sale of investments made in prior years;
- provisions for contractual risks: this item includes mainly risks related to property sales that took place in prior years.

Details on the main disputes involving the Group, including those where the risk of losing the dispute is considered possible, but unlikely, are found in par. 2.13 in the Directors' Report on Operations.

NOTE 17. TAX PAYABLES

The breakdown of tax payables is shown below:

	31/12/2020	31/12/2019
Payables to the Revenue Agency for VAT	6	0
Tax payables	1.340	1.468
<b>Total current tax payables</b>	<b>1.346</b>	<b>1.468</b>

There was no overdue and unpaid tax at 31 December 2020.

Current tax payables totaled € 1,346 thousand at 31 December 2020 and were made up as follows:

- Debt arising from the use by Praga Res S.r.l. of the settlement concession for tax disputes for € 856 thousand;
- Payables for withholding tax on income from salaried work, self-employed work and kindred income for the residual portion.

At 31 December 2020, there were no tax debt positions that were past due or unpaid beyond the applicable time limits.

NOTE 18 LEASE LIABILITIES

The adoption from 1 January 2019 of IFRS 16 resulted in lease liabilities recognized in the balance sheet. At 31 December 2020, lease liabilities amounted to € 2,231 thousand versus € 2,694 thousand at 31 December 2019.

Consolidated Financial Statements at 31 December 2020

	31/12/2020	31/12/2019
<b>Non-current</b>		
Lease liabilities	1.362	1.934
	<b>1.362</b>	<b>1.934</b>
<b>Current</b>		
Lease liabilities	869	760
	<b>869</b>	<b>760</b>
<b>Total</b>	<b>2.231</b>	<b>2.694</b>

Future lease payments, including leases involving assets classified as investment property and for which ownership is expected to be transferred at the end of the lease term, are shown below.

	Payments	Principal
Within one year	1.057	965
Over one year, but within 5 years	2.315	2.179
Over five years	530	524
<b>Total lease payments</b>	<b>3.902</b>	<b>3.668</b>
Interest	(234)	
<b>Total present value of lease payments</b>	<b>3.668</b>	<b>3.668</b>

NOTE 19. TRADE AND OTHER PAYABLES

	31/12/2020	31/12/2019
<b>Non-current</b>		
Payables to associates and other related parties	192	47
Other payables	447	446
	<b>639</b>	<b>493</b>
<b>Current</b>		
Payables to suppliers	12.648	11.856
Payables to associates and other related parties	241	1.065
Payables to parent companies	110	106
Payables to social security and welfare institutions	251	260
Other payables	13.893	8.397
Accrued expenses and deferred income	657	385
	<b>27.800</b>	<b>22.069</b>

There was no overdue and unpaid tax towards social security institutions and employees at 31 December 2020.

Concurrently, overdue trade and other payables amounted to € 6,469 thousand, which do not give rise to disputes or legal proceedings, nor suspension of supply contracts.

Payables to associates and other related parties

Reference is made to Annex 2 for details.

### Other payables

The table below shows the breakdown of "Other payables", divided into non-current and current:

<b>Non-current</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Security deposits/tenants' interest	447	446
<b>Non-current payables to others</b>	<b>447</b>	<b>446</b>

<b>Current</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Confirmation deposits	4.000	-
Payables to employees for severance payments, bonuses, accrued leave and holidays	1.352	1.225
Other payables	8.541	7.172
<b>Current payables to others</b>	<b>13.893</b>	<b>8.397</b>

Other non-current payables refer mainly to guarantee deposits and payables to tenants for guarantees issued; at 31 December 2019, the balance amounted to € 447 thousand.

Current payables to others, amounting to € 13,893 thousand at 31 December 2020, are composed mainly of:

- € 4,000 thousand to Pragaquattro for a confirmation deposit following the signing of a preliminary notary contract suspended on condition of the sale of an area and related buildings;
- € 1,343 thousand for the payable accrued with Fih SA in the context of the current dispute;
- € 1,981 thousand for the municipal tax and tax for indivisible services;
- € 1,352 thousand for payables to employees for bonuses, leave of absence and holidays accrued;
- € 1,911 thousand for payables to directors and statutory auditors;
- € 1,367 thousand for other payables including waste tax (TARI);
- € 1,939 for condo expenses, adjustments of common charges, other items.

### Payables to suppliers

At 31 December 2020, payables to suppliers amounted to € 12,648 thousand versus € 11,856 thousand at 31 December 2019.

### Accrued expenses and deferred income

The table below shows the breakdown of accrued expenses and deferred income:

	<b>31/12/2020</b>	<b>31/12/2019</b>
Accrued expenses on property management	11	11
Deferred income on property management	372	148
Other accrued expenses	15	226
Other deferred income	259	0
<b>Current accrued expenses and deferred income</b>	<b>657</b>	<b>385</b>

Accrued expenses and deferred income amounted to € 657 thousand at 31 December 2020 versus € 385 thousand in the prior period. The increase includes rental revenue and compensation from tenants already invoiced but pertaining to 2021.

## Consolidated Financial Statements at 31 December 2020

### • Income Statement

#### NOTE 20. REVENUE FROM SALES AND SERVICES

	31/12/2020	31/12/2019
Property leases	15.912	17.213
Net income from sale of property and trade licences (gain)	100	40
Provision of services	216	336
Project and Construction Management revenue	365	446
<b>Total</b>	<b>16.593</b>	<b>18.035</b>

Revenue from property leases amounted to € 15,912 thousand, down slightly due to the Covid-19 pandemic and the related impact in terms of discounts granted.

The year recorded income from the sale of a property for tertiary-office use.

"Provision of services" on the other hand includes the amounts from the provision of property services in the areas of asset management, financial and administrative services, general services, EDP and human resources.

#### NOTE 21. OTHER REVENUE

	31/12/2020	31/12/2019
Other revenue and income	744	1.081
<b>Total</b>	<b>744</b>	<b>1.081</b>

Other revenue and income refer mainly to chargebacks of costs incurred on behalf of the purchaser of the property located in via San Vigilio, Milan.

#### NOTE 22. CHANGE IN INVENTORY

	31/12/2020	31/12/2019
(Write-down)/write-back of inventory	(834)	0
<b>Total</b>	<b>(834)</b>	<b>0</b>

The change in inventory, amounting to € -834 thousand at 31 December 2020, refers exclusively to the write-down of property inventory as commented in Note 9.

#### NOTE 23. COSTS FOR RAW MATERIALS AND SERVICES

	31/12/2020	31/12/2019
Costs for purchase of raw materials and other goods	899	758
Costs for services on owned properties	2.981	3.279
Project and Construction Management costs	200	241
Other costs for services	7.133	8.272
<b>Total</b>	<b>11.213</b>	<b>12.550</b>

The table below shows the breakdown of costs for raw materials and services, split up by type of expense:

	31/12/2020	31/12/2019
Other general costs	21	36
Property management costs	878	722
<b>Subtotal a) Costs for raw materials and other assets</b>	<b>899</b>	<b>758</b>
Property cleaning	125	145
Maintenance	799	889
Insurance	67	66
Service expense	563	718
Other	2.307	2.495
Capitalized service costs on properties	(880)	(1.034)
<b>Subtotal b) Costs for owned-property services</b>	<b>2.981</b>	<b>3.279</b>
<b>Subtotal c) Project and Construction Management costs</b>	<b>200</b>	<b>241</b>
<b>Sales fees</b>	<b>84</b>	<b>143</b>
<i>Fees to Directors</i>	<i>1.683</i>	<i>2.231</i>
<i>Fees to Board of Statutory Auditors</i>	<i>258</i>	<i>252</i>
<i>Professional services</i>	<i>3.217</i>	<i>3.175</i>
<i>Commissions and bank expense</i>	<i>443</i>	<i>428</i>
<i>Travel expenses and conferences</i>	<i>52</i>	<i>170</i>
<i>Cleaning, telephone and maintenance</i>	<i>406</i>	<i>465</i>
<i>Energy</i>	<i>75</i>	<i>85</i>
<i>Advertising costs</i>	<i>59</i>	<i>329</i>
<i>Sundry</i>	<i>734</i>	<i>704</i>
<b>General expenses</b>	<b>6.927</b>	<b>7.839</b>
<i>Rental expense</i>	<i>17</i>	<i>3</i>
<i>Lease rent</i>	<i>105</i>	<i>287</i>
<b>Rentals and leases</b>	<b>122</b>	<b>290</b>
<b>Subtotal d) Other costs for services</b>	<b>7.133</b>	<b>8.272</b>
<b>Total</b>	<b>11.213</b>	<b>12.550</b>

#### Costs for raw materials

The item includes the costs of property management, i.e. costs for utilities such as water, electricity and gas for heating.

#### Costs and services on owned properties

These costs concern mainly costs for services, maintenance and condo expenses.

#### General Expenses

The cost of Directors' fees refers to fees accrued on an accrual basis. In 2020, the item includes long-term incentives allocated to the CEO.

Professional services include mainly the costs for legal and tax advice and auditing.

#### Lease and rental payments

The item includes rentals for computer and telephone equipment provided to employees and/or directors falling outside the scope of IFRS 16, as they refer to short-term leases or low-value assets.

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**NOTE 24. PERSONNEL EXPENSE**

	31/12/2020	31/12/2019
Wages and salaries	3.570	4.677
Social charges	1.236	1.311
Severance indemnity	300	289
Other personnel expense	100	114
<b>Total</b>	<b>5.206</b>	<b>6.391</b>

Personnel expense for 2020 includes the medium-long term variable component (LTI) accrued by Key Management Personnel in accordance with the approved remuneration policy. The decrease versus the prior year is attributable mainly to the non-accrual of the annual variable component (MBO) by Key Management Personnel, as well as to the reduction in headcount.

The average number of employees divided by category is as follows.

Description	31/12/2020	31/12/2019
Executives	10	9
Managers	24	28
Employees	15	17
<b>Total</b>	<b>49</b>	<b>54</b>

**NOTE 25. OTHER OPERATING COSTS**

	31/12/2020	31/12/2019
IMU	2.701	3.064
General company charges	178	218
Shareholders' Meetings, financial statements, Consob obligations, Stock Exchange	38	54
Other minor expense	131	164
Loss from sale of investment property	1.220	162
Sundry expense	9	86
<b>Total</b>	<b>4.277</b>	<b>3.748</b>

"General corporate expense" includes sponsorship costs and entertainment and business expenses, membership fees, and subscriptions.

**NOTE 26. AMORTIZATION/DEPRECIATION, FAIR VALUE ADJUSTMENTS, WRITE-DOWNS AND PROVISIONS**

	31/12/2020	31/12/2019
Amortization of rights of use	825	778
Amortization of intangible fixed assets	26	30
Depreciation of tangible fixed assets		
<i>specific plants</i>	5	4
<i>equipment</i>	334	314
<i>other assets</i>	133	81
Total depreciation of tangible fixed assets	472	399
<b>Amortization and depreciation</b>	<b>1.323</b>	<b>1.207</b>
<b>Fair value adjustment of investment property</b>	<b>28.574</b>	<b>(117)</b>
Write-down of receivables under current assets	384	265
Allocation/(Release) of provisions for risks	250	(238)
<b>Write-downs and allocations</b>	<b>634</b>	<b>27</b>
<b>Total</b>	<b>30.531</b>	<b>1.117</b>

For further details on the fair value adjustment of investment property, reference is made to *Note 1*.

**NOTE 27. SHARE OF THE RESULT OF COMPANIES MEASURED AT EQUITY**

“Write-backs/write-downs of investments measured at equity” consists of the measurement at equity of associates, as stated in Note 5.

	31/12/2020	31/12/2019
Gains from equity-accounted investees	-	2.000
Losses from investments measured at equity	(6.538)	(1.089)
<b>Total write-backs/write-downs of equity-accounted investee</b>	<b>(6.538)</b>	<b>911</b>
<b>Total</b>	<b>(6.538)</b>	<b>911</b>

**NOTE 28. INCOME AND (FINANCIAL EXPENSE)**

	31/12/2020	31/12/2019
<b>Income</b>		
Interest on loans to associates	448	483
Mark-to-market of derivative instruments	191	63
Other interest income	47	13
	<b>686</b>	<b>559</b>

<b>Expense</b>		
Interest on bank accounts	236	547
Interest on bank loans	4.886	6.025
Interest on non-bank loans	42	44
Interest on loans from parents	1.650	729
Mark-to-market of derivative instruments	75	-
Interest expense on other payables	2.333	2.803
	<b>9.222</b>	<b>10.148</b>

<b>Total</b>	<b>(8.536)</b>	<b>(9.589)</b>
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Net financial expense, amounting to € 8,536 thousand, consisted mainly of:

- financial income of € 686 thousand, related mainly to loans to associates;
- financial expense of € 9,222 thousand, including mainly bank interest of € 5,122 thousand and interest on shareholder loans (interest expense on other payables).

**NOTE 29. INCOME TAX FOR THE YEAR**

	31/12/2020	31/12/2019
Current tax	(274)	(166)
Prepaid/(deferred) tax	(2.909)	-
<b>Total</b>	<b>(3.183)</b>	<b>(166)</b>

The tax expense in the income statement is due mainly to: i) the prudent write-down of a significant portion of deferred tax assets recorded in the financial statements, in light of the economic situation arising from the Covid-19 pandemic, for € 2,969 thousand, as mentioned in Note 6 above, ii) expense net of income from the participation in the tax consolidation and the estimate of the tax accrued on the result of the marginal taxable income.

**NOTE 30. EARNINGS PER SHARE**

Earnings per share in 2020 are shown in the table below.

### Consolidated Financial Statements at 31 December 2020

	31/12/2020	31/12/2019
Comprehensive income attributable to ordinary shareholders (Euro)	(52.872.000)	(13.786.000)
Ordinary and special shares outstanding at the reporting date	40.030.397	32.030.344
<b>Basic earnings/(loss) per share (Euro)</b>	<b>(1,32)</b>	<b>(0,43)</b>

#### NOTE 31. COMMITMENTS

##### Bank securities issued by third parties in the interest of Group companies

The item includes mainly:

- € 398 thousand for a bank guarantee issued by Banca Popolare di Milano in favour of Y & R Italia S.r.l. in the interest of Aedes to guarantee the provisions of the lease contract of Via Tortona, Milan;
- € 200 thousand for a bank guarantee issued by ING Bank NV in favour of Rete Ferroviaria Italiana S.p.A. in the interest of Novipraga SIINQ S.p.A., as a guarantee for the topographic monitoring activities of the structures during the underground crossing phase of the tunnel excavations.

##### Insurance sureties issued by third parties in the interest of Group companies

The item includes mainly:

- € 2,000 thousand for an insurance surety issued by Reale Mutua di Assicurazioni in favour of RFI S.p.A. to guarantee the undercrossing work of tunneling;
- € 632 thousand for an insurance surety issued by Elba Assicurazioni S.p.A. in favour of the Municipality of Santa Vittoria d'Alba (CN) in the interest of Aedes SIIQ S.p.A. for infrastructure work on PEC (Agreed Executive Plan) standard areas, Lot C;
- € 190 thousand for an insurance surety issued by Aviva in favour of the Municipality of Milan in the interest of Aedes SIIQ S.p.A. for the deferred payment of the construction fee;
- € 52,469 thousand for a number of insurance sureties issued by Reale Mutua di Assicurazioni in favour of the Municipality of Caselle Torinese (TO) in the interest of Satac SIINQ S.p.A., as a guarantee of the obligations undertaken for the construction of the Caselle Open Mall.

Mention should also be made that Aedes issued:

- € 36,910 thousand for an autonomous guarantee on first demand issued in favour of Credit Agricole Corporate and Investment Bank in the interest of the associate Pragasei S.r.l., as a guarantee of the loan granted to the latter. It should additionally be noted that Serravalle Outlet Mall Investment S. a r. l., holding 49.9%, issued an identical guarantee.

##### Guarantees on assets owned by the Group

A grant has been made in pledge to the lenders of shares held in Novipraga SIINQ S.p.A., Pragasei S.r.l., Efir S.a.r.l., The Market LP and BGAM.

##### Commitments towards third parties

- € 6,688 thousand for the commitment undertaken by Aedes for any extra costs in the construction of the shopping center named "Serravalle Luxury Outlet (PHASE 6)" owned by Pragasei S.r.l.. It should additionally be noted that Serravalle Outlet Mall Investment Sarl, holder of 49.9% in Pragasei S.r.l., issued an identical commitment;
- € 7,147 thousand for the financial commitment undertaken in the frame of the San Marino - The Market deal;
- € 1,500 thousand for the financial commitment undertaken by Aedes in favour of the Petrarca Fund to cover the Fund's temporary needs. It should be noted that at the date of approval of the Financial Statements, Aedes had already paid € 1,000 thousand.

Mention should be made that, in respect of the sum of all the undertakings set out in this Note 31, the Group has made provisions for risks where deemed necessary.

*NOTE 32. SEGMENT REPORTING*

In order to present the business model of the Aedes Group, the Business Units (hereinafter "BUs") are shown by segment.

Shown below are the consolidated pro-forma income statement and the consolidated statement of financial position by segment.

*Income statement 2020*

CONSOLIDATED GROUP INCOME STATEMENT				
	Investment & Asset Management	Investment Development Management	Holding	31/12/2020
Gross rental revenue	13.886	61	-	13.947
Margin from provision of Core services	-	160	-	160
Other revenue	495	111	235	841
<b>Total Revenue</b>	<b>14.481</b>	<b>(888)</b>	<b>235</b>	<b>13.828</b>
Total Direct Costs	(5.042)	(576)	(755)	(6.373)
<b>Net Operating Income</b>	<b>9.439</b>	<b>(1.464)</b>	<b>(520)</b>	<b>7.455</b>
Direct Personnel Expense	(626)	(2.140)	-	(2.766)
Internal capitalized costs on properties	-	880	-	880
<b>BU Margin</b>	<b>8.813</b>	<b>(2.724)</b>	<b>(520)</b>	<b>5.569</b>
HQ Personnel Expense	-	-	(2.440)	(2.440)
Consultancy	(7)	(6)	(2.542)	(2.555)
Advertising and promotion	-	(1)	(113)	(114)
Total G&A	(41)	(195)	(3.583)	(3.819)
<b>Total General Expenses</b>	<b>(48)</b>	<b>(202)</b>	<b>(8.678)</b>	<b>(8.928)</b>
<b>EBITDA</b>	<b>8.765</b>	<b>(2.926)</b>	<b>(9.198)</b>	<b>(3.359)</b>
Value adjustment of properties	(5.077)	(24.331)	-	(29.408)
Amortization, depreciation, provisions and write-downs	(215)	(83)	(1.659)	(1.957)
Income and expense from investments	(2.636)	(3.902)	-	(6.538)
<b>EBIT</b>	<b>837</b>	<b>(31.242)</b>	<b>(10.857)</b>	<b>(41.262)</b>
Net financial income/expense	(4.843)	(316)	(3.377)	(8.536)
<b>EBT</b>	<b>(4.006)</b>	<b>(31.558)</b>	<b>(14.234)</b>	<b>(49.798)</b>
Taxation	(65)	-	(3.118)	(3.183)
<b>Profit/(loss) from continuing operations</b>	<b>(4.071)</b>	<b>(31.558)</b>	<b>(17.352)</b>	<b>(52.981)</b>
Profit/(loss) from discontinued operations	-	-	-	-
<b>Profit/(loss)</b>	<b>(4.071)</b>	<b>(31.558)</b>	<b>(17.352)</b>	<b>(52.981)</b>

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Income statement 2019

CONSOLIDATED GROUP INCOME STATEMENT				
	Investment & Asset Management	Investment Development Management	Holding	31/12/2019
Gross rental revenue	15.012	52	14	15.078
Margin from sale of properties	(122)	-	-	(122)
Other revenue	1.410	351	(179)	1.582
<b>Total Revenue</b>	<b>16.300</b>	<b>403</b>	<b>(165)</b>	<b>16.538</b>
Total Direct Costs	(7.011)	(888)	-	(7.899)
<b>Net Operating Income</b>	<b>9.289</b>	<b>(485)</b>	<b>(165)</b>	<b>8.639</b>
Direct Personnel Expense	(590)	(3.018)	-	(3.608)
Internal capitalized costs on properties	-	1.034	-	1.034
<b>BU Margin</b>	<b>8.699</b>	<b>(2.469)</b>	<b>(165)</b>	<b>6.065</b>
HQ Personnel Expense	-	-	(2.783)	(2.783)
Consultancy	(32)	(57)	(1.932)	(2.021)
Advertising and promotion	(13)	-	(142)	(155)
Total G&A	(84)	(341)	(4.254)	(4.679)
<b>Total General Expenses</b>	<b>(129)</b>	<b>(398)</b>	<b>(9.111)</b>	<b>(9.638)</b>
<b>EBITDA</b>	<b>8.570</b>	<b>(2.867)</b>	<b>(9.276)</b>	<b>(3.573)</b>
Value adjustment of properties	(255)	372	-	117
Amortization, depreciation, provisions and write-downs	186	(35)	(1.385)	(1.234)
Income and expense from investments	1.473	(562)	-	911
<b>EBIT</b>	<b>9.974</b>	<b>(3.092)</b>	<b>(10.661)</b>	<b>(3.779)</b>
Net financial income/expense	(5.227)	(418)	(3.944)	(9.589)
<b>EBT</b>	<b>4.747</b>	<b>(3.510)</b>	<b>(14.605)</b>	<b>(13.368)</b>
Taxation	-	(166)	-	(166)
<b>Profit/(loss) from continuing operations</b>	<b>4.747</b>	<b>(3.676)</b>	<b>(14.605)</b>	<b>(13.534)</b>
Profit/(loss) from discontinued operations	-	-	-	-
<b>Profit/(loss)</b>	<b>4.747</b>	<b>(3.676)</b>	<b>(14.605)</b>	<b>(13.534)</b>

Statement of financial position 2020

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
	Investment & Asset Management	Investment Development Management	Holding	31/12/2020
<b>ASSETS</b>				
Fixed assets and inventory	253.891	135.843	-	389.734
Investments and real-estate funds	32.496	20.451	-	52.947
Financial receivables	7.066	-	32	7.098
Other fixed assets	-	-	3.464	3.464
Deferred tax assets	-	-	210	210
Trade and other receivables	-	-	12.084	12.084
Tax receivables	-	-	1.238	1.238
Cash and cash equivalents and other securities	-	-	8.625	8.625
<b>Total Assets</b>	<b>293.453</b>	<b>156.294</b>	<b>25.653</b>	<b>475.400</b>
<b>LIABILITIES AND EQUITY</b>				
Payables to banks	124.137	19.637	57.521	201.295
Payables to personnel	-	-	1.532	1.532
Trade and other payables within the year	-	-	29,077	29,077
Tax payables	-	-	1,346	1,346
Deferred tax liabilities	-	-	350	350
Provision for risks and charges	-	-	559	559
Equity	169.316	136.657	(64,732)	241.241
<b>Total Liabilities</b>	<b>293.453</b>	<b>156.294</b>	<b>25.653</b>	<b>475.400</b>

Statement of financial position 2019

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
POSITION	Investment & Asset Management	Investment Development Management	Holding	31/12/2019
Fixed assets and inventory	260.244	155.754	-	415.998
Investments and real-estate funds	35.112	23.781	-	58.893
Financial receivables	8.056	1.074	-	9.130
Other fixed assets	-	-	4.357	4.357
Deferred tax assets	-	-	3.236	3.236
Trade and other receivables	-	-	11.156	11.156
Tax receivables	-	-	1.504	1.504
Cash and cash equivalents and other securities	-	-	6.636	6.636
<b>Total Assets</b>	<b>303.412</b>	<b>180.609</b>	<b>26.889</b>	<b>510.910</b>
Payables to banks	102.181	80.225	16.618	199.024
Payables to personnel	-	-	1.543	1.543
Trade and other payables within the year	-	-	23.503	23.503
Tax payables	-	-	1.468	1.468
Deferred tax liabilities	-	-	467	467
Provision for risks and charges	-	-	375	375
Equity	201.231	100.334	(17.035)	284.530
<b>Total liabilities</b>	<b>303.412</b>	<b>180.559</b>	<b>26.939</b>	<b>510.910</b>

NOTE 33. IFRS 13

IFRS 13 governs the assessment and measurement of the fair value of items presented in the financial statements. IFRS 13 defines fair value as the exit price, i.e. "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date".

The fair value measurement process takes account of the characteristics of the asset or liability to be measured, referring to the conditions, location, constraints/restrictions on the sale or use of the items in question. Fair value measurement assumes a transaction taking place in a principal market or, in the absence of a principal market, the most advantageous market. The principal market is the market with the greatest volume and level of activity for the asset or liability.

The most advantageous market is the market that maximizes the amount arising from the sale of the asset, or minimizes the amount paid to transfer the liability, net of transport and ancillary costs. Unlike transport costs, ancillary costs must be considered only in the identification of the most advantageous market and not in the measurement of fair value.

Under IFRS 13:

- Non-financial assets are measured according to the "Highest and best use" method, i.e. taking account of the best use of the assets from the perspective of market participants;
- Liabilities (financial and non-financial) and equity instruments (i.e. shares issued as consideration in a business combination) are transferred to a market participant at the measurement date. The fair value measurement of a liability reflects non-performance risk of the counterpart, including credit risk.

Under IFRS 13, an entity uses valuation techniques appropriate to the circumstances and for which sufficient data are available to measure Fair Value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value is measured on the basis of observable transactions in an active market, adjusted, where necessary, to take account of the specific characteristics of each investment property. If such information is unavailable, in order to determine the fair value of the investment property, the company uses the discounted cash flow approach (over a variable period of time depending on the duration of the existing contracts) associated with future net rental income from the property. At the end of this period, it is assumed that the property will be resold at a value obtained by capitalizing the last year's rental income, at a market rate of return for similar investments.

Measurement techniques of fair value are classified in three hierarchical levels according to the type of input used:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities to assess. In this case, prices are used without any adjustments.
- Level 2: inputs are quoted prices or other information (interest rates, observable yield curves, credit spreads) for similar assets and liabilities in active and inactive markets. In this case, price adjustments can be made based on specific factors of the assets or liabilities.
- Level 3: in this case inputs are unobservable.

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The arrangement of these levels follows a priority hierarchy: attributing the maximum importance to level 1 and the minimum for level 3.

In this regard, the Aedes Group's property assets have been fully classified in Level 3 of the hierarchy, as the market unobservable inputs used in the valuation models prevail over the market observable inputs.

Under IFRS 13, there are three different measurement methods that can be used in the measurement of fair value:

- The market method uses prices and other relevant information for market participants involving identical or comparable assets and liabilities;
- The income method is obtained from the discounted sum of future amounts to be generated by the asset. This method provides a fair value that reflects current market expectations on such future amounts;
- The cost method reflects the amount that would be required at the measurement date to replace the service capacity of the asset being measured. Fair value will be equal to the cost that a market participant would incur to acquire or build an asset of adjusted comparable use (taking account of the level of obsolescence of the asset).

All the investment property has been grouped in the following categories, depending on the specific intended use:

- *Retail*;
- *Office*;
- *Other*.

The table below shows the book value and fair value of the properties owned by the companies of the Aedes Group, classified by measurement method used and the intended use:

	Discounted Cash Flow (DCF)		Comparative approach		Development approach		Total	
	Book value	Fair Value	Book value	Fair Value	Book value	Fair Value	Book value	Fair Value
Retail	152.310	152.310	0	0	101.470	101.470	253.780	253.780
Office	97.570	97.570	0	0	0	0	97.570	97.570
Other	1.550	1.550	9.261	9.261	19.814	19.823	30.625	30.634
<b>Total</b>	<b>251.430</b>	<b>251.430</b>	<b>9.261</b>	<b>9.261</b>	<b>121.284</b>	<b>121.293</b>	<b>381.975</b>	<b>381.984</b>

The above amounts do not include inventory, measured under IAS 2 "Inventory".

In the valuation of property assets, generally accepted methods and principles were adopted, using the following valuation criteria, taking account of the type of property and the relating property market:

**Comparative (or Market) approach:** based on a comparison between the Property and other comparables that have recently been bought or sold or are currently offered on the same or competitive markets.

**Income approach:** takes account of two different methodological approaches:

- **Direct capitalization:** based on capitalizing, at a rate inferred from the property market, the future net income generated by the property;
- **Discounted Cash Flow (DCF) approach:**
  - determination, over a period of "n" years, of future net income from rental of the property;
  - determination of the market value of the property by capitalizing in perpetuity, at the end of such period, the net income;
  - discounting, at the valuation date, of net income (cash flows).

**Development approach:** based on discounting, at the valuation date, the cash flows generated by the transaction (relating to the property) over the period of time corresponding to its duration.

A financial valuation model (discounting of cash flows) can be associated with this method based on a development project prepared in terms of building quantities, intended use, development costs and sustainable revenue. In other words, a cost/revenue analysis is used to identify the market value of the property being valued.

The model hinges on a scheme of cash flows (income and expenditure) related to the development project. Expenditure includes the costs for building, demolition, urban development, planning, supervision of work, property developer profit and any other costs; income includes the revenue from the sale of the intended uses.

The distribution over time of costs and revenue generates a scheme of cash flows, net of the property

developer profit, which are discounted using an appropriate discount rate representing the cost of capital.

In discounted cash flow approaches, the key elements of the valuation are:

- 1) the amount of net cash flow:
  - a. in the case of "income-generating" investment property: rentals received less direct costs borne by the owner,
  - b. in the case of development projects: estimated future rentals less direct costs borne by the owner less construction costs.
- 2) the distribution of these flows over time;
- 3) the discount rate;
- 4) the exit cap-rate.

The main information and data used by the Independent Experts in valuating the property portfolio, for the different types of property, include:

- 1) the information transmitted by Aedes, specified below:
  - (i) for income-generating investment property, data on the rental status of each property unit, property tax, insurance and management costs of the property units, as well as any expected incremental costs;
  - (ii) for development projects, information on the timing of commencement and completion of works, the status of building permits and authorizations, costs to completion, progress of work, date of opening to the public and marketing assumptions.
- 2) the assumptions used by the Independent Experts, such as inflation rates, discount rates, capitalization rates and ERVs as defined by the Experts, based on their professional judgement and on close monitoring of the relevant market.

With regard to the measurement of the individual properties, based on the method applied and intended use, mention should be made of the:

- DCF approach (approximately 66% of total fair value):
  - Retail: the discount period ranges between 15 and 21 years; an inflation rate of 1.5% was used for the entire time horizon. The discount rate used, instead, ranges from 5.80% to 8.60%; the net capitalization rate is between 4.40% and 7.50%;
  - Office: the discount period ranges from 8 to 20 years; an inflation rate between 1.07% and 1.5% was used for the entire time horizon. The discount rate used, instead, ranges from 6.20% to 6.80%; the net capitalization rate is between 4.40% and 7.20%;
  - Other: the discount period for the only asset is 18 years; an inflation rate of 1.5% was used for the entire time horizon. The discount rate used is 7.75%; the net capitalization rate is 6.46%.
- Development approach (approximately 32% of total fair value): this valuation method was used almost exclusively for development projects, the range of discount rates used is between 7% and 12%, the range of cap rates used is between 5.62% and 6.41%, while the developer's profit was valued at 10% of the development costs.
- Comparative approach (approximately 2% of total fair value): this method is based on a comparison between the assets in question and other similar assets, recently bought or sold or currently offered on the same or competitive markets.

In order to measure the impact of a possible shock from an abrupt change in the core macroeconomic scenario on property valuations at 31 December 2020, the Company commissioned the independent expert Duff & Phelps REAG to conduct a sensitivity analysis to measure the changes in the fair value of the consolidated assets with the varying discount rates and exit cap rates, as these are considered the most significant unobservable inputs. The shocks applied to both rates were +/-0.5% and +/-1%.

The table below shows the effect on the total fair value of the property assets included in the consolidated financial statements of the Aedes Group when the 2 indicators change individually and jointly:

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(Euro/000)		Discount rates				
		-1,00%	-0,50%	0,00%	0,50%	1,00%
Cap rates	-1,00%	450.692	429.648	410.754	392.370	375.235
	-0,50%	439.082	419.088	400.664	383.420	366.675
	0,00%	429.142	409.698	392.294	375.310	359.465
	0,50%	420.332	401.918	385.074	368.540	353.185
	1,00%	413.072	395.038	378.574	362.640	347.725

NB: for assets measured using the comparative approach, a percentage change in unit value of +/-5% and +/-10% has been considered. This change is to be considered on average comparable to the percentage change in the exit cap rate of +/-0.5% and +/-1%.

Additional variables that may produce a reduction in Fair Value are:

- increased operating costs and/or tax,
- decreased rentals or market rents for vacant properties (ERV),
- increased estimated costs for developing building land.

Likewise, increases in Fair Value would occur in the event of opposite changes in the above variables.

It should be noted that the continued Covid-19 emergency situation generates uncertainties in the valuation of the property portfolio which, if results differ from the estimates made for the financial statements at 31 December 2020, could lead even to significant adjustments to the values of the investment properties in the coming years.

With regard to the impact of the Covid-19 pandemic on the valuation of property assets, the Independent Experts (Duff & Phelps) have clarified that their valuation considers "a material uncertainty" as indicated by the VPS 3 and VPGA 10 in the RICS Red Book Global. As a result, the Independent Experts found that a lower degree of certainty and a higher degree of caution should be attached to the valuation than would normally be required under normal market conditions. This indication is not meant to suggest that the results of the valuation carried out cannot be relied upon; rather, it is helpful in clarifying that - under the current extraordinary market conditions - less certainty can be attached to the valuation than would otherwise be the case.

### NOTE 34. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Under CONSOB Communication of 28 July 2006, the Aedes Group did not carry out significant non-recurring transactions in 2020.

### NOTE 35. MOVEMENTS RESULTING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In 2020, no atypical and/or unusual transactions were carried out by the Group<sup>16</sup>.

### NOTE 36. INFORMATION ON FINANCIAL RISKS

The Group is exposed mainly to the following financial risks:

- liquidity risk;
- interest rate risk;
- credit risk.

The following section provides qualitative and quantitative disclosures on the effect of those risks on the Group's activity.

<sup>16</sup> Under CONSOB Communication of 28 July 2006, which defines atypical and/or unusual transactions as transactions which, by significance/relevance, nature of the counterparties, object of the transaction, transfer pricing method and timing of the event, may give rise to doubts regarding: the accuracy/completeness of the information in the financial statements, conflicts of interest, safeguarding of company assets, and the protection of non-controlling interests.

### Liquidity risk

Liquidity risk is the risk that the Group fails to meet its payment obligations, due to the difficulty in raising funds (funding liquidity risk) or in liquidating its property assets on the market (asset liquidity risk). The occurrence of such events may have a negative impact on the Group's operating results if the Group is forced to incur additional costs to meet its commitments or, as a consequence, a situation of financial stress that may compromise its ability to continue as a going concern.

The Group keeps a watchful eye on cash and financial commitments. Specifically, the Group monitors the liquidity risk by preparing a detailed periodical financial budget, considering a time horizon of at least one year and the effective management of property sales and assumption of financial commitments.

In order to assess liquidity risk and the resulting going concern assumption, the Group has prepared financial projections, the key assumptions of which are drawn from the Plan, taking account of the operating cash flows and financial commitments involving all Group companies over a period of 12 months from the date of approval of these financial statements until 31 May 2022, including the planned investment activities and the forthcoming maturity of certain loan agreements currently in place (the "Projections"). Specifically, these consolidated financial statements at 31 December 2020 show a net current financial debt of approximately € 40.4 million (due within 12 months), of which € 27.2 million towards the shareholder Augusto S.p.A. (approximately € 23.7 million of which was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights). At the date of approval of these draft financial statements, the exposure towards Augusto S.p.A. is therefore equal to approximately € 3.5 million.

Based on the current net debt and the additional requirements arising from the Projections, deriving from the planned investments, from operations and from the normalization of working capital, the Group has identified sources of financial coverage until 31 May 2022 deriving mainly from the:

- a) sale of certain assets as part of the recurring portfolio rotation for an amount of up to approximately € 100 million which, net of the repayments of the debt on the assets to be sold, would generate a net cash flow of approximately € 35 million;
- b) financing activities: new loans and refinancing are expected to bring net cash flows of approximately € 9 million, in addition to the debt allocated to a property portfolio whose acquisition is planned;
- c) strengthening of the Company and the Group's capital, specifically:
  - on 11 March, option rights were exercised for a value of € 41.7 million with a cash contribution, net of the conversion of the shareholder loan of Augusto S.p.A. for € 23.7 million, of approximately € 18 million. The possible subscription and exercise of the unexercised portion of the capital increase (the outcome of which cannot be predicted to at this time) could bring an additional source of funding of up to approximately € 8.3 million by April 2021.
  - further capital strengthening is also planned to be carried out by a subsidiary (SATAC SIIINQ S.p.A.), with the presence of investors outside the Group.

The abovementioned sources to cover financial requirements are marked by great uncertainty, as they require the involvement and consent of third parties outside the Group and, for almost all of the abovementioned actions, no binding agreement has been formalized. Accordingly, the actions envisaged to cover the financial requirements (in particular, sale of the properties and financing) may not achieve, in terms of value or timing, the assumptions set out in the Projections.

The Directors believe that there is great uncertainty over the coverage of the Company and the Group's short-term financial requirements, owing to the spread of Covid-19 and its effects on the property and capital markets. This circumstance therefore indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company and the Group to continue as a going concern. The developments of the ongoing emergency may lead to a further deterioration, not measurable in all its extent to date, of the conditions of the property and capital markets, with potentially significant effects on the timing and consideration of the disposals envisaged in the Projections, on the success of the new financing transactions, and on the valuation of the property

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assets, with possible negative impacts on the compliance with the loan to value ratios envisaged in the loan agreements described in Note 14 to the Consolidated Financial Statements to which reference should be made. Whether or not, in fact, the actions envisaged in the Projections are fully or partly achieved according to schedule and to the procedures set will also depend on factors beyond the control of the Directors, which appear to be affected also by the Covid-19 emergency, whose impacts on the developments in the property market, on the supply of credit and on the developments in the capital market are not fully measurable to date.

In light of this uncertainty, the Directors have assessed the repercussions that would derive from a failure to fulfil the main assumptions related to locating the sources needed to cover short-term financial requirements.

The assessment of assumptions relating to:

- a) failure to raise additional liquidity at the auction of the unexercised rights;
- b) delayed implementation of part of the property disposal plan;
- c) failure to raise third-party capital on SATAC SIINQ S.p.A.,

led the Directors to conclude that, even in such a scenario, the Group's ability to meet its obligations over the period envisaged in the Projections (until 31 May 2022) would not be compromised on the assumption, deemed reasonable, that the Group is able to defer the investments envisaged in the Projections and not subject to final commitment and/or to execute in 2021, one year earlier than envisaged in the business plan, the disposal of a non-controlling interest, without prejudice to the need to carry out part of the property disposal plan and to obtain the abovementioned new loans and refinancing. These corrective actions, some of which are beyond the control of the Directors, while preserving the going concern assumption, would have the effect of delaying or rescaling the growth forecasts set out in the Plan, with resulting negative impacts on the valuation of the property and investment portfolio, on the Group's ability to reverse the income trend from negative to positive and on the ability to generate cash flows consistent with its financial requirements.

In consideration of

- the certain, albeit not final, outcome of the capital increase with pre-emption rights,
- the reasonable expectation that the actions currently underway and being defined with regard to the above sources of financial coverage will be completed in a timeframe consistent with the financial requirements,
- taking the possible and timely corrective actions indicated above,

the Board of Directors has deemed that the going concern assumption still applies.

The Directors will carry out ongoing monitoring of the evolution of the factors considered, in order, should conditions arise, to adopt the most appropriate corrective actions.

Note 3.7 to the consolidated financial statements and Note 4.7 to the financial statements contain the Directors' considerations on the assessment of the going concern assumption.

Further quantitative information on liquidity risk is provided below.

*Analysis of future cash flows*

31/12/2020	Book value	Contractual cash flows	Within 1 year	1-2 years	2-5 years	over 5 years
<b>Non-derivative financial liabilities</b>						
Mortgages	111.970	127.450	9.058	39.584	40.236	38.571
Bonds	43.878	55.800	5.430	50.370	-	-
Payables to leasing companies	3.668	3.852	2.369	236	703	545
Lines of credit	14.608	14.686	14.686	-	-	-
Other lenders	27.171	26.464	26.464	-	-	-
<b>Total non-derivative liabilities</b>	<b>201.295</b>	<b>228.252</b>	<b>58.007</b>	<b>90.190</b>	<b>40.939</b>	<b>39.116</b>
<b>Derivative financial instruments</b>						
Hedge derivatives	619	661	352	309	-	-
Non-hedge derivatives	(7)	-	-	-	-	-
<b>Total derivatives</b>	<b>612</b>	<b>661</b>	<b>352</b>	<b>309</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>201.907</b>	<b>228.913</b>	<b>58.359</b>	<b>90.499</b>	<b>40.939</b>	<b>39.116</b>

Consolidated Financial Statements at 31 December 2020

Analysis of liabilities by maturity

Analysis of liabilities by maturity at	Book value	committed	within 1 year	1-5 years	over 5 years
Non-current payables to banks and other lenders	150.933	-	-	115.679	35.254
Other non-current financial liabilities	1.362	-	-	1.362	-
Current payables to banks and other lenders	48.131	3.374	44.757	-	-
Payables to suppliers/advances from clients	13.191	-	12.999	192	-
Other current financial liabilities	869	-	869	-	-
<b>Total</b>	<b>214.486</b>	<b>3.374</b>	<b>58.625</b>	<b>117.233</b>	<b>35.254</b>

Fair value of financial assets and liabilities

The fair value of trade assets and liabilities corresponds to the nominal value booked in the financial statements.

The table below shows, for financial liabilities and derivatives, the carrying amount recognized in the balance sheet and the related fair value.

(Euro/000)	31/12/2020		31/12/2019	
	Book value	Fair value	Book value	Fair Value
Mortgages	111.970	112.235	110.786	112.696
Bonds	43.878	45.482	44.666	45.958
Payables to leasing companies	3.668	3.637	1.431	1.421
Lines of credit	14.608	14.554	12.188	12.217
Other lenders	27.171	27.171	27.259	27.368
Derivative financial instruments	612	612	846	846
<b>Total</b>	<b>201.907</b>	<b>203.691</b>	<b>197.176</b>	<b>200.506</b>
Difference	(1.784)		(3.330)	

With regard to the fair value hierarchy levels, it should be noted that derivatives are classifiable as Level 2, i.e. deriving from valuation techniques fed by directly observable market inputs. Specifically, derivative financial instruments are measured using the Discounted Cash Flow Approach. Future cash flows are discounted based on the forward rate curves expected at the end of the observation period and on the contractual fixing rates, also taking the counterpart credit risk into account, in compliance with IFRS 13.

The following table shows derivative assets and liabilities measured at fair value at 31 December 2020.

	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	26	-	26
<b>Total assets</b>	-	<b>26</b>	-	<b>26</b>
Derivative financial instruments	-	(638)	-	(638)
<b>Total liabilities</b>	-	<b>(638)</b>	-	<b>(638)</b>
<b>Total</b>	-	<b>(612)</b>	-	<b>(612)</b>

Interest rate risk

The table below summarizes the conditions of the existing payables due to banks and other lenders at 31 December 2020, grouped by interest rate range, with the relevant indication of the book value.

Description	31/12/2020	31/12/2019
Interest rate (current)		
less than 2%	1.192	1.181
2% - 3%	50.776	38.788
3% - 5.5%	74.651	109.527
5.5% - 6.5%	28.162	46.834
>6.5%	44.283	-
<b>Total</b>	<b>199.064</b>	<b>196.330</b>

With regard to interest rate risk, IFRS 7 requires a sensitivity analysis that shows the impact on the financial statements of changes in the interest rate curve. Specifically, the analysis was carried out only on derivative financial instruments in the portfolio, which currently represent the only financial assets/liabilities subject to measurement at fair value; loans payable at year-end were not, however, considered for the purposes of fair value sensitivity, as they are represented by accounting entries measured at amortized cost.

The table below shows the higher financial income/expense that would have been recorded in the Income Statement during the year in the event of interest rates higher or lower than those actually recorded, respectively, by +0.5% and -0.5% with regard to both derivative financial instruments and floating-rate loan agreements.

The table below shows the change in the operating result for the year and in equity following the sensitivity analysis.

(Euro/000)	Profit or loss	
	Increase of 50 bps	Decrease of 50 bps
Mortgages	(231)	174
Bonds	-	-
Payables to leasing companies	(6)	7
Lines of credit	(9)	-
Other lenders	-	-
Derivative financial instruments	265	(272)
<b>Net Fair Value Sensitivity</b>	<b>19</b>	<b>(91)</b>

#### Floating-rate loans

The Group's exposure to interest rate risk originates mainly in medium and long-term financial payables.

Floating-rate payables expose the Group to a cash flow risk, while fixed-rate payables expose the Group to a fair value risk.

The Aedes Group's exposure to risk originates mainly in payables indexed to a floating market rate, with a resulting risk of cash flow fluctuations, since the changes in fair value are not booked in the income statement and do not present cash flows that are subject to market conditions.

Interest rate risks can be reduced by concluding derivative contracts. The instruments generally used are "plain vanilla" or "step-up" interest rate swaps, which convert the floating rate into a fixed rate, and/or caps, which set a cap on the interest rates payable by the Company, and/or collars, namely instruments represented by the purchase of a cap and sale of a floor, which set a floor and a cap on interest rates payable by the Company, allowing it to maintain a floating rate within the set range.

A derivative instrument is chosen by analyzing the individual investment projects and relevant loans, i.e. assessing the market conditions and the medium-long term strategy.

## Consolidated Financial Statements at 31 December 2020

In order to reduce the Group's overall exposure to interest rate risk:

(i) the Company concluded a derivative contract on 15 October 2019 with the following characteristics:

Type	Cap
Effective date	31.03.2020
Maturity	30.06.2025
Notional	amount € 4.625 million, in repayment
Floating Rate	Euribor 3 months, act/360, quarterly
CAP strike	0.00%

It should be noted that the instrument is no longer tied to a specific loan, but has the purpose of reducing the risk of an increase in interest rates on the Group's overall exposure. Accordingly, any changes in the period will be recorded in the income statement as period adjustments to fair value.

(ii) the Company concluded a derivative contract on 14 October 2019 with the following characteristics:

Type	Cap
Effective date	31.12.2019
Maturity	10.09.2024
Notional	amount € 18.939 million, in repayment
Floating Rate	Euribor 6 months, act/360, half-year
CAP strike	0.00%

It should be noted that the instrument is tied to a specific loan and has the purpose of reducing the risk of an increase in interest rates relating to the loan taken out on 11 September 2019. Accordingly, any changes in the period will be recorded in equity.

(iii) the subsidiary Novipraga SIINQ S.p.A. concluded a derivative contract on 14 February 2018 with the following characteristics:

Type	Interest Rate Swap with Floor
Effective date	29.12.2017
Maturity	18.12.2022
Notional	amount € 30.5 million, in repayment
Floating Rate	Euribor 6 months, act/365, half-year
Strike Rates	0.5965%
FLOOR strike	-2.75%

Type	Interest Rate Cap
Effective date	31.03.2019
Maturity	18.12.2022
Notional	amount € 4.3 million, in repayment
Floating Rate	Euribor 6 months, act/365, half-year
Strike Rates	0.42%

It should be noted that the instrument is tied to a specific loan and has the purpose of reducing the risk of an increase in interest rates relating to the loan taken out by the subsidiary Novipraga SIINQ S.p.A. on 18 December 2017. Accordingly, any changes in the period will be recorded in equity.

The notional amount of the subscribed derivatives is equivalent to approximately 29.3% of the Group's gross operating financial debt at 31 December 2020.

### Credit risk

Credit risk lies mainly in a client's inability to pay, regarding specifically tenants of owned assets. The Group is not affected by significant credit risk concentration, given the adequate diversification in terms of tenants.

The activity carried out to reduce credit risk exposure is based on an analysis of the composition of the client portfolio for each business area, to ensure adequate guarantee on the financial health of clients. Where deemed necessary, suitable guarantees are required for property transactions.

The maximum theoretical exposure to credit risk for the Group is represented by the book value of financial assets, in addition to the face value of guarantees given to third-party debts or commitments as set out in Note 31 in relation to the financial assets.

Most of the financial assets are from associates. The financial assets consist mainly of receivables, whose collection is tied to the development/disposal cycle of the property assets of the associates. Any write-downs of financial assets are made on an individual basis, and the write-downs are deemed to reflect the actual collection risk.

### NOTE 37. INFORMATION PURSUANT TO LAW 124/2017 ARTICLE 1, PARAGRAPHS 125 AND 129

During the year, the Group received € 117 thousand from the Revenue Agency as a non-repayable contribution granted under Article 25 of Law Decree no. 34 of 19 May 2020 (Relaunch Decree - "Urgent measures on health, work support and the economy, and social policies related to the COVID-19 emergency").

## 3.15 Annex 1 - Company information

### FULLY CONSOLIDATED SUBSIDIARIES

<i>Investment</i>	<i>Registered Office</i>	<i>Share Capital</i>	<i>Equity Interests</i>
Petrarca Fund in liquidation	-	-	100% Aedes SIIQ S.p.A.
Novipraga SIINQ S.p.A.	Milan Via Tortona 37	€ 100,000	100% Aedes SIIQ S.p.A.
Gorky S.r.l.	Treviso Via Indipendenza, 5	€ 10,000	100% Aedes SIIQ S.p.A.
Pragaquattro Center SIINQ S.p.A.	Milan Via Tortona 37	€ 54,000	100% Aedes SIIQ S.p.A.
Pragaundici SIINQ S.p.A.	Milan Via Tortona 37	€ 100,000	100% Aedes SIIQ S.p.A.
Praga RES S.r.l.	Milan Via Tortona 37	€ 100,000	100% Aedes SIIQ S.p.A.
SATAC SIINQ S.p.A.	Milan Via Tortona 37	€ 620,000	100% Aedes SIIQ S.p.A.

#### **Petrarca Fund in liquidation**

fund specialized in the office segment, held 100% by Aedes SIIQ S.p.A..

#### **Gorky S.r.l.**

held 100% by Aedes SIIQ S.p.A., which owns property for office use.

#### **Novipraga SIINQ S.p.A.**

unlisted property investment company (SIINQ), owner of properties under development intended for commercial and economic/productive use in Serravalle Scrivia (AL) and Novi Ligure (AL). Held 100% by Aedes SIIQ S.p.A..

#### **Pragaquattro Center SIINQ S.p.A.**

unlisted property investment company (SIINQ), owner of properties under development and intended for commercial use (Castellazzo Design Center) in the Municipality of Castellazzo Bormida (AL) and in the Municipality of Borgoratto Alessandrino (AL), and of revenue properties (for tourism/reception and residential use) and under development (la Bollina for tourism/reception, sports/recreation and residential use) in the Municipality of Serravalle Scrivia (AL). Held 100% by Aedes SIIQ S.p.A..

#### **Pragaundici SIINQ S.p.A.**

unlisted property investment company (SIINQ), owner of properties under development (Serravalle Outlet Village Phase B intended for commercial use) in the Municipality of Serravalle Scrivia (AL). Held 100% by Aedes SIIQ S.p.A..

#### **Praga RES S.r.l.**

company that performs Project and Construction Management services, primarily intercompany. Held 100% by Aedes SIIQ S.p.A..

#### **SATAC SIINQ S.p.A.**

unlisted property investment company (SIINQ), owner of the development project (Caselle Open Mall intended for commercial and office use) in the Municipality of Caselle Torinese. Held 100% by Aedes SIIQ S.p.A..

*ASSOCIATES AND JOINT VENTURES CONSOLIDATED AT EQUITY*

<i>Investment</i>	<i>Registered Office</i>	<i>Share Capital</i>	<i>Equity Interests</i>
Borletti Group SAM S.A.	L-1136 Luxembourg Place d'Armes 1T	€ 51,667	40% Aedes SIIQ S.p.A.
Efir S.ar.l.	5 Allé Scheffer L - 2520 Luxembourg	€ 22,279,300	33.33% Aedes SIIQ S.p.A.
Dante Retail Fund	-	-	100% Efir S.àr.l.
InvesCo S.A.	L-1136 Luxembourg Place d'Armes 1T	€ 147,000	28.57% Aedes SIIQ S.p.A.
Pragasei S.r.l.	Milan Via Monte Napoleone, 29	€ 100,000	50.1% Aedes SIIQ S.p.A.
The Market LP SCA	L-1136 Luxembourg Place d'Armes 1T	€ 86,000	20.93% Aedes SIIQ S.p.A. 16.28% InvesCo S.A. 36.05% Borletti Group SAM S.A.

**Borletti Group SAM S.A., InvesCo S.A. and The Market LP SCA:** companies operating in the activities related to "The Market".

**Efir S.ar.l. and Dante Retail Fund**

owned 33.33% by Aedes SIIQ S.p.A., which holds 100% of the Dante Retail Fund, owner of retail properties located across the Country, also holder of the investment in Giulio Cesare S.r.l., owner of business units engaged in the commercial activities of a number of properties owned by the Fund.

**Pragasei S.r.l.**

owner of properties under construction (Serravalle Outlet Village intended for commercial use) in Serravalle Scrivia (AL). Held 50.1% by Aedes SIIQ S.p.A. in joint venture with TH Real Estate.

### 3.16 Annex 2 - Transactions with related parties

Transactions carried out over the year by the Aedes Group with companies outside of the consolidation scope consist mainly in administrative and property services, as well as loans issued by Group companies to non-consolidated companies, charged at rates in line with those normally applied by the banking system.

All transactions with related parties are settled at arm's length.

Counterpart	Revenue from sales and services	Other revenue	Costs for raw materials and services	Personnel expense	Other operating costs	Financial income	Financial expense
<b>Parent companies</b>							
Augusto S.p.A.	18	-	(2)	-	-	-	(1.650)
<b>Total from Parents</b>	<b>18</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.650)</b>
<b>Associates</b>							
Nichelino Village S.car.l.	-	-	(10)	-	-	-	-
Pragasei S.r.l.	-	-	-	-	-	448	-
The Market Opco S.r.l.	15	-	-	-	-	-	-
The Market Propco S.r.l.	460	-	-	-	-	-	-
<b>Total from Associates</b>	<b>475</b>	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>-</b>
<b>Other Related Parties</b>							
Banca Profilo S.p.A.	-	-	-	-	-	-	(267)
Blue SGR S.p.A. (former Sator Immobiliare SGR S.p.A)	-	-	-	(83)	-	-	-
Bollina S.r.l.	79	-	-	-	(10)	-	-
Societa' Agricola La Bollina S.r.l.	56	-	(36)	-	(9)	-	-
Pragaotto S.r.l.	5	-	-	-	-	-	-
Restart SIIQ S.p.A.	83	2	-	(14)	-	-	-
Società Investimenti Mobiliari Uno SS	-	-	-	-	-	-	(37)
Extrabanca S.p.A.	-	-	-	-	-	-	(128)
<b>Total Other Related Parties</b>	<b>223</b>	<b>2</b>	<b>(36)</b>	<b>(97)</b>	<b>(19)</b>	<b>-</b>	<b>(432)</b>
<b>TOTAL RELATED PARTIES</b>	<b>716</b>	<b>2</b>	<b>(48)</b>	<b>(97)</b>	<b>(19)</b>	<b>448</b>	<b>(2.082)</b>

Counterpart	Non-current financial receivables	Cash and cash equivalents	Current trade receivables	Current financial payables	Trade and other non-current payables	Trade and other current payables
<b>Parent companies</b>						
Augusto S.p.A.	-	-	201	27.171	-	110
<b>Total from Parents</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>27.171</b>	<b>-</b>	<b>110</b>
<b>Associates</b>						
Pragasei S.r.l.	7.066	-	-	-	192	-
The Market Opco S.r.l.	-	-	23	-	-	-
The Market Propco S.r.l.	-	-	126	-	-	-
<b>Total from Associates</b>	<b>7.066</b>	<b>-</b>	<b>149</b>	<b>-</b>	<b>192</b>	<b>-</b>
<b>Other Related Parties</b>						
Banca Profilo S.p.A.	-	5	-	-	-	-
Blue SGR S.p.A. (former Sator Immobiliare SGR S.p.A)	-	-	-	-	-	83
Bollina S.r.l.	-	-	53	-	-	11
Societa' Agricola La Bollina S.r.l.	-	-	9	-	-	10
Leopardi Fund	-	-	1.265	-	-	-
Pragaotto S.r.l.	-	-	6	-	-	-
Restart SIIQ S.p.A.	-	-	8	-	-	137
Extrabanca S.p.A.	-	3	-	1.985	-	-
Arepo Ad Sarl	-	-	3	-	-	-
<b>Total Other Related Parties</b>	<b>-</b>	<b>8</b>	<b>1.344</b>	<b>1.985</b>	<b>-</b>	<b>241</b>
<b>TOTAL RELATED PARTIES</b>	<b>7.066</b>	<b>8</b>	<b>1.694</b>	<b>29.156</b>	<b>192</b>	<b>351</b>

The overall fees resolved for the Directors, including Directors with proxies, Statutory Auditors and Key Management Personnel are shown in the table below:

	Aedes SiiQ S.p.A.	Subsidiaries and associates	Total
Fees to members of the Board of Directors	1.682	-	1.682
Fees to members of the Board of Statutory Auditors	88	30	118
Fees to Directors and Statutory Auditors for positions held in the Supervisory Body	45	13	58
<i>of which directors of Aedes SiiQ S.p.A.</i>	45		45
<i>of which statutory auditors of Aedes SiiQ S.p.A.</i>		13	13
Fees to Key Management Personnel	534		534
	<b>2.349</b>	<b>43</b>	<b>2.392</b>

For further details, reference should be made to the Remuneration Report of the Company, prepared pursuant to Article 123-ter of the TUF, which will also be published in accordance with law on the Company's website.

### 3.17 Annex 3 - Investments in companies measured at equity

Investment	Non-current assets	Current assets	Non-current liabilities	Current liabilities
<b>Associates</b>				
EFIR S.ar.l. - Dante Retail Fund	52.688	483	0	168
Dante Retail Fund	111.136	12.724	63.400	4.232
Pragasei S.r.l.	70.653	10.699	51.962	2.138
The Market project (*)	121.852	3.325	46.917	12.444
<b>Total</b>	<b>356.329</b>	<b>27.231</b>	<b>162.279</b>	<b>18.982</b>

(\*) Includes the amounts of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

Investment	Revenue from sales and services	Other revenue	Costs for raw materials and services	Personnel expense	Other operating costs
<b>Associates</b>					
EFIR S.ar.l. - Dante Retail Fund	-	-	(25)	-	-
Dante Retail Fund	8.057	67	(1.974)	-	(941)
Pragasei S.r.l.	5.677	5	(2.971)	-	(384)
The Market project (*)	-	76	(1.327)	(515)	(699)
<b>Total</b>	<b>13.734</b>	<b>148</b>	<b>(6.297)</b>	<b>(515)</b>	<b>(2.024)</b>

(\*) Includes the amounts of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

Investment	Amortization and depreciation	Write-downs and allocations	Financial income/(expense) Net	Income/(expense) from investment	Tax	Profit/(loss) for the period
<b>Associates</b>						
EFIR S.ar.l. - Dante Retail Fund	-	-	(2)	-	(78)	(105)
Dante Retail Fund	-	(8.110)	(1.372)	(97)	-	(4.370)
Pragasei S.r.l.	-	(4.047)	(1.675)	-	1.293	(2.102)
The Market project (*)	(4.538)	-	(3.105)	-	369	(9.739)
<b>Total</b>	<b>(4.538)</b>	<b>(12.157)</b>	<b>(6.154)</b>	<b>(97)</b>	<b>1.584</b>	<b>(16.316)</b>

(\*) Includes the amounts of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

The table below shows the breakdown of the net financial position of companies measured at equity:

Investment	% of investment	NFP 100%	NFP pro rata
EFIR S.ar.l. - Dante Retail Fund	33,00%	351	117
Dante Retail Fund	33,33%	(56.798)	(18.931)
The Market project (*)	40,00%	(43.801)	(17.536)
Pragasei S.r.l.	50,10%	(38.641)	(19.359)
<b>Total</b>		<b>(138.890)</b>	<b>(55.709)</b>

(\*) Includes the amounts of Borletti Group SAM S.A., Invesco S.A., The Market LP SCA

Taking the listed debt into account, mention should be made that debt is, in turn, secured mainly by

property guarantees. See Note 30 for any Group commitments.

### 3.18 Annex 4 - Information required by Article 149-duodecies of CONSOB Issuer Regulation

The following statement, prepared in accordance with Article 149-duodecies of CONSOB Issuer Regulation, shows the fees in 2020 for external auditing and for services other than auditing provided by the Independent Auditors.

	Services provided by	Recipient	Fees paid in 2020
<b>Audit</b>	Deloitte & Touche S.p.A.	Parent - Aedes SiiQ S.p.A.	239
	Deloitte & Touche S.p.A.	Subsidiaries	129
<b>Certification services</b>	Deloitte & Touche S.p.A.	Parent - Aedes S.p.A.	115
<b>Total</b>			<b>483</b>

### 3.19 Certification of the consolidated financial statements<sup>17</sup>

The undersigned Giuseppe Roveda, as Chief Executive Officer, and Achille Mucci, as Financial Reporting Manager of Aedes SIIQ S.p.A., also in accordance with Article 154 bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, certify:

- the adequacy in relation to the characteristics of the Aedes Group and
- the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements in 2020.

We also certify that

1. the Consolidated Financial Statements:
  - a. have been prepared in accordance with the applicable international accounting standards endorsed by the European Union, pursuant to EEC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002;
  - b. are consistent with the accounting records and books;
  - c. give a true and fair view of the financial position and results of operations of the Company and of the companies included in the consolidation scope of the Aedes Group as a whole.
2. the Directors' Report contains a reliable analysis of the performance, results of operations and the situation of the Issuer and the companies included in the consolidation scope as a whole, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 24 March 2021

*The Chief Executive Officer*

**Giuseppe Roveda**

*The Financial Reporting Manager*

**Achille Mucci**

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<sup>17</sup> pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented.

## 3.20 Independent Auditors' Report

# Deloitte.

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Fax: +39 02 83322112  
www.deloitte.it

### RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE AI SENSI DELL'ART. 14 DEL D.LGS. 27 GENNAIO 2010, N. 39 E DELL'ART. 10 DEL REGOLAMENTO (UE) N. 537/2014

Agli Azionisti della  
Aedes SiiQ S.p.A.

#### RELAZIONE SULLA REVISIONE CONTABILE DEL BILANCIO CONSOLIDATO

##### Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Aedes (il "Gruppo"), costituito dal prospetto della situazione patrimoniale-finanziaria al 31 dicembre 2020, dal conto economico, dal conto economico complessivo, dal prospetto dei movimenti di patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2020, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05.

##### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla società Aedes SiiQ S.p.A. (di seguito anche la "Società") in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

##### Incertezza significativa relativa alla continuità aziendale

Richiamiamo l'attenzione su quanto descritto nella nota 3.7 "Presupposto della continuità aziendale" del bilancio consolidato e nel paragrafo 2.13 "Principali rischi e incertezze – Rischio di liquidità" della relazione sulla gestione in merito a eventi e circostanze che indicano l'esistenza di un'incertezza significativa che può far sorgere dubbi significativi sulla continuità aziendale della Società e del Gruppo.

Alcune sedi: Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Roma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.228.220,00 i.v.

Codice Fiscale/Registro delle Imprese Milano n. 03089550156 - R.E.A. Milano n. 272239 | Partita IVA IT 03049560156

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In particolare, gli Amministratori riferiscono che l'incertezza connessa alla copertura del fabbisogno finanziario di breve periodo della Società e del Gruppo continua a essere significativa, anche dopo le operazioni di rafforzamento patrimoniale effettuate, a causa della diffusione del Covid-19 e dei relativi effetti sul mercato immobiliare e dei capitali. Gli Amministratori indicano che l'evoluzione dell'emergenza in atto potrebbe infatti comportare un ulteriore deterioramento, a oggi non pienamente apprezzabile, delle condizioni del mercato immobiliare e del mercato dei capitali con potenziali effetti significativi sui tempi e sui valori di realizzo delle dismissioni immobiliari previste e sul successo delle operazioni di finanziamento pianificate nelle proiezioni economiche finanziarie dagli stessi elaborate per i prossimi 12 mesi (le "Proiezioni") sulla base del Piano 2020-2026 del Gruppo (il "Piano"), nonché sulla valorizzazione dell'attivo immobiliare, con possibili conseguenze negative sul rispetto dei rapporti di *loan to value* previsti nei contratti di finanziamento del Gruppo.

In considerazione di tali rilevanti elementi di incertezza, gli Amministratori riferiscono di avere analizzato le ulteriori azioni che potrebbero porre in essere qualora le principali assunzioni relative al reperimento delle fonti per la copertura del fabbisogno finanziario di breve periodo non dovessero realizzarsi. Tale analisi ha condotto gli Amministratori a concludere che anche in tale scenario la capacità del Gruppo di far fronte alle proprie obbligazioni non sarebbe pregiudicata, nell'assunto che il Gruppo sia in grado di differire parzialmente gli investimenti previsti nelle Proiezioni e/o di anticipare la dismissione di una partecipazione non di controllo, ferma restando la necessità di realizzare una parte delle dismissioni immobiliari programmate e di ottenere i finanziamenti pianificati entro tempi prossimi a quelli previsti nelle Proiezioni. Gli Amministratori evidenziano, tuttavia, che ciò avrebbe l'effetto di ritardare o ridimensionare le previsioni di crescita implicite nel Piano, con conseguenti ripercussioni negative sulla valorizzazione del portafoglio immobiliare e partecipativo, sulla redditività del Gruppo nonché sulla capacità dello stesso di generare flussi di cassa congrui rispetto ai fabbisogni finanziari prospettici del Gruppo.

All'esito delle valutazioni svolte, gli Amministratori hanno predisposto il bilancio sulla base del presupposto della continuità aziendale, in considerazione degli esiti dell'aumento di capitale in opzione, delle azioni dagli stessi individuate per far fronte al fabbisogno finanziario della Società e del Gruppo, nonché assumendo che, ove necessario, gli Amministratori possano attuare le misure correttive dagli stessi identificate.

Il nostro giudizio non è espresso con rilievi in relazione all'aspetto sopra richiamato.

Le nostre procedure di revisione hanno incluso tra l'altro:

- incontri e discussioni con la Direzione del Gruppo e analisi delle valutazioni effettuate dagli Amministratori relativamente alla capacità della Società e del Gruppo di continuare a operare come un'entità in funzionamento;
- analisi delle principali operazioni concluse dal Gruppo nel corso dell'esercizio con particolare riferimento al perfezionamento dell'aumento di capitale di Euro 10 milioni riservato ad Augusto S.p.A., alle operazioni di rifinanziamento e alle vendite immobiliari;
- analisi della documentazione societaria rilevante relativa all'aumento di capitale in opzione di Euro 50 milioni, in relazione al quale alla data di redazione del progetto di bilancio erano stati esercitati diritti di opzione per un controvalore di Euro 41,7 milioni e che si è successivamente concluso con l'asta dell'inoptato che ha fornito al Gruppo ulteriori risorse per circa Euro 4 milioni;

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- comprensione e analisi di ragionevolezza delle principali assunzioni adottate dagli Amministratori per la formulazione delle Proiezioni e delle ulteriori analisi dagli stessi effettuate per la valutazione del presupposto della continuità aziendale e valutazione dell'attendibilità dei dati sottostanti utilizzati per tali previsioni, anche alla luce dell'incertezza relativa al contesto di mercato generata dalla diffusione del Covid-19;
- esame dello stato di avanzamento delle iniziative attualmente in essere in ordine alle fonti di copertura finanziaria;
- lettura critica dei verbali delle riunioni del Consiglio di Amministrazione;
- analisi degli eventi occorsi successivamente alla data di riferimento del bilancio che forniscano elementi utili alla valutazione della continuità aziendale;
- esame dell'adeguatezza dell'informativa fornita dagli Amministratori nel bilancio consolidato relativa al presupposto della continuità aziendale.

### Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio consolidato nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Oltre a quanto descritto nella sezione *Incertezza significativa relativa alla continuità aziendale*, abbiamo identificato l'aspetto di seguito descritto come aspetto chiave della revisione da comunicare nella presente relazione.

#### Valutazione del portafoglio immobiliare

<b>Descrizione dell'aspetto chiave della revisione</b>	Il bilancio consolidato del Gruppo include investimenti immobiliari, valutati al <i>fair value</i> in base allo IAS 40, per Euro 382 milioni. Inoltre, il Gruppo detiene il portafoglio immobiliare anche tramite partecipazioni in società collegate e <i>joint ventures</i> valutate con il metodo del patrimonio netto, il cui valore di carico ammonta a Euro 52,9 milioni, e rimanenze immobiliari, valutate al minore tra costo e valore netto di realizzo, per un valore pari a Euro 7,7 milioni.
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Il portafoglio immobiliare complessivo del Gruppo include immobili in fase di sviluppo, immobili di investimento e rimanenze immobiliari; i metodi valutativi e le assunzioni sottostanti la determinazione dei relativi valori variano in ragione della tipologia dell'investimento.

Il processo di valutazione del portafoglio immobiliare del Gruppo, condotto dagli Amministratori anche sulla base di perizie predisposte da esperti indipendenti, è complesso e deriva da variabili e assunzioni attinenti l'andamento futuro influenzate da condizioni economiche e di mercato di difficile previsione. In particolare, le assunzioni sottostanti le valutazioni effettuate dagli Amministratori in relazione al portafoglio immobiliare riguardano principalmente le seguenti variabili: (i) i flussi di cassa netti attesi dagli immobili e la relativa distribuzione nel tempo; (ii) i tassi di attualizzazione e i tassi di capitalizzazione. All'esito delle valutazioni effettuate, il portafoglio immobiliare e partecipativo del Gruppo è stato



oggetto di rilevanti svalutazioni per effetto, prevalentemente, della variazione di talune assunzioni valutative come conseguenza della pandemia da Covid-19.

Inoltre, gli Amministratori evidenziano nelle note illustrative che il progressivo diffondersi del contagio da Covid-19 genera delle rilevanti incertezze nei processi valutativi del portafoglio immobiliare con particolare riguardo al comparto *Retail*, pertanto è possibile che nei prossimi esercizi, al concretizzarsi di risultati diversi rispetto alle stime effettuate per il bilancio al 31 dicembre 2020, si possano rendere necessarie rettifiche, anche significative, ai valori delle attività immobiliari oggetto di valutazione.

In considerazione della significatività del portafoglio immobiliare del Gruppo, della complessità e della soggettività del processo di valutazione condotto dagli Amministratori, con particolare riguardo alle summenzionate variabili e al contesto di incertezza generato dal Covid-19, abbiamo ritenuto la valutazione del portafoglio immobiliare un aspetto chiave della revisione contabile del bilancio consolidato del Gruppo al 31 dicembre 2020.

Le note 1, 5 e 9 del bilancio consolidato forniscono l'informativa relativa rispettivamente agli investimenti immobiliari, alle partecipazioni in società collegate e *joint ventures* e alle rimanenze detenute dal Gruppo. La nota 33 e il paragrafo "Stime ed assunzioni rilevanti" illustrano le assunzioni sottostanti le valutazioni relative al portafoglio immobiliare.

**Procedure di revisione svolte**

Nell'ambito delle nostre verifiche abbiamo, tra l'altro, svolto le seguenti procedure, anche avvalendoci del supporto di nostri esperti con competenze specifiche in ambito valutativo:

- rilevazione dei processi e comprensione dei controlli rilevanti posti in essere dal Gruppo sulla selezione degli esperti indipendenti e sulla valutazione del portafoglio immobiliare;
- valutazione delle competenze, delle capacità e dell'obiettività degli esperti indipendenti coinvolti dagli Amministratori, mediante verifica delle qualifiche professionali, esame dei termini degli incarichi a essi conferiti e acquisizione di informazioni dalla Direzione;
- analisi dell'adeguatezza dei metodi valutativi e della ragionevolezza delle principali assunzioni adottate per la valutazione del portafoglio immobiliare, anche alla luce dell'incertezza di mercato connessa alla pandemia Covid-19, mediante colloqui e approfondimenti condotti con la Direzione e con gli esperti indipendenti e lettura critica delle perizie;
- verifica su base campionaria dei dati comunicati dalla Direzione agli esperti indipendenti ai fini della predisposizione delle perizie;
- confronto su base campionaria dei tassi di inflazione, tassi di attualizzazione, tassi di capitalizzazione e canoni di mercato utilizzati ai fini della predisposizione delle perizie con fonti esterne (facendo riferimento a dati e informazioni di mercato rinvenibili da fonti pubbliche e transazioni comparabili);

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- verifica su base campionaria dell'accuratezza matematica dei modelli usati dagli esperti indipendenti per le loro valutazioni;
- verifica dell'andamento delle vendite realizzate dal Gruppo nel corso dell'esercizio ai fini della valutazione retrospettiva delle stime della Direzione;
- analisi degli eventi occorsi successivamente alla data di riferimento del bilancio che forniscano elementi utili alla valutazione del portafoglio immobiliare del Gruppo;
- verifica dell'informativa fornita dal Gruppo nelle note illustrative relativamente alla valutazione del portafoglio immobiliare e all'analisi di sensitività del *fair value*.

#### **Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio consolidato**

Gli Amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Aedes SiiQ.S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

#### **Responsabilità della società di revisione per la revisione contabile del bilancio consolidato**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.



Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

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Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le relative misure di salvaguardia.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

#### **Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) 537/2014**

L'assemblea degli azionisti della Aedes SiiQ S.p.A. ci ha conferito in data 12 novembre 2018 l'incarico di revisione legale del bilancio d'esercizio e consolidato della Società per gli esercizi dal 31 dicembre 2018 al 31 dicembre 2026.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio consolidato espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al Collegio Sindacale, nella sua funzione di Comitato per il Controllo Interno e la Revisione Legale, predisposta ai sensi dell'art. 11 del citato Regolamento.

#### **RELAZIONE SU ALTRE DISPOSIZIONI DI LEGGE E REGOLAMENTARI**

##### **Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10 e dell'art. 123-bis, comma 4, del D.Lgs. 58/98**

Gli Amministratori della Aedes SiiQ S.p.A. sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari del Gruppo al 31 dicembre 2020, incluse la loro coerenza con il relativo bilancio consolidato e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/98, con il bilancio consolidato del Gruppo al 31 dicembre 2020 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

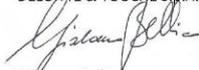
A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio consolidato del Gruppo al 31 dicembre 2020 e sono redatte in conformità alle norme di legge.

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Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

DELOITTE & TOUCHE S.p.A.



**Giacomo Bellia**  
Socio

Milano, 20 aprile 2021

*Financial statements at 31 December 2020*

#### **4. Financial Statements and Explanatory Notes of Aedes SIIQ S.p.A.**

## 4.1 Statement of financial position<sup>18</sup>

	Note	31/12/2020	Of which related parties	31/12/2019	Of which related parties
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	1	162.680.000		151.260.000	
Other tangible fixed assets	2	1.043.810		1.530.429	
Intangible fixed assets	3	27.800		38.845	
Right of use	4	1.986.463		2.471.156	
Investments in subsidiaries	5	84.415.595		107.078.872	
Investments in associates and other companies	6	46.646.099		50.207.461	
Receivables for prepaid tax	7	192.762		250.362	
Derivative instruments	8	25.517		94.932	
Financial receivables	9	72.261.915	72.252.237	79.422.155	79.406.054
<b>Total non-current assets</b>		<b>369.279.961</b>		<b>392.354.212</b>	
<b>Current assets</b>					
Inventory	10	1.563.028		1.867.028	
Trade and other receivables	11	10.142.171	2.842.435	7.220.059	1.653.889
Cash and cash equivalents	12	7.607.430	8.125	4.528.572	15.435
<b>Total current assets</b>		<b>19.312.629</b>		<b>13.615.659</b>	
<b>TOTAL ASSETS</b>		<b>388.592.590</b>		<b>405.969.871</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>EQUITY</b>					
Share capital		212.000.067		210.000.000	
Other reserves		36.083.281		28.494.140	
Retained earnings/(losses carried forward)		16.303.074		28.827.959	
Result for the year		(32.407.180)		(12.489.606)	
<b>TOTAL EQUITY</b>	<b>13</b>	<b>231.979.242</b>		<b>254.832.493</b>	
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Payables for deferred tax	7	280.108		363.808	
Derivative instruments	8	0		191.433	
Payables to banks and other lenders	14	101.099.191	2.363.982	53.487.834	909.653
Lease liabilities	14	1.311.102		1.905.260	
Provision for post-employment benefits	15	1.341.029		1.287.945	
Provisions for risks and charges	16	309.127		376.100	
Trade and other payables	17	2.259.140		949.992	
<b>Total non-current liabilities</b>		<b>106.599.697</b>		<b>58.562.372</b>	
<b>Current liabilities</b>					
Trade and other payables	17	16.196.234	663.147	14.242.797	330.013
Payables to banks and other lenders	14	32.567.229	29.156.506	77.303.990	34.835.165
Lease liabilities	14	826.419		724.164	
Tax payables	18	423.769		304.055	
<b>Total current liabilities</b>		<b>50.013.651</b>		<b>92.575.006</b>	
<b>TOTAL LIABILITIES</b>		<b>156.613.348</b>		<b>151.137.378</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>388.592.590</b>		<b>405.969.871</b>	

<sup>18</sup> Figures in Euro. Under CONSOB Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties are shown in the statement of financial position and income statement, and in the relevant explanatory notes.

## 4.2 Income statement<sup>19</sup>

	Note	31/12/2020	Of which related parties	31/12/2019	Of which related parties
<b>INCOME STATEMENT</b>					
Revenue from sales and services	19	9.740.140	1.480.047	11.105.415	2.158.266
Other revenue	20	507.767	81.040	666.383	204.587
Change in inventory	21	(304.000)		0	
Costs for raw materials and services	22	(8.316.609)	(160.749)	(9.047.614)	(214.652)
Personnel expense	23	(4.352.424)	(97.286)	(5.306.915)	
Other operating costs	24	(1.544.271)		(2.077.196)	(149.120)
Amortization, depreciation and write-downs	25	(1.200.902)		(1.164.723)	
Fair value adjustment	25	(4.396.865)		1.265.021	
Write-downs and allocations	25	(33.249)		(765.242)	
Income/(expense) from investments	26	(17.749.194)		(2.718.024)	796.000
<b>EBIT</b>		<b>(27.649.607)</b>		<b>(8.042.895)</b>	
Financial income	27	3.513.150	3.320.024	2.263.247	2.183.000
Financial expense	27	(7.995.851)	(2.103.983)	(6.551.539)	(1.130.568)
<b>Result before tax</b>		<b>(32.132.308)</b>		<b>(12.331.187)</b>	
Tax	28	(274.872)		(158.419)	
<b>Result for the year</b>		<b>(32.407.180)</b>		<b>(12.489.606)</b>	

<sup>19</sup> Figures in Euro

## 4.3 Comprehensive income statement<sup>20</sup>

	31/12/2020	31/12/2019
<b>COMPREHENSIVE INCOME STATEMENT</b>		
<b>Profit/(loss) for the period</b>	<b>(32.407.180)</b>	<b>(12.489.606)</b>
Hedge accounting of derivatives	5.692	(111.340)
Actuarial (gains)/losses on post-employment benefits	(35.280)	(89.204)
<b>Total comprehensive profit/(loss) net of tax</b>	<b>(32.436.768)</b>	<b>(12.690.150)</b>

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<sup>20</sup> Figures in Euro

## 4.4 Statement of changes in equity<sup>21</sup>

	Share capital	Other reserves					Retained earnings/(losses carried forward)	Result for the year	Total	
		Share premium reserve	Merger surplus	Legal reserve	Other for capital increase	Cash flow hedge reserve				Capital contributions
<b>01/01/2019</b>	<b>210.000.000</b>	<b>0</b>	<b>(3.515.575)</b>	<b>2.283.381</b>	<b>29.648.966</b>	<b>0</b>	<b>188.708</b>	<b>29.182.244</b>	<b>(265.081)</b>	<b>267.522.643</b>
Allocation of 2018 result								(265.081)	265.081	0
Hedge account derivatives					(111.340)					(111.340)
Profit (loss) for the year								(12.489.606)		(12.489.606)
Actuarial gains/(losses) on post-employment benefits								(89.204)		(89.204)
<b>Total comprehensive profit</b>								<b>(89.204)</b>	<b>(12.489.606)</b>	<b>(12.578.810)</b>
<b>31/12/2019</b>	<b>210.000.000</b>	<b>0</b>	<b>(3.515.575)</b>	<b>2.283.381</b>	<b>29.648.966</b>	<b>(111.340)</b>	<b>188.708</b>	<b>28.827.959</b>	<b>(12.489.606)</b>	<b>254.832.493</b>

	Share capital	Other reserves					Retained earnings/(losses carried forward)	Result for the year	Total	
		Share premium reserve	Merger surplus	Legal reserve	Other for capital increase	Cash flow hedge reserve				Capital contributions
<b>01/01/2020</b>	<b>210.000.000</b>	<b>0</b>	<b>(3.515.575)</b>	<b>2.283.381</b>	<b>29.648.966</b>	<b>(111.340)</b>	<b>188.708</b>	<b>28.827.959</b>	<b>(12.489.606)</b>	<b>254.832.493</b>
Allocation of 2019 result								(12.489.606)	12.489.606	0
Hedge account derivatives						5.691				5.691
Reserved capital increase for shareholder Augusto S.p.	2.000.000	8.000.000			(416.818)					9.583.182
Exercise of warrants	67	269								335
Profit (loss) for the year								(32.407.180)		(32.407.180)
Actuarial (gains)/losses on post-employment benefits								(35.280)		(35.280)
<b>Total comprehensive profit</b>								<b>(35.280)</b>	<b>(32.407.180)</b>	<b>(32.442.460)</b>
<b>31/12/2020</b>	<b>212.000.067</b>	<b>8.000.269</b>	<b>(3.515.575)</b>	<b>2.283.381</b>	<b>29.232.148</b>	<b>(105.649)</b>	<b>188.708</b>	<b>16.303.074</b>	<b>(32.407.180)</b>	<b>231.979.242</b>

<sup>21</sup> Figures in Euro

## 4.5 Statement of cash flows<sup>22</sup>

	31/12/2020	31/12/2019
Result for the year	(32.407.180)	(12.489.606)
Loss/(gains) from sale of tangible fixed assets/intangible fixed assets	(120.000)	104.801
Amortization, depreciation and write-downs	1.200.902	1.164.723
Fair value adjustments of investment property	4.700.865	(1.265.021)
Write-down of subsidiaries and associates	17.749.194	3.513.445
Impairment losses	33.249	873.968
Other allocations	239.843	120.007
Financial expense/(income)	4.482.701	3.492.870
Current and deferred tax for the period	274.872	158.419
Change in trade and other receivables	(1.575.033)	4.343.506
Change in trade and other payables	2.108.824	(1.901.057)
Change in other assets and liabilities	89.886	(799.487)
Other changes	(165.097)	(2.119.296)
Interest (paid)/received	(3.172.719)	(5.956.825)
<b>Cash flow from operations</b>	<b>(6.559.692)</b>	<b>(10.759.553)</b>
Change in investment property and other tangible fixed assets	(1.929.861)	25.022.788
Change in intangible fixed assets	(14.004)	(19.886)
Change from (purchase)/sale of investments	674.292	(5.910.000)
Change in financial receivables from subsidiaries and associates	948.476	(31.429.215)
<b>Cash flow from investing activities</b>	<b>(321.097)</b>	<b>(12.336.313)</b>
Effects of changes in payables to banks and other lenders	10.781.713	26.295.647
Change in lease payables	(822.066)	(773.493)
<b>Cash flow from financing activities</b>	<b>9.959.647</b>	<b>25.522.154</b>
<b>Change in net liquidity available</b>	<b>3.078.858</b>	<b>2.426.288</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4.528.572</b>	<b>2.102.284</b>
<b>Cash and cash equivalents at end of period</b>	<b>7.607.430</b>	<b>4.528.572</b>

<sup>22</sup> Figures in Euro

## 4.6 Foreword

Aedes SIIQ S.p.A. ("**Aedes**", the "**Company**" or the "**Parent Company**") was established following the demerger of the pre-existing Aedes (now Restart), founded in 1905 and listed on the Milan Stock Exchange since 1924. **Aedes SIIQ**, following the demerger - approved by the Shareholders' Meeting of 27 September 2018 - and concurrently listed on the MTA managed by Borsa Italiana (MTA:AED.MI) on 28 December 2018, in line with the strategy typical of a SIIQ, owns a property portfolio consisting of revenue properties and properties under development for commercial use (Retail and Office).

The **Aedes SIIQ** strategy aims to create and maintain in the medium to long term a revenue property portfolio mainly for Retail use and, secondarily, for Office use, with a sustainable resort to debt such as to generate cash flows consistent with the SIIQ model.

Additionally, Aedes provides services (asset management, administration and finance) also through Group companies addressed exclusively to subsidiaries. The subsidiary Praga Res S.r.l. performs Project and Construction Management activities, mainly for Group companies, in order to maintain greater control over investments.

The financial statements are audited by Deloitte & Touche S.p.A., pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010, and taking account of CONSOB recommendation of 20 February 1997.

The publication of the financial statements of Aedes SIIQ S.p.A. for the year ended 31 December 2020, was authorized by resolution of the Board of Directors on 24 March 2021.

### • Basis for Preparation

The 2020 financial statements of the Parent Company Aedes SIIQ S.p.A. have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with the provisions arising from Article 9 of Legislative Decree no. 38/2005. The IFRS also include all the revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The accounting and disclosure statements contained in this balance sheet have been prepared in compliance with IAS 1, pursuant to CONSOB Communication no. DEM 6064313 of 28 July 2006.

The risks and uncertainties relevant to the business are described in the dedicated sections of the Directors' Report on Operations. The description of how the Company manages its financial risks, *inter alia*, those of capital and liquidity, are found in the paragraph Additional information on financial instruments and risk management policies herein these Explanatory Notes.

The financial statements have been prepared based on the conventional historic cost standard, except for the measurement of investment property at fair value, including derivative instruments, in cases where the fair value method is applied.

With regard to the format of the financial statements, the Company opted to present the following types of financial statements:

#### *Statement of financial position*

The statement of financial position is presented with separate disclosures of the Assets, Liabilities and Equity.

In turn, Assets and Liabilities are shown in the Financial Statements based on their classification as current and non-current.

An asset/liability is classified as current when it satisfies one of the following criteria:

- it is expected to be realized/settled or is expected to be sold or used in the normal operating cycle, or
- it is held principally to be traded or
- it is expected to be realized/settled within twelve months from the balance sheet date.

In the absence of all three conditions, assets/liabilities are classified as non-current.

Lastly, a liability is classified as current when the entity does not have an unconditional right to defer

### *Financial statements at 31 December 2020*

settlement of the liability for at least 12 months from the balance sheet date.

#### *Income Statement*

The income statement is presented in its classification by nature.

To provide a better understanding of the typical results of normal operations and of financial and tax management, the income statement shows the following interim results:

- Operating result;
- Pre-tax result;
- Result for the year.

#### *Comprehensive Income statement*

The comprehensive income statement includes all the changes in Other comprehensive gains (losses) for the year, generated by transactions other than those carried out with shareholders and on the basis of specific IAS/IFRS accounting standards. The Company has chosen to present these changes in a separate statement to the Income Statement.

Changes in Other comprehensive gains (losses) are shown net of the relevant tax effects. The statement also provides separate evidence of the items that can be, or not be, subsequently reclassified in the income statement.

#### *Statement of changes in equity*

The following is the statement of changes in equity as required by international accounting standards, with separate disclosure of profit or loss for the year and other changes not recorded in the income statement, but directly to other comprehensive revenue (loss) based on specific IAS/IFRS accounting standards.

#### *Statement of cash flows*

The Statement of Cash Flows is divided into cash flow generating areas as required by international accounting standards, prepared according to the indirect method.

These Financial Statements have been prepared using the € as the reporting currency and all values are rounded to the nearest thousandth unless otherwise indicated.

The effects of transactions with related parties are shown in the income statement and statement of financial position, and in the relevant explanatory notes.

In preparing the Financial Statements at 31 December 2020, the same measurement criteria adopted for the Financial Statements at 31 December 2019 were used, except for the adoption of the new standards, amendments and interpretations in force as from 1 January 2020.

#### *ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS FROM 1 JANUARY 2020*

The following accounting standards, amendments and IFRS interpretations have been applied by the Company for the first time as from 1 January 2020:

- On 31 October 2018, the IASB published "**Definition of Material (Amendments to IAS 1 and IAS 8)**". The document introduced a change in the definition of 'material' contained in IAS 1 - *Presentation of Financial Statements* and IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*. This amendment aims to make the definition of "material" more specific and introduces the concept of "obscured information" alongside the concepts of omitted or incorrect information already present in the two standards being amended. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated.
- On 29 March 2018, the IASB published an amendment to "References to the Conceptual Framework in IFRS Standards". The amendment applies to periods beginning on or after 1 January 2020, but early adoption is allowed. The Conceptual Framework sets out the fundamental concepts for financial reporting and guides the Board in the development of IFRS standards. The document helps to ensure that the Standards are conceptually consistent and

that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework assists companies in developing accounting standards when no IFRS standard applies to a particular transaction and, more broadly, helps stakeholders to understand and interpret the Standards.

- On 26 September 2019, the IASB published the amendment "**Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform**". It amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: *Disclosures*. Specifically, the amendment changes some of the requirements for the application of hedge accounting, providing for temporary derogations from them, in order to mitigate the impact of the uncertainty of the IBOR reform on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional information in their financial statements on their hedging relationships that are directly affected by the uncertainties generated by the reform and to which the above derogations apply.
- On 22 October 2018, the IASB published "**Definition of a Business (Amendments to IFRS 3)**". The document provides a number of clarifications regarding the definition of business for the purposes of the correct application of IFRS 3. Specifically, the amendment clarifies that while a business usually produces an output, the presence of an output is not strictly necessary to identify a business in the presence of an integrated set of activities/processes and assets. However, to meet the definition of business, an integrated set of activities/processes and assets must include, at a minimum, a substantial input and process that together contribute significantly to the ability to create an output. For this purpose, the IASB has replaced the term "ability to create output" with "ability to contribute to the creation of outputs" to clarify that a business can exist even without the presence of all the inputs and processes needed to create an output.  
 The amendment also introduced an optional test ("concentration test"), which allows the exclusion of the presence of a business if the price paid is substantially related to a single asset or group of assets. The amendments apply to all business combinations and acquisitions of assets after 1 January 2020, but early adoption is allowed.

The adoption of these amendments had no impact on the financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS AND IFRIC INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORY TO APPLY AND NOT ADOPTED IN ADVANCE BY THE GROUP AT 31 DECEMBER 2020

- On 27 August 2020, the IASB published, in light of the interbank interest rate reform such as the IBOR, the document "**Interest Rate Benchmark Reform-Phase 2**" which contains amendments to the following standards:
  - *IFRS 9 Financial Instruments;*
  - *IAS 39 Financial Instruments: Recognition and Measurement;*
  - *IFRS 7 Financial Instruments: Disclosures;*
  - *IFRS 4 Insurance Contracts; and*
  - *IFRS 16 Leases.*

These amendments will come into force on 1 January 2021. The Directors are assessing the possible effects on the financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT ENDORSED YET BY THE EUROPEAN UNION

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and the standards described below.

### Financial statements at 31 December 2020

- On 18 May 2017, the IASB published **IFRS 17 - Insurance Contracts**, intended to supersede IFRS 4 - *Insurance Contracts*.
- On 23 January 2020, the IASB published the amendment "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**", which aims to clarify how to classify payables and other short-term or long-term liabilities. The amendments will come into force on 1 January 2023;
- On 14 May 2020, the IASB published the following amendments:
  - **Amendments to IFRS 3 Business Combinations**: the purpose of these amendments is to update the reference in IFRS 3 to the **Conceptual Framework** in its revised version, without this entailing any changes to the provisions of IFRS 3.
  - **Amendments to IAS 16 Property, Plant and Equipment**: the purpose of these amendments is not to allow deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced during the testing phase of the asset itself. The sales revenue and related costs will be therefore recognized in the income statement;
  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**: the amendment clarifies that all costs directly attributable to the contract must be considered when estimating whether a contract is onerous. As a result, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in the work), but also any costs that the company cannot avoid because it has entered into the contract (such as the share of the cost of personnel and depreciation of machinery used to perform the contract).

The Directors do not expect significant effects on the financial statements from the adoption of these standards and amendments not yet endorsed.

### • Events after year end

On **15 February 2021**, the Board of Directors resolved, pursuant to the authority granted to it, pursuant to Article 2443 of the Italian Civil Code, by the Extraordinary Shareholders' Meeting of 18 June 2020, to increase the share capital in divisible form, against payment, by a maximum amount, including share premium, of € 49,980,808.72 (the "Capital Increase") and approved the final terms and conditions thereof, deciding to issue: (i) a maximum of no. 228,121,590 Aedes ordinary shares, with no par value and with regular dividend entitlement (the "New Ordinary Shares"), to be offered with pre-emption rights to the Company's shareholders in the ratio of no. 46 New Ordinary Shares for every no. 7 ordinary shares held; and (ii) no. 34,935,298 Special Shares with no par value and with regular dividend entitlement (the "New Special Shares" and, together with the New Ordinary Shares, the "New Shares"), to be offered with pre-emption rights to the shareholder Augusto S.p.A., as the sole holder of the special shares outstanding, in the ratio of no. 46 New Special Shares for every no. 7 special shares held, at the subscription price of € 0.19 for each New Share, to be charged € 0.04 to share capital and € 0.15 to share premium. The Company informed the market of the above resolution and announced that: i) the issue price of the New Ordinary Shares includes a discount of approximately 24.23% on the Theoretical Ex Right Price (TERP) of the ordinary shares of Aedes, calculated according to the current methods, based on the reference price of Borsa Italiana S.p.A. of the Aedes shares at 15 February 2021; ii) the period for exercising the option rights valid for the subscription of the New Ordinary Shares and the New Special Shares, under penalty of forfeiture, is envisaged from 22 February 2021 to 11 March 2021, included (the "Option Period") and that the trading period on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the "MTA") is envisaged from 22 February 2021 to 5 March 2021, included; iii) the launch of the option offer of the New Ordinary Shares is subject to the issue by CONSOB of the order approving the Prospectus relating to the option offer of the New Ordinary Shares and their admission to trading on the MTA (the "Prospectus").

In the same press release issued on 15 February 2021, the Company announced that the net proceeds from the Capital Increase will be used, together with other sources identified by the Company, to contribute to covering the overall net financial requirements of the Aedes Group for the

twelve months following the above date, amounting to approximately € 147.3 million, of which approximately € 88.3 million for investments planned in the same period, and approximately € 23.7 million for shareholder loans disbursed by Augusto S.p.A.. The latter loans are intended to be offset with New Shares as part of the Capital Increase, in execution of the commitment undertaken, as already announced on 24 April 2020 and 10 August 2020, by the majority shareholder to subscribe to the Capital Increase for its share - equal to approximately 47.45% (calculated on the basis of the shares available as of today's date for the exercise of option rights).

The Company also announced that the Board of Directors, as part of its review of the Prospectus, took note of the following estimates on the consolidated figures for 2020:

- a) rental revenue of approximately € 13.2 million;
- b) non-rental revenue of approximately € 1.4 million;
- c) negative EBITDA of approximately € 4 million;
- d) property GAV ranging between € 392 million and € 396 million;
- e) gross financial debt of approximately € 201.9 million.

The Board of Directors also noted: (i) that in fourth quarter 2020, further impairment losses on consolidated property assets are estimated to range between zero and € 4 million (in the first nine months of 2020, impairment losses on property assets totaled approximately € 29 million, of which approximately € 27.5 million recognized in first half 2020; therefore, the property GAV at 31 December 2020 would range between € 392 million and € 396 million, as shown in point d above); (ii) that in fourth quarter 2020, net financial expense is estimated to reach approximately € 2.7 million (approximately € 8.7 million for the full year).

In light of the above, the Company has announced that it estimates the Group's consolidated net loss to range between € 50 million and € 55 million at 31 December 2020.

Again on 15 February 2021, the Board of Directors resolved to transpose in the Company Bylaws the amendments made to the TUF by Law no. 160 of 27 December 2019 regarding gender balance in corporate bodies.

On **18 February 2021**, Aedes SIIQ S.p.A. received authorization from CONSOB to publish the Prospectus related to the rights offering and admission to trading of newly-issued ordinary shares resulting from the divisible capital increase resolved by the Company's Board of Directors on 15 February 2021 and published the Prospectus.

On **11 March 2021**, the rights offering of a maximum of no. 228,121,590 ordinary shares and no. 34,935,298 newly-issued Aedes special shares resulting from the Capital Increase, for a maximum amount of € 49,980,808.72, resolved by the Board of Directors, in execution of the powers granted on 18 June 2020 by the Extraordinary Shareholders' Meeting, pursuant to Article 2443 of the Italian Civil Code, came to conclusion.

During the Offer Period, which started on 22 February 2021 and ended on 11 March 2021 (the "Offer Period"), a total of no. 33,369,217 option rights were exercised for the subscription of no. 219,283,426 ordinary and special shares for a total value of € 41,663,850.94, equal to approximately 83.4% of the total number of ordinary and special shares offered arising from the Capital Increase.

Specifically, during the Option Period:

- no. 28,052,976 option rights were exercised for the subscription of no. 184,348,128 ordinary shares, representing 80.81% of the total number of ordinary shares offered, for a total value of € 35,026,144.32. Mention should be made that no. 13,678,077 option rights were exercised by the controlling shareholder Augusto S.p.A., by offsetting receivables deriving from previously disbursed loans, for the subscription of no. 89,884,506 ordinary shares for a value of € 17,078,056.14; and
- Augusto S.p.A. fully exercised, again by offsetting the abovementioned loans, no. 5,316,241 option rights for the subscription of no. 34,935,298 special shares, equal to 100% of the total special shares offered, for a total value of € 6,637,706.62.

The remaining no. 6,661,179 unexercised option rights during the Option Period (the "Unexercised Rights" or the "Rights"), which entitle the holder to subscribe up to a maximum of no. 43,773,462 ordinary shares, equal to approximately 19.2% of the ordinary shares offered and to approximately 16.6% of the total ordinary and special shares offered, for a total value of € 8,316,957.78, will be

offered on the Stock Exchange by Aedes, pursuant to Article 2441, paragraph 3, of the Italian Civil Code, through Intermonte SIM S.p.A..

As announced on 11 March 2021, the terms and conditions of the offer on the Stock Exchange of the Unexercised Rights will be disclosed to the market through a press release and related notice.

## 4.7 Going concern assumption

The financial statements of Aedes for the year ended 31 December 2020 show net financial debt of € 135.8 million, while the current portion of net financial debt stands at € 33.4 million, of which € 27.2 million referring to financial payables towards the shareholder Augusto S.p.A.. Approximately € 23.7 million of this amount was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights.

Additionally, the Company recorded a significant loss of € 32.4 million in 2020, due largely to significant impairment losses on the property and investment portfolio as a result of changes in certain valuation assumptions, attributable mainly to higher cap rates and discount rates as a result of the pandemic. While the level of capitalization appears not to be critical (equity stands at € 231.9 million), the current operating and financial structure of the Company and of the Aedes Group shows negative operating cash flows and a resulting financial tension, attributable mainly to the significant development activities in the portfolio, which do not generate rental revenue, and a high cost of debt.

In this regard, as indicated in the "Significant Events" section of the Directors' Report on Operations, on 2 September 2020 the Company's Board of Directors approved, at a consolidated level, the 2020-2026 Business Plan ("the Plan"), subsequently updated on 28 December 2020 in order to take account of the further slowdown in the economy caused by the second wave of Covid-19 that began in October 2020. The Plan envisages a return to a positive net result in 2022, while for 2026 (the last year of the forecast) it indicates consolidated revenue of approximately € 50 million, a consolidated property GAV of approximately € 0.8 billion and a capital structure with a debt ratio averaging less than 50%.

Specifically, the Plan is based on assumptions marked by great uncertainty, and the prospect of generating the forecast revenue and consequently positive profit margins is closely tied to the Company and the Group's ability to invest in expanding the property portfolio and in increasing rental revenue on properties that already generate income, and, most importantly, on the ability to raise the significant financial resources to fund these investments.

However, most of the assumptions underlying the Plan are beyond the control of the Directors and are particularly challenging given the context brought by the Covid-19 pandemic and the Company and the Group's historical performance trend. Given the uncertainty marking the assumptions of the Plan, the Aedes Group risks not achieving positive results and cash flows over the period of the Plan that are consistent with the financial outflows, or not achieving them according to the timeframes and measures set out in the Plan.

In light of this situation, in order to assess the going concern assumption, the Company has prepared financial projections, the key assumptions of which are drawn from the abovementioned Plan, taking account of the operating cash flows and financial commitments involving the Company and its subsidiaries over a period of 12 months from the date of approval of these financial statements until 31 May 2022, including the planned investment activities and the forthcoming maturity of certain loan agreements currently in place (the "Projections"). As previously seen, these financial statements at 31 December 2020 show a net current financial debt of € 33.4 million, while the current net debt at a consolidated level amounts to € 40.4 million, of which € 27.2 million towards the shareholder Augusto S.p.A. (approximately € 23.7 million of which was converted in March 2021 into newly-issued shares as part of the capital increase with pre-emption rights). At the date of approval of these draft financial statements, the exposure towards Augusto S.p.A. is therefore equal to approximately € 3.5 million.

Based on the current net debt and the additional requirements arising from the Projections, deriving from the planned investments, from operations and from the normalization of working capital, sources of financial coverage have been identified until 31 May 2022 deriving mainly from the:

- sale of certain assets as part of the recurring portfolio rotation for an amount of up to approximately € 100 million which, net of the repayments of the debt on the assets to be sold, would generate a net cash flow of approximately € 35 million;
- financing activities: new loans and refinancing are expected to bring net cash flows of approximately € 9 million, in addition to the debt allocated to a property portfolio whose acquisition is planned;
- strengthening of the Company and the Group's capital, specifically:
  - on 11 March, option rights were exercised for a value of € 41.7 million with a cash contribution, net of the conversion of the shareholder loan of Augusto S.p.A. for € 23.7 million, of approximately € 18 million. The possible subscription and exercise of the unexercised portion of the capital increase (the positive of which cannot be predicted at this time) could bring an additional source of funding of up to approximately € 8.3 million by April 2021.
  - further capital strengthening is also planned to be carried out by a subsidiary (SATAC SIINQ S.p.A.), with resort to third-party capital.

These actions to locate sources to cover financial requirements are marked by great uncertainty, as they require the involvement and consent of third parties outside the Company and, for almost all of the abovementioned actions, no binding agreement has been formalized. Accordingly, the actions envisaged to cover the financial requirements (in particular, sale of the properties and financing) may not achieve, in terms of value or timing, the assumptions set out in the Projections.

The Directors believe that there is still great uncertainty over the coverage of the Company and the Group's short-term financial requirements, even after the capital strengthening transactions carried out, owing to the spread of Covid-19 and its effects on the property and capital markets. This circumstance therefore indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company and the Group to continue as a going concern. The developments of the ongoing emergency may lead to a further deterioration, not measurable in all its extent to date, of the conditions of the property and capital markets, with potentially significant effects on the timing and consideration of the disposals envisaged in the Projections, on the success of the new financing transactions, and on the valuation of the property assets, with possible negative impacts on the compliance with the loan to value ratios envisaged in the loan agreements described in Note 14 to the Financial Statements to which reference should be made. Whether or not, in fact, the actions envisaged in the Projections are fully or partly achieved according to schedule and to the procedures set will also depend on factors beyond the control of the Directors, which appear to be affected also by the Covid-19 emergency, whose impacts on the developments in the property market, on the supply of credit and on the developments in the capital market are not fully measurable to date.

Given the high level of uncertainty, the Directors have reviewed the further actions that could be taken were the main assumptions related to finding the sources needed to cover short-term financial requirements not to materialize.

The assessment of assumptions relating to:

- failure to raise additional liquidity at the auction of the unexercised rights;
- delayed implementation of part of the property disposal plan;
- failure to raise third-party capital on SATAC SIINQ S.p.A.,

led the Directors to conclude that, even in such a scenario, the Company's ability to meet its obligations over the period envisaged in the Projections (until 31 May 2022) would not be compromised on the assumption, deemed reasonable, that the Company is able to defer the investments envisaged in the Projections and not subject to final commitment and/or to execute in 2021, earlier than envisaged in the business plan, the disposal of a non-controlling interest, without prejudice to the need to carry out part of the property disposal plan and to obtain new loans and refinancing as described above within a timeframe close to the horizon envisaged in the Projections. These corrective actions, some of which are beyond the control of the Directors, while preserving the going concern assumption, would have the effect of delaying or rescaling the growth forecasts set out in the Plan, with resulting negative impacts on the valuation of the property and investment portfolio, on the Company's ability to reverse the income trend from negative to positive and on the ability to generate cash flows consistent with the Company's future financial requirements.

In consideration of:

- the certain, albeit not final, outcome of the capital increase with pre-emption rights,

### *Financial statements at 31 December 2020*

- the reasonable expectation that the actions currently underway and being defined with regard to the above sources of financial coverage will be completed in a timeframe consistent with the financial requirements,
- taking the possible and timely corrective actions indicated above, where necessary,

the Board of Directors has deemed that the going concern assumption still applies.

Against this backdrop, the Directors will carry out ongoing and regular monitoring of the evolution of the factors considered, in order, should conditions arise, to adopt the most appropriate and timely corrective actions to safeguard the prospect of the Company and the Group as a going concern.

## 4.8 Valuation criteria

### • Non-current assets and liabilities

#### INTANGIBLE FIXED ASSETS

An intangible fixed asset is recognized only if identifiable, verifiable and expected to generate future economic benefits and its cost can be reliably measured.

Intangible fixed assets are recorded at purchase cost, net of accrued amortization and impairment.

Amortization is recognized starting from when the asset is available for use or is capable of operating in the manner expected by Management, and is terminated at the date in which the asset is classified as owned for sale or is written off for accounting purposes.

#### INVESTMENT PROPERTY

Investment property consists in property assets held to earn rental revenue or an appreciation of the invested capital, or as areas for development and building of properties in order to earn rentals.

Investment property can, therefore, be broken down as follows:

- **Properties for investment:** initially recognized at cost, including transaction costs. After initial recognition, this investment property is recorded at fair value, reflecting market conditions at the balance sheet date. Gains and losses deriving from the change in the fair value of investment property are recorded in the income statement for the year in which they occur;
- **Properties under development:** accounted for using the cost criterion until the fair value can be reliably determined on a continuous basis and, after that time, recorded at fair value with an equal treatment of properties for investment. It should be noted that, as indicated in CONSOB Recommendation no. DIE/0061944 of 18 July 2013, based on the procedure approved on 28 September 2016 by the Board of Directors, the Group has identified the approval of the town-planning agreement by the competent Body as the moment when the property projects in progress are measurable at fair value in a reliable and continuous manner.

Investment property is initially recognized at cost, including transaction costs, and subsequently measured at fair value, recognizing in the income statement under "fair value adjustments" effects from changes in fair value of the investment property.

Investment property is eliminated from the financial statements when it is sold or permanently withdrawn from use and no future economic benefits are expected from its disposal. Reclassifications from/to investment property occur when there is substantial evidence of a change of use. For investment property reclassifications to direct use (instrumental property), the reference value of the property for subsequent accounting is the fair value at the date of change in use. The property portfolio, including the portfolio held through associates and joint ventures, is assessed every six months with the help of independent experts with recognized and relevant professional qualification and recent experience in the location and features of the properties assessed.

Fair value represents the amount for which an asset could be exchanged or that would need to be paid to transfer the liability (exit price) in a free transaction between knowledgeable, independent parties. Accordingly, it is assumed that the entity is in operation and that neither party needs to liquidate its assets by engaging in transactions on unfavourable terms (i.e. forced sales).

The estimate of fair value is based on the concept of the "highest and best use of the asset", i.e. the use which, at the date of the estimate, optimizes its profitability from the point of view of an ordinary market participant and which is physically, legally and financially feasible. The fair value methodology is therefore independent of the specific situation of the entity (which may have different marketing

priorities or may prioritize marketing from a portfolio perspective) but aims at identifying the value of the asset from a market perspective.

The highest and best use of a non-financial asset considers the use of the asset to be physically possible, legally permissible and financially feasible. Specifically:

- a physically possible use considers the physical characteristics of the asset that market participants would take into account in pricing the asset (e.g. the location or size of a property);
- a legally permissible use considers legal restrictions on the use of the asset that market participants would take into account in pricing the asset (e.g. zoning and land use regulations applicable to a property);
- a financially feasible use considers whether the use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking account of the costs of converting the asset to that use) to produce the return that market participants would expect from an investment in that asset used in that specific way.

#### OTHER TANGIBLE FIXED ASSETS

Other tangible fixed assets are booked at purchase or production cost, including directly attributable ancillary costs, net of depreciations and impairments accrued.

Depreciation is calculated starting from when the property is available for use or is potentially able to provide the associated economic benefits.

Depreciation is calculated on a straight-line basis at rates that reflect the useful life or, in the case of disposal, until the end of use.

Subsequent costs are included in the book value of the asset and are recognized as a separate asset, depending on the more appropriate method, only when it is probable that the future economic benefits associated to the item will benefit the Company and the cost of the item can be reliably valued. All other costs for repairs and maintenance are recorded in the income statement during the year in which they are incurred.

The rates of depreciation, unchanged versus the prior year, are the following:

- |                           |   |
|---------------------------|---|
| • Equipment               | 20% or, if lower, duration of the rental contract |
| • Other assets – Vehicles | 25%   |
| • Office equipment        | 20%   |
| • Furniture and fittings  | 12%   |

Financial expense from the purchase is charged to the income statement unless it is directly attributable to the purchase, construction or production of an asset that justifies the capitalization, in which case it is capitalized.

The capitalization of financial expense terminates when all of the necessary activities to render the asset available for use are completed.

Leasehold improvements are classified under tangible fixed assets, on the basis of the cost incurred. The depreciation period corresponds to the lower of the remaining useful life of the tangible fixed asset and the residual duration of the lease contract.

#### RIGHTS OF USE

The Company recognizes rights of use and related liabilities for all lease agreements in which it acts as lessee, except for short-term leases (leases of 12 months or less) and leases of low-value assets (assets with a value of less than € 5,000 when new). For the latter, the Company recognizes the related payments as operating expense on a straight-line basis over the term of the contract unless another method is more representative.

The lease liability is initially recorded at the present value of future lease payments at the effective date of the contract, discounted at the lease's implicit rate. If that rate cannot be readily determined, the rate used shall be the lessee's incremental borrowing rate (IBR).

In order to determine the present value of lease liabilities, the Company determines an incremental borrowing rate (IBR) that is similar to the interest rate at which the lessee would finance itself under a contract with similar terms and guarantees in order to obtain an asset with a value similar to the right of use in a similar economic environment.

Lease liabilities are included under "*payables to other lenders*" distinguishing between current and non-current portion.

## *Financial statements at 31 December 2020*

### INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are recorded at cost, adjusted in presence of impairment losses. In the event that the reasons that led to the recognition of losses no longer exist, the value of investments is restored.

### IMPAIRMENT

At each reporting date, the Company reviews the book value of its property, plant, equipment, intangible assets and investments to determine whether there are any signs of impairment. If so, the recoverable amount of the assets is estimated to determine any impairment loss, which is recognized in profit or loss in the period in which it arises.

The recoverable amount of an asset is the higher of the fair value of assets less costs to sell and value in use. The value in use is the current value of expected cash flows generated by the asset. In order to assess impairment, assets are analyzed starting from the lowest level for which the separate cash generating units can be identified.

Intangible and tangible fixed assets not subject to amortization/depreciation (indefinite useful life), as well as intangible fixed assets not yet available for use, are subject to an annual impairment test.

In the presence of an impairment reversal indicator, the recoverable value of the asset is recalculated and the book value is increased up to this new amount. The increase in the book value cannot, in any case, exceed the net book value that the fixed asset would have had should the impairment loss not have occurred. Impairment losses of goodwill cannot be reversed.

With regard to property assets (including those held by associates and joint ventures), valuations are made on a property-by-property basis, based on fair value estimated with the support of independent experts. In this context, in consideration of the asset subject to assessment, the methods used by the independent experts are the following:

- development approach: based on discounting at the appraisal date of the cash flows generated in the period in which the property transaction is executed; cash flows are the result of the difference between costs and revenue;
- direct comparison approach: based on the comparison between the asset at hand and other similar assets subject to sale or currently offered on the same market or trade markets;
- income approach: based on the present value of the potential future earnings of a property obtained by capitalizing income at a market rate.

For investments, given their nature (mainly property), the impairment assessments are developed on the basis of book equity appropriately adjusted in order to consider the fair value for the property units owned by each investee, taken from the above property appraisals, net of tax effects where applicable.

### FINANCIAL ASSETS

#### Derivative financial instruments

Derivative financial instruments are used for hedging purposes in order to reduce the interest risk rate variability. All derivative financial instruments are measured at fair value, pursuant to IAS 39.

When the financial instruments have the characteristics to be booked in hedge accounting, the following accounting treatments apply:

- Fair value hedge – If a derivative instrument is designated as a hedge against exposure to changes in the fair value of an asset or liability booked in the financial statements attributable to a particular risk that can impact on the income statement; the profit or loss deriving from the subsequent changes in the fair value of the hedging instrument are recognized in the income statement. The profit or loss of the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and are recognized in the income statement.
- Cash flow hedge – If a derivative financial instrument is designated to hedge the exposure to the variability of the future cash flows of an asset or liability booked in the financial statements or a highly probable transaction that could impact on the income statement, the effective portion of the profits or losses on the derivative financial instrument is recognized in equity. The cumulative profit or loss is removed from equity and recorded in the income statement in the same period in which the relevant operating effect of the transaction subject

of the hedge is recognized. The profit or loss associated with a hedge (or part of a hedge) which has become ineffective is immediately booked in the income statement.

#### Receivables and other financial assets

These are non-derivative financial assets with fixed or determinable payments that are not listed on an active market and for which the Company does not intend to perform trading operations.

They are included in current assets except for the portion falling due beyond 12 months from the date of the Financial Statements, which is classified as a non-current asset.

Loans are initially recognized at cost as represented by the fair value of the amount received, net of the accessory costs of transacting the loan.

After this initial recognition, loans are recognized using the amortized cost accounting approach by applying the effective interest rate.

The amortized cost is calculated taking account of the issue costs and any discount or premium expected on settlement.

#### NON-CURRENT ASSETS HELD FOR SALE

A non-current asset is classified separately as a non-current asset held for sale, if its book value will be recovered principally through a sale transaction, highly probable, rather than through continuing use. The Company measures a non-current asset classified as held for sale at the lower of its book value and fair value less costs to sell. Data on non-current assets held for sale are shown in two specific items of the balance sheet: "non-current assets held for sale" and "liabilities relevant to non-current assets held for sale". From the date on which such assets are classified as fixed assets held for sale, their depreciation is suspended.

#### DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are calculated based on temporary differences between the carrying amount of assets and liabilities and their tax basis.

Deferred tax assets and liabilities are calculated based on the tax rates expected to be applicable at the time such deferrals are realized, considering the rates in force or those expected to be issued.

They cannot be discounted back and are classified among non-current assets/liabilities.

Prepaid and deferred tax is credited or charged to equity if it relates to items that are credited or charged directly to equity in the year or in prior years.

Deferred tax assets are booked only when recovery is probable in future years.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced in the measure that it is no longer probable that sufficient taxable income exists in order to allow the total or partial review of such assets.

#### EQUITY

Costs directly attributable to the issue of new shares or options are shown in equity.

The purchase cost of treasury shares is recorded as a reduction in equity; the effects of any subsequent transactions are also recognized directly in equity.

#### PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a definite nature and whose existence is certain or probable and that, at the reporting date, are indeterminable for amount or date of occurrence. Allocations are recognized when: (i) it is probable that a present, legal or implicit obligation exists arising from past events; (ii) it is probable that the fulfilment of the obligation involves a cost; (iii) the amount of the obligation can be reliably estimated. Allocations are booked at the amount representing the best estimate of the amount that the company would rationally pay to extinguish the obligation or to transfer it to third parties at the reporting date. When the financial effect of timing is significant and the dates of payment can be reasonably estimated, the allocation is subject to discounting; the increase in the provision to reflect the passing of time is recognized in the income statement under "Financial income (expense)".

When the liability is relevant to tangible assets (i.e. land reclamation), the provision is recorded as a balancing entry to the relating asset; the charging of the amount to the income statement takes place as amortization.

Provisions are periodically updated to reflect changes in cost estimates, timing of implementation and the discounting rates; changes in estimates of the provisions are charged to the same item of the income statement that previously reported the allocation or, when the liability is relevant to tangible assets (i.e. land reclamation), in offset to the asset to which it relates.

## *Financial statements at 31 December 2020*

Potential liabilities are shown in the Financial Statements, represented by: (i) possible obligations (but not probable), deriving from past events, whose existence will be confirmed only on the occurrence, or less, of one or more future events not totally under the control of the company; (ii) present obligations arising from past events whose amount cannot be reasonably estimated or whose settlement is not likely to involve a cost.

### EMPLOYEE BENEFITS

Post-employment benefits (severance indemnity) and other long-term benefits are subject to actuarial evaluations.

Using this method, the liability booked in the Financial Statements represents the current value of the obligation, net of any other plan asset, adjusted for any actuarial losses or profits not booked.

Accordingly, for companies with less than 50 employees, the measurement of the liability continues to be performed by using the actuarial method called "projected unit credit method".

The Company recognizes actuarial gains and losses immediately in the statement of other comprehensive income (losses), so that the entire net amount of the provisions for defined benefits (net of plan assets) is recognized in the Consolidated Statement of Financial Position.

### FINANCIAL PAYABLES

Financial payables are initially recognized at fair value net of the transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Loans are classified as current liabilities unless the Group does not have the unconditional right to defer the payment of the liability for at least 12 months after the reporting date.

### TRADE AND OTHER PAYABLES

Payables are initially recognized at fair value of the consideration to be paid and subsequently at amortized cost, which generally corresponds to the nominal value.

## • Current assets and liabilities

### INVENTORY

Inventory consists in land - also to be built on -, properties under construction and renovation, completed properties, intended for sale to third parties and not to be kept in the owned portfolio in order to earn rental revenue.

Land to be built on is measured at the lower of the cost of acquisition and the corresponding presumed realization value, net of the relating estimated cost to sell. The cost is increased by incremental expenses and financial expense eligible for capitalization where the following conditions are met:

- Management has taken a decision to use, develop or directly sell the areas;
- costs are being incurred to obtain the asset;
- financial expense is being incurred.

Properties under construction and/or being renovated are measured at the lower of cost, including incremental expense of their value and capitalizable financial expense, and the corresponding estimated realizable value.

Properties to be sold are measured at the lower of cost and market value based on similar property transactions by area and type. The purchase cost is increased by any incremental costs incurred at the time of sale.

The property portfolio is assessed every six months with the help of an independent expert with recognized and relevant professional qualification and recent experience in the location and features of the properties assessed.

### RECEIVABLES BOOKED IN CURRENT ASSETS, TRADE AND OTHER RECEIVABLES

Receivables are initially recognized at fair value of the consideration to receive, which for this type generally coincides with the nominal value indicated in the invoice, adjusted (where necessary) to the estimated realizable value by provisions for the adjustment of the nominal values. Subsequently, receivables are measured using the amortized cost method, which generally coincides with the nominal value.

Payables are initially recognized at fair value of the consideration to pay and generally their amount is easily identified with a high degree of certainty. Subsequently, payables are measured using the amortized cost method calculated using the interest method.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include: cash on hand, demand deposits with banks and other short-term highly liquid investments. Bank overdrafts are recognized as loans under current liabilities in the statement of financial position.

### • Income Statement

#### SALE OF ASSETS

Revenue from the sale of assets is recognized only when all of the following conditions are met:

1. most of the risks and benefits relevant to the ownership of the assets have been transferred to the purchaser;
2. the effective control over the assets sold and the normal continuing level of activities associated to the ownership cease;
3. the value of revenue can be reliably calculated;
4. it is probable that the economic benefits stemming from the sale will be used by the company;
5. costs incurred or to incur can be reliably calculated.

In the case of property, these conditions are deemed normally fulfilled by the notarial deed.

#### PROVISION OF SERVICES AND REVENUE FROM OPERATING LEASES

Revenue from a transaction for the supply of services must be recognized only when it can be reliably estimated, by reference to the stage of completion of the transaction at the reporting date. The result of a transaction can be reliably estimated when all of the following conditions are met:

1. the amount of revenue can be reliably measured;
2. it is probable that the company makes use of the economic benefits of the transaction;
3. the stage of completion of the transaction at the reporting date can be measured reliably and the costs incurred for the transaction and the costs to incur for its completion can be reliably calculated.

The Company recognizes operating lease payments as income on a straight-line basis. Variable fees are recognized in the income statement in the period in which the event or circumstance that triggers the related payments occurs.

Initial and incremental direct costs incurred in obtaining an operating lease are recognized as an offsetting entry to the carrying amount of the leased asset.

#### INTEREST

Financial income is recognized in the income statement on an accruals basis, based on the interest accrued using the effective interest rate method. Financial expense incurred for investments in assets that normally require a specific amount of time in order for the asset to be ready for use or sale (qualifying asset pursuant to IAS 23 - Borrowing costs) is capitalized and amortized over the useful life of the asset class to which it relates. All the other financial expense is recognized in the income statement during the year in which it is incurred. Interest is recorded on an accrual basis that considers the effective yield of the asset.

#### DIVIDENDS

Dividends are recognized on entitlement to receive payment, which generally corresponds to the date of the Shareholders' Meeting called to resolve on dividend payout.

#### CURRENT TAX

Current tax is calculated on the basis of a realistic estimate of tax payable pursuant to the tax laws in force.

The estimated liability is recognized under "Tax payables". Tax assets and liabilities for current tax are recorded at the amount expected to be paid/recovered to/from the tax authorities applying the rates and tax law in force or substantively approved at the balance sheet date.

As Parent Company, under Article 2359 of the Italian Civil Code, Aedes SIIQ S.p.A. has joined, through joint exercise of the option with various subsidiaries, the Group taxation scheme pursuant to Article 117 and ensuing articles of Presidential Decree 917/86 (so-called national tax consolidation).

As known, the national Tax Consolidation Scheme allows the calculation by Aedes SIIQ S.p.A. (consolidating company) of a single taxable base, resulting from the algebraic sum of the taxable amount or tax loss of each venturer. Joining the group taxation scheme is optional and, once

## *Financial statements at 31 December 2020*

exercised, is irrevocable, binding the participating companies for three years. Subsidiaries of Aedes SIIQ S.p.A. which, for the 2019 tax year, opted for group taxation pursuant to Article 117 and ensuing articles of Presidential Decree 917/86, are: Novipraga SIIQ S.p.A., Pragaquattro Center SIIQ S.p.A., Praga Res S.r.l., Pragasei S.r.l., Pragaundici SIIQ S.p.A. and S.A.T.A.C. SIIQ S.p.A..

The operating effects arising from the national tax consolidation scheme are governed by appropriate regulations signed by the consolidating company and the consolidated companies; under these regulations:

1) subsidiaries, for financial years with positive taxable income, transfer to Aedes SIIQ S.p.A. the amount equal to the tax payable in respect of the above tax (subsidiaries with taxable income reduce their tax liability with their losses from prior years);

2) subsidiaries with negative taxable income are split up into those with profitability prospects that allow, with reasonable certainty, in the absence of national tax consolidation, the recognition of deferred tax assets associated with the negative taxable income on the financial statements, and those without such profitability prospects:

- subsidiaries with negative taxable income in the first category receive from Aedes SIIQ S.p.A. compensation corresponding to the lower of the tax savings realized by Aedes SIIQ S.p.A. and the deferred tax assets associated with the negative taxable income on the financial statements; compensation, therefore, will be paid and will be due if and when the tax savings will be effectively realized by Aedes SIIQ S.p.A.;
- subsidiaries with a negative taxable income in the second category are not entitled to any compensation.

### EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the total profit/loss for the period attributable to ordinary shareholders of Aedes SIIQ S.p.A. by the weighted average number of ordinary shares outstanding in the period, excluding treasury shares.

Diluted earnings per share are determined by adjusting the weighted average number of shares in circulation, to take account of all the potential ordinary shares, having a dilutive effect.

## • Significant estimates and assumptions

The preparation of the financial statements and the related notes, in accordance with IFRS, requires the Directors to apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic under the relating circumstances, which affect the recognized amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions are reviewed on a regular basis and the effects of any changes are reflected immediately in the income statement. It should be noted that the assumptions made on future performance are based on significant uncertainty. Therefore, future results may differ from estimates, and these could require even significant adjustments which cannot be predicted or estimated at this time.

Estimates and assumptions are used mainly in the assessment of the recoverable value of investments, the valuation of investment property and inventory, the recoverability of receivables, the fair value measurement of derivatives and the measurement of provisions for risks and charges.

With particular regard to the valuation of investment property (€ 162,680 thousand at 31 December 2020) and property inventory (€ 1,563 thousand at 31 December 2020), it should be noted that the assessment of fair value and the net realizable value, performed with the support of independent experts, derives from variables and assumptions on the future performance, which may vary significantly and thus produce changes - in the book value of properties - which cannot be predicted or estimated at this time.

The main variables and assumptions marked by uncertainty are:

- The expected net cash flows from the properties and the distribution of these flows over time;
- Inflation rates, discount rates and capitalization rates.

Similar considerations apply to the measurement of investments in subsidiaries (€ 84,416 thousand at 31 December 2020), associates and joint ventures (€ 46,646 thousand at 31 December 2020), whose equity reflects the fair value measurement of the investment property held.

Added to that is the additional uncertainty generated by the spread of Covid-19 in the assessment of national and international macroeconomic scenarios. Specifically, the current market uncertainty could have a significant impact, unmeasurable at this moment of time, on the inputs used by the independent expert for the valuation of the Company's property assets at 31 December 2020. Specifically, the major inputs that could undergo significant changes due to the spread of Covid-19 are the discount rates and exit cap rates.

In this regard, it should be noted that the Independent Experts (Duff & Phelps) have clarified that their valuation considers "a material uncertainty" as indicated by the VPS 3 and VPGA 10 in the RICS Red Book Global. As a result, the Independent Experts found that a lower degree of certainty and a higher degree of caution should be attached to their valuation than would normally be required under normal market conditions. This indication is not meant to suggest that the results of the valuation carried out cannot be relied upon; rather, it is helpful in clarifying that - under the current extraordinary market conditions - less certainty can be attached to the valuation than would otherwise be the case.

Therefore, in light of this scenario of uncertainty, if results differ in future years from the estimates made for the financial statements at 31 December 2020, the need may arise to make even significant adjustments to the amounts subject to valuation, among which, owing to their importance, investment property measured at fair value, investments in associates and joint ventures and property inventory.

Reference is made to Note 30 - IFRS 13 for further information on the methods of determining the fair value of properties and the section "Independent expert appraisals" in the Directors' Report on Operations for information on the selection process of independent experts.

#### **INFORMATION ON THE SPECIAL REGIME OF LISTED PROPERTY INVESTMENT COMPANIES - SIIQ**

The special regime of Listed Property Investment Companies ("SIIQ") introduced and regulated by Law no. 296/2006 as subsequently amended, as well as by Ministerial Decree no. 174/2007 (the "Special Regime"), involves the exemption taxation for IRES and IRAP purposes of revenue arising from property leasing (so-called "tax-exempt operations").

The rules governing the Special Regime was subject to amendments as a result of Decree Law no. 133/2014 (hereinafter "Decree Law no. 133/2014"), in force since 13 September 2014 and converted by Law no. 164 of 11 November 2014. For the application of the Special Regime, revenue from tax-exempt operations is intended to be taxed to shareholders as a result of its distribution. Distribution must be decided (subject to revocation of the Special Regime) on approval of the financial statements in the year when revenue was generated. Specifically, the Special Regime entails the obligation, for each year, to distribute to shareholders, (i) at least 70% of profit from lease activities, possession of shares in SIIQ/SIINQ and qualified real-estate funds (such as resulting from the income statement of the relevant financial statements), if the total profit available for distribution is equal to or higher than the profit of tax-exempt operations, or (ii) at least 70% of total profit for the year available for distribution, if this is lower than profit from tax-exempt operations.

Through Legislative Decree no. 133/2014, a further compulsory system of profit distribution is set out, which complements the existing system, consisting in the obligation to distribute, in the two years following the year in which profit was realized, 50% of proceeds from net gains originating in the sale of properties held for lease, of SIIQ/SIINQ shares and qualified real-estate funds (which are treated as an investment company with fixed capital - SICAF - real-estate company).

Once the satisfaction of the subjective, investment and bylaw requirements had been ascertained, on 27 November 2017 Aedes SIIQ S.p.A. (formerly Sedea SIIQ S.p.A.) exercised the option for joining the Special Regime, effective as from 1 January 2018. On 28 January 2019, following the proportional demerger of Aedes SIIQ S.p.A. (now Restart SIIQ S.p.A.) into Sedea SIIQ S.p.A. (now Aedes SIIQ S.p.A.) and the admission to listing of the latter's shares, the Company announced that it met all the requirements of the SIIQ regime.

#### **1. Information on compliance with the requirements to remain in the Special Regime**

##### *(1) Objective Requirements*

Under Article 1, par. 121, of Law no. 296/2006, a SIIQ must predominantly conduct property leasing

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activities. This activity is considered predominant if property held by way of ownership or other real right to be leased, SIIQ/SIINQ shares and qualified real-estate funds (or SICAF) represent at least 80% of the assets (asset parameter) and if, in each year, relating revenue represents at least 80% of the positive components of the income statement (profit parameter).

Failure to comply for three consecutive financial years with one of the two above parameters results in final termination of the special regime from the second of the three financial years; failure to comply with both parameters with regard to the same financial year results in termination of the special regime as from the financial year in relation to which the termination condition occurs.

The results of the calculation of the above parameters are shown below. Both the asset and the profit parameter have been met in 2020.

### Asset parameter

Euro/000		31/12/2020	31/12/2019
Value of properties to lease	(A)	150.650	138.510
Value of properties involved in the development of the property complex	(B)	8.370	9.260
Shares in SIINQs and in qualified real-estate investments funds	(C)	105.812	126.380
<b>TOTAL NUMERATOR</b>	<b>(D)=(A)+(B)+(C)</b>	<b>264.832</b>	<b>274.150</b>
<b>Total assets</b>	<b>(E)</b>	<b>388.593</b>	<b>405.970</b>
Items excluded from the denominator of the ratio:			
Cash and cash equivalents		(-7.607)	(-4.529)
Intragroup loans		(-72.252)	(-79.406)
Receivables from consideration yet to cash in		(-7.804)	(-4.571)
Assets from derivative instruments		(-26)	(-95)
Deferred tax assets		(-193)	(-250)
Tax receivables		(-1.097)	(-1.313)
Prepayments		(-1.112)	(-1.094)
<b>Total adjustments</b>	<b>(F)</b>	<b>(-90.091)</b>	<b>(-91.258)</b>
<b>Total denominator: adjusted assets</b>	<b>(G)=(E)+(F)</b>	<b>298.502</b>	<b>314.712</b>
<b>Asset parameter</b>	<b>(D)/(G)</b>	<b>89%</b>	<b>87%</b>

The asset parameter, as shown in the table above, is the result of the ratio between:

- the numerator, amounting to € 264,832 thousand, which includes the carrying amount: (i) of properties intended for lease, which amount to € 150,650 thousand, (ii) of "properties under development" (€ 8,370 thousand) and (iii) of shares in SIINQs and real-estate investment funds (shares held directly in the Petrarca real-estate fund, and indirectly in the Dante Retail real-estate fund (through Efir S.àr.l, as confirmed by the Agency's reply to the application filed) (€ 105,812 thousand);
- the denominator, amounting to € 298,502 thousand, which includes total adjusted assets (€ 388,593 thousand) to exclude, in accordance with the criteria set out in Article 6 of Ministerial Decree 174/2007: i) the value of cash and cash equivalents (€ 7,607 thousand); ii) the value of loans to Group companies (€ 72,252 thousand); iii) the value of trade receivables deriving from both tax-exempt operations and, as clarified by Revenue Agency circular no. 8/E of 2008, from taxable operations (€ 7,804 thousand). Additionally, in order not to affect the ratio with other items that are not directly related to tax-exempt or taxable operations, whose inclusion in the denominator of the ratio could alter the result of the assessment of the asset prevalence criterion, the following have been excluded: iv) the value of assets from derivative contracts (€ 26 thousand); v) the value of deferred tax assets (€ 193 thousand); vi) the value of tax receivables (€ 1,097 thousand); vii) prepaid expenses from VAT exempt lease activities (€ 1,112 thousand).



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Profit parameter

Euro/000		31/12/2020	31/12/2019
Rental payments and kindred revenue	(A)	7.301	8.391
Net margin on property sales	(B)	100	40
Dividends from SIINQs and qualified real-estate funds	(C)	0	795
Gains from investments forming financial fixed assets in other SIINQs or SIINQs	(D)	5.000	0
<b>TOTAL NUMERATOR</b>	<b>(E)=(A)+(B)+(C)+(D)</b>	<b>12.401</b>	<b>9.226</b>
<b>Total positive operating components</b>	<b>(F)</b>	<b>19.068</b>	<b>16.306</b>
Items excluded from the denominator of the ratio:			
Revaluation of properties		0	(-1.265)
Income from chargeback of costs		(-1.139)	(-1.295)
Income from cost adjustments or related to hedges		(-191)	(-67)
Interest income on loans to subsidiaries and associates		(-3.321)	(-2.182)
Contingent assets, release of provisions and other reversals		0	(-191)
Deferred tax assets and interest on tax receivables		(-84)	0
Indemnification and insurance upward adjustments		(-6)	(-23)
<b>Total adjustments</b>	<b>(G)</b>	<b>(-4.741)</b>	<b>(-5.023)</b>
<b>Total denominator</b>	<b>(H)=(F)+(G)</b>	<b>14.327</b>	<b>11.283</b>
<b>Profit parameter</b>	<b>(F)/(H)</b>	<b>87%</b>	<b>82%</b>

The profit parameter, as shown in the table above, is given by the ratio between:

- the numerator, amounting to € 12,401 thousand. It includes
  - i) rental revenue of properties held in such activity (properties for investment, properties under development and properties included in assets held for sale) (€ 7,301 thousand). It should be noted that this amount is inclusive of revenue equivalent to rents, such as compensation from tenants (but not also income from the chargeback of costs to tenants).
  - ii) capital gains realized from the sale of properties intended for rental, amounting to € 100 thousand
  - iii) the gain realized from the partial cancellation of the investment in the Petrarca Fund, following assignment of the property located in Agrate Brianza named *Andromeda* (€ 5,000 thousand).
- the denominator, totaling € 14,327 thousand. This amount corresponds to the total positive components of the income statement, equal to € 19,068 thousand, adjusted to exclude:
  - i) proceeds from chargebacks of costs such as, mainly, those related to personnel detachment, chargebacks of costs to tenants of properties to be leased (also excluded from the numerator of the profit parameter), chargebacks to subsidiaries of costs and financial expense incurred in the interest of the investee. The adjustments for these financial components totaled € 1,139 thousand;
  - ii) income from cost adjustments or related to hedges of € 191 thousand;
  - iii) interest income on loans to subsidiaries and associates of € 3,321 thousand;
  - iv) deferred tax assets of € 84 thousand;
  - v) insurance indemnities and adjustments of € 23 thousand.

With regard, on the other hand, to the provisions of Article 1, par. 123, of Law 296/2006 and concerning the distribution obligation to shareholders, in each financial year, of part of the accounting profit from tax-exempt operations amounting to (i) at least 70% of the amount, if the total profit available for distribution is equal to or higher than the profit from tax-exempt operations resulting from the income statement of the relevant financial statements or (ii) at least 70% of total profit

available for distribution, if this is lower than profit from tax-exempt operations, it should be noted that the 2020 result, which came to a loss of € 32,407 thousand, includes a negative result from the tax-exempt operations of € 29,845 thousand, and a negative result from the taxable operations of € 2,562 thousand. The Company, therefore, does not record profit from tax-exempt operations available for distribution.

As a result, in accordance with applicable law, with regard to the 2020 result, there was no obligation to distribute profit from tax-exempt operations.

Lastly, with regard to the additional distribution obligation set out in Article 1, par. 123-bis, of Law no. 296/2006, following the legislative amendments introduced by Decree Law no. 133/2014, of 50% of proceeds from net gains earned in the year from leased properties and from the sale of SIIQ/SIINQ shares or qualified real-estate funds (SICAFs), it should be noted that in 2020, the conditions for compulsory distribution were not met.

### *(2) Subjective requirements*

Aedes SIIQ S.p.A., which draws up the financial statements in accordance with the international accounting standards, complies with the subjective requirements set out in the reference rules to remain in the Special Regime, as it is a: i) joint-stock company; ii) has its residence for fiscal purposes in Italy; iii) its shares are traded on the Italian stock exchange.

### *(3) Requirements relating to the ownership structure*

Based on the information held by the Company at 31 December 2020, there are no shareholders who hold directly or indirectly, under Article 1, par. 119, of Law no. 296/2006 as amended by Law no. 164/2014, over 60% of voting rights in the Ordinary Shareholders' Meeting, and over 60% of profit-sharing rights.

## **2. Breakdown of economic components into tax-exempt and taxable operations and relating allocation criteria**

The Company has divided the income statement at 31 December 2020 into tax-exempt and taxable operations.

Separate accounting has the purpose of identifying the operating results of tax-exempt and taxable operations by: i) allocating the relating economic components to each type of operations; ii) allocating to each a reasonable pro rata percentage of the "common" economic components (as they do not refer specifically to one of the two types of operations).

Mention should be made that Aedes SIIQ S.p.A, for the purpose of allocating these "common" components to tax-exempt (or taxable) operations, has adopted the abovementioned profit parameter, as it is considered the most appropriate percentage parameter for the allocation, since, net of the economic components that do not refer to any activity performed, it actually reflects the percentage impact of lease activities on overall activities carried out by the Company.

Mention should also be made that income generated by tax-exempt operations is governed by the regulations set out in Article 1, par. 119 and ensuing paragraphs, of Law no. 296/2006 and its implementing decree, while income generated by taxable operations is governed by the ordinary rules of taxation for IRES and IRAP purposes.

For each economic component, the following shows the main components within the scope of the two types of operations:

Net lease revenue: within this margin, revenue and costs have been divided into tax-exempt and taxable operations, based on the specific relevance of such components to the originating property.

Specifically; i) lease payments, chargebacks of costs to tenants, revenue from insurance indemnification and revenue "classed" as lease payments and, in any case, related to leasing; ii) costs for property management and maintenance, indirect tax on lease contracts, municipal property tax and all costs related to leasing, are charged to (a) tax-exempt operations if they relate to property intended to be leased, understood as meaning properties included in the accounting categories of "properties for investment" (with the exception, for shopping centers, of the portion of revenue and costs referring, based on specific appraisals, to the rental of business units and not of the property component), to "properties under development" and to properties included in "assets held for sale",

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(b) to taxable operations if referred to the rental of "business units" (for the portion that does not refer to the property component, as identified by specific appraisals) and to "trading properties".

Losses and write-downs of receivables arising from leasing have all been recognized as taxable operations where relating to receivables from leasing arising in financial years prior to the Company's inclusion in the Special Regime of SIIQs.

Net revenue from services: includes revenue and costs specifically related to the property, administrative, accounting and tax services provided by Aedes SIIQ S.p.A. to subsidiaries. As such activity differs from the leasing activity that falls within the scope of tax-exempt operations, the economic components recognized within such margin are fully booked to taxable operations.

Operating costs: all the costs within this category are considered "common" to the two types of operations and, as such, distributed between each type, based on the profit parameter as calculated above.

Other revenue and income and other costs and expense: revenue and income within this category are specifically related to taxable operations, except for the release of exempt provisions for risks and bad debts and contingencies for the adjustment of tax-exempt costs. Revenue from tax-exempt operations is, in fact, limited only to rental revenue (included in the relevant statement item) and dividends from investments in SIINQs and in "qualified" real-estate funds, included within income from subsidiaries.

Other costs and charges are mainly costs "common" to the two types of operations and, as such, distributed between each type, based on the profit parameter as calculated above.

Profit/(Loss) from the sale of properties: the margins earned from the sale of properties to be leased, equal to the difference between selling price and relating carrying amount, net of brokerage costs and other costs directly related to the sale, are included in tax-exempt operations. On the other hand, the margins earned from the sale of "trading properties", equal to the difference between selling price and relating carrying amount, net of brokerage costs and other costs directly related to the sale, are included in taxable operations.

Revaluations/(Write-downs) of properties: include revenue and costs, recognized mainly following the fair value measurement of property assets, which are allocated to tax-exempt operations when referring to properties to be leased, or to taxable transactions when referring to "trading properties".

Net financial income/(expense): financial income is fully attributed to taxable operations, except as indicated below for financial income from hedges against interest rate fluctuations in loans (which are adjustment entries to financial expense).

The main categories of financial expense are explained below:

- financial expense relating to mortgage loans that are also structured in such a way as to bind, in various ways, the proceeds arising from property management to guarantee repayment of the loan is regarded as "specifically" related to tax-exempt and/or taxable operations, according to the assignment of the mortgage property to the tax-exempt or taxable activity. Consequently for loans that (i) are backed by properties held for leasing and which (ii) are at the same time accompanied by formats that bind the related proceeds from operations to guarantee repayment of the loan, the related financial expense has been attributed to tax-exempt operations, while for loans backed by trading properties, the related financial expense has been attributed to taxable operations.
- In cases where the loans giving rise to the abovementioned financial expense are hedged against interest rate fluctuations, the related hedging income and expense are attributed to tax-exempt or taxable operations, depending on how the hedged cash flows were recognized while any ineffective portion is recognized under income or charges "common" to both types of operations;
- financial expense relating to short-term and medium/long-term loans that are not mortgage loans, nor backed by the abovementioned restrictions on proceeds to serve the related loan, such as bonds and short-term credit facilities, is considered as a cost that is "common" to the two types of operations and consequently allocated according to the profit parameter as calculated above.

Income and expense from subsidiaries, associates and other companies: all financial gains were entirely attributed to taxable operations, with the exception of income from investments in SIIQ/SIINQ and in qualified real-estate funds, which is recognized under tax-exempt operations in accordance

with the law.

Expense from subsidiaries, associates and other companies is attributed to taxable operations, with the exception of expense arising from loans to investees, which is considered as a cost that is "common" to the two types of operations, as the financial expense on short-term and long-term loans that are not mortgage loans, and is consequently allocated according to the profit parameter calculated above.

Tax for the year: both current and deferred tax for the year is recognized as taxable operations as it is not associated with tax-exempt operations.

As to income and expense that are adjustments to economic components accounted for in financial statements from years prior to inclusion in the Special Regime, or to contingencies representing costs and expense that would have been attributable to financial years prior to inclusion in the Special Regime, these components - irrespective of their classification within margins or of the other above items - are entirely attributed to taxable operations as they are closely related (through adjustment) to components accrued in financial years in which the entire income was taxable.

## 4.9 Main types of risk

The Company is exposed to various kinds of risks, as discussed in detail in the Directors' Report on Operations in paragraph 2.13 Main risks and uncertainties.

Financial risks are disclosed in these notes (see *Note 33. Information on financial risks*), as well as the risks associated with the main outstanding disputes (see *Note 16. Provisions for risks and charges*).

## 4.10 Explanatory notes to the statement of financial position, cash flows and income statement

### • Assets

#### NOTE 1. INVESTMENT PROPERTY

The changes in the year are as follows:

(Euro/000)	Properties for investment	Properties under development	Total
<b>Balance at 31.12.2019</b>			
Book value 1.1.2019	163.930	9.340	173.270
Increases	5.335	0	5.335
Decreases	(28.610)	0	(28.610)
Fair value adjustment	1.345	(80)	1.265
<b>Book value 31.12.2019</b>	<b>142.000</b>	<b>9.260</b>	<b>151.260</b>
<b>Balance at 31.12.2020</b>			
Book value at 1.1.2020	142.000	9.260	151.260
Increases	27.702	15	27.717
Decreases	(11.900)	0	(11.900)
Fair value adjustment	(3.492)	(905)	(4.397)
<b>Book value 31.12.2020</b>	<b>154.310</b>	<b>8.370</b>	<b>162.680</b>

For the purpose of preparing the Financial Statements at 31 December 2020, the Company appointed Duff & Phelps REAG as the primary independent expert to carry out appraisals of the property portfolio and support the Directors in their assessments.

The changes versus the prior year are due to:

- increases of € 27,717 thousand, related to:
  - refurbishment work on the property located in Viale G. Richard, Milan - *Torre C3* - and, to a lesser extent, extraordinary maintenance work on other owned properties (€ 10,207 thousand);
  - assignment by the Petrarca Fund in liquidation, a wholly-owned subsidiary of the Company, of an office building located in Via Paracelso 18, Agrate Brianza - *Andromeda* (€ 17,510 thousand).
- decreases of € 11,900 thousand, related to the sale of the property located in Viale G. Richard, Milan - *Torre E5* - sold on 28 September 2020 by deed executed at the office of Notary Ruben Israel in Milan (MI).
- net negative fair value adjustments of € 4,397 thousand, of which:
  - € 3,207 thousand in positive adjustments, broken down as follows:
    - ✓ € 1,440 thousand related to properties for investment for commercial use (*Retail*);
    - ✓ € 1,767 thousand related to properties for investment for office use (*Office*);
  - € 7,604 thousand from negative adjustments referring mainly to:
    - ✓ € 3,490 thousand related to properties for investment for commercial use (*Retail*);
    - ✓ € 3,209 thousand related to properties for investment for office use (*Office*);
    - ✓ € 905 thousand related to development projects in properties for investment.

It should be noted that a number of these properties are subject to mortgages securing bank loans, explained in the specific liabilities section. The value of mortgages securing loans relates in many cases to the original amounts of the loans. In the event of sales of portions of properties or properties that are part of portfolios, with subsequent partial repayment of the loans, the mortgages originally registered on the entire properties package can be maintained for the full amount, encumbering only on the residual properties or portions. On the latter's sale, the mortgages are fully cancelled.

The table below shows the changes in investment property acquired through leases, already included in the movements of the table above, and an integral part thereof:

(Euro/000)	Properties for investment
<b>Balance at 31.12.2019</b>	
Net book value at 1.1.2019	2.140
Fair value adjustment	0
<b>Net book value at 31.12.2019</b>	<b>2.150</b>
<b>Balance at 31.12.2020</b>	
Book value at 1.1.2020	2.150
Fair value adjustment	430
<b>Book value at 31/12/2020</b>	<b>2.580</b>

With regard to the fair value measurement of the property portfolio, it should be noted that the current market uncertainty could have a significant impact, unmeasurable at this moment of time, on the inputs used by the independent expert for the valuation of the Company's property assets at 31 December 2020. Specifically, the major inputs that could undergo significant changes due to the spread of Covid-19 are the discount rates and exit cap rates.

In order to measure the impact of a possible shock from an abrupt change in the core macroeconomic scenario on property valuations at 31 December 2020, the Company commissioned the independent expert Duff & Phelps REAG S.p.A. to conduct a sensitivity analysis to measure the changes in the fair value of the assets with varying discount rates and exit cap rates. The results of this sensitivity analysis are shown in paragraph 2.13 Main risks and uncertainties.

#### NOTE 2. OTHER TANGIBLE FIXED ASSETS

The changes in the year are as follows:

(Euro/000)	Specific plant	Industrial and commercial equipment	Other assets	Total
<b>Balance at 31.12.2019</b>				
Net book value at 1.1.2019	12	1.294	517	1.823
Increases	0	0	93	93
Decreases	0	0	(2)	(2)
Depreciation in the year and write-downs	(4)	(305)	(75)	(384)
Net book value at 31.12.2019	8	989	533	1.530
<b>Final balance 31.12.2019</b>				
Historical cost	1.927	3.441	3.708	9.076
Allowance for impairment	(250)	0	(563)	(813)
Depreciation fund	(1.669)	(2.452)	(2.612)	(6.733)
<b>Net book value</b>	<b>8</b>	<b>989</b>	<b>533</b>	<b>1.530</b>
<b>Balance at 31.12.2020</b>				
Net book value at 1.1.2020	8	989	533	1.530
Increases	0	0	4	4
Decreases	0	0	(100)	(100)
Depreciation in the year and write-downs	(4)	(305)	(81)	(390)
<b>Net book value at 31.12.2020</b>	<b>4</b>	<b>684</b>	<b>356</b>	<b>1.044</b>
<b>Final balance 31.12.2020</b>				
Historical cost	1.927	3.441	3.612	8.980
Allowance for impairment	(250)	0	(563)	(813)
Depreciation fund	(1.673)	(2.757)	(2.693)	(7.123)
<b>Net book value</b>	<b>4</b>	<b>684</b>	<b>356</b>	<b>1.044</b>

#### Specific plants

The decrease versus the prior year is attributable to the depreciation charge for the year, amounting to € 4,000.

#### Industrial and commercial equipment

The decrease versus the prior year is attributable to the depreciation charge for the year, amounting to € 305 thousand.

#### Other assets

The item consists mainly of furniture and fixtures for € 239 thousand, electronic machines for € 62

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thousand and motor vehicles for € 55 thousand. The change versus the prior year is attributable to *i)* purchase of electronic machines for € 4 thousand *ii)* decreases from the sale of a work of art for a net book value of € 100 thousand *iii)* depreciation for the year, amounting to € 81 thousand.

**NOTE 3. INTANGIBLE FIXED ASSETS**

The changes in the year are as follows:

(Euro/000)	Other
<b>Balance at 31.12.2019</b>	
Net book value at 1.1.2019	48
Increases	20
Depreciation in the year and write-downs	(29)
<b>Net book value at 31.12.2019</b>	<b>39</b>

<b>Final balance 31.12.2019</b>	
Historical cost	831
Depreciation fund	(792)
<b>Net book value</b>	<b>39</b>

<b>Balance at 31.12.2020</b>	
Net book value at 1.1.2020	39
Increases	14
Depreciation in the year and write-downs	(25)
<b>Net book value at 31.12.2020</b>	<b>28</b>

<b>Final balance 31.12.2020</b>	
Historical cost	845
Depreciation fund	(817)
<b>Net book value</b>	<b>28</b>

The change versus the prior year is due to increases for the purchase of new software licences (€ 14 thousand) and the amortization charge for the year (€ 25 thousand).

**NOTE 4. RIGHTS OF USE**

The item includes rights of use relating to operating leases recognized as assets under *IFRS 16 - Leases*.

The changes in the year are as follows:

(Euro/000)	Buildings	Motor vehicles	Total
<b>Balance at 31.12.2019</b>			
Net book value at 1.1.2019	0	0	0
First-time recognition rights of use	3.138	75	3.213
Increases	10	0	10
Depreciation in the year and write-downs	(712)	(40)	(752)
<b>Net book value at 31.12.2019</b>	<b>2.436</b>	<b>35</b>	<b>2.471</b>

<b>Balance at 31.12.2020</b>			
Net book value at 1.1.2020	2.436	35	2.471
Increases	0	300	300
Depreciation in the year and write-downs	(698)	(87)	(785)
<b>Net book value at 31.12.2020</b>	<b>1.738</b>	<b>248</b>	<b>1.986</b>

<b>Final balance 31.12.2020</b>			
Historical cost	3.148	375	3.523
Depreciation fund	(1.410)	(127)	(1.537)
<b>Net book value</b>	<b>1.738</b>	<b>248</b>	<b>1.986</b>

This item consists mainly of the lease of property used by the Company as its registered office and operational headquarters. The increase in the year, amounting to € 300 thousand, relates to the conclusion of operating lease contracts for new vehicles assigned to employees. Amortization for the year amounted to € 785,000.

**NOTE 5. INVESTMENTS IN SUBSIDIARIES**

Changes in investments in subsidiaries in 2020 were the following:

Investment	Amounts at 31/12/2019	Increases	Disposals and decreases	(Write-downs)/Write-backs	Reclassification to/(from) provisions	Amounts at 31/12/2020	% of investment
Petrarca Fund	12.323	0	(10.052)	0	0	2.271	100%
Novipraga SiiNQ S.p.A.	27.352	0	0	(1.299)	0	26.053	100%
Gorky S.r.l.	7	2.000	0	(668)	0	1.339	100%
Praga Res S.r.l.	0	200	0	(123)	(1)	76	100%
Pragaquattro Center SiiNQ S.p.A.	6.495	4.000	0	(9.726)	0	769	100%
Pragaundici SiiNQ S.p.A.	5.414	0	0	(1.627)	0	3.787	100%
S.A.T.A.C. SiiNQ S.p.A.	55.488	0	0	(5.367)	0	50.121	100%
<b>Total</b>	<b>107.079</b>	<b>6.200</b>	<b>(10.052)</b>	<b>(18.810)</b>	<b>(1)</b>	<b>84.416</b>	

On 12 February 2020, the Company made a capital contribution of € 200 thousand to Praga Res S.r.l..

On 26 October 2020, the Company waived receivables, in favour of Gorky S.r.l., for shareholder loans in the amount of € 2,000 thousand, which were converted into a capital increase reserve.

On 26 October 2020, the Company waived receivables, in favour of Pragaquattro Center SiiNQ S.p.A., for shareholder loans in the amount of € 4,000 thousand, converted into a capital increase reserve.

The decrease, amounting to € 10,052 thousand, related to the partial cancellation of the Petrarca Fund shares following assignment to the Company of the property located in Via Paracelso 18, Agrate Brianza - *Andromeda*.

#### Assessment of the recoverability of investments

Given the nature of the investments held, the Directors deemed it appropriate to carry out the impairment test, taking account of the fair value of the property units owned by each investee, as inferred from the property appraisals prepared by independent experts, net of the related theoretical tax expense, where applicable. On the outcome of this test, and taking account of the significant negative changes in fair value of the main investees and the operating losses incurred during the year, the value of the investments was adjusted and written down by € 18,810 thousand.

Set out below are the main figures relating to investments in subsidiaries at 31 December 2020:

(Euro/000)	Registered office	Share capital	Equity	of which profit (loss) for the year	Value of production	% of investment	Share of equity	Write-downs	Carrying amount	
<b>Investments</b>										
Petrarca Fund	Milan Vicolo Santa Maria alla Porta, 1	(1) (*)	n.a.	3.650	(685)	1.881	100%	3.650	0	2.271
Novipraga SiiNQ S.p.A.	Milan Via Tortona, 37	(**)	100	26.053	(1.420)	4.837	100%	26.053	(1.299)	26.053
Gorky S.r.l.	Treviso Via Indipendenza, 5	(**)	100	1.339	(668)	875	100%	1.339	(668)	1.339
Praga Res S.r.l.	Milan Via Tortona, 37	(**)	100	76	(146)	1.808	100%	76	(123)	76
Pragaquattro Center SiiNQ S.p.A.	Milan Via Tortona, 37		54	769	(9.727)	404	100%	769	(9.726)	769
Pragaundici SiiNQ S.p.A.	Milan Via Tortona, 37		100	3.787	(1.627)	1	100%	3.787	(1.627)	3.787
S.A.T.A.C. SiiNQ S.p.A.	Milan Via Tortona, 37		620	50.121	(14.462)	6	100%	50.121	(5.367)	50.121
<b>Total</b>								<b>(18.810)</b>		<b>84.416</b>

(1) Registered office of the management company Sator Immobiliare SGR S.p.A.

(\*) The amount refers to the company's statement at 31/12/2020 adjusted by the appropriate alignment adjustments to the Group's principles

(\*\*) The amount refers to the company's accounts at 31/12/2020 adjusted by the appropriate alignment adjustments to the Group's principles

#### NOTE 6. INVESTMENTS IN ASSOCIATES AND OTHERS

Changes in investments in associates in the year are as follows:

Investment	Amounts at 31/12/2019	Increases/(decreases)	Other movements	(Write-downs)/Write-backs	Amounts at 31/12/2020	% of investment
Borletti Group SAM S.A.	182	0	0	0	182	40,00%
EFIR S.ar.l. - Dante Retail Fund	18.677	0	(1.233)	0	17.444	33,33%
InvesCo S.A.	5.849	582	0	0	6.431	28,57%
Pragasei S.r.l.	7.499	1.253	0	0	8.752	50,10%
The Market LP SCA	18.000	0	0	(4.162)	13.838	40,00%
<b>Total</b>	<b>50.207</b>	<b>1.835</b>	<b>(1.233)</b>	<b>(4.162)</b>	<b>46.647</b>	

EFIR S.ar.l. distributed part of its share premium reserve to unitholders (€ 1,233 thousand).

The Company made a capital contribution of € 582 thousand to InvesCo S.A..

On 13 July 2020, the Company waived receivables, in favour of Pragasei S.r.l., for shareholder loans in the amount of € 1,253 thousand, which were converted into a capital increase reserve.

Set out below are the main figures relating to investments in associates at 31 December 2020:

## Financial statements at 31 December 2020

(Euro/000)	Registered office	Share capital	Equity	of which profit (loss) for the year	Value of production	% of investment	Share of equity	Write-downs	Carrying amount	
<b>Investments</b>										
EFIR S.a.r.l. - Dante Retail Fund	5, Allé Scheffer L - 2520 Luxembourg	(*)	22.279	56.535	(105)	0	33,33%	18.843	0	17.444
Pragasei S.r.l.	Milan Via Monte Napoleone, 29	(**)	100	27.072	(2.102)	5.669	50,10%	13.563	0	8.752
The Market project	1, Place d'Armes L - 1136 Luxembourg	(***)	286	77.714	(616)	0	40,00%	20.451	(4.162)	20.451
<b>Total</b>								<b>(4.162)</b>		<b>46.647</b>

(\*) The amount refers to the company statement at 31/12/2020 adjusted by the appropriate alignment adjustments to the Group's principles

(\*\*) The amount refers to the company's accounts at 31/12/2020 adjusted by the appropriate alignment adjustments to the Group's principles

(\*\*\*) Includes valuation of Barletti Group SAM S.A., InvesCo S.A., The market LP SCA

### Assessment of the recoverability of investments

Given the nature of the investments held, the Directors carried out the impairment test, taking account of the fair value of the property units owned by each investee, as inferred from the property appraisals prepared by independent experts, net of the related theoretical tax charges, where applicable. On the outcome of this test, and taking account of the significant negative changes in fair value of the main investees and the operating losses incurred during the year, the value of the investments in associates was adjusted and written down by € 4,162 thousand.

### NOTE 7. DEFERRED TAX

Deferred tax assets/liabilities are detailed in the following tables:

(Euro/000)	31/12/2020	31/12/2019
Receivables for prepaid tax		
- Prepaid tax recoverable after 12 months	193	250
	<b>193</b>	<b>250</b>
Deferred tax provision		
- Deferred tax recoverable after 12 months	280	364
	<b>280</b>	<b>364</b>

	31/12/2020			31/12/2019		
	Amount of temporary differences	tax effect (rate%)	TOTAL	Amount of temporary differences	tax effect (rate%)	TOTAL
<b>Deferred tax assets:</b>						
Tax losses	803	24,00%	193	1.043	24,00%	250
<b>Total</b>	<b>803</b>		<b>193</b>	<b>1.043</b>		<b>250</b>
<b>Deferred tax:</b>						
Differences on inventory property	1.004	27,90%	280	1.304	27,90%	364
<b>Total</b>	<b>1.004</b>		<b>280</b>	<b>1.304</b>		<b>364</b>

Deferred taxation refers to differences in value relating to property booked under inventory, which falls under the taxable operations of the special SIIQ regime.

The Company carried forward tax losses for over € 12,000 thousand and against these losses, it recognized deferred tax assets of € 193 thousand, or up to the limit of 80% of the recognized deferred tax assets, therefore limited only to the portion that could be offset against deferred tax liabilities in the year in which the related capital gain assets would be sold.

**NOTE 8. DERIVATIVE INSTRUMENTS**

(Euro/000)	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives not treated under hedge accounting</b>				
Fair Value Cap	7	0	0	0
Fair Value Floor	0	0	0	191
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>191</b>

(Euro/000)	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives treated under hedge</b>				
Fair Value Cap	19	0	95	0
Fair Value Floor	0	0	0	0
<b>Total</b>	<b>19</b>	<b>0</b>	<b>95</b>	<b>0</b>

This item refers to:

- the contract concluded in October 2019 with Banco BPM, aimed at mitigating the risk of an increase in interest rates on the loan agreement of € 5,000 thousand signed on 11 September 2019 with Banco BPM. In December 2020, the loan was paid in advance and the outstanding derivative was reclassified under "*non-hedge accounting*". The fair value measurement at 31 December 2020 shows assets on the fair value cap contract amounting to € 7 thousand and the change versus the prior year, amounting to € 26 thousand, was recognized in the income statement under "*financial expense*";
- interest rate cap contracts under *hedge accounting* concluded in 2019 and aimed at mitigating the risk of interest rate increase on the € 20,000 thousand loan agreement signed on 11 September 2019 with Banco BPM and Monte dei Paschi di Siena. The fair value measurement at 31 December 2020 shows assets on the fair value cap contract of € 19 thousand and liabilities on the fair value floor contract of zero. The change in fair value was recorded in the *hedge accounting* reserve in equity and in the statement of comprehensive income for € 6 thousand and for € 41 thousand in the income statement under "*financial expense*".

The *non-hedge accounting* contracts in place at 31 December 2019, signed in 2015 with Banco BPM (formerly Banca Popolare di Milano S.c.a.r.l.), expired on 31 December 2020, generating a positive result of € 191 thousand, recorded in the income statement under "*financial income*".

The table below shows derivative financial instruments at 31 December 2020:

Hedge provider	Tipologia	Nozionale	Fair Value	Data termine contrattuale	Tasso passivo	Tasso attivo
Banco BPM	Cap	4.625	7	30/06/2025	0%	3m Euribor q,A/360
Banco BPM	Cap	7.184	7	10/09/2024	0%	6m Euribor q,A/360
Monte dei Paschi di Siena	Cap	11.755	12	10/09/2024	0%	6m Euribor q,A/360
<b>Totale</b>		<b>23.564</b>	<b>26</b>			

In preparing the Financial Statements, the Company appointed Ernst & Young Financial-Business Advisors S.p.A. as the independent expert tasked with the fair value measurements of the derivatives at 31 December 2020 and with the development of the effectiveness test of the hedge.

The fair value of outstanding derivative financial instruments at 31 December 2020 can be classified in the level 2 hierarchy (fair value determined on the basis of valuation models that use observable market inputs).

Financial statements at 31 December 2020

NOTE 9. FINANCIAL RECEIVABLES

(Euro/000)	31/12/2020	31/12/2019
<b>Non-current receivables</b>		
Receivables from subsidiaries	65.186	71.350
Receivables from associates	7.066	8.056
Receivables from others	10	16
<b>Total</b>	<b>72.262</b>	<b>79.422</b>
Total financial assets by maturity:		
Within 1 year	0	0
1-5 years	72.262	79.422
Over 5 years	0	0
<b>Total</b>	<b>72.262</b>	<b>79.422</b>

Receivables from subsidiaries

The balance of receivables from subsidiaries is broken down as follows:

Subsidiary	31/12/2020						31/12/2019						Difference		
	non-current			current			non-current			current					
	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total			
Novipraga SIINQ S.p.A.	6.088	0	6.088	0	0	0	6.088	6.983	0	6.983	0	0	0	6.983	(895)
Praga Res S.r.l.	286	0	286	0	0	0	286	448	0	448	0	0	0	448	(162)
Petrarca Fund	161	0	161	0	0	0	161	13.147	(423)	12.724	0	0	0	12.724	(12.563)
Gorky S.r.l.	11.235	(361)	10.874	0	0	0	10.874	0	0	0	0	0	0	0	10.874
Pragaquattro Center SIINQ S.p.A.	24.093	(968)	23.125	0	0	0	23.125	31.224	(1.006)	30.218	0	0	0	30.218	(7.093)
Pragaundici SIINQ S.p.A.	2.318	(75)	2.243	0	0	0	2.243	2.137	(89)	2.058	0	0	0	2.058	175
S.A.T.A.C. SIINQ S.p.A.	23.155	(746)	22.409	0	0	0	22.409	19.539	(630)	18.909	0	0	0	18.909	3.500
<b>Total</b>	<b>67.336</b>	<b>(2.150)</b>	<b>65.186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65.186</b>	<b>73.478</b>	<b>(2.128)</b>	<b>71.350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71.350</b>	<b>(6.164)</b>

Non-current financial receivables are contractually renewable or subordinate to the repayment of amounts due to lenders and therefore to be retained permanently.

Financial receivables due from subsidiaries generally relate to balances on current accounts, on which interest accrues in the year at a rate equal to the 3-month Euribor plus 3.75% and/or receivables from the transfer of tax on taxable income as part of the tax consolidation scheme and Group VAT, including the related accrued interest.

As part of the sale/purchase agreement of the property located in Via Gorky, Cinisello Balsamo (MI), signed in January 2020 between the seller Petrarca Fund and the purchaser Gorky S.r.l., the latter took over the financial payable of the Petrarca Fund as the balance of the sale/purchase price.

The change versus the prior year is attributable to new disbursements net of refunds, to offsets related to VAT transferred by the subsidiaries in the context of the Group's VAT settlements and tax consolidation, to interest accrued net of interest collected during the year and, mainly, to the partial waiver of the financial receivable from the subsidiaries Gorky S.r.l. (which took over from the Petrarca Fund as mentioned above) and Pragaquattro Center SIINQ S.p.A., amounting to € 2,000 and € 4,000 thousand, respectively.

The allowance for impairment corresponds to the portion of write-down resulting from the impairment test carried out by the Directors of the Company.

Mention should be made that Aedes SIIQ S.p.A., together with various subsidiaries, opts for the specific VAT offsetting procedure provided by Ministerial Decree of 13 December 1979, containing the regulations for the implementation of the provisions pursuant to Article 73, last paragraph (so-called Group VAT settlement procedure).

Below is a list of the subsidiaries that participated in the Group's VAT settlements at 31 December 2020: Novipraga SIINQ S.p.A., Praga Res S.r.l., Pragaquattro Center SIINQ S.p.A., Pragaundici SIINQ S.p.A. and S.A.T.A.C. SIINQ S.p.A..

Receivables from associates

The balance of receivables from associates is broken down as follows:

Associate	31/12/2020						31/12/2019						Difference		
	current			non-current			current			non-current					
	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total	Receivables	Allow for impairment	Total			
Pragasel S.r.l.	0	0	0	7.066	0	7.066	7.066	0	7.066	0	0	0	8.056	8.056	(990)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7.066</b>	<b>0</b>	<b>7.066</b>	<b>7.066</b>	<b>0</b>	<b>7.066</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8.056</b>	<b>8.056</b>	<b>(990)</b>

Receivables from associates relate to loans granted at normal market conditions. The above

receivables are contractually renewable or subordinate to the repayment of amounts due to lenders and therefore to be retained permanently.

The decrease, amounting to € 990 thousand, is attributable to *i)* interest accrued in the year for € 448 thousand, net of interest received, amounting to (€ 122) thousand *ii)* waiver of the financial receivable of 13 July 2020, amounting to (€ 1,253) thousand, converted into a capital increase reserve *iii)* settlement of the IRES tax liability from the 2019 tax consolidation, amounting to (€ 63) thousand.

#### Receivables from others beyond the year

The item, amounting to € 10 thousand, refers to security deposits paid for the opening of utilities and temporary rental contracts for buildings used as guest quarters.

#### NOTE 10. INVENTORY

(Euro/000)	31/12/2020	31/12/2019
Property initiatives in progress	1.563	1.867
	<b>1.563</b>	<b>1.867</b>

(Euro/000)	Property initiatives in progress
Balance at 31/12/2019	1.867
Increases	0
Decreases	0
Fair value adjustment	(304)
<b>Balance at 31/12/2020</b>	<b>1.563</b>

The decrease versus the prior year is due to the write-down for adjustment to the appraisal value resulting from the reports prepared by the independent expert Duff & Phelps REAG S.p.A..

#### NOTE 11. TRADE AND OTHER CURRENT RECEIVABLES

(Euro/000)	31/12/2020	31/12/2019
<b>Current</b>		
Receivables from clients	7.633	5.627
Allowance for impairment/clients	(2.671)	(2.709)
<b>Net receivables from clients</b>	<b>4.962</b>	<b>2.918</b>
Receivables from subsidiaries	1.290	33
Allowance for impairment/subsidiaries	0	0
<b>Net receivables from subsidiaries</b>	<b>1.290</b>	<b>33</b>
Receivables from associates	68	132
Allowance for impairment/associates	0	0
<b>Net receivables from associates</b>	<b>68</b>	<b>132</b>
Net receivables from other related parties	1.283	1.329
Net receivables from parent companies	201	160
Receivables from others	129	242
Tax receivables	1.097	1.312
Accrued income and prepaid expenses	1.112	1.094
<b>Total</b>	<b>10.142</b>	<b>7.220</b>

#### Receivables from clients

Receivables from clients refer mainly to rental revenue and to revenue from the provision of services to third parties, for a gross amount of € 7,633 thousand, shown net of an allowance for impairment of (€ 2,671) thousand. The increase is attributable mainly to the portion of the consideration subject to fulfilment of certain administrative conditions of the sale of *Torre E* in Viale Giulio Richard, Milan, amounting to € 1,500 thousand. Changes in the allowance for impairment are detailed below:

	clients
<b>Balance at 31/12/2019</b>	<b>(2.709)</b>
Releases	1
Allocations	(12)
Utilization	49
<b>Balance at 31/12/2020</b>	<b>(2.671)</b>

## Financial statements at 31 December 2020

### Receivables from subsidiaries

Subsidiary	31/12/2020				31/12/2019				Difference
	Trade	Other	Allow. for impairment	Total	Trade	Other	Allow. for impairment	Total	
Petrarca Fund	54	0	0	54	0	0	0	0	54
Garfy S.r.l.	24	0	0	24	2	0	0	2	22
Novipraga SIIQ S.p.A.	0	1	0	1	0	0	0	0	1
Praga Res S.r.l.	189	3	0	192	0	1	0	1	191
Pragaquattro Center SIIQ S.p.A.	302	0	0	302	0	0	0	0	302
Pragaudici SIIQ S.p.A.	80	0	0	80	0	0	0	0	80
S.A.T.A.C. SIIQ S.p.A.	635	2	0	637	29	1	0	30	607
<b>Total</b>	<b>1.284</b>	<b>6</b>	<b>0</b>	<b>1.290</b>	<b>31</b>	<b>2</b>	<b>0</b>	<b>33</b>	<b>1.257</b>

Receivables from subsidiaries originate mainly in the provision of management services, enhancement and transformation of property assets or projects (asset management), administrative, accounting, tax, economic and financial coordination services (advisory and administrative-financial services), general, legal-corporate and EDP services, the chargeback of serviced areas of the registered offices, and costs incurred in the year in the name and on behalf of the subsidiaries.

The increase versus the prior year is attributable to invoices issued for services provided during the year but not collected yet.

### Receivables from associates

Associate	31/12/2020			31/12/2019			Difference
	Receivables	Allow. for	Total	Receivables	Allow. for	Total	
Borletti Group SAM SA	0	0	0	3	0	3	(3)
Invesco SA	0	0	0	3	0	3	(3)
The Market Opco S.r.l.	23	0	23	13	0	13	10
The Market Propco S.r.l.	46	0	46	113	0	113	(67)
<b>Total</b>	<b>69</b>	<b>0</b>	<b>69</b>	<b>132</b>	<b>0</b>	<b>132</b>	<b>(63)</b>

These receivables originate from the provision of technical services to associates in the frame of "The Market - San Marino" project. The balance refers to invoices to be issued for services provided in the fourth quarter.

### Receivables from other related parties

This item, amounting to € 1,282 thousand, is composed of trade receivables from the Leopardi Fund (€ 1,265 thousand), Pragaotto S.r.l. (€ 6 thousand) and Restart SIIQ S.p.A. (€ 8 thousand) and other related parties for € 3 thousand.

### Receivables from parent companies

This item originated in the provision of administrative and corporate coordination services to the Parent and in the chargeback of costs incurred in the year in the name and on behalf of Augusto S.p.A..

The breakdown by maturity of trade receivables, equal to the sum of receivables from clients, receivables from subsidiaries, receivables from associates, receivables from other related parties and receivables from the Parent is shown in the following table:

	Falling due	Overdue by						Total
		Within 1 month	30-60 days	61-90 days	91-180 days	181-360 days	Over 360 days	
Gross Value	6.189	154	210	386	385	713	2.438	10.475
Allowance for impairment	(392)	(2)	(4)	(9)	(18)	(6)	(2.240)	(2.671)
<b>Net trade receivables</b>	<b>5.797</b>	<b>152</b>	<b>206</b>	<b>377</b>	<b>367</b>	<b>707</b>	<b>198</b>	<b>7.804</b>

### Receivables from others

The balance is broken down as follows:

	31/12/2020	31/12/2019
Advances to suppliers	0	164
Other	129	78
<b>Current receivables from others</b>	<b>129</b>	<b>242</b>

The change from the prior year is due mainly to the re-absorption of advances paid to certain suppliers involved in the refurbishment of the building located in Viale G. Richard, Milan - Torre C3 - and to the recognition of other residual receivables from third parties.

### Tax receivables

	31/12/2020	31/12/2019
Receivables from the Revenue Agency for VAT	1.095	1.251
Receivables from the Revenue Agency for tax	0	55
Tax receivables	2	6
<b>Current tax receivables</b>	<b>1.097</b>	<b>1.312</b>

This item consists of:

- the Group VAT receivable, amounting to € 1,095 thousand, increased as a result mainly of costs from the development and/or renovation of properties for investment incurred by the Company and its subsidiaries;
- the residual tax receivable, amounting to € 2 thousand, accrued on the higher costs incurred for sanitation of offices, as a result of the spread of the Covid-19 pandemic.

During the year, tax receivables amounting to € 1,000 thousand were used for horizontal compensation, of which € 994 thousand for VAT and € EUR 6 thousand for other tax receivables.

The recoverability of these receivables was assessed with the help of the Company's tax consultants.

#### Accrued income and prepaid expenses

	31/12/2020	31/12/2019
Prepayments on property management	45	75
Other deferred income	1.067	1.019
<b>Current accrued income and prepaid expense</b>	<b>1.112</b>	<b>1.094</b>

Prepaid expenses consisted of costs related to property management for € 45 thousand, bank commissions and sureties for € 44 thousand, the capital increase with pre-emption rights (completed in March 2021) for € 869 thousand and membership fees, subscriptions and other residual costs for a total of € 154 thousand.

#### NOTE 12. CASH AND CASH EQUIVALENTS

(Euro/000)	31/12/2020	31/12/2019
Cash on hand	5	4
Bank and postal deposits	4.621	3.167
Term current accounts	2.981	1.358
<b>Total</b>	<b>7.607</b>	<b>4.529</b>

Short-term restricted current accounts are held for credit facilities and guarantees granted by financial institutions.

The credit risk related to cash and cash equivalents is limited as the counterparties are major domestic and international banking institutions.

For a clearer picture of the changes in cash and cash equivalents, see the statement of cash flows.

## • Equity

#### NOTE 13. EQUITY

The changes in the year are as follows:

## Financial statements at 31 December 2020

	Share capital	Other reserves					Retained earnings/(losses carried forward)	Result for the year	Total
		Share premium reserve	Merger surplus	Legal reserve	Other for capital increase	Capital contributions			
01/01/2019	210.000	0	(3.516)	2.284	29.649	189	29.182	(265)	267.523
Allocation of 2018 result							(265)	265	0
Profit (loss) for the year								(12.490)	(12.490)
Hedge accounting of derivatives							(111)		(111)
Actuarial gains/(losses) on post-employment benefits							(89)		(89)
<b>Total comprehensive profit</b>							<b>(200)</b>	<b>(12.490)</b>	<b>(12.690)</b>
31/12/2019	210.000	0	(3.516)	2.284	29.649	189	28.717	(12.490)	254.832

	Share capital	Other reserves					Retained earnings/(losses carried forward)	Result for the year	Total
		Share premium reserve	Merger surplus	Legal reserve	Other for capital increase	Capital contributions			
01/01/2020	210.000	0	(3.516)	2.284	29.649	189	28.717	(12.490)	254.833
Allocation of 2019 result							(12.490)	12.490	0
Reserved capital increase for shareholder Augusto S.p.A.	2.000	8.000			(417)				9.583
Profit (loss) for the year								(32.407)	(32.407)
Hedge accounting of derivatives							6		6
Actuarial (gains)/losses on post-employment benefits							(35)		(35)
<b>Total comprehensive profit</b>							<b>(29)</b>	<b>(32.407)</b>	<b>(32.437)</b>
31/12/2020	212.000	8.000	(3.516)	2.284	29.232	189	16.198	(32.407)	231.979

### Share capital

At 31 December 2020, the fully subscribed and paid-up share capital amounted to € 212,000,067.31, divided into no. 40,030,397 shares with no par value, of which no. 34,714,156 ordinary shares and no. 5,316,241 special shares.

On 24 July 2020, the capital increase reserved to the shareholder Augusto S.p.A. came to completion through the issue of no. 2,683,759 ordinary shares, with no par value and with regular dividend entitlement and automatically admitted to listing on the MTA, and of no. 5,316,241 special shares, with no par value and with regular dividend entitlement, not listed on the MTA. All newly-issued shares were subscribed by Augusto S.p.A. by offsetting the shareholder loan of € 10,000 thousand disbursed in 2017 by Augusto S.p.A. to the Company. For both types of shares, the subscription price was € 1.25 per share (€ 0.25 to be charged to share capital and € 1.00 to the share premium reserve).

The special shares have no voting rights at the Ordinary Shareholders' Meetings called to appoint or remove the members of the Board of Directors, are freely available and convertible, in the ratio of 1:1, into Aedes ordinary shares, which will be listed on the MTA, in the following cases:

- upon transfer of the Special Shares by Augusto to third parties other than Augusto's related parties, in which case the Special Shares will automatically convert into Aedes ordinary shares;
- 12 months after subscription of the Special Shares by Augusto, at Augusto's simple request. In such case, the conversion option may only be exercised during 4 conversion periods within a calendar year, each lasting 5 trading days.

The amount of the share capital at 31 December 2020 takes account of the exercise, which took place by the deadline of 7 July 2020, of no. 1,590 "Warrant Aedes SIIQ S.p.A. 2018-2020" (the "Warrants") in the ratio of 1 new share for every 30 Warrants used, at a price of € 6.35 (including share premium), with the issue of no. 53 new shares for an amount of € 67.31, plus share premium, in execution of the capital increase to service the exercise of the Warrants resolved by the Extraordinary Shareholders' Meeting of Aedes SIIQ S.p.A. on 27 September 2018.

	No. of ordinary shares	Number of special shares "C"	Value of ordinary shares	Value of special shares "C"	Value of treasury shares	Total value
Amounts at 01/01/2019	32.030.344	0	210.000	0	0	210.000
<b>Amounts at 31/12/2019</b>	<b>32.030.344</b>	<b>0</b>	<b>210.000</b>	<b>0</b>	<b>0</b>	<b>210.000</b>
Reserved capital increase	2.683.759	5.316.241	671	1.329	0	2.000
Exercise of warrants	53	0	0	0	0	0
<b>Amounts at 31/12/2020</b>	<b>34.714.156</b>	<b>5.316.241</b>	<b>210.671</b>	<b>1.329</b>	<b>0</b>	<b>212.000</b>

Reserves in equity at 31 December 2020 are available except as noted in the table below:

Nature/description	Amount	Eligibility for use	Available portion	Summary of utilizations	
				to cover losses	for other reasons
<b>Share capital</b>	212.000				
<b>Equity reserves:</b>					
Treasury shares reserve					
Other reserves for capital increase	29.232	A,B	29.232	0	
Share premium reserve	8.000	A,B,C	8.000		
Capital contributions	189	A,B	189	161	
Merger surplus	(-3.516)	-	0		
<b>Income reserves:</b>					
Legal reserve	2.283	B	2.283	0	
Hedge accounting of derivatives	(-106)	-	0	0	
Actuarial (gains)/losses on post-employment benefits	(-35)	-	0	0	
Retained earnings (losses carried forward) (**)	16.339	A,B,C (*)	16.339	12.755	
Profit (loss) for the year	(-32.407)	-	0	0	
<b>Total</b>	<b>231.979</b>		<b>56.043</b>	<b>12.916</b>	
Non-distributable portion			56.043		
Remaining distributable portion			0		

Key: A: for capital increase - B: to cover losses - C: for distribution to Shareholders

(\*) fully subject to the non-distribution constraint pursuant to Article 6 of Legislative Decree 38/2005 (€ 39,579 thousand)

(\*\*) Non-distributable portion as a result of: i) the loss for 2020 (€ 32,407 thousand) ii) the merger surplus reserve (€ -3,516 thousand) iii) the effect of distribution constraints pursuant to Article 6 of Legislative Decree 38/2005 (€ 39,579 thousand); iv) replenishment of the legal reserve (€ 40,117 thousand) v) the hedge accounting reserve for derivatives and actuarial differences on post-employment benefits (€ 141 thousand)

## • Liabilities

### NOTE 14. PAYABLES TO BANKS, OTHER LENDERS AND LEASE LIABILITIES

Payables to banks and other lenders are broken down as follows:

(Euro / 000)	31/12/2020	31/12/2019
<b>Non-current</b>		
Bonds	43.833	0
Lease liabilities	1.311	1.905
Loans with properties granted as surety	46.773	53.488
Finance leases	1.341	1.245
Mortgage loans	45.432	52.243
Unsecured loans	10.493	0
	<b>102.410</b>	<b>55.393</b>
<b>Current</b>		
Bonds	45	44.666
Payables for shareholder contributions	27.171	27.259
Lease liabilities	626	726
Loans with properties granted as surety	1.670	3.467
Finance leases	95	186
Mortgage loans	1.574	3.281
Unsecured loans	11	
Lines of credit	3.671	1.910
	<b>33.394</b>	<b>78.028</b>
<b>Total payables to banks and other lenders</b>	<b>135.804</b>	<b>133.421</b>

Amounts at 31/12/2020	within 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Mortgages, bank loans and financial leases	0	1.069	4.283	25.222	32.043	62.617
Other financial payables	1.796	16	26.230	45.145	0	73.187
	<b>1.796</b>	<b>1.085</b>	<b>30.513</b>	<b>70.367</b>	<b>32.043</b>	<b>135.804</b>

The table below shows the breakdown of net financial debt prepared in compliance with CONSOB Communication DEM/6064293 of 28 July 2006 (including lease payables under IFRS 16):

## Financial statements at 31 December 2020

(Euro/000)	31/12/2020	31/12/2019
A. Cash on hand	7.607	4.529
B. Other cash and cash equivalents	0	0
C. Securities held for trading	0	0
<b>D. Liquidity (A)+(B)+(C)</b>	<b>7.607</b>	<b>4.529</b>
<b>E. Current financial receivables</b>	<b>0</b>	<b>0</b>
F. Current portion of payables to banks	(5.352)	(5.191)
G. Current portion of non-current debt	(45)	(44.666)
H. Other current financial payables	(27.997)	(28.171)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(33.394)</b>	<b>(78.028)</b>
<b>J. Current net financial debt (I)+(E)+(D)</b>	<b>(25.787)</b>	<b>(73.499)</b>
K. Non-current payables to banks	(55.925)	(52.243)
L. Bonds issued	(43.833)	0
M. Other non-current financial liabilities	(2.652)	(3.341)
<b>N. Non-current net financial debt (K)+(L)+(M)</b>	<b>(102.410)</b>	<b>(55.584)</b>
<b>O. Net financial debt</b>	<b>(128.197)</b>	<b>(129.083)</b>

Set out below is a reconciliation of the changes in current and non-current financial debt with monetary and non-monetary items being shown separately:

(Euro/000)	31/12/2019	Non-cash movements		Cash movements		31/12/2020
		Financial expense (accrued)	Change in payables to banks and other lenders	Financial expense (paid/received)	Changes in payables to banks and other lenders	
Current and non-current payables to banks and other lenders	133.421	7.996	(10.303)	(5.270)	9.960	135.804
Derivative financial instruments	191	(9)	0	(208)	0	(26)
<b>Gross financial debt</b>	<b>133.612</b>	<b>7.987</b>	<b>(10.303)</b>	<b>(5.478)</b>	<b>9.960</b>	<b>135.778</b>

### Loans with properties granted as surety

On 29 December 2020, the Company:

- signed a medium-long term mortgage loan with Civibank S.c.p.a. for a total of € 8,500 thousand with a duration of 15 years, used to finance the "Andromeda" property located in Agrate Brianza used for office purposes;
- repaid in advance for a principal amount of € 10,694 thousand the medium-long term mortgage loan signed in 2018 with Banco BPM to finance the renovation of the property located in Viale G. Richard, Milan - Torre C3;
- repaid in advance, for a principal amount of € 11,925 thousand, the medium-long term mortgage loan signed with Civibank S.c.p.a. to refinance the property located in via Veneziani, Rome.

The finance lease refers to the lease contract on the property in Via Ancona, Milan.

### Unsecured loans

During the year, the Company subscribed:

- with Intesa SanPaolo, a medium-long term unsecured loan of € 5,555 thousand for 6 years, secured by the SME Guarantee Fund pursuant to Law 662/1996, in accordance with the provisions of the extraordinary measures to support production activities implemented by the Government to counter the Covid-19 emergency (November 2020);
- with Banco BPM, a medium-long term unsecured loan of € 5,000 thousand for 6 years, secured by "Garanzia Italia" issued by SACE S.p.A. in accordance with the provisions of the extraordinary measures to support production activities implemented by the Government to counter the Covid-19 emergency (December 2020).

### Bonds

The payable refers to a non-convertible bond of € 45,000 thousand (ISIN code IT0005431231), issued on 29 December 2020 and fully subscribed by CIO SPF S.à.r.l., a vehicle managed by Castlelake L.p., and with the following characteristics

- Rate: 3- or 6-month Euribor depending on the interest periods (with zero floor) + 12.0% spread;

- Duration: 24 months with full repayment at maturity, except in the event of voluntary early repayment at the Company's discretion or compulsory repayment in the event of disposal of the pledged assets;
- Guarantees: *i)* pledge on the shares of the investee Efir S.ar.l. (equal to 33.33% of the related share capital); *ii)* first mortgage on the office buildings located in Viale G. Richard, Milan (*Torre C3*) and via Veneziani, Rome (*Roma Veneziani*);
- Financial covenants: *i)* LTV assets as collateral <60%; *ii)* LTV Company or Group debt and the value of the related property assets <60%.

During the year and within the terms provided for by the respective regulations, the Company fully repaid the € 15,000 thousand bond (ISIN code IT0005250920) and the € 30,000 thousand bond (ISIN code IT0005317174).

#### Payables for shareholder contributions

At 31 December 2020, payables to other lenders relate entirely to shareholder loans disbursed by Augusto S.p.A. and related interest, in detail:

- a) a shareholder loan of € 10,000 thousand granted on 28 June 2019 by the controlling shareholder Augusto S.p.A., with a 12-month duration and bearing interest at a 5.5% annual rate. At 31 December 2020, the loan had been fully disbursed; on 13 May 2020, the Board of Directors approved the extension of the expiry date until the earlier of 31 July 2021 and the date of execution of the Capital Increase with Pre-emption Rights, as resolved and proposed by Augusto S.p.A.;
- d) a shareholder loan of € 15,600 thousand granted on 13 December 2019 by the controlling shareholder Augusto S.p.A. with maturity on 30 April 2020 and bearing interest at a 5.5% annual rate. The loan, which can be disbursed in one or more tranches at the Company's request, was fully disbursed at 31 December 2020. On 13 May 2020, the Board of Directors approved the extension of the expiry date until the earlier of 31 July 2021 and the date of execution of the Capital Increase with Pre-emption Rights, as resolved and proposed by Augusto S.p.A..

On 24 July 2020, the majority shareholder Augusto S.p.A. confirmed its commitment to the planned strengthening of the Company's capital by converting the shareholder loan of € 10,000 thousand granted on 20 April 2017 into equity through a reserved capital increase.

On 11 March 2021, the shareholder Augusto S.p.A. exercised no. 13,678,077 option rights, by offsetting the abovementioned receivables arising from the above loans, for the subscription of no. 89,884,506 ordinary shares for a total value of € 17,078 thousand, and on the same date, fully exercised, again by offsetting the abovementioned loans, no. 5,316,241 option rights for the subscription of no. 34,935,298 special shares, equal to 100% of the total special shares offered, for a total value of € 6,638 thousand.

Following completion of the capital increase with pre-emption rights, the residual debt towards Augusto S.p.A. amounts to € 3.5 million, of which € 1.9 million for principal and € 1.6 million for interest expense, which is overdue to date.

For further details, reference is made to section 2.10 of the Directors' Report on Operations.

#### Lease liabilities

The payable refers to the present value of the rentals related to the operating leases in force at 31 December 2020, discounted using for each contract the incremental borrowing rate as envisaged by the new *IFRS 16 - Leases*.

Future payments arising from property and operating lease commitments (*lease liabilities*) are summarized as follows:

## Financial statements at 31 December 2020

(Euro/000)	Payments	Principal
Within one year	1.011	922
Over one year, but within 5 years	2.264	2.129
Over five years	530	523
<b>Total lease payments</b>	<b>3.805</b>	<b>3.574</b>
Interest	(231)	0
<b>TOTAL PRESENT VALUE OF LEASE PAYMENTS</b>	<b>3.574</b>	<b>3.574</b>

The breakdown of payables to banks and other lenders is shown in the following table:

TYPE OF LOAN AGREEMENT	PROJECT/PROPERTY ASSET	SHORT-TERM DEBT				LONG-TERM DEBT	TOTAL DEBT	DUE	MORTGAGE ON PROPERTIES/GUARANTEES	FINANCIAL COVENANTS	COMPLIANCE WITH COVENANTS
		Within 3 months	3-6 months	6-12 months	12+ months						
Mortgage Loan	Santa Vittoria d'Alba (CN) - PHASE B	0	0	221	5.461	5.682	28/10/2022	50.000	LTV 60% %	YES	
Mortgage Loan	Santa Vittoria d'Alba (CN) - PHASE B	0	0	44	107	151	30/04/2024	1.000	LTV 60% %	YES	
Lease	Milano - Via Azzurra	0	0	96	1.341	1.437	30/04/2028	n.a.	n.a.	n.a.	
Mortgage Loan	Sensuale Schio (VI) - Via Novi	0	0	180	2.476	2.656	01/03/2025	8.000	LTV 60% %	YES	
Mortgage Loan	Portofino	0	0	673	20.285	20.958	18/10/2026	50.000	Periodic: LTV 60%; STEPS: Promotional DISC 3.17% Interest DISC 3.17% (*)	17/1	
Mortgage Loan	Alghero - Strada Anticima	0	60	106	7.063	8.229	30/06/2025	12.000	n.a.	YES	
Mortgage Loan	Gallesini and Sengen	0	0	12	1.180	1.192	30/06/2022	2.385	NO	n.a.	
<b>TOTAL LOANS WITH PROPERTIES GRANTED AS SURETY</b>		<b>0</b>	<b>60</b>	<b>1.604</b>	<b>46.373</b>	<b>48.037</b>					
Bank overdraft	n.a.	0	992	0	0	992	12/10/2021	Unsecured	n.a.	n.a.	
Bank overdraft	n.a.	0	0	1.985	0	1.985	01/03/2021	Unsecured	n.a.	n.a.	
Bank loan	n.a.	0	1	0	4.980	4.981	30/09/2026	Unsecured	n.a.	n.a.	
Bank overdraft	n.a.	0	0	498	0	498	02/06/2021	Unsecured	n.a.	n.a.	
Bank loan	n.a.	0	10	0	5.138	5.138	25/10/2026	Unsecured	n.a.	n.a.	
<b>TOTAL OTHER LOANS</b>		<b>0</b>	<b>1.003</b>	<b>2,679</b>	<b>10,463</b>	<b>14,145</b>					
Bonds	Portofino	0	0	45	41.633	41.678	28/12/2022	90.000	LTV 60% Portfolio; LTV 5 60% (*)	YES	
<b>TOTAL BONDS</b>		<b>0</b>	<b>0</b>	<b>45</b>	<b>41,633</b>	<b>41,678</b>					
<b>TOTAL FINANCIAL PAYABLES</b>		<b>0</b>	<b>1,063</b>	<b>4,238</b>	<b>102,009</b>	<b>107,309</b>					
Payables to other lenders		1,609	0	26,362	0	27,971					
<b>TOTAL PAYABLES TO OTHER LENDERS</b>		<b>1,609</b>	<b>0</b>	<b>26,362</b>	<b>0</b>	<b>27,971</b>					
<b>PAYABLES FROM RIGHTS OF USE</b>		<b>187</b>	<b>16</b>	<b>622</b>	<b>1,311</b>	<b>2,136</b>					
<b>TOTAL GROSS DEBT AT 31/12/2020</b>		<b>1,796</b>	<b>1,085</b>	<b>30,213</b>	<b>102,410</b>	<b>135,504</b>					

At 31 December 2020, there were no unmet financial covenants or requests for Covenant Suspension (Covenant Holiday), made as a result of the effects of the pandemic, refused by credit institutions.

With regard to financial payables, the Company recorded at 31 December 2020 overdue amounts of € 1,609 thousand for interest on outstanding shareholder loans from Augusto S.p.A..

The Company is exposed to the risk that, as a result of the sale procedure launched by the shareholders of Augusto S.p.A., the lenders may trigger mandatory early repayment clauses for so-called "change of control" events. At 31 December 2020, the loans affected by these clauses amounted to € 75,002 thousand.

In such a case, the Company believes that a potential purchaser may likely have, at the time of submission of the offer, the funds required to repay the loans involved or that any waiver requests made by the relevant credit institutions be positively accepted.

The liquidity and market risk analyses are commented on in Note 33.

### NOTE 15. PAYABLES FOR EMPLOYEE SEVERANCE INDEMNITY

(Euro/000)	31/12/2020	31/12/2019
<b>Payables for post-employment benefits</b>		
Post-employment benefits	1.341	1.288
	<b>1.341</b>	<b>1.288</b>
<b>Allocations under the income statement for:</b>		
Service costs	240	229
Interest costs	10	18
<b>POST-EMPLOYMENT BENEFITS IAS</b>	<b>250</b>	<b>247</b>

There were no overdue and unpaid payables for employees at 31 December 2020.

The final balance reflects the current value of the Company's obligations towards employees for post-employment benefits, calculated based on the legislative provisions in force and collective labour agreements and underlying actuarial dynamics. The provision for the year, totaling € 250 thousand, is classified for € 240 thousand under personnel expense (*service costs*) and for € 10 thousand under financial expense (*interest costs*).

Actuarial gains and losses on employee severance indemnities (€ 35 thousand) are recognized under other comprehensive income and are permanently excluded from the income statement.

The change in the composition of post-employment benefits is shown below:

<b>Balance at 01.01.2019</b>	<b>1.062</b>
Portion accrued and posted to the income statement	247
Indemnities paid	(32)
Actuarial (gains)/losses under equity	89
Transfers to supplementary pension funds	(78)
<b>Balance at 31.12.2019</b>	<b>1.288</b>
Portion accrued and posted to the income statement	250
Indemnities paid	(164)
Actuarial (gains)/losses under equity	35
Transfers to supplementary pension funds	(68)
<b>Balance at 31.12.2020</b>	<b>1.341</b>

The exact headcount at 31 December 2020, broken down by role, is as follows:

Title (units)	31/12/2020	31/12/2019
Executives	8	7
Managers	18	21
Employees	15	16
<b>Total</b>	<b>41</b>	<b>44</b>

Under IAS 19, payables from post-employment benefits are recognized according to the accrued benefits method using the Projected Unit Credit Method, based on the following actuarial assumptions:

*Economic-financial assumptions*

1. Technical annual discounting rate 0.34%
2. Annual inflation rate 1.00%
3. Total annual salary increase rate 2.50%
4. Annual post-employment benefits increase rate 2.25%

As for the annual inflation rate, reference was made to the document on the forecast of inflation measured by the HICP index for 2020 - 2023, published by ISTAT on 8 June 2020 and assuming a constant value of 1.00% for the years after 2023.

With regard to the discounting rate, the iBoxx Eurozone Corporates AA 10+ index was used as reference to measure the above parameter, with a duration calculated on the average residual permanence of the collective subject to assessment at 31 December 2020.

*Demographic assumptions*

1. probability of death: determined by the General State Accounting Office denominated RG48, split up by gender;
2. probability of disability: split up by gender, adopted in the INPS model for 2010 projections. These probabilities were built starting from the distribution by age and gender of the pensions in force at 1 January 1987 effective from 1984, 1985, 1986 relevant to the staff of the credit line of business;
3. retirement age: for active employees, achievement of the first pensionable requirements valid for the Mandatory General Insurance was assumed;
4. probability of leaving employment for reasons other than death, an annual frequency of 10.00% was considered.

*Sensitivity analysis*

The sensitivity analysis, carried out in scenarios of upward or downward movement of the average annual discount rate of half a point, showed no significant changes from the booked liability.

**NOTE 16. PROVISIONS FOR RISKS AND CHARGES**

(Euro/000)	Opening balance 31/12/2019	Increases/ (Decreases) in the income statement	Utilizations	Final balance 31.12.2020
Provision for risks on investments	1	(1)	0	0
Provision for contractual charges	275	0	(66)	209
Provision for contractual risks	100	0	0	100
	<b>376</b>	<b>(1)</b>	<b>(66)</b>	<b>309</b>

## Financial statements at 31 December 2020

The table below shows the breakdown in the provision for risks on investments:

(Euro/000)	Balance at 31/12/2019	Increases	Decreases	Balance at 31/12/2020
Praga Res S.r.l.	1	0	(1)	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>(1)</b>	<b>0</b>

At 31 December 2020, the items forming the provision for risks consist in:

- € 209 thousand to cover contractual obligations mainly from the disposal of investments;
- € 100 thousand for existing disputes on properties sold in prior years.

For further details on ongoing legal and tax disputes, reference is made to section 2.13 of the Directors' Report on Operations.

### NOTE 17. TRADE AND OTHER PAYABLES

The table below summarizes the situation of trade and other payables at 31 December 2020:

(Euro/000)	31/12/2020	31/12/2019
<b>Non-current</b>		
Payables to subsidiaries	2.172	863
Other payables	87	87
	<b>2.259</b>	<b>950</b>
<b>Current</b>		
Payables to suppliers	6.603	6.756
Payables to subsidiaries	313	46
Payables to associates	192	47
Payables to affiliates	240	178
Payables to parent companies	110	106
Payables to welfare and social security entities	188	201
Other payables	7.929	6.812
Accrued expenses and deferred income	621	97
	<b>16.196</b>	<b>14.243</b>
<b>Total trade and other payables</b>	<b>18.455</b>	<b>15.193</b>

There was no overdue and unpaid tax towards social security institutions and employees at 31 December 2020.

At 31 December 2020, the Company recorded trade and other payables overdue for € 4,199 thousand which, at that date, did not give rise to orders, disputes or legal proceedings, nor suspension of supply contracts.

Transactions with related parties (explained in par. 4.11 Annex 1) attributable to the Company's subsidiaries, joint ventures and associates (so-called "Intra-group"), and transactions with related parties other than intra-group ("Other Related Parties"), regard trade and financial dealings falling under normal operations and regulated at market conditions.

### Current and non-current payables to subsidiaries

(Eur/000)	Amounts at 31/12/2020						Amounts at 31/12/2019						Difference
	current			non-current			current			non-current			
Subsidiary	Trade	Other	Total	Financial	Total	Total	Trade	Other	Total	Financial	Total	Total	
Novipraga SIBIQ S.p.A.	17	0	17	23	40	40	0	5	5	18	23	17	
Praga Res S.r.l.	211	0	211	1.829	2.040	2.040	38	0	38	317	355	1.685	
Pragaquattro Center SIBIQ S.p.A.	0	40	40	6	46	46	0	3	3	33	36	10	
Pragaandis SIBIQ S.p.A.	7	0	7	0	7	7	0	0	0	4	4	3	
S.A.T.A.C. SIBIQ S.p.A.	0	38	38	314	352	352	0	0	0	491	491	(139)	
<b>Total</b>	<b>235</b>	<b>78</b>	<b>313</b>	<b>2.172</b>	<b>2.485</b>	<b>2.485</b>	<b>38</b>	<b>8</b>	<b>46</b>	<b>863</b>	<b>909</b>	<b>1.576</b>	

Non-current payables are represented by the balance of the transfer current account opened with the subsidiary Praga Res S.r.l., and by payables arising from the transfer of the balance of tax on taxable income falling under the national tax consolidation scheme and Group VAT. The latter are, on contractual dates, capitalized on the transfer current accounts which pay in the year interest at Euribor 3-month plus 3.75%.

### Payables to associates

(Eur/000)	Amounts at 31/12/2020			Amounts at 31/12/2019			Difference
	current		Total	current		Total	
	Trade	Other		Trade	Other		
Pragasei S.r.l.	0	192	192	0	47	47	145
<b>Total</b>	<b>0</b>	<b>192</b>	<b>192</b>	<b>0</b>	<b>47</b>	<b>47</b>	<b>145</b>

Non-current payables to Pragasei S.r.l. are represented by payables arising from the transfer of the balance of income tax payable under the national tax consolidation scheme.

#### Payables to parent companies

Trade payables to Augusto S.p.A. amounted to € 110 thousand and related to the chargeback of certain costs incurred by the parent company in connection with the shareholder loan of € 10,000 granted in 2017 and converted to equity in July 2020.

#### Payables to affiliates and other related parties

Current payables to affiliates and other related parties, amounting to € 240 thousand, refer to commercial transactions with Bollina S.r.l., Società Agricola La Bollina S.r.l., Sator Immobiliare SGR S.p.A. and to chargebacks of costs by Restart SIIQ S.p.A..

#### Other current and non-current payables

The item is composed as follows:

(Eur/000)	31/12/2020	31/12/2019
Security deposits/tenants' interest	87	87
<b>Non-current payables to others</b>	<b>87</b>	<b>87</b>

(Eur/000)	31/12/2020	31/12/2019
Bonuses, accrued leave, 13th monthly salary		
bonus and other payables to employees	1.178	1.033
Other payables	6.751	5.779
<b>Current payables to others</b>	<b>7.929</b>	<b>6.812</b>

Other payables relate mainly to:

- € 87 thousand for security deposits paid by tenants of certain leased properties (non-current payables);
- € 1,178 thousand for payables to employees for leave and holidays accrued but not taken, in addition to bonuses accrued by Management and employees;
- € 1,779 thousand accrued by the Board of Directors for fees and bonuses;
- € 72 thousand for payables to the Board of Statutory Auditors;
- € 627 thousand for the balance of the 2020 municipal tax (IMU) to be paid by voluntary tax correction in first half 2021;
- € 26 thousand for adjustments of condo expenses related to certain owned properties;
- € 4,247 thousand relating mainly to the payable accrued with Fih SA in the context of the current legal dispute and to the waste tax accrued from time to time on properties for investment.

There are no other payables falling due beyond 5 years other than those mentioned in the previous notes.

#### Payables to suppliers

The balance of payables to suppliers amounted to € 6,603 thousand and consists, for € 5,339 thousand, in pro-forma invoices received and, for € 1,264 thousand, in invoices to receive.

#### Current accrued expenses and deferred income

The balance at year end was € 621 thousand and included € 363 thousand in rental revenue and compensation from tenants already invoiced but pertaining to 2021, and € 258 thousand in revenue from services already invoiced but pertaining to the following year.

#### NOTE 18. TAX PAYABLES

(Eur/000)	31/12/2020	31/12/2019
<b>Current</b>		
Payables to the Revenue Agency for current	424	304
<b>Total</b>	<b>424</b>	<b>304</b>

## Financial statements at 31 December 2020

There was no overdue and unpaid tax at 31 December 2020.

Current tax payables refer to withholding tax on income from salaried work for € 78 thousand, and withholding tax on income from self-employed work and kindred income for € 346 thousand.

### • Income Statement

#### NOTE 19. REVENUE FROM SALES AND SERVICES

(Eur/000)	31/12/2020	31/12/2019
Property leases and chargebacks to tenants	8.214	9.333
Net income from sale of property (capital gains)	100	40
Provision of services	1.426	1.732
<b>Total</b>	<b>9.740</b>	<b>11.105</b>

Revenue from property rentals and chargebacks to tenants decreased versus the prior year as a result of temporary discounts granted to tenants affected by the lockdowns ordered by the authorities, due to the spread of the Covid-19 pandemic. The negative effect of the discounts granted was partly mitigated by the positive effects from revenue subject to straight-line reporting, recognized in accordance with IAS/IFRS and updated taking account of the extension of the lease period (18 months on average) agreed with certain tenants in exchange for discounts granted.

Proceeds from the sale of property, amounting to € 100 thousand, refer to a capital gain realized on the sale of the investment property *Torre E5* located in Viale G. Richard, Milan.

“Provision of services” includes the amounts from the provision of property services in the areas of asset management, financial and administrative services, general services, EDP and human resources. In this case, the reduction in revenue is due mainly to the adjustments on the payable balance recorded on the variable portion of the asset management contracts signed with the subsidiaries, calculated on the appraisal values of the property assets held by the subsidiaries at 31 December 2020.

#### NOTE 20. OTHER REVENUE

(Eur/000)	31/12/2020	31/12/2019
Other non-property chargebacks	408	396
Other income	100	270
<b>Total</b>	<b>508</b>	<b>666</b>

Other revenue refers mainly to the recovery of costs from third parties, the parent company and subsidiaries. The item included a chargeback of costs incurred on behalf of the purchaser of the building located in San Vigilio, Milan amounting to € 405 thousand.

#### NOTE 21. CHANGE IN INVENTORY

	31/12/2020	31/12/2019
(Write-down)/write-back of inventory	(304)	0
<b>Total</b>	<b>(304)</b>	<b>0</b>

The change in inventory refers to the write-down for adjustment to Fair Value resulting from the appraisal prepared by the independent expert Duff & Phelps REAG S.p.A..

#### NOTE 22. COSTS FOR RAW MATERIALS AND SERVICES

(Eur/000)	31/12/2020	31/12/2019
Costs for purchase of raw materials and other goods	466	518
Costs for owned-property services	1.844	1.781
Services	6.007	6.749
<b>Total</b>	<b>8.317</b>	<b>9.048</b>

The table below shows the breakdown of costs for raw materials and services, split up by type of expense:

(Eur/000)	31/12/2020	31/12/2019
Other general costs	18	32
Property management costs	448	486
<b>Subtotal a) Costs for raw materials</b>	<b>466</b>	<b>518</b>
Property cleaning	24	30
Maintenance	383	469
Insurance	48	48
Service expense	138	140
Other	1.251	1.094
<b>Subtotal b) Owned-property services</b>	<b>1.844</b>	<b>1.781</b>
<b>Commissions on sales and rentals (c)</b>	<b>55</b>	<b>136</b>
Fees to Directors	1.678	2.229
Fees to the Board of Statutory Auditors	143	144
Professional services	2.530	2.286
Commissions and bank expense	313	345
Travel expenses	46	161
Head office maintenance, cleaning and telephone	380	435
Energy	72	83
Advertising costs	23	31
Sundry	668	684
<b>Subtotal d) General expenses</b>	<b>5.853</b>	<b>6.398</b>
Rental expense	16	3
Lease rent	83	212
<b>Subtotal e) Rentals and leases</b>	<b>99</b>	<b>215</b>
<b>Total</b>	<b>8.317</b>	<b>9.048</b>

#### Costs and services on owned properties

This item included mainly costs for utilities, water, electricity and gas for heating for € 466 thousand and costs for services incurred during the year and related to owned properties for € 1,844 thousand. The item includes costs on the property located in San Vigilio, Milan, amounting to € 796 thousand, charged back to the purchaser for € 405 thousand.

#### Sales and rental fees

This item refers to intermediation costs accrued on the sale of properties for € 40 thousand and on new rental contracts for € 15 thousand.

#### General Expenses

The cost of Directors' emoluments includes the medium to long-term variable component (LTI) accrued by the Chief Executive Officer in accordance with the approved remuneration policy. The decrease versus the prior year is attributable mainly to the non-accrual of the annual variable component (MBO) by the Chief Executive Officer.

Professional services are composed mainly of:

- notary consulting for € 74 thousand;
- non-capitalized technical consulting on properties for € 312 thousand;
- IT consulting for € 77 thousand;
- technical, legal, tax, administrative and corporate consulting (including internal audit costs) for € 1,973 thousand;
- communication and investor relations costs for € 94 thousand.

"Head office maintenance, cleaning and telephone" includes telephone costs for € 46 thousand, maintenance and cleaning costs for € 103 thousand, and fees related to computer equipment maintenance services for € 231 thousand.

"Other" includes mainly costs for sundry insurances for € 119 thousand, costs for surveillance and reception for € 84 thousand, costs for condo expenses of the main office for € 135 thousand, costs for employee training for € 10 thousand, costs for the use of vehicles assigned to employees for € 189 thousand and other minor costs.

#### Rentals and leases

Lease payments refer to the long-term rental of vehicles assigned to employees for € 36 thousand and to payments for the provision of IT and telephone equipment for € 47 thousand. This is a portion of operating leases that are exempt from the application of the new *IFRS 16* - Leases as they refer to

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short-term leases or low-value assets.

**NOTE 23. PERSONNEL EXPENSE**

(Eur/000)	31/12/2020	31/12/2019
Wages and salaries	2.999	3.901
Social charges	1.015	1.063
Severance indemnity	240	229
Other personnel expense	99	114
<b>Total</b>	<b>4.353</b>	<b>5.307</b>

Personnel expense for 2020 includes the allocation of the medium-long term variable component (LTI) accrued by Key Management Personnel in accordance with the approved remuneration policy. The decrease versus the prior year is attributable mainly to the non-accrual of the variable component (MBO) of the remuneration of Key Management Personnel, as well as to the reduction in headcount.

The average headcount at 31 December 2020, broken down by role, is as follows:

Title (average)	31/12/2020	31/12/2019
Executives	8	7
Managers	20	22
Employees	14	16
<b>Total</b>	<b>42</b>	<b>45</b>

**NOTE 24. OTHER OPERATING COSTS**

(Eur/000)	31/12/2020	31/12/2019
IMU	1.312	1.595
General company charges	145	183
Shareholders' Meetings, financial statements, Consob obligations, Stock Exchange	38	54
Other minor expense	49	83
Loss from sale of investment property	0	162
<b>Total</b>	<b>1.544</b>	<b>2.077</b>

"IMU" refers to the Single Municipal Tax due on owned properties.

"General corporate expense" includes sponsorship costs, entertainment expenses, membership fees, subscriptions and attendance in conferences.

"Other minor expense" includes donations for € 18 thousand, fines, penalties and contractual penalties for € 26 thousand and other expense for € 5 thousand.

**NOTE 25. AMORTIZATION/DEPRECIATION, FAIR VALUE ADJUSTMENTS, WRITE-DOWNS AND PROVISIONS**

(Eur/000)	31/12/2020	31/12/2019
Amortization of rights of use	786	752
Amortization of intangible fixed assets	25	28
Depreciation of tangible fixed assets		
specific plant	4	4
equipment	305	305
other assets	81	75
<b>Amortization and depreciation</b>	<b>1.201</b>	<b>1.164</b>
<b>Fair value adjustment of investment property</b>	<b>4.397</b>	<b>(1.265)</b>
Other impairment of fixed assets	22	956
Write-downs/(write-backs) allowance for impairment/clients	11	(82)
Allocations/(write-backs) for risks	0	(108)
<b>Write-downs and allocations</b>	<b>33</b>	<b>766</b>
<b>Total</b>	<b>5.631</b>	<b>665</b>

The amortization of rights of use refers mainly to the lease contract for the Via Tortona headquarters, accounted for in accordance with *IFRS 16 - Leases*.

The depreciation of equipment and other assets refers mainly to the fitting out of the registered office and operating headquarters in via Tortona, Milan, the depreciation of which follows the term of the relevant lease.

For further details on the fair value adjustment of investment property, which amounted to a negative € 4,397 thousand, reference is made to [Note 1](#).

"Other write-downs of fixed assets" refers to the write-down of financial receivables from subsidiaries recorded under financial fixed assets and recognized to align the value of receivables to their estimated realizable value.

**NOTE 26. INCOME/(EXPENSE) FROM INVESTMENTS**

(Eur/000)	31/12/2020	31/12/2019
<b>Write-backs</b>		
of investments in subsidiaries	0	87
<b>Total write-backs</b>	<b>0</b>	<b>87</b>
<b>Income from allocations</b>		
of investments in subsidiaries	5.223	0
<b>Total write-backs</b>	<b>5.223</b>	<b>0</b>
<b>Write-downs</b>		
of investments in associates	(4.162)	0
of investments in subsidiaries	(18.810)	(3.600)
<b>Total write-downs</b>	<b>(22.972)</b>	<b>(3.600)</b>
<b>Total</b>	<b>(17.749)</b>	<b>3.687</b>

The item, amounting to a negative (€ 17,749) thousand, includes write-downs on investments in subsidiaries and associates for a negative (€ 22,972) thousand and income from disposals for € 5,223 thousand, related to the gain from the distribution of the residual assets of the Redwood Fund (€ 223 thousand), whose liquidation phase ended in December 2019, and from the allocation to the Company of the property located in Via Paracelso, Agrate Brianza, named *Andromeda*, previously owned by the Petrarca Fund in Liquidation (€ 5,000 thousand), wholly owned by the Company.

**NOTE 27. INCOME AND (FINANCIAL EXPENSE)**

(Eur/000)	31/12/2020	31/12/2019
<b>Income</b>		
Interest on loans to associates	449	483
Interest on loans to subsidiaries	2.873	1.700
Mark-to-market of derivative instruments	191	67
Other interest income	0	13
<b>Total financial income</b>	<b>3.513</b>	<b>2.263</b>
<b>Expense</b>		
Interest on loans from parent company	1.699	879
Interest on loans from subsidiaries	29	36
Interest on bank accounts	163	825
Interest on bank loans	3.146	1.604
Interest on non-bank loans	43	44
Interest on rights of use	100	89
Mark-to-market of derivative instruments	75	0
Interest expense on other payables	2.741	3.074
<b>Total financial expense</b>	<b>7.996</b>	<b>6.551</b>
<b>Total</b>	<b>(4.483)</b>	<b>(4.288)</b>

Interest receivable/payable from/to associates and subsidiaries accrues on loans and borrowings granted/received and is calculated on the basis of normal market conditions.

"Fair value measurement of derivative instruments" generated a net positive effect of € 116 thousand.

"Interest expense from the parent company" includes interest and other amortized financial expense from loans granted, from time to time, by the shareholder Augusto S.p.A..

"Interest on bank accounts" includes interest and other amortized financial costs related to current account financing.

"Interest on bank loans" refers to interest and other amortized financial expense from repaid and outstanding mortgages.

"Non-banking interest expense" includes interest expense from the finance lease on the property located in via Ancona, Milan.

"Interest on rights of use" refers to the accrued portion of financial expense on operating leases and rental expense recognized under *IFRS 16 - Leases*. The weighted average rate applied to financial liabilities for rights of use is 4%, basically in line with the Company's average debt rate.

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"Interest expense on other payables" includes interest and other amortized expense from the two outstanding bonds.

### NOTE 28. INCOME TAX FOR THE YEAR

(Eur/000)	31/12/2020	31/12/2019
Deferred/prepaid tax	27	0
Total	27	0

(Eur/000)	31/12/2020	31/12/2019
Income/(expense) from tax consolidation scheme	(300)	(158)
Total	(273)	(158)

The Company did not accrue taxable income in 2020.

Reference is made to Note 7 for the change in deferred taxation.

Income and expense from tax consolidation, amounting to € 300 thousand, are attributable to expense from the associate Pragasei S.r.l. (€ 209 thousand), to adjustments of income recognized in 2019 (€ 114 thousand) and to income from the subsidiary Gorky S.r.l. (€ 23 thousand).

### NOTE 29. COMMITMENTS

#### Guarantees issued by banks in the interest of the Company in favour of third parties

The item includes:

- € 398 thousand for a bank guarantee issued by Banco BPM S.p.A. in favour of Y&R S.r.l. in the interest of Aedes SIIQ S.p.A. to guarantee the provisions of the lease contract for the property located in Via Tortona, Milan.

#### Guarantees issued by insurance companies in the interest of the Company in favour of third parties

- € 190 thousand for an insurance surety issued by Aviva S.p.A. in favour of the Municipality of Milan (MI) in the interest of Aedes SIIQ S.p.A. to guarantee the infrastructure charges from the renovation of *Torre Richard C3*.

#### Guarantees issued by Aedes in the interest of Group companies

The item includes mainly:

- € 67,650 thousand for an autonomous guarantee on first demand given in the interest of the subsidiary Novipraga SIINQ S.p.A. in favour of Unicredit as a guarantee of the loan granted;
- € 5,000 thousand for an autonomous guarantee on first demand given in the interest of the subsidiary Gorky S.r.l. in favour of Credito Trevigiano as a guarantee of the loan granted;
- € 3,500 thousand for the letter of Patronage given in the interest of the subsidiary Pragaquattro Center SIINQ S.p.A. in favour of UBI Banca as a guarantee of the loans granted;
- € 1,300 thousand for the letter of Patronage given in the interest of the subsidiary Pragaquattro Center SIINQ S.p.A. in favour of Unicredit as a guarantee of the credit facility granted;
- € 12,000 thousand for the letter of Patronage given in the interest of the subsidiary Pragaquattro Center SIINQ S.p.A. in favour of Banca BPM as a guarantee of the loan granted;
- € 8,000 thousand for the letter of Patronage given in the interest of the subsidiary S.A.T.A.C. SIINQ S.p.A. in favour of Cassa di Risparmio di Asti as a guarantee of the loan granted;
- € 1,850 thousand for the letter of Patronage given in the interest of the subsidiary Pragaundici SIINQ S.p.A. in favour of Banca Intesa San Paolo as a guarantee of the loan granted;
- € 900 thousand for the letter of Patronage given in the interest of the subsidiary Pragaquattro Center SIINQ S.p.A. in favour of Cassa di Risparmio di Parma e Piacenza as a guarantee of the loans granted;
- € 400 thousand for the letter of Patronage given in the interest of the subsidiary Praga Res S.r.l. in favour of Cassa di Risparmio di Parma e Piacenza as a guarantee of the credit facility granted.

Guarantees issued by third parties in the interest of Group companies in respect of which the Company is jointly obligated.

The item includes mainly:

- € 2,000 thousand for an insurance surety issued by Reale Mutua di Assicurazioni in favour of RFI S.p.A. to guarantee the undercrossing work of tunneling;
- € 52,469 thousand for an insurance surety issued by Generali S.p.A. in favour of the Municipality of Caselle Torinese in the interest of the subsidiary S.A.T.A.C. SIINQ S.p.A. in relation to the development of the Caselle Open Mall.

Mention should also be made that Aedes issued:

- € 36,910 thousand for an autonomous guarantee on first demand issued in favour of Credit Agricole Corporate and Investment Bank in the interest of the associate Pragasei S.r.l., as a guarantee of the loan granted to the latter. It should additionally be noted that Serravalle Outlet Mall Investment S.ar.l., holding 49.9%, issued an identical guarantee.

*Guarantees on assets owned by the Company*

A grant has been made in pledge to the lenders of shares held in Novipraga SIINQ S.p.A., Pragasei S.r.l., Efir S.a.r.l., The Market LP and BGAM.

*Commitments towards third parties*

- € 7,147 thousand for the financial commitment undertaken in the frame of the *San Marino - The Market* deal;
- € 6,688 thousand for the commitment undertaken by Aedes SIIQ S.p.A. for any extra costs in the construction of the shopping center named "Serravalle Luxury Outlet (PHASE 6)" owned by Pragasei S.r.l.. It should additionally be noted that Serravalle Outlet Mall Investment S.ar.l., holder of 49.9% in Pragasei S.r.l., issued an identical commitment;
- € 3,000 thousand for the commitment undertaken by Aedes SIIQ S.p.A. to maintain a minimum level of share capital and shareholder loans of the subsidiary Pragaquattro Center SIINQ S.p.A. to guarantee the loan granted by Banco BPM;
- € 632 thousand for the commitment undertaken by Aedes in favour of the Municipality of Santa Vittoria d'Alba (CN) for infrastructure work on PEC (Agreed Executive Plan) standard areas, Lot C;
- € 1,500 thousand for the financial commitment undertaken by Aedes in favour of the Petrarca Fund to cover the Fund's temporary needs. It should be noted that at the date of approval of the Financial Statements, Aedes had already paid € 1,000 thousand.

It is noted that in respect of the sum of all the undertakings set out in this Note 29, the Company made provisions for risks where deemed necessary.

NOTE 30. IFRS 13

IFRS 13 governs the assessment and measurement of the fair value of items presented in the financial statements. IFRS 13 defines fair value as the exit price, i.e. "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date".

The fair value measurement process takes account of the characteristics of the asset or liability to be measured, referring to the conditions, location, constraints/restrictions on the sale or use of the items in question. Fair value measurement assumes a transaction taking place in a principal market or, in the absence of a principal market, the most advantageous market. The principal market is the market with the greatest volume and level of activity for the asset or liability.

The most advantageous market is the market that maximizes the amount arising from the sale of the asset, or minimizes the amount paid to transfer the liability, net of transport and ancillary costs. Unlike transport costs, ancillary costs must be considered only in the identification of the most advantageous market and not in the measurement of fair value.

Under IFRS 13:

- Non-financial assets are measured according to the "Highest and best use" method, i.e. taking account of the best use of the assets from the perspective of market participants;
- Liabilities (financial and non-financial) and equity instruments (i.e. shares issued as consideration in a business combination) are transferred to a market participant at the measurement date. The fair value measurement of a liability reflects non-performance risk of the counterpart entity, including credit risk.

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Under IFRS 13, an entity uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure Fair Value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value is measured on the basis of observable transactions in an active market, adjusted, where necessary, to take account of the specific characteristics of each investment property. If such information is unavailable, in order to determine the fair value of the investment property, the company uses the discounted cash flow method (over a variable period of time depending on the duration of the existing contracts) associated with future net rental income from the property. At the end of this period, it is assumed that the property will be resold at a value obtained by capitalizing the last year's rental income, at a market rate of return for similar investments.

Measurement techniques of fair value are classified in three hierarchical levels according to the type of input used:

- o Level 1: inputs are quoted prices in active markets for identical assets or liabilities to assess. In this case, prices are used without any adjustments.
- o Level 2: inputs are quoted prices or other information (interest rates, observable yield curves, credit spreads) for similar assets and liabilities in active and inactive markets. In this case, price adjustments can be made based on specific factors of the assets or liabilities.
- o Level 3: in this case inputs are unobservable.

The arrangement of these levels follows a priority hierarchy: attributing the maximum importance to level 1 and the minimum for level 3.

In this regard, the Aedes Group's property assets have been fully classified in Level 3 of the hierarchy, as the market unobservable inputs used in the valuation models prevail over the market observable inputs.

Under IFRS 13, there are three different measurement methods that can be used in the measurement of fair value:

- The market method uses prices and other relevant information for market participants involving identical or comparable assets and liabilities;
- The income method is obtained from the discounted sum of future amounts to be generated by the asset. This method provides a fair value that reflects current market expectations on such future amounts;
- The cost method reflects the amount that would be required at the measurement date to replace the service capacity of the asset being measured. Fair value will be equal to the cost that a market participant would incur to acquire or build an asset of adjusted comparable use (taking account of the level of obsolescence of the asset).

All the investment property has been grouped in the following categories, depending on the specific intended use:

- *Retail*;
- *Office*;
- *Other*.

The table below shows the book value and fair value of the properties owned by Aedes, classified by measurement method used and intended use:

Main use	Discontinued Cash Flow (DCF)		Comparative approach		Residual approach		Total	
	Book value	Fair Value	Book value	Fair Value	Book value	Fair Value	Book value	Fair Value
<b>Retail</b>	86.110	86.110	-	-	1.470	1.470	87.580	87.580
<b>Office</b>	75.000	75.000	-	-	-	-	75.000	75.000
<b>Other</b>	-	-	-	-	100	100	100	100
<b>Grand total</b>	<b>161.110</b>	<b>161.110</b>	<b>-</b>	<b>-</b>	<b>1.570</b>	<b>1.570</b>	<b>162.680</b>	<b>162.680</b>

The above amounts are shown in Euro thousands and do not include inventory that is measured under IAS 2 "Inventory".

The main measurement methods used are the DCF and the Residual Approach, while the Comparison Approach is used for part of the properties, deemed as being more specific to the type of assets. There follows a breakdown of the measurement methods used:

- **Discounted Cash Flow** (or 'DCF'): taking account of the initial investment yield and the yield

profile in the early years of investment, a Discounted Cash Flow is built over a specific time horizon. This approach depends on many variables, *inter alia*, the market lease rent, assumptions on market growth, output yield rate, and discount rate. A comparison is also made of the initial investment yield and the yield trend with recent market transactions, using the DCF as a support in the projection of costs and revenue;

- **Residual Approach:** generally used for vacant/to be restored properties before being re-rented or sold and for development projects; the market value is the result of the difference between the value of the converted asset and the sum of all the conversion costs, net of the profit that the subject would seek as compensation (if the subject were to buy the property today) of the double risk assumed in conversion and subsequent sale.

As the property assets held by the Company are subject to appraisal by independent experts, the Directors have not identified any indicators of impairment.

However, the current market uncertainty brought by the spread of Covid-19 could have a significant impact on the inputs used by the independent expert for the valuation of the Company's property assets at 31 December 2020. Specifically, the major inputs that could undergo changes due to the situation are the discount rates and exit cap rates. In order to measure the impact of a possible shock from an abrupt change in the core macroeconomic scenario on property valuations at 31 December 2020, the Company commissioned the independent expert Duff & Phelps REAG S.p.A. to conduct a sensitivity analysis to measure the changes in the fair value of the assets with the varying discount rates and exit cap rates. The shocks applied to both rates were +/-0.5% and +/-1%.

In order to measure the impact of a shock on property valuations at 31 December 2020 due to an abrupt change in the core macroeconomic scenario, the Company commissioned the independent expert Duff & Phelps REAG S.p.A. to conduct a sensitivity analysis to measure the changes in the fair value of the property assets of the Company and its subsidiaries with the varying changes in discount rates and exit cap rates. For further details on the results, reference is made to section 2.13 of the Directors' Report on Operations.

#### NOTE 31. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Under CONSOB Communication of 28 July 2006, the Company did not carry out significant non-recurring transactions in 2020.

#### NOTE 32. MOVEMENTS RESULTING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In 2020, no atypical and/or unusual transactions were carried out by Aedes<sup>23</sup>.

#### NOTE 33. INFORMATION ON FINANCIAL RISKS

The Company is exposed to financial risks:

- interest rate risk;
- liquidity risk;
- credit risk.

#### Liquidity risk

Liquidity risk is the risk that the Company fails to meet its payment obligations, due to the difficulty in raising funds (funding liquidity risk) or in liquidating assets on the market (asset liquidity risk). This may cause adverse effects on the financial performance in the event that the Company is forced to incur additional costs to meet its commitments or, in a worst-case scenario, a condition of insolvency endangering business continuity.

The Company keeps a watchful eye on cash and financial commitments at a consolidated level. For this purpose, the Company monitors the liquidity risk by preparing a detailed periodical consolidated financial budget, considering a time horizon of at least one year and the effective management of property sales and assumption of financial commitments.

<sup>23</sup> Under CONSOB Communication of 28 July 2006, which defines atypical and/or unusual transactions as transactions which, by significance/relevance, nature of the counterparties, object of the transaction, transfer pricing method and timing of the event, may give rise to doubts regarding: the accuracy/completeness of the information in the financial statements, conflicts of interest, safeguarding of company assets, and the protection of non-controlling interests.

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The assessments carried out to review the liquidity risk and consequently ascertain the satisfaction of the going concern assumption are shown in Note 4.7 "Going concern assumption" to which reference is made in full.

Further quantitative information on liquidity risk is provided below.

### Analysis of future cash flows

(Euro/000)	Book value	Contractual cash flows	Within 1 year	1-2 years	2-5 years	over 5 years
<b>31/12/2020</b>						
<b>Non-derivative financial liabilities</b>						
Mortgage loans	47.006	57.665	3.160	5.928	16.412	32.165
Unsecured loans	10.504	11.635	252	564	7.955	2.864
Bonds	43.878	55.800	5.430	50.370	0	0
Operating leases	2.137	2.137	826	848	463	0
Finance leases	1.437	1.622	138	236	703	545
Lines of credit	3.671	3.671	3.671	0	0	0
Other lenders	27.171	26.464	26.464	0	0	0
<b>Total non-derivative liabilities</b>	<b>135.804</b>	<b>158.994</b>	<b>39.941</b>	<b>57.946</b>	<b>25.533</b>	<b>35.574</b>
<b>Derivative financial instruments</b>						
Hedge derivatives	(19)	0	0	0	0	0
Non-hedge derivatives	(7)	0	0	0	0	0
Purchased Cap	(0)	0	0	0	0	0
Sold floor	0	0	0	0	0	0
<b>Total derivatives</b>	<b>(26)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>135.778</b>	<b>158.994</b>	<b>39.941</b>	<b>57.946</b>	<b>25.533</b>	<b>35.574</b>

### Analysis of liabilities by maturity

Analysis of liabilities by maturity - 2020	Book value	committed	within 1 year	1-5 years	over 5
Non-current payables to banks and other lenders	102.410	0	0	70.889	31.521
Other non-current financial liabilities	87	0	0	87	0
Current payables to banks and other lenders	3.671	0	3.671	0	0
Payables to suppliers/advances from clients	9.630	0	9.630	0	0
Other current financial liabilities	6.913	0	6.913	0	0
<b>Total</b>	<b>122.711</b>	<b>0</b>	<b>20.214</b>	<b>70.976</b>	<b>31.521</b>

### Fair value of financial assets and liabilities

The fair value of trade assets and liabilities corresponds to the nominal value booked in the financial statements.

The table below shows, for each financial liability analyzed, the carrying amount recorded in the statement of financial position at the balance sheet date and the relating fair value.

(Euro/000)	31/12/2020		31/12/2019		Difference	
	Book value	Fair value	Book value	Fair value	Book value	Fair Value
Mortgage loans	47.006	48.422	55.524	57.647	(8.518)	(9.225)
Unsecured loans	10.504	10.107	0	0	10.504	10.107
Bonds	43.878	45.482	44.666	45.958	(788)	(476)
Finance lease payables	1.437	1.406	1.431	1.421	6	(15)
Lines of credit	3.671	3.671	1.910	1.910	1.761	1.761
Other lenders	27.171	27.171	27.259	27.368	(88)	(197)
Lease liabilities	2.137	2.137	2.631	2.631	(494)	(494)
Derivatives	(26)	(26)	96	96	(122)	(122)
<b>Total</b>	<b>135.778</b>	<b>138.370</b>	<b>133.517</b>	<b>137.031</b>	<b>2.261</b>	<b>1.339</b>
<i>Unrecognized (loss)/profit</i>		(2.592)		(3.514)		

With regard to the fair value hierarchy levels, it should be noted that derivatives are classifiable as Level 2, i.e. deriving from valuation techniques fed by directly observable market inputs. Specifically, derivative financial instruments are measured using the Discounted Cash Flow Approach. Future cash flows are discounted based on the forward rate curves expected at the end of the observation period and on the contractual fixing rates, also taking the counterpart credit risk into account, in compliance with IFRS 13.

The following tables show the derivative assets and liabilities measured at fair value and a summary of the terms and conditions of the payables to banks and other lenders outstanding at 31 December 2020

(Euro/000)	Level 1	Level 2	Level 3	Total
Derivative financial instruments	0	26	0	26
<b>Total assets</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>26</b>
Derivative financial instruments	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>26</b>

### Categories of financial instruments

Details of financial assets and liabilities required by IFRS 7 are provided below.

Amounts at 31 December 2020:

(Euro/000)	Assets at Fair Value	Held-to-maturity investments	Loans and receivables	Assets at amortized cost	Available-for-sale assets	Book value at 31 December	NOTES
<b>Financial instruments - Assets at 31 December 2020</b>							
Non-current financial assets	0	0	72.262	0	0	72.262	9
Trade receivables	0	0	7.933	0	0	7.933	11
Current financial assets	0	0	0	0	0	0	8
Cash and cash equivalents	0	0	7.607	0	0	7.607	12
<b>Total</b>	<b>0</b>	<b>0</b>	<b>87.802</b>	<b>0</b>	<b>0</b>	<b>87.802</b>	

(Euro/000)	Liabilities at Fair Value	Liabilities at amortized cost	Book value at 31 December 2020	NOTES
<b>Financial instruments - Liabilities at 31 December 2020</b>				
Non-current payables to banks and other lenders	0	102.410	102.410	14
Other non-current financial liabilities	0	87	87	17
Current payables to banks and other lenders	0	3.671	3.671	14
Payables to suppliers/advances from clients	0	9.630	9.630	17
Other current financial liabilities	0	6.913	6.913	17
<b>Total</b>	<b>-</b>	<b>122.711</b>	<b>122.711</b>	

Amounts at 31 December 2019:

(Euro/000)	Assets at Fair Value	Held-to-maturity investments	Loans and receivables	Assets at amortized cost	Available-for-sale assets	Book value at 31 December	NOTES
<b>Financial instruments - Assets at 31 December 2019</b>							
Non-current financial assets	0	0	79.422	0	0	79.422	8-9
Trade receivables	0	0	4.814	0	0	4.814	11
Current financial assets	0	0	0	0	0	0	8
Cash and cash equivalents	0	0	4.529	0	0	4.529	12
<b>Total</b>	<b>0</b>	<b>0</b>	<b>88.765</b>	<b>0</b>	<b>0</b>	<b>88.765</b>	

(Euro/000)	Liabilities at Fair Value	Liabilities at amortized cost	Book value at 31 December 2019	NOTES
<b>Financial instruments - Liabilities at 31 December 2019</b>				
Non-current payables to banks and other lenders	0	55.393	55.393	14
Other non-current financial liabilities	191	87	278	8-17
Current payables to banks and other lenders	0	78.028	78.028	14
Payables to suppliers/advances from clients	0	7.996	7.996	17
Other current financial liabilities	0	5.526	5.526	17
<b>Total</b>	<b>191</b>	<b>147.030</b>	<b>147.221</b>	

### Financial income and expense booked in the financial statements

The table below shows the financial income and expense booked in the Financial Statements.

Amounts at 31 December 2020:

(Euro/000)	From interest	From changes in fair value	From equity reserve	Exchange gains and losses	Book value at 31 December	NOTES
<b>Income and expense from financial instruments - 2020</b>						
Loans and receivables	3.321	191	0	0	3.512	27
Assets at fair value	0	0	0	0	0	27
Available-for-sale assets	0	0	0	0	0	27
Fair value liabilities	0	(75)	6	0	(69)	27
Liabilities at amortized cost	(7.920)	0	0	0	(7.920)	27
<b>Total</b>	<b>(4.599)</b>	<b>116</b>	<b>6</b>	<b>0</b>	<b>(4.477)</b>	

Amounts at 31 December 2019:

## Financial statements at 31 December 2020

(Euro/000)						
Income and expense from financial instruments - 2019	From interest	From changes in fair value	From equity reserve	Exchange gains and losses	Book value at 31 December	NOTES
Loans and receivables	2.196	0	0	0	2.196	26
Assets at fair value	0	0	0	0	0	26
Available-for-sale assets	0	0	0	0	0	26
Fair value liabilities	0	67	(111)	0	(44)	26
Liabilities at amortized cost	(6.551)	0	0	0	(6.551)	26
<b>Total</b>	<b>(4.355)</b>	<b>67</b>	<b>(111)</b>	<b>0</b>	<b>(4.399)</b>	

### Interest rate risk

The table below summarizes the conditions of the existing payables due to banks and other lenders at 31 December 2020, grouped by interest rate range, with the relevant indication of the book value.

Description	31/12/2020	31/12/2019
Interest rate (current)		
less than 2%	1.192	1.277
2% - 3%	10.504	-
3% - 5.5% (*)	52.068	85.406
5.5% - 6.5%	28.162	46.834
>6.5%	43.878	-
<b>Total</b>	<b>135.804</b>	<b>133.517</b>

(\*) This item includes lease liabilities amounting to € 2,137 thousand

With regard to interest rate risk, IFRS 7 requires a sensitivity analysis that shows the impact on the financial statements of changes in the interest rate curve. Specifically, the analysis was carried out only on derivative financial instruments in the portfolio, which currently represent the only financial assets/liabilities subject to measurement at fair value; loans payable at year-end were not, however, considered for the purposes of fair value sensitivity, as they are represented by accounting entries measured at amortized cost.

The table below shows the higher financial income/expense that would have been recorded in the Income Statement during the year in the event of interest rates higher or lower than those actually recorded, respectively, by +0.5% and -0.5% with regard to both derivative financial instruments and floating rate loan agreements.

The table below shows the change in the operating result for the year and in equity following the sensitivity analysis.

(Euro/000)	Profit or loss	
	Increase of 50 bps	Decrease of 50 bps
Mortgage loans	(84)	35
Unsecured loans	(3)	3
Bonds	0	0
Payables to leasing companies	(7)	7
Lines of credit	0	0
Other lenders	0	0
Lease liabilities	0	0
Derivative financial instruments	184	(191)
<b>Net sensitivity of cash flows</b>	<b>90</b>	<b>(146)</b>

### Floating-rate loans

The interest rate risk to which the Company is exposed is mainly due to medium and long-term financial debts.

Floating-rate payables expose the Company to a cash flow risk, while fixed-rate payables expose it to a fair value risk.

The Company's exposure to risk originates mainly in payables indexed to a floating market rate, with a resulting risk of cash flow fluctuations, since the changes in fair value are not booked in the income statement and do not present cash flows that are subject to market conditions.

Interest rate risks can be reduced by concluding derivative contracts. The instruments generally used are "plain vanilla" or "step-up" interest rate swaps, which convert the floating rate into a fixed rate, and/or caps, which set a cap on the interest rates payable by the Company, and/or collars, namely instruments represented by the purchase of a cap and sale of a floor, which set a floor and a cap on interest rates payable by the Company, allowing it to maintain a floating rate within the set range.

A derivative instrument is chosen by analyzing the individual investment projects and relevant loans, i.e. assessing the market conditions and the medium-long term strategy.

In order to reduce exposure to interest rate risk:

- i) the Company concluded a derivative contract on 15 October 2019 with the following characteristics:

Type	Cap
Effective date	31.03.2020
Maturity	30.06.2025
Notional	amount € 4.625 million, in repayment
Floating Rate	Euribor 3 months, act/360, quarterly
CAP strike	0.00%

It should be noted that the instrument is not tied to a specific loan, but has the purpose of reducing the risk of an increase in interest rates on the Group's overall exposure; any changes, therefore, in the period will be recognized in the income statement as fair value adjustments for the period.

- ii) the Company concluded a derivative contract on 14 October 2019 with the following characteristics:

Type	Cap
Effective date	31.12.2019
Maturity	10.09.2024
Notional	amount € 18.939 million, in repayment
Floating Rate	Euribor 6 months, act/360, half-year
CAP strike	0.00%

It should be noted that the instrument is tied to a specific loan and has the purpose of reducing the risk of an increase in interest rates relating to the loan taken out on 11 September 2019; any changes, therefore, in the period will be recognized in equity.

#### Credit risk

Credit risk lies mainly in a client's inability to pay, regarding specifically tenants of owned assets. The Company is not affected by significant credit risk concentration, given the adequate diversification in terms of tenants.

The activity carried out to reduce credit risk exposure is based on an analysis of the composition of the client portfolio for each business area, to ensure adequate guarantee on the financial health of clients. Where deemed necessary, suitable guarantees are required for property transactions.

The maximum theoretical exposure to credit risk is represented by the book value of financial assets, in addition to the face value of guarantees given to third-party debts or commitments as set out in Note 29.

Most of the financial assets come from subsidiaries and associates. The financial assets consist mainly of receivables, whose collection is tied to the development/disposal cycle of the property assets of the associates. Any write-downs of financial assets are made on an individual basis, and the write-downs are deemed to reflect the actual collection risk.

#### NOTE 34: INFORMATION PURSUANT TO LAW 124/2017 ARTICLE 1, PARAGRAPHS 125 AND 129

It should be noted that during the year, the Company did not receive any disbursements, contributions, remunerated assignments or economic benefits from public bodies or agencies or state-controlled entities.

## 4.11 Annex 1 - Transactions with related parties

Counterpart	Non-current financial receivables	Cash and cash equivalents	Trade and other current receivables	Non-current payables	Current financial payables	Current debt	Revenue from sales and services	Other revenue	Interest income	Costs for raw materials and services	Personnel expense	Capitalized costs	Interest expense
Augusto S.p.A.	0	0	201	0	27.171	110	18	0	0	(2)	0	0	(1.650)
Petrarca Fund *	161	0	54	0	0	0	54	0	161	0	0	0	0
Novorago SIIQ S.p.A. *	6.088	0	1	23	0	17	400	0	252	0	0	0	0
Goiky S.r.l.*	10.874	0	24	0	0	0	20	0	457	0	0	0	0
Praga Res S.r.l.*	286	0	192	1.829	0	211	68	78	13	(90)	0	(90)	(29)
Pragaquattro Center SIIQ S.p.A. *	23.125	0	302	6	0	46	210	0	1.128	0	0	0	0
Pragest S.r.l.	7.066	0	0	192	0	0	0	0	488	0	0	0	0
Pragaudio SIIQ S.p.A. *	2.243	0	80	0	0	7	59	0	84	0	0	0	0
S.A.T.A.C. SIIQ S.p.A. *	22.409	0	637	354	0	38	38	1	777	0	0	0	0
The Market Opco S.r.l.	0	0	23	0	0	0	15	0	0	0	0	0	0
The Market Propp S.r.l.	0	0	46	0	0	0	96	0	0	0	0	0	0
<b>Total parent company, subsidiaries and associates</b>	<b>72.252</b>	<b>0</b>	<b>1.560</b>	<b>2.364</b>	<b>27.171</b>	<b>423</b>	<b>1.392</b>	<b>79</b>	<b>3.320</b>	<b>(52)</b>	<b>0</b>	<b>(90)</b>	<b>(1.679)</b>
Arepa Ad Sari	0	0	3	0	0	0	0	0	0	0	0	0	0
Banca Profilo S.p.A.	5	0	0	0	0	0	0	0	0	0	0	0	(267)
Bollina S.r.l. *	0	0	0	0	0	10	0	0	(10)	0	0	0	0
Leopardi Fund	0	0	1.265	0	0	0	0	0	0	0	0	0	0
Enhabanca S.p.A.	3	0	0	1.985	0	0	0	0	0	0	0	0	(121)
Pragaotto S.r.l. *	0	0	6	0	0	0	5	0	0	0	0	0	0
Restart SIIQ S.p.A. *	0	0	8	0	0	137	83	2	0	0	(14)	0	0
Saba Immobiliare SGR S.p.A.	0	0	0	0	0	83	0	0	0	0	(83)	0	0
Società Agricola La Bollina S.r.l. *	0	0	0	0	0	10	0	0	(9)	0	0	0	0
Società Investimenti Mobiliari Uno SS	0	0	0	0	0	0	0	0	0	0	0	0	(37)
<b>Total other related parties</b>	<b>0</b>	<b>8</b>	<b>1.272</b>	<b>0</b>	<b>1.985</b>	<b>240</b>	<b>88</b>	<b>2</b>	<b>0</b>	<b>(19)</b>	<b>(97)</b>	<b>0</b>	<b>(422)</b>
<b>TOTAL RELATED PARTIES</b>	<b>72.252</b>	<b>8</b>	<b>2.842</b>	<b>2.364</b>	<b>29.156</b>	<b>663</b>	<b>1.480</b>	<b>81</b>	<b>3.320</b>	<b>(71)</b>	<b>(97)</b>	<b>(90)</b>	<b>(2.104)</b>

Transactions with related parties were conducted at market value.

The overall fees resolved for the Directors, including Directors with proxies, Statutory Auditors and Key Management Personnel are shown in the table below:

(Eur/000)	Aedes SIIQ Subsidiaries and associates		Total
	S.p.A.		
Fees to members of the Board of Directors	1.682	0	1.682
of which paid back	0	0	0
Fees to members of the Board of Statutory Auditors	88	30	118
Fees to Directors and Statutory Auditors for positions held in the Supervisory Body	45	13	58
of which directors of Aedes SIIQ S.p.A.	0	0	0
of which statutory auditors of Aedes SIIQ S.p.A.	45	13	58
Fees to Key Management Personnel	534	0	534
<b>Total</b>	<b>2.349</b>	<b>43</b>	<b>2.392</b>

For further details, reference should be made to the Remuneration Report of the Company, prepared pursuant to Article 123-ter of the TUF, which will be published pursuant to the law also on the Company website.

Augusto S.p.A. exercises the direction and coordination activities of the Aedes Group, in accordance with Article 2497 and ensuing articles of the Italian Civil Code.

Below are the figures of the most recent financial statements approved by Augusto S.p.A.:

ASSETS	31/12/2019	31/12/2018
<b>B) FIXED ASSETS</b>		
1) Start-up and expansion costs	46.567	46.567
- Accumulated amortization	(46.567)	(37.254)
<i>Total intangible fixed assets</i>	0	9.313
III. Financial fixed assets		
1) Investments in:		
a) subsidiaries	16.015.697	101.820.709
2) Receivables:		
a) from subsidiaries		
within the year	27.307.958	86.111
beyond one year	0	10.000.000
<i>Total financial fixed assets</i>	43.323.655	111.906.820
<b>Total fixed assets (B)</b>	<b>43.323.655</b>	<b>111.916.133</b>
<b>C) CURRENT ASSETS</b>		
II. Receivables		
2) From subsidiaries		
within the year	106.251	90.189
5-bis) Tax receivables		
within the year	4.392	39
<i>Total receivables</i>	110.643	90.228
III. Current financial assets		
1) Investments in subsidiaries	5.591.026	0
<i>Total current financial assets</i>	5.591.026	0
IV. Cash and cash equivalents		
1) Bank and postal deposits	41.309	136.002
<i>Total cash and cash equivalents</i>	41.309	136.002
<b>Total current assets (C)</b>	<b>5.742.978</b>	<b>226.230</b>
<b>D) ACCRUED INCOME AND PREPAID EXPENSES</b>	<b>17</b>	<b>43</b>
<b>TOTAL ASSETS</b>	<b>49.066.650</b>	<b>112.142.406</b>

EQUITY AND LIABILITIES	31/12/2019	31/12/2018
<b>A) EQUITY</b>		
I. Share capital	44.479.728	44.479.728
II. Share premium reserve	57.490.984	57.490.984
VIII. Retained earnings (losses carried forward)	(1.243.413)	(875.662)
IX. Profit (loss) for the year	(80.715.238)	(367.752)
<b>Total equity (A)</b>	<b>20.012.061</b>	<b>100.727.298</b>
<b>D) PAYABLES</b>		
1) Bonds		
within the year	10.087.499	86.110
beyond one year	0	10.000.000
3) Payables for shareholder contributions		
within the year	18.450.180	924.460
7) Payables to suppliers	330.469	237.396
9) Payables to subsidiaries		
within the year	160.123	111.427
12) Tax payables		
within the year	1.136	12.072
13) Payables to social security and welfare institutions		
within the year	604	605
14) Other payables		
within the year	24.578	43.038
<b>Total payables (D)</b>	<b>29.054.589</b>	<b>11.415.108</b>
<b>Total liabilities</b>	<b>29.054.589</b>	<b>11.415.108</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49.066.650</b>	<b>112.142.406</b>

Financial statements at 31 December 2020

INCOME STATEMENT	31/12/2019	31/12/2018
<b>A) VALUE OF PRODUCTION</b>		
5) Other revenue and income	12.091	261.479
<b>Total value of production (A)</b>	<b>12.091</b>	<b>261.479</b>
<b>B) COSTS OF PRODUCTION</b>		
7) For services	(484.551)	(607.106)
10) Amortization, depreciation and write-downs:		
a) amortization of intangible fixed assets	(9.313)	(9.314)
14) Sundry operating expense	(1.808)	(750)
<b>Total Costs of Production (B)</b>	<b>(495.672)</b>	<b>(617.170)</b>
<b>Difference between value and costs of production</b>	<b>(483.581)</b>	<b>(355.691)</b>
<b>C) FINANCIAL INCOME / (EXPENSE)</b>		
16) Other financial income:		
from subsidiaries	728.792	506.944
from third parties	14	9
17) Interest and other financial expense:		
expense from subsidiaries and parent companies	(238.120)	(12.060)
expense from third parties	(508.357)	(506.954)
<b>Total financial income and expense (C)</b>	<b>(17.671)</b>	<b>(12.061)</b>
<b>D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS</b>		
19) Write-downs		
a) of investments	(80.213.986)	0
<b>Total value adjustments of financial assets</b>	<b>(80.213.986)</b>	<b>0</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(80.715.238)</b>	<b>(367.752)</b>
22) Income tax for the year	0	0
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(80.715.238)</b>	<b>(367.752)</b>

## 4.12 Annex 2 - Fees to the Independent Auditors

The table below shows the fees charged for services provided by Deloitte & Touche S.p.A. and other entities belonging to its network:

(Eur/000)	
<b>Towards the Parent Company:</b>	
a) from the Independent Auditors for the provision of audit services	239
b) from the Independent Auditors: for audit services resulting in the issuance of a certification	115
<b>Total</b>	<b>354</b>

## 4.13 Certification of the financial statements<sup>24</sup>

The undersigned Giuseppe Roveda, as Chief Executive Officer, and Achille Mucci, as Financial Reporting Manager of Aedes SIIQ S.p.A., also in accordance with Article 154 bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, certify:

- the adequacy in relation to the characteristics of the Company and
- the effective application of administrative and accounting procedures for the preparation of the financial statements in 2020.

We also certify that

1. the financial statements:
  - a. have been prepared in accordance with the applicable international accounting standards endorsed by the European Union, pursuant to EEC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002;
  - b. are consistent with the accounting records and books;
  - c. give a true and fair view of the financial position and results of operations of the Company.
2. the Directors' Report contains a reliable analysis of the performance, results of operations and the situation of the Issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 24 March 2021

*The Chief Executive Officer*

**Giuseppe Roveda**

*The Financial Reporting Manager*

**Achille Mucci**

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<sup>24</sup> pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented.

## 4.14 Independent Auditors' Report

# Deloitte.

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### RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE AI SENSI DELL'ART. 14 DEL D.LGS. 27 GENNAIO 2010, N. 39 E DELL'ART. 10 DEL REGOLAMENTO (UE) N. 537/2014

**Agli Azionisti della  
Aedes SiiQ S.p.A.**

#### RELAZIONE SULLA REVISIONE CONTABILE DEL BILANCIO D'ESERCIZIO

##### Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Società Aedes SiiQ S.p.A. (di seguito anche la "Società"), costituito dal prospetto della situazione patrimoniale-finanziaria al 31 dicembre 2020, dal conto economico, dal conto economico complessivo, dal prospetto dei movimenti di patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2020, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05.

##### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

##### Incertezza significativa relativa alla continuità aziendale

Richiamiamo l'attenzione su quanto descritto nella nota 4.7 "Presupposto della continuità aziendale" del bilancio d'esercizio e nel paragrafo 2.13 "Principali rischi e incertezze – Rischio di liquidità" della relazione sulla gestione in merito a eventi e circostanze che indicano l'esistenza di un'incertezza significativa che può far sorgere dubbi significativi sulla continuità aziendale della Società e del Gruppo Aedes (di seguito il "Gruppo").

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.228.220,00 i.v.

Codice Fiscale/Registro delle Imprese Milano n. 03049550156 - R.E.A. Milano n. 272239 | Partita IVA/IT 03049550156

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In particolare, gli Amministratori riferiscono che l'incertezza connessa alla copertura del fabbisogno finanziario di breve periodo della Società e del Gruppo continua a essere significativa, anche dopo le operazioni di rafforzamento patrimoniale effettuate, a causa della diffusione del Covid-19 e dei relativi effetti sul mercato immobiliare e dei capitali. Gli Amministratori indicano che l'evoluzione dell'emergenza in atto potrebbe infatti comportare un ulteriore deterioramento, a oggi non pienamente apprezzabile, delle condizioni del mercato immobiliare e del mercato dei capitali con potenziali effetti significativi sui tempi e sui valori di realizzo delle dismissioni immobiliari previste e sul successo delle operazioni di finanziamento pianificate nelle proiezioni economiche finanziarie dagli stessi elaborate per i prossimi 12 mesi (le "Proiezioni") sulla base del Piano 2020-2026 del Gruppo (il "Piano"), nonché sulla valorizzazione dell'attivo immobiliare, con possibili conseguenze negative sul rispetto dei rapporti di *loan to value* previsti nei contratti di finanziamento.

In considerazione di tali rilevanti elementi di incertezza, gli Amministratori riferiscono di avere analizzato le ulteriori azioni che potrebbero porre in essere qualora le principali assunzioni relative al reperimento delle fonti per la copertura del fabbisogno finanziario di breve periodo non dovessero realizzarsi. Tale analisi ha condotto gli Amministratori a concludere che anche in tale scenario la capacità del Gruppo di far fronte alle proprie obbligazioni non sarebbe pregiudicata, nell'assunto che il Gruppo sia in grado di differire parzialmente gli investimenti previsti nelle Proiezioni e/o di anticipare la dismissione di una partecipazione non di controllo, ferma restando la necessità di realizzare una parte delle dismissioni immobiliari programmate e di ottenere i finanziamenti pianificati entro tempi prossimi a quelli previsti nelle Proiezioni. Gli Amministratori evidenziano, tuttavia, che ciò avrebbe l'effetto di ritardare o ridimensionare le previsioni di crescita implicite nel Piano, con conseguenti ripercussioni negative sulla valorizzazione del portafoglio immobiliare e partecipativo, sulla redditività del Gruppo nonché sulla capacità dello stesso di generare flussi di cassa congrui rispetto ai fabbisogni finanziari prospettici del Gruppo.

All'esito delle valutazioni svolte, gli Amministratori hanno predisposto il bilancio sulla base del presupposto della continuità aziendale, in considerazione degli esiti dell'aumento di capitale in opzione, delle azioni dagli stessi individuate per far fronte al fabbisogno finanziario della Società e del Gruppo, nonché assumendo che, ove necessario, gli Amministratori possano attuare le misure correttive dagli stessi identificate.

Il nostro giudizio non è espresso con rilievi in relazione all'aspetto sopra richiamato.

Le nostre procedure di revisione hanno incluso tra l'altro:

- incontri e discussioni con la Direzione della Società e analisi delle valutazioni effettuate dagli Amministratori relativamente alla capacità della Società e del Gruppo di continuare a operare come un'entità in funzionamento;
- analisi delle principali operazioni concluse dalla Società nel corso dell'esercizio con particolare riferimento al perfezionamento dell'aumento di capitale di Euro 10 milioni riservato ad Augusto S.p.A., alle operazioni di rifinanziamento e alle vendite immobiliari;
- analisi della documentazione societaria rilevante relativa all'aumento di capitale in opzione di Euro 50 milioni, in relazione al quale alla data di redazione del progetto di bilancio erano stati esercitati diritti di opzione per un controvalore di Euro 41,7 milioni e che si è successivamente concluso con l'asta dell'inoptato che ha fornito alla Società ulteriori risorse per circa Euro 4 milioni;

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- comprensione e analisi di ragionevolezza delle principali assunzioni adottate dagli Amministratori per la formulazione delle Proiezioni e delle ulteriori analisi dagli stessi effettuate per la valutazione del presupposto della continuità aziendale e valutazione dell'attendibilità dei dati sottostanti utilizzati per tali previsioni, anche alla luce dell'incertezza relativa al contesto di mercato generata dalla diffusione del Covid-19;
- esame dello stato di avanzamento delle iniziative attualmente in essere in ordine alle fonti di copertura finanziaria;
- lettura critica dei verbali delle riunioni del Consiglio di Amministrazione;
- analisi degli eventi occorsi successivamente alla data di riferimento del bilancio che forniscano elementi utili alla valutazione della continuità aziendale;
- esame dell'adeguatezza dell'informativa fornita dagli Amministratori nel bilancio d'esercizio relativa al presupposto della continuità aziendale.

### Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio d'esercizio nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Oltre a quanto descritto nella sezione *Incertezza significativa relativa alla continuità aziendale*, abbiamo identificato l'aspetto di seguito descritto come aspetto chiave della revisione da comunicare nella presente relazione.

#### Valutazione del portafoglio immobiliare

##### Descrizione dell'aspetto chiave della revisione

Il bilancio d'esercizio include investimenti immobiliari, valutati al *fair value* in base allo IAS 40, per Euro 162,7 milioni. Inoltre, la Società detiene il portafoglio immobiliare anche tramite società controllate, collegate e *joint ventures* valutate con il metodo del costo, il cui valore di carico ammonta complessivamente a Euro 131,1 milioni e rimanenze immobiliari valutate al minore tra costo e valore netto di realizzo, per un valore pari a Euro 1,6 milioni.

Il portafoglio immobiliare complessivo, detenuto dalla Società anche tramite le proprie partecipate, include immobili in fase di sviluppo, immobili di investimento e rimanenze immobiliari; i metodi valutativi e le assunzioni sottostanti la determinazione dei relativi valori variano in ragione della tipologia dell'investimento.

Il processo di valutazione del portafoglio immobiliare, condotto dagli Amministratori anche sulla base di perizie predisposte da esperti indipendenti, è complesso e deriva da variabili e assunzioni attinenti l'andamento futuro influenzate da condizioni economiche e di mercato di difficile previsione. In particolare, le assunzioni sottostanti le valutazioni effettuate dagli Amministratori in relazione al portafoglio immobiliare riguardano principalmente le seguenti variabili: (i) i flussi di cassa netti attesi dagli immobili e la relativa distribuzione nel tempo; (ii) i tassi di attualizzazione e i tassi di capitalizzazione. All'esito delle valutazioni



effettuate, il portafoglio immobiliare e partecipativo della Società è stato oggetto di rilevanti svalutazioni per effetto, prevalentemente, della variazione di talune assunzioni valutative come conseguenza della pandemia da Covid-19.

Inoltre gli Amministratori evidenziano nelle note illustrative che il progressivo diffondersi del contagio da Covid-19 genera delle rilevanti incertezze nei processi valutativi del portafoglio immobiliare con particolare riguardo al comparto *Retail*, pertanto è possibile che nei prossimi esercizi, al concretizzarsi di risultati diversi rispetto alle stime effettuate per il bilancio al 31 dicembre 2020, si possano rendere necessarie rettifiche, anche significative, ai valori delle attività immobiliari oggetto di valutazione.

In considerazione della significatività del portafoglio immobiliare, della complessità e della soggettività del processo di valutazione condotto dagli Amministratori, con particolare riguardo alle summenzionate variabili ed al contesto di incertezza generato dal Covid-19, abbiamo ritenuto la valutazione del portafoglio immobiliare un aspetto chiave della revisione contabile del bilancio d'esercizio della Società al 31 dicembre 2020.

Le note 1, 5, 6 e 10 del bilancio d'esercizio forniscono l'informativa relativa rispettivamente agli investimenti immobiliari, alle partecipazioni in società controllate, alle partecipazioni in società collegate e *joint ventures* e alle rimanenze detenute dalla Società. La nota 30 e il paragrafo "Stime ed assunzioni rilevanti" del bilancio d'esercizio illustrano le assunzioni sottostanti le valutazioni relative al portafoglio immobiliare.

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**Procedure di revisione svolte**

Nell'ambito delle nostre verifiche abbiamo, tra l'altro, svolto le seguenti procedure, anche avvalendoci del supporto di nostri esperti con competenze specifiche in ambito valutativo:

- rilevazione dei processi e comprensione dei controlli rilevanti posti in essere dalla Società sulla selezione degli esperti indipendenti e sulla valutazione del portafoglio immobiliare;
- valutazione delle competenze, delle capacità e dell'obiettività degli esperti indipendenti coinvolti dagli Amministratori, mediante verifica delle qualifiche professionali, esame dei termini degli incarichi a essi conferiti e acquisizione di informazioni dalla Direzione;
- analisi dell'adeguatezza dei metodi valutativi e della ragionevolezza delle principali assunzioni adottate per la valutazione del portafoglio immobiliare, anche alla luce dell'incertezza di mercato connessa alla pandemia Covid-19, mediante colloqui e approfondimenti condotti con la Direzione e con gli esperti indipendenti e lettura critica delle perizie;
- verifica su base campionaria dei dati comunicati dalla Direzione agli esperti indipendenti ai fini della predisposizione delle perizie;

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- confronto su base campionaria dei tassi di inflazione, tassi di attualizzazione, tassi di capitalizzazione e canoni di mercato utilizzati ai fini della predisposizione delle perizie con fonti esterne (facendo riferimento a dati e informazioni di mercato rinvenibili da fonti pubbliche e transazioni comparabili);
- verifica su base campionaria dell'accuratezza matematica dei modelli usati dagli esperti indipendenti per le loro valutazioni;
- verifica dell'andamento delle vendite realizzate dalla Società e dal Gruppo nel corso dell'esercizio ai fini della valutazione retrospettiva delle stime della Direzione;
- analisi degli eventi occorsi successivamente alla data di riferimento del bilancio che forniscano elementi utili alla valutazione del portafoglio immobiliare;
- verifica dell'informativa fornita dalla Società nelle note illustrative relativamente alla valutazione del portafoglio immobiliare e all'analisi di sensitività del *fair value*.

#### **Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio d'esercizio**

Gli Amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

#### **Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.



Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le relative misure di salvaguardia.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

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**Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) 537/2014**

L'assemblea degli azionisti della Aedes SiiQ S.p.A. ci ha conferito in data 12 novembre 2018 l'incarico di revisione legale del bilancio d'esercizio e consolidato della Società per gli esercizi dal 31 dicembre 2018 al 31 dicembre 2026.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio d'esercizio espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al Collegio Sindacale, nella sua funzione di Comitato per il Controllo Interno e la Revisione Legale, predisposta ai sensi dell'art. 11 del citato Regolamento.

**RELAZIONE SU ALTRE DISPOSIZIONI DI LEGGE E REGOLAMENTARI**

**Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10 e dell'art. 123-bis, comma 4, del D.Lgs. 58/98**

Gli Amministratori della Aedes SiiQ S.p.A. sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari della Aedes SiiQ S.p.A. al 31 dicembre 2020, incluse la loro coerenza con il relativo bilancio d'esercizio e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 7208 al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/98, con il bilancio d'esercizio della Aedes SiiQ S.p.A. al 31 dicembre 2020 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio d'esercizio della Aedes SiiQ S.p.A. al 31 dicembre 2020 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

DELOITTE & TOUCHE S.p.A.



**Giacomo Bellia**  
Socio

Milano, 20 aprile 2021.

## 4.15 Board of Statutory Auditors' Report

Collegio Sindacale

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**AEDES SIIQ S.P.A.**  
Via Tortona 37 –20144 Milano  
Soggetta ad attività di direzione e coordinamento di Augusto S.p.A.  
Codice fiscale e iscrizione al Registro delle Imprese di Milano, Monza Brianza e  
Lodi n. 09721360965  
R.E.A. di Milano, Monza Brianza e Lodi n. 2109526  
Capitale sociale Euro 220.771.404,35 i.v.

**RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI  
AEDES SIIQ SPA (breviter "Aedes" e/o la "Società")  
SUL BILANCIO CHIUSO AL 31 DICEMBRE 2020  
AI SENSI DELL'ART. 153 DEL D.LGS. N. 58/1998 E DELL'ART. 2429 DEL COD. CIV.  
(breviter la "Relazione")**

Signori Azionisti,

ai sensi del combinato disposto dell'art. 153 del D.Lgs. n. 58/1998 (breviter "TUF") e dell'art. 2429 del Cod. Civ., il Collegio Sindacale è chiamato a riferire all'Assemblea degli Azionisti sull'attività di vigilanza svolta nell'esercizio e sulle omissioni e sui fatti censurabili eventualmente rilevati. Il Collegio Sindacale è altresì chiamato a fare proposte all'Assemblea in ordine al bilancio e alla sua approvazione nonché alle materie di propria competenza.

Il Collegio Sindacale in carica è stato nominato, per il triennio 2019 – 2021, dall'Assemblea degli Azionisti del 30 aprile 2019, in conformità alle disposizioni previste dallo Statuto sociale e dalla normativa applicabile.

L'esercizio 2020 ha rappresentato pertanto il secondo esercizio sociale in cui questo Collegio è stato in carica. Nel corso dell'esercizio 2020, il Collegio Sindacale ha svolto i propri compiti di vigilanza in ottemperanza alle disposizioni di cui alla vigente normativa e tenuto conto dei principi di comportamento raccomandati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, nonché delle raccomandazioni Consob in materia di controlli societari e di attività del Collegio Sindacale.

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Per Aedes SIIQ S.p.A. l'esercizio 2020 ha visto proseguire, anche se a ritmo minore rispetto ai precedenti esercizi, le attività legate all'avanzamento dei principali progetti di sviluppo e refurbishment su immobili.

In particolare:

- a) sono continuate le attività prodromiche allo sviluppo del progetto Caselle Open Mall con ulteriori investimenti nel 2020 pari a circa Euro 6 milioni;
- b) sono pressoché concluse le attività di refurbishment di un edificio a torre ubicato in Milano, viale Richard (Torre C3), con destinazione direzionale; gli investimenti effettuati nel 2020 su tale immobile

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ammontano a circa Euro 10,2 milioni;

c) sono pressoché concluse le attività sul progetto relativo allo sviluppo di un outlet a San Marino (The Market) in relazione all'accordo di investimento in joint venture tra Aedes SiiQ S.p.A., BG Asset Management S.A. (Borletti Group) e altri partner. Il termine dello sviluppo della prima fase del progetto è previsto entro maggio 2021 con l'apertura dell'Outlet;

d) il Gruppo Aedes ha inoltre, nel corso dell'esercizio, venduto due asset immobiliari: un immobile ubicato a Milano Viale Richard - Torre E5 (controvalore di vendita pari ad Euro 12 milioni) e un'area di sviluppo ubicata nel comune di Santa Vittoria d'Alba (controvalore di vendita pari a circa Euro 0,5 milioni).

La seconda parte dell'anno è stata invece caratterizzata, per quanto riguarda il rafforzamento patrimoniale, (i) dalla finalizzazione di un aumento di capitale di Euro 10 milioni, riservato al socio Augusto S.p.A. perfezionatosi il 24 luglio 2020 e (ii) dall'operazione di aumento di capitale in opzione per circa Euro 50 milioni, conclusosi nel primo trimestre 2021, con termine 11 marzo 2021 per il periodo di esercizio dei diritti di opzione e asta dell'inopinato conclusasi il 12 aprile 2021. Tale operazione ha permesso un ulteriore rafforzamento patrimoniale pari a circa Euro 45,7 milioni, corrispondente al 91,5% circa del totale delle azioni ordinarie e speciali offerte in opzione.

Infine, la Società, mediante comunicato stampa diffuso in data 27 gennaio 2020, ha informato il mercato circa la ricezione di una comunicazione da parte del socio Augusto S.p.A., con cui quest'ultimo ha rappresentato l'esistenza di uno stato di incertezza su n. 5.020.618 azioni Aedes di proprietà di Augusto S.p.A., corrispondenti al 15,67% del capitale sociale di Aedes.

Nel corso del 2020 Augusto S.p.A. ha aggiornato più volte la Società circa tale situazione di incertezza: da ultimo, in data 18 settembre 2020, Augusto S.p.A., nel contesto dell'aggiornamento della comunicazione ex art. 120 TUF, ha confermato di essere *“legittima proprietaria di ulteriori n. 5.020.618 azioni ordinarie Aedes SiiQ S.p.A., pari al 12,54% del capitale sociale complessivo di Aedes, originariamente depositate presso un intermediario inglese e rispetto alle quali sono emersi, anche all'esito di iniziative legali avviate da Augusto, illegittimi atti di disposizione, di natura e in favore di destinatari ancora da accertare. In particolare, Augusto non è in grado di valutare se le suddette azioni Aedes siano depositate su altri conti comunque riconducibili all'intermediario depositario ovvero se siano state, in tutto o in parte, definitivamente cedute a terzi”*.

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Lo scrivente Collegio fornisce di seguito le informazioni richiamate nella comunicazione Consob n. 1025664 del 6 aprile 2001 e s.m..

#### **1. INDICAZIONI SULLE OPERAZIONI DI MAGGIOR RILIEVO ECONOMICO, FINANZIARIO E PATRIMONIALE EFFETTUATE DALLA SOCIETA'.**

Alla data della Relazione, il Collegio Sindacale ha partecipato alle riunioni del Consiglio di Amministrazione, del Comitato Controllo Rischi ed Operatività con Parti Correlate, del Comitato

Collegio Sindacale

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Remunerazione e Nomine e ha ricevuto dagli Amministratori periodiche informazioni sul generale andamento della gestione, sulla prevedibile evoluzione, nonché sulle operazioni di maggiore rilievo economico, finanziario e patrimoniale deliberate e poste in essere dalla Società, anche per il tramite delle proprie partecipate, in ottemperanza dell'art. 150, comma 1, del TUF.

Il Collegio Sindacale può ragionevolmente ritenere che le operazioni deliberate e attuate siano conformi alla legge e allo Statuto sociale e non manifestamente imprudenti, azzardate, in potenziale conflitto di interessi (salva previa dichiarazione e condotta ai sensi dell'art. 2391 del cod. civ.), in contrasto con le delibere assunte dagli organi sociali o, comunque, tali da compromettere l'integrità del patrimonio sociale. Per completezza informativa, di seguito vengono riepilogate le principali operazioni societarie e sul compendio SIIQ avvenute nel 2020 e nei primi mesi del 2021; al riguardo, si segnala che la Relazione sulla Gestione – al cui contenuto si rinvia – fornisce esaustiva descrizione di dette operazioni e delle motivazioni che hanno indotto l'organo amministrativo a darne corso.

**A) Eventi societari**

**24 gennaio 2020** – Il socio Augusto S.p.A. ha rappresentato alla Società l'esistenza di uno stato di incertezza ad esso non imputabile sull'ordinato esercizio di numero 5.020.618 diritti di opzione ad esso spettanti nell'ambito della prospettata operazione di aumento di capitale derivante dall'inadempienza di un intermediario presso cui sono depositate un analogo numero di azioni Aedes SIIQ S.p.A. di proprietà di Augusto.

**17 febbraio 2020** – La Società ha comunicato al mercato una possibile proroga del termine per l'esecuzione dell'aumento di capitale, fino al 30 giugno 2020 da sottoporre all'approvazione assembleare in data 29 aprile 2020.

**24 aprile 2020** – Augusto S.p.A. ha confermato il proprio impegno a sottoscrivere (a) un aumento di capitale sociale a pagamento, con esclusione del diritto di opzione per complessivi Euro 10 milioni riservato alla sottoscrizione da parte di Augusto mediante conversione in capitale di Aedes del finanziamento soci di pari importo erogato nell'aprile 2017 e (b) la quota di sua competenza di un aumento di capitale sociale a pagamento in opzione di complessivi massimi Euro 50 milioni, che sostituisce l'aumento di capitale in opzione deliberato dall'assemblea dei soci del 10 settembre 2019, nel limite massimo dei finanziamenti soci sottoscritti ed erogati nel giugno e dicembre 2019 per complessivi Euro 25,6 milioni circa.

**28 aprile 2020** – Si è tenuta l'Assemblea degli Obbligazionisti del prestito obbligazionario di Euro 15 milioni in scadenza il 30 aprile 2020 che ha approvato la proroga di tale scadenza al 30 settembre 2020. Tale Assemblea ha inoltre approvato l'eliminazione della clausola di *cross default*. Nell'ambito delle negoziazioni intercorse è stata infine prevista la convocazione entro il 15 giugno 2020 di una nuova Assemblea, alla quale sottoporre un'ulteriore modifica del regolamento del prestito obbligazionario per

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introdurre un nuovo evento di rimborso anticipato obbligatorio in favore degli obbligazionisti qualora, entro il 30 settembre 2020, si realizzino uno o più dei seguenti eventi (sommati tra loro) in grado di determinare un incasso complessivo per la Società non inferiore a 30 milioni di Euro:

- i) la Società perfezioni un aumento di capitale in opzione ai soci (restando inteso che, ai fini del calcolo del predetto importo di 30 milioni Euro, non concorreranno le somme versate da Augusto S.p.A. alla Società a titolo di finanziamento soci); e/o
- ii) la Società perfezioni la vendita di uno o più immobili; e/o
- iii) la Società ottenga un finanziamento bancario.

Il Consiglio di Amministrazione di Aedes in data 8 maggio 2020 ha convocato l'Assemblea degli Obbligazionisti per il 15 giugno 2020 al fine di sottoporre le succitate ulteriori variazioni del regolamento del prestito in ottemperanza alle obbligazioni assunte.

**7 maggio 2020** – Augusto S.p.A. ha comunicato a Consob e alla controllata Aedes SiiQ S.p.A., ai sensi dell'articolo 120 T.U.F., quanto segue: *“Osservazioni relative all'effettivo esercizio di parte dei diritti di voto connessi alla partecipazione rilevante: anche all'esito di iniziative legali avviate da Augusto, tuttora in corso in diverse sedi, è emerso il compimento da parte di un intermediario inglese presso cui erano state originariamente depositate n. 5.020.618 azioni Aedes – pari, per effetto di concambio in sede di scissione, al 15,67% del capitale dell'attuale Aedes – di illegittimi atti di disposizione su dette azioni Aedes, di natura e in favore di destinatari ancora da accertare. In particolare, Augusto non è ancora in grado di valutare se le suddette azioni Aedes siano depositate su altri conti comunque riconducibili all'intermediario depositario ovvero se siano state, in tutto o in parte, definitivamente cedute a terzi. Ad oggi, Augusto non è in grado di esercitare i diritti relativi alle predette n. 5.020.618 azioni Aedes e permane uno stato di incertezza in merito alla recuperabilità della disponibilità delle stesse”.*

**13 maggio 2020** – Il Consiglio di Amministrazione di Aedes, previo accordo con Augusto S.p.A., ha approvato una proposta di aumento di capitale riservato al medesimo socio di Euro 10 milioni da eseguirsi tramite conversione del finanziamento soci acceso nell'aprile 2017 e una proposta di aumento di capitale in opzione di Euro 50 milioni, di cui Euro 26 milioni già versati sotto forma di finanziamento soci, da eseguirsi entro il mese di luglio 2021.

**15 giugno 2020** – L'Assemblea degli Obbligazionisti del prestito obbligazionario emesso dalla Società in data 28 aprile 2017 per l'importo di 15 milioni di Euro ha approvato la modifica del Regolamento del prestito obbligazionario medesimo introducendo un nuovo evento di rimborso anticipato obbligatorio in favore degli obbligazionisti medesimi, per il cui contenuto si rinvia a quanto precedentemente affermato.

**18 giugno 2020** – L'Assemblea degli Azionisti di Aedes ha approvato l'aumento di capitale sociale a pagamento e in via inscindibile con esclusione del diritto di opzione per 10 milioni di Euro riservato al socio Augusto S.p.A. e ha attribuito al Consiglio di Amministrazione la facoltà, da esercitarsi entro il 31 luglio 2021, di aumentare in una o più volte, in via scindibile, a pagamento, il capitale sociale per un

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importo massimo complessivo di 50 milioni di Euro.

**7 luglio 2020** – È scaduto il termine ultimo di esercizio dei “Warrant Aedes SIIQ S.p.A. 2018-2020” e pertanto, a partire da tale data, i Warrant per i quali non sia stata presentata la richiesta di esercizio sono divenuti definitivamente privi di effetto.

**24 luglio 2020** – Augusto S.p.A. ha sottoscritto e versato, mediante compensazione con il credito in linea capitale vantato dalla stessa ai sensi del finanziamento soci di 10 milioni di Euro erogato a favore della Società ad aprile 2017, l'aumento di capitale sociale a pagamento, in via inscindibile, con esclusione del diritto di opzione ai sensi dell'art. 2441, comma 5, c.c., per complessivi 10 milioni di Euro, riservato alla sottoscrizione da parte della stessa Augusto, deliberato dall'Assemblea straordinaria degli Azionisti di Aedes in data 18 giugno 2020 (l'“Aumento di Capitale Riservato”).

Nell'ambito dell'Aumento di Capitale Riservato, sono state emesse (i) n. 2.683.759 azioni ordinarie di Aedes, aventi le stesse caratteristiche delle azioni ordinarie già in circolazione e godimento regolare, ammesse a quotazione sul MTA, al prezzo unitario di Euro 1,25 per azione (di cui Euro 0,25 da imputare a capitale sociale ed Euro 1 da imputare a riserva sovrapprezzo), per un controvalore complessivo di Euro 3.354.698,75 e (ii) n. 5.316.241 azioni speciali di Aedes con diritto di voto limitato e convertibili in azioni ordinarie, prive del valore nominale e con godimento regolare, non quotate, al prezzo unitario di Euro 1,25 (di cui Euro 0,25 da imputare a capitale sociale ed Euro 1 da imputare a riserva sovrapprezzo), per un controvalore complessivo di Euro 6.645.301,25 (le “Azioni Speciali”).

Le Azioni Speciali sono prive di diritto di voto nelle assemblee ordinarie chiamate a nominare o revocare i membri del consiglio di amministrazione.

Posto che per effetto della sottoscrizione dell'Aumento di Capitale Riservato, tenuto conto anche delle azioni ordinarie Aedes depositate presso il suddetto intermediario inglese, Augusto detiene più del 60% dei diritti di partecipazione agli utili di Aedes, al fine di non pregiudicare il riconoscimento in capo ad Aedes della qualifica di Società di Investimento Immobiliare Quotata (cd. SIIQ) di cui alla Legge n. 296/2006 che richiede, tra l'altro, che nessun socio possieda direttamente o indirettamente più del 60% dei diritti di partecipazione agli utili di una SIIQ, è stato stipulato un contratto di deposito fiduciario e mandato irrevocabile a vendere in forza del quale Augusto:

- i. ha depositato le n. 360.300 azioni ordinarie di Aedes detenute da Augusto in eccedenza rispetto alla predetta soglia del 60% su un proprio conto titoli vincolato aperto presso una primaria banca italiana, scelta d'intesa con Aedes, in qualità di depositaria; e
- ii. ha conferito ad una primaria società fiduciaria, in qualità di mandatario, un mandato irrevocabile a vendere, anche nell'interesse di Aedes, in forza del quale, qualora entro il 16 novembre 2020 Aedes o Augusto trasmettano a detto mandatario le istruzioni irrevocabili di procedere alla vendita delle azioni in eccedenza rispetto alla predetta soglia del 60%, tale mandatario avrà l'obbligo di

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procedere alla vendita ordinata sul mercato di tali azioni, in nome e per conto di Augusto e in piena indipendenza da Augusto e/o da Aedes, entro e non oltre il 15 dicembre 2020, fermo restando che i relativi proventi saranno liquidati ad Augusto.

**27 luglio 2020** – Il socio Augusto S.p.A., nel contesto dell'aggiornamento della comunicazione ex art. 120 TUF, conseguente al perfezionamento dell'Aumento di Capitale Riservato, ha comunicato di possedere n. 19.354.624 azioni pari al 48,35% (del capitale sociale complessivo) di cui n. 14.038.383 azioni ordinarie (pari al 40,44% sul totale delle azioni ordinarie) n. 5.316.241 azioni speciali (pari al 100% sul totale delle azioni di tale categoria). Nella medesima comunicazione Augusto S.p.A. ha confermato alla Società di essere "legittima proprietaria di ulteriori n. 5.020.618 azioni ordinarie pari al 12,54% del capitale sociale complessivo di Aedes, originariamente depositate presso un intermediario inglese e rispetto alle quali sono emersi, anche all'esito di iniziative legali avviate da Augusto, illegittimi atti di disposizione, di natura e in favore di destinatari ancora da accertare. In particolare, Augusto non è in grado di valutare se le suddette azioni Aedes siano depositate su altri conti comunque riconducibili all'intermediario depositario ovvero se siano state, in tutto o in parte, definitivamente cedute a terzi". Augusto ha conseguentemente comunicato che "allo stato non è in grado di esercitare i diritti relativi alle predette n. 5.020.618 azioni ordinarie Aedes e che permane uno stato di incertezza in merito alla recuperabilità della disponibilità delle stesse". Il socio Augusto S.p.A. ha altresì rappresentato alla Società che, "in caso di esito positivo della vicenda, Augusto verrebbe a recuperare la legittima disponibilità della propria partecipazione pari al 60,89% del capitale sociale complessivo di Aedes e al 54,9% del capitale sociale rappresentato da azioni ordinarie, senza che da ciò possa conseguire un obbligo di promozione dell'OPA".

**10 agosto 2020** – Il Consiglio di Amministrazione di Aedes ha approvato le linee guida 2020-2026 (le "Linee Guida") di revisione del Piano Industriale 2019-2024 della Società approvato il 28 giugno 2019 (il "Piano 2019-2024"). Le Linee Guida sono state approvate a seguito del conferimento all'Amministratore Delegato del mandato di rivedere il Piano 2019-2024 e, conseguentemente, i principali target 2024 comunicati al mercato il 1° luglio 2019, al fine di tenere conto sia del ritardo nell'esecuzione dell'aumento di capitale in opzione di 50 milioni di Euro previsto dal Piano 2019-2024 sia della crisi economica che a causa della pandemia Covid-19 si è diffusa a livello globale.

**2 settembre 2020** – Il Consiglio di Amministrazione ha approvato il Piano Industriale 2020-2026, predisposto in attuazione delle linee guida di revisione del piano industriale 2019-2024 approvate il 10 agosto scorso.

**30 settembre 2020** – È stato rimborsato il prestito obbligazionario emesso dalla Società ad aprile 2017 per un importo pari ad Euro 15.000.000 (codice ISIN IT0005250920) in scadenza il 30 settembre 2020.

**26 ottobre 2020** – Il Consiglio di Amministrazione ha deliberato di convocare per il giorno 27 novembre 2020 l'assemblea degli obbligazionisti del prestito obbligazionario quotato di importo nominale pari a 30 milioni di Euro (codice ISIN IT0005317174) per proporre di:

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(i) prorogare la durata del prestito posticipando la data di scadenza dal 20 dicembre 2020 al 20 giugno 2021 per un importo di 14,85 milioni di Euro; tale proroga sarà condizionata al rimborso entro il 20 dicembre 2020 di 15,15 milioni di Euro;

(ii) rivedere il tasso di interesse applicabile a partire dal 20 dicembre 2020 (incluso) sino al 20 giugno 2021 (escluso) al 7,5% annuo;

(iii) introdurre, in aggiunta alle ipotesi di rimborso anticipato a favore degli obbligazionisti stabilite dall'art. 9 del Regolamento, il rimborso anticipato obbligatorio in caso di vendita di immobili, stabilendo che le obbligazioni siano soggette a rimborso anticipato obbligatorio in tutto (ma non in parte), qualora l'Emittente perfezioni la vendita a terzi di uno o più immobili in grado di determinare (cumulati tra loro) un incasso complessivo per l'Emittente non inferiore a 15 milioni di Euro, che sarà calcolato al netto dell'eventuale indebitamento allocato sugli immobili oggetto di vendita;

(iv) introdurre il diritto a favore dell'Emittente di rimborsare, in ogni momento, in tutto o in parte le obbligazioni unitamente agli interessi maturati sino alla relativa data di rimborso.

**27 novembre 2020** – Aedes ha comunicato che l'Assemblea degli Obbligazionisti del prestito obbligazionario di nominali Euro 30 milioni non ha raggiunto il quorum costitutivo previsto dalla legge e, pertanto, le proposte di modifica del regolamento del prestito non sono state approvate.

Con riferimento all'aumento di capitale in opzione di complessivi massimi Euro 50 milioni, per la cui esecuzione è stata conferita delega al Consiglio di Amministrazione di Aedes nell'Assemblea del 18 giugno 2020 (l'“Aumento di Capitale in Opzione”), Aedes ha stimato che l'Aumento di Capitale in Opzione possa avere esecuzione entro il primo trimestre del 2021, tenuto conto della tempistica del rimborso del Prestito e subordinatamente al rilascio delle necessarie autorizzazioni nonché alla presenza di condizioni di mercato favorevoli. Facendo seguito a quanto comunicato in data 10 agosto e 2 settembre u.s., la Società ha comunicato che in data 19 novembre 2020 il Consiglio di Amministrazione si è riunito per valutare e verificare l'attualità dei target previsti dal Piano 2020-2026 alla luce della seconda ondata della pandemia da Covid-19. In tale sede il Consiglio di Amministrazione, confermando la validità delle linee strategiche del Piano e dei target di medio-lungo periodo previsti dallo stesso, ha preso atto di alcune variazioni di talune grandezze tra gli esercizi 2020 e 2021 derivanti in particolare dal ritardo nell'esecuzione di un'ulteriore operazione di dismissione immobiliare originariamente prevista nel 2020.

**16 dicembre 2020** – Aedes ha confermato il mantenimento dei requisiti cd. partecipativi richiesti dalla normativa vigente per il riconoscimento dello status di Società di Investimento Immobiliare Quotata (cd. SIIQ) di cui alla Legge n. 296/2006, che prevede, tra l'altro, che nessun socio possieda più del 60% dei diritti di partecipazione agli utili di una SIIQ. In data 16 dicembre 2020 è stata infatti completata la vendita integrale sul mercato delle n. 360.300 azioni ordinarie Aedes detenute da Augusto S.p.A. ed eccedenti - tenuto conto anche delle n. 5.020.618 azioni ordinarie Aedes depositate presso l'intermediario inglese

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inadempiente, di cui ai comunicati stampa del 27 e 28 gennaio 2020 - rispetto alla soglia del 60% dei diritti di partecipazione agli utili nella Società, in esecuzione del contratto di deposito fiduciario e mandato irrevocabile a vendere stipulato in occasione dell'aumento di capitale di Euro 10 milioni riservato ad Augusto e perfezionatosi il 24 luglio scorso.

**29 dicembre 2020** – Aedes ha emesso un prestito obbligazionario non convertibile per Euro 45.000.000, interamente sottoscritto da CIO SPF S.à.r.l., gestito da Castlelake L.P.

Il prestito obbligazionario non quotato e il cui rimborso è garantito, tra l'altro, da ipoteca su due immobili della Società e da pegno sulle quote della società partecipata Efir S.à.r.l. (corrispondenti al 33,33% del relativo capitale sociale), maturerà un tasso di interesse nominale pari all'Euribor a 3 o 6 mesi in funzione dei periodi di interesse (con *floor* pari a zero) più uno spread del 12,0% e avrà una durata di 24 mesi con rimborso integrale alla scadenza, salvo eventuale rimborso anticipato volontario a discrezione della Società od obbligatorio in caso di cessione dei beni concessi in garanzia.

Il regolamento del prestito obbligazionario prevede quali unici *financial covenants* un rapporto di *loan to value*, inteso come rapporto tra l'importo del prestito obbligazionario e il valore dei beni in garanzia, non superiore al 60%, nonché un *loan to value* a livello della Società e del Gruppo, inteso come rapporto tra l'indebitamento della Società o del Gruppo, a seconda dei casi, e il valore del relativo attivo immobiliare, non superiore al 60%.

Inoltre, in tale data è stato stipulato ed erogato da Banca Cividale un mutuo ipotecario di importo pari a Euro 8,5 milioni, con tasso di interesse pari all'Euribor 3 a mesi (con *floor* pari a zero) più 3,75% e scadenza a 15 anni. I proventi derivanti dall'emissione del prestito obbligazionario, al netto dei rimborsi dei debiti attualmente insistenti sugli immobili concessi in garanzia, unitamente ai proventi netti derivanti dall'erogazione del predetto mutuo ipotecario e a ulteriori risorse nella disponibilità della Società, sono stati utilizzati per il rimborso del prestito obbligazionario Aedes SiiQ S.p.A. 2017-2020 (Codice ISIN IT0005317174) di complessivi Euro 30 milioni, oltre Euro 825 mila di interessi.

Sempre in tale data il Consiglio di Amministrazione della Società, riunitosi tra l'altro, per valutare gli effetti sul Piano Industriale 2020-2026 del ritardo nell'esecuzione (i) dell'Aumento di Capitale in Opzione, che si prevede possa perfezionarsi nel primo trimestre 2021, (ii) di due operazioni di dismissione immobiliare originariamente previste nel secondo semestre 2020 e posticipati al 2021, (iii) dell'emissione del nuovo prestito obbligazionario, ha confermato la validità delle linee strategiche del Piano e i target di medio-lungo periodo previsti dallo stesso e già comunicati al mercato.

Infine, la Società ha comunicato che sono stati erogati due finanziamenti di lungo periodo e rispettivamente:

- i. in data 25 novembre 2020, un finanziamento erogato da parte di Banca Intesa San Paolo garantito dal Fondo PMI per un importo pari a Euro 5,5 milioni con tasso di interesse pari all'Euribor a 3

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mesi più 2,4% e con scadenza il 26 novembre 2026;

- ii. in data 28 dicembre 2020, un finanziamento erogato da parte di Banco BPM garantito da SACE per un importo pari a Euro 5,0 milioni con tasso di interesse pari all'Euribor a 3 mesi (con *floor* pari a zero) più 2,4% e con scadenza il 30 settembre 2026.

**31 dicembre 2020** – Aedes ha provveduto all'integrale rimborso del prestito obbligazionario Aedes SIIQ S.p.A. 2017-2020 (Codice ISIN IT0005317174) di complessivi Euro 30 milioni oltre agli interessi di periodo maturati, nei termini previsti dal relativo regolamento.

**15 febbraio 2021** – Il Consiglio di Amministrazione di Aedes ha deliberato, a valere sulla delega allo stesso attribuita ai sensi dell'art. 2443 cod. civ. dall'Assemblea Straordinaria del 18 giugno 2020, di aumentare il capitale sociale in via scindibile, a pagamento, per un importo massimo, comprensivo di sovrapprezzo, di Euro 49.980.808,72 e ha approvato i termini e le condizioni finali dello stesso. L'Aumento di Capitale avrà luogo mediante emissione: (i) di massime n. 228.121.590 azioni ordinarie Aedes, prive di valore nominale espresso, aventi godimento regolare (le "Nuove Azioni Ordinarie"), da offrire in opzione agli azionisti della Società nel rapporto di n. 46 Nuove Azioni Ordinarie ogni n. 7 azioni ordinarie possedute; e (ii) di n. 34.935.298 azioni speciali, prive di valore nominale espresso, aventi godimento regolare (le "Nuove Azioni Speciali") e, congiuntamente con le Nuove Azioni Ordinarie, le "Nuove Azioni"), da offrire in opzione al socio Augusto S.p.A. in quanto unico titolare delle azioni speciali in circolazione, nel rapporto di n. 46 Nuove Azioni Speciali ogni n. 7 azioni speciali possedute. Il prezzo di sottoscrizione delle Nuove Azioni sarà di Euro 0,19 per ciascuna Nuova Azione, da imputarsi quanto a Euro 0,04 a capitale sociale e quanto a Euro 0,15 a sovrapprezzo. Il prezzo di emissione delle Nuove Azioni Ordinarie incorpora uno sconto del 24,23% circa rispetto al prezzo teorico ex diritto (*Theoretical Ex Right Price* o *TERP*) delle azioni ordinarie Aedes, calcolato secondo le metodologie correnti, sulla base del prezzo di riferimento di Borsa Italiana S.p.A. delle azioni Aedes al 15 febbraio 2021.

I diritti di opzione validi per la sottoscrizione delle Nuove Azioni Ordinarie e delle Nuove Azioni Speciali saranno esercitabili, a pena di decadenza, dal 22 febbraio 2021 all'11 marzo 2021, estremi inclusi (il "Periodo di Opzione") e saranno inoltre negoziabili sul Mercato Telematico Azionario organizzato e gestito da Borsa Italiana S.p.A. (il "MTA") dal 22 febbraio 2021 al 5 marzo 2021, estremi inclusi.

In pari data il Consiglio di Amministrazione ha deliberato altresì l'implementazione nello statuto della Società delle modifiche apportate al Testo Unico della Finanza dalla Legge 27 dicembre 2019 n. 160 in materia di equilibrio tra i generi rappresentati negli organi sociali.

La Società ha comunicato altresì che il Consiglio di Amministrazione, nell'ambito dell'esame del Prospetto Informativo, ha preso atto delle seguenti stime relative ai dati consolidati dell'esercizio 2020:

- a) ricavi da locazione per circa Euro 13,2 milioni;
- b) ricavi non da locazione pari a circa Euro 1,4 milioni;

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- c) EBITDA negativo per circa Euro 4 milioni;
- d) GAV immobiliare ricompreso tra Euro 392 milioni e Euro 396 milioni;
- e) indebitamento finanziario lordo pari a circa Euro 201,9 milioni.

**18 febbraio 2021** – Aedes ha ricevuto l'autorizzazione dalla Consob alla pubblicazione del Documento di Registrazione, della Nota Informativa sugli Strumenti Finanziari e della Nota di Sintesi (il "Prospetto") relativo all'offerta in opzione e all'ammissione alle negoziazioni delle azioni ordinarie di nuova emissione che verranno emesse nel contesto dell'aumento di capitale scindibile deliberato dal Consiglio di Amministrazione della Società in data 15 febbraio 2021. Il Prospetto, pubblicato sul sito internet della Società, riporta i fattori di rischio relativi all'Emittente ed agli strumenti finanziari oggetto di offerta e di ammissione alle negoziazioni sul MTA, organizzato e gestito da Borsa Italiana S.p.A..

**11 marzo 2021** – Si è conclusa l'offerta in opzione delle massime n. 228.121.590 azioni ordinarie e delle n. 34.935.298 azioni speciali Aedes di nuova emissione rivenienti dall'esercizio della delega ad aumentare il capitale sociale della Società.

Durante il periodo di offerta in opzione, iniziato il 22 febbraio 2021 e conclusosi in data 11 marzo 2021, sono stati esercitati n. 33.369.217 diritti di opzione complessivi per la sottoscrizione di n. 219.283.426 azioni ordinarie e speciali per un controvalore complessivo di Euro 41.663.850,94, pari all'83,4% circa del totale delle azioni ordinarie e speciali offerte rivenienti dall'Aumento di Capitale.

**12 aprile 2021** – Si è conclusa l'asta dei diritti rimasti inoperti: sono stati esercitati n. 3.240.307 diritti non esercitati al termine del periodo di opzione e sono quindi state sottoscritte n. 21.293.446 azioni ordinarie Aedes di nuova emissione. Le azioni ordinarie e speciali sottoscritte complessivamente ammontano a 240.576.872, per un controvalore complessivo dell'aumento di capitale pari ad Euro 45.709.605,68 (inclusivo della quota sottoscritta da Augusto mediante la compensazione di crediti derivanti da finanziamenti già erogati per complessivi Euro 23.715.762,76), corrispondente al 91,5% circa del totale delle azioni ordinarie e speciali offerte in opzione.

#### **B) Operazioni sul compendio SIIQ**

**28 settembre 2020** – Aedes ha firmato, con un primario investitore istituzionale, il contratto definitivo per la vendita della Torre E, con destinazione d'uso uffici e una GLA di oltre 8.000 metri quadrati, ubicato a Milano in Viale Giulio Richard 3. Il prezzo di vendita, pari a 12 milioni di Euro, di cui 1,5 milioni di Euro subordinati all'avveramento di talune condizioni amministrative connesse al progetto di riqualificazione che verrà realizzato dall'acquirente, risulta in leggero miglioramento rispetto al fair value come da ultima perizia dell'esperto indipendente al 30 giugno 2020 pari a 11,9 milioni di Euro.

#### **C) Continuità aziendale**

Il Collegio Sindacale richiama l'attenzione su quanto descritto nella nota 3.7 "Presupposto della continuità aziendale" del bilancio consolidato e nel paragrafo 2.13 "Principali rischi e incertezze – Rischio di liquidità"

della Relazione sulla Gestione in merito a eventi e circostanze che indicano l'esistenza di un'incertezza significativa che può far sorgere dubbi significativi sulla continuità aziendale della Società e del Gruppo.

In particolare, si evidenziano le conclusioni riportate nella Nota integrativa al bilancio d'esercizio e al bilancio consolidato della Società al 31 dicembre 2020, in cui si indica che in considerazione (i) degli esiti certi ancorché non definitivi dell'aumento di capitale in opzione, (ii) della ragionevole aspettativa che le azioni attualmente in corso e in fase di definizione in ordine alle fonti di copertura finanziaria vengano perfezionate con tempistiche coerenti con i fabbisogni finanziari e (iii) assumendo il possibile e tempestivo ricorso alle misure correttive indicate, il Consiglio di Amministrazione ha ritenuto che sussista il presupposto della continuità aziendale.

Tuttavia, come descritto nella Relazione sulla Gestione, si segnala come "a partire dal mese di gennaio 2020, lo scenario nazionale e internazionale è stato caratterizzato dalla diffusione del Coronavirus, [...] e dalle conseguenti misure restrittive per il suo contenimento, poste in essere da parte delle autorità pubbliche dei Paesi interessati e riconfermate a seguito della seconda ondata di Covid-19, con successive misure di lockdown, parziali o totali, avvenute tra l'estate e l'autunno 2020 e successivamente nel primo trimestre 2021 a seguito della terza ondata tuttora in corso. Tali circostanze, straordinarie per natura ed estensione, hanno ripercussioni, dirette e indirette, sull'attività economica e hanno creato un contesto di generale incertezza, le cui evoluzioni e i relativi effetti non risultano ancora del tutto prevedibili. I potenziali effetti di questo fenomeno generano un maggiore grado di incertezza con riferimento alle stime contabili, alle misurazioni di fair value, alla recuperabilità degli attivi e al rischio di liquidità e saranno oggetto di costante monitoraggio nel prossimo futuro.

In particolare l'attuale incertezza dei mercati potrebbe avere un impatto significativo, al momento non quantificabile, sugli input utilizzati dall'esperto indipendente per la valutazione degli assets immobiliari del Gruppo Aedes nel prossimo esercizio. Gli effetti strutturali di tali incertezze potrebbero di fatto influire in misura rilevante sul valore del patrimonio immobiliare: in particolar modo gli input ritenuti più significativi e che potrebbero subire delle variazioni rilevanti a causa della situazione creatasi per effetto della diffusione del Covid-19 sono i tassi di attualizzazione e gli exit cap rate."

Inoltre, nel paragrafo 3.7 "Presupposto della continuità aziendale" della Nota Integrativa del bilancio consolidato di Aedes, gli amministratori hanno segnalato come "ai fini della valutazione del presupposto della continuità aziendale, il Gruppo ha predisposto delle proiezioni economiche finanziarie, i cui presupposti fondamentali derivano dal sopracitato Piano, tenendo conto dei flussi di cassa operativi e degli impegni finanziari che interessano tutte le società del Gruppo in un periodo di 12 mesi dalla data di approvazione del presente bilancio e fino al 31 maggio 2022 ivi incluse le previste attività di investimento e le prossime scadenze di taluni contratti di finanziamento attualmente in essere (le "Proiezioni"). Come già evidenziato, il presente bilancio consolidato al 31 dicembre 2020 presenta un indebitamento finanziario netto corrente pari a circa 40,4 milioni di Euro di cui 27,2 milioni di Euro verso il socio Augusto S.p.A. (di tale importo circa Euro 23,7 milioni sono stati convertiti a marzo 2021 in azioni di nuova emissione nell'ambito dell'operazione di aumento di capitale in opzione). Alla data di approvazione del presente progetto di bilancio l'esposizione verso Augusto S.p.A. è pari dunque a circa 3,5 milioni di Euro.

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*Sulla base dell'indebitamento netto corrente e degli ulteriori fabbisogni rinvenienti dalle Proiezioni, derivanti dagli investimenti programmati, dalla gestione operativa e dalla normalizzazione del capitale circolante, il Gruppo ha individuato fonti di copertura finanziaria fino al 31 maggio 2022 principalmente derivanti da:*

- *cessione di taluni assets nell'ambito della ricorrente rotazione del portafoglio per un controvalore fino a circa Euro 100 milioni che, al netto dei rimborsi dell'indebitamento insistente sugli asset oggetto di cessione, genererebbe un flusso di cassa netto per circa Euro 35 milioni);*
- *attività di finanziamento: sono previsti nuovi finanziamenti e rifinanziamenti che apporterebbero flussi di cassa netti pari a circa 9 milioni di Euro, a cui si aggiungerebbe il debito allocato su un portafoglio immobiliare di cui è programmata l'acquisizione*
- *rafforzamento patrimoniale della Società e del Gruppo, in particolare:*
  - *in data 11 marzo sono stati esercitati diritti di opzione per un controvalore di Euro 41,7 milioni con una contribuzione per cassa, al netto della conversione del finanziamento soci di Augusto S.p.A. per Euro 23,7 milioni, di circa 18 milioni. L'eventuale sottoscrizione ed esercizio della quota inoptata dell'aumento di capitale (il cui buon esito ad oggi non è ragionevolmente prevedibile) potrebbe portare entro aprile 2021 un ulteriore fonte di approvvigionamento finanziario fino a circa Euro 8,3 milioni.*
  - *è inoltre prevista un'ulteriore operazione di rafforzamento patrimoniale da porre in essere da parte di una società controllata (S.A.T.A.C. SIIQ S.p.A.) con ricorso a capitale di terzi.*

*Le sopracitate azioni per il reperimento di fonti di copertura del fabbisogno finanziario sono caratterizzate da rilevanti elementi di incertezza in quanto presuppongono il coinvolgimento e l'assenso di soggetti terzi rispetto al Gruppo e, per la quasi totalità delle suddette azioni non è stato formalizzato alcun accordo vincolante. Pertanto va rilevato che le azioni previste a copertura del fabbisogno finanziario (in particolare la cessione degli immobili e le attività di financing), potrebbero non raggiungere, nel valore o nei tempi, quanto contemplato nelle Proiezioni.*

*Gli Amministratori ritengono che l'incertezza sopradescritta, connessa alla copertura del fabbisogno finanziario di breve periodo della Società e del Gruppo continui a essere significativa, anche dopo le operazioni di rafforzamento patrimoniale effettuate, a causa della diffusione del Covid-19 e dei relativi effetti sul mercato immobiliare e dei capitali. Tale circostanza indica pertanto l'esistenza di un'incertezza significativa che può far sorgere dubbi significativi sulla continuità aziendale della Società e del Gruppo. L'evoluzione dell'emergenza in atto potrebbe infatti comportare un ulteriore deterioramento, ad oggi non pienamente apprezzabile, delle condizioni del mercato immobiliare e del mercato dei capitali con potenziali effetti significativi sui tempi e sui corrispettivi delle dismissioni previste nelle Proiezioni, sul successo delle nuove operazioni di finanziamento, nonché sulla valorizzazione dell'attivo immobiliare, con possibili conseguenze negative sul rispetto dei rapporti di loan to value previsti nei contratti di finanziamento descritti nella Nota 14 del bilancio consolidato a cui si rinvia. Si precisa infatti che, il verificarsi in tutto od in parte delle azioni contemplate nelle Proiezioni, nei modi e nei tempi previsti, dipenderà anche da fattori che sono al di fuori del controllo degli Amministratori e che risultano influenzati anche dalla situazione di emergenza derivante dal Covid-19 i cui impatti sull'evoluzione del mercato immobiliare, sull'offerta di credito*

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e sull'evoluzione del mercato dei capitali non sono ancora pienamente apprezzabili.

In considerazione di tali rilevanti elementi di incertezza, gli Amministratori hanno analizzato le ulteriori azioni che potrebbero effettuare qualora le principali assunzioni connesse al reperimento delle fonti necessarie per la copertura del fabbisogno finanziario di breve periodo non dovessero realizzarsi.

La verifica sulle assunzioni relative:

- all'eventuale mancata raccolta di ulteriore liquidità in sede di asta dell'Inoptato;
- all'eventuale ritardata attuazione di parte del programma di dismissioni immobiliari;
- all'eventuale mancata raccolta del capitale di terzi su SATAC SING S.p.A.;

ha condotto gli Amministratori a concludere che anche in tale scenario la capacità del Gruppo di far fronte alle proprie obbligazioni nel periodo contemplato dalle Proiezioni (fino al 31 maggio 2022), non sarebbe pregiudicata nell'assunto, ritenuto ragionevole, che il Gruppo sia in grado di differire gli investimenti previsti nelle Proiezioni e non oggetto di impegno definitivo e/o di eseguire nel 2021, in anticipo rispetto a quanto previsto nel piano industriale, la dismissione di una partecipazione non di controllo, ferma restando la necessità di realizzare una parte delle dismissioni immobiliari programmate e di ottenere nuovi finanziamenti e rifinanziamenti sopradescritti entro tempi prossimi a quelli previsti nelle Proiezioni. Tali azioni correttive, alcune delle quali peraltro a loro volta in parte al di fuori del controllo degli Amministratori, pur preservando il presupposto della continuità aziendale, avrebbero comunque l'effetto di ritardare o ridimensionare le previsioni di crescita implicite nel Piano, con conseguenti ripercussioni negative sulla valorizzazione del portafoglio immobiliare e partecipativo, sulla capacità del Gruppo di invertire il trend reddituale da negativo a positivo nonché sulla capacità di generare flussi di cassa congrui rispetto ai fabbisogni finanziari prospettici del Gruppo.

In considerazione:

- degli esiti certi ancorché non definitivi dell'aumento di capitale in opzione,
  - della ragionevole aspettativa che le azioni attualmente in corso e in fase di definizione in ordine alle sopracitate fonti di copertura finanziaria vengano perfezionate con tempistiche coerenti con i fabbisogni finanziari,
  - assumendo il possibile e tempestivo ricorso alle misure correttive precedentemente indicate, ove necessario,
- il Consiglio di Amministrazione ha ritenuto che sussista il presupposto della continuità aziendale.”

## **2. OPERAZIONI ATIPICHE E/O INUSUALI, OPERAZIONI INFRAGRUPPO O CON PARTI CORRELATE**

Nel corso dell'esercizio 2020 e sino alla data della Relazione, il Collegio Sindacale non ha riscontrato l'esecuzione da parte della Società, anche per il tramite delle proprie controllate, di operazioni atipiche e/o inusuali<sup>1</sup>.

I rapporti normalmente intrattenuti dal Gruppo Aedes con parti correlate riconducibili a società

<sup>1</sup> Ai sensi della Comunicazione Consob del 28 luglio 2006, che definisce operazioni atipiche e/o inusuali quelle operazioni che per significatività/rilevanza, natura delle controparti, oggetto della transazione, modalità di determinazione del prezzo di trasferimento e tempistica dell'accadimento possono dare luogo a dubbi in ordine: alla correttezza/complettezza delle informazioni in bilancio, al conflitto di interessi, alla salvaguardia del patrimonio aziendale, alla tutela degli azionisti di minoranza.

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controllate o *joint venture* ed a società collegate alla medesima (c.d. “**Infragruppo**”) e i rapporti con le altre parti correlate diversi da quelli Infragruppo (c.d. “**Altre Parti Correlate**”) consistono prevalentemente in servizi amministrativi, immobiliari e tecnici regolati a normali condizioni di mercato, oltre che a finanziamenti erogati dalle società del Gruppo alle società ad esse collegate, remunerati a tassi in linea con quelli normalmente applicati per operazioni similari.

Le operazioni con parti correlate sono avvenute e avvengono a condizioni di mercato ed in conformità al regolamento appositamente adottato dalla Società.

Nel corso dell'esercizio 2020, si sono registrate principalmente, sul lato attivo, operazioni di natura commerciale e connesse alla prestazione di servizi di coordinamento amministrativo e societario alla controllante e al riaddebito dei costi sostenuti nell'esercizio in nome e per conto di Augusto S.p.A., mentre, con riguardo al lato passivo, operazioni relative a rapporti di natura commerciale intrattenuti con le società Bollina S.r.l., Società Agricola La Bollina S.r.l., Sator Immobiliare SGR S.p.A. e a riaddebiti di costi da parte della società Restart S.p.A..

Gli effetti dei rapporti con parti correlate sono evidenziati negli schemi di Stato patrimoniale, Conto economico e nelle relative note illustrative.

### **3. VALUTAZIONE CIRCA L'ADEGUATEZZA DELLE INFORMAZIONI RESE DAGLI AMMINISTRATORI IN ORDINE ALLE OPERAZIONI ATIPICHE E/O INUSUALI, COMPRESE QUELLE INFRAGRUPPO E CON PARTI CORRELATE**

Il Collegio ritiene sufficientemente adeguate le informazioni rese dall'organo amministrativo in ordine alle operazioni soprarielate, ivi comprese quelle indicate nel Bilancio di esercizio e consolidato chiuso al 31 dicembre 2020.

### **4. OSSERVAZIONI E ASPETTI CHIAVE CONTENUTI NELLA RELAZIONE DELLA SOCIETA' DI REVISIONE**

In data 12 novembre 2018, l'Assemblea degli Azionisti di Aedes, in vista della quotazione e della conseguente assunzione dello status di ente di interesse pubblico ai sensi dell'art. 16 del D. Lgs. 27 gennaio 2010, n. 39 e successive modifiche, ha deliberato di conferire a Deloitte & Touche S.p.A. l'incarico di revisione legale sul bilancio di esercizio e consolidato del Gruppo Aedes ai sensi del Decreto Legislativo 27 gennaio 2010, n.39 e del Regolamento (UE) n. 537/2014, nonché la revisione contabile limitata del bilancio semestrale abbreviato, per il periodo dal 2018 al 2026.

Al riguardo, si precisa che in data 6 novembre 2018 il Collegio Sindacale ha rilasciato la propria proposta motivata in merito al sopra citato incarico.

Il bilancio d'esercizio e consolidato chiuso al 31 dicembre 2020 è stato redatto in conformità ai Principi Contabili Internazionali (IAS/IFRS) emessi dall'International Accounting Standards Board (“IASB”) e omologati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n.

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38/2005. Il bilancio d'esercizio e consolidato chiuso al 31 dicembre 2020 è stato sottoposto alla revisione della predetta società di revisione. Al termine dell'attività svolta, Deloitte & Touche S.p.A., in data 20 aprile 2021, ha emesso le proprie relazioni sul Bilancio di esercizio e sul Bilancio consolidato 2020 ai sensi degli artt. 14 del D.Lgs. 39/2010 e 10 del Regolamento (UE) 537/2014 con un giudizio senza rilievi, anche con riferimento alla coerenza della Relazione sulla gestione e di alcune specifiche informazioni contenute nella Relazione sul Governo Societario e gli Assetti Proprietari con il bilancio di esercizio e consolidato e la loro conformità alle norme di legge.

Deloitte & Touche S.p.A. ha riportato nella propria relazione il seguente richiamo d'informativa riferito alla "Incertezza significativa relativa alla continuità aziendale".

*Richiamiamo l'attenzione su quanto descritto nella nota 3.7 "Presupposto della continuità aziendale" del bilancio consolidato e nel paragrafo 2.13 "Principali rischi e incertezze – Rischio di liquidità" della relazione sulla gestione in merito a eventi e circostanze che indicano l'esistenza di un'incertezza significativa che può far sorgere dubbi significativi sulla continuità aziendale della Società e del Gruppo.*

*In particolare, gli Amministratori riferiscono che l'incertezza connessa alla copertura del fabbisogno finanziario di breve periodo della Società e del Gruppo continua a essere significativa, anche dopo le operazioni di rafforzamento patrimoniale effettuate, a causa della diffusione del Covid-19 e dei relativi effetti sul mercato immobiliare e dei capitali. Gli Amministratori indicano che l'evoluzione dell'emergenza in atto potrebbe infatti comportare un ulteriore deterioramento, a oggi non pienamente apprezzabile, delle condizioni del mercato immobiliare e del mercato dei capitali con potenziali effetti significativi sui tempi e sui valori di realizzo delle dismissioni immobiliari previste e sul successo delle operazioni di finanziamento pianificate nelle proiezioni economiche finanziarie dagli stessi elaborate per i prossimi 12 mesi (le "Proiezioni") sulla base del Piano 2020-2026 del Gruppo (il "Piano"), nonché sulla valorizzazione dell'attivo immobiliare, con possibili conseguenze negative sul rispetto dei rapporti di loan to value previsti nei contratti di finanziamento del Gruppo.*

*In considerazione di tali rilevanti elementi di incertezza, gli Amministratori riferiscono di avere analizzato le ulteriori azioni che potrebbero porre in essere qualora le principali assunzioni relative al reperimento delle fonti per la copertura del fabbisogno finanziario di breve periodo non dovessero realizzarsi. Tale analisi ha condotto gli Amministratori a concludere che anche in tale scenario la capacità del Gruppo di far fronte alle proprie obbligazioni non sarebbe pregiudicata, nell'assunto che il Gruppo sia in grado di differire parzialmente gli investimenti previsti nelle Proiezioni e/o di anticipare la dismissione di una partecipazione non di controllo, ferma restando la necessità di realizzare una parte delle dismissioni immobiliari programmate e di ottenere i finanziamenti pianificati entro tempi prossimi a quelli previsti nelle Proiezioni. Gli Amministratori evidenziano, tuttavia, che ciò avrebbe l'effetto di ritardare o ridimensionare le previsioni di crescita implicite nel Piano, con conseguenti ripercussioni negative sulla valorizzazione del portafoglio immobiliare e partecipativo, sulla redditività del Gruppo nonché sulla capacità dello stesso di generare flussi di cassa congrui rispetto ai fabbisogni finanziari prospettici del Gruppo. All'esito delle valutazioni svolte, gli Amministratori hanno predisposto il bilancio sulla base del presupposto della continuità aziendale, in considerazione degli esiti dell'aumento di capitale in opzione, delle azioni dagli stessi individuate per far fronte*

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*al fabbisogno finanziario della Società e del Gruppo, nonché assumendo che, ove necessario, gli Amministratori possano attuare le misure correttive dagli stessi identificate.*

*Il nostro giudizio non è espresso con rilievi in relazione all'aspetto sopra richiamato.*"

Quali aspetti chiave della revisione contabile del Bilancio di esercizio e consolidato 2020, Deloitte & Touche S.p.A. ha indicato oltre a quanto riferito nella sezione *Incertezza significativa relativa alla continuità aziendale*.

- a) quanto al bilancio di esercizio (i) la valutazione del portafoglio immobiliare;
- b) quanto al bilancio consolidato (i) la valutazione del portafoglio immobiliare.

Per maggiori informazioni sugli aspetti chiave della revisione del Bilancio d'esercizio e consolidato 2020 di Aedes si rinvia a quanto contenuto nelle Relazioni della società di revisione indipendente ai sensi della soprarichiamata normativa.

Al riguardo, si segnala che il Collegio Sindacale ha accertato, tramite informazioni assunte dalla società di revisione e dal *management* della Società, l'osservanza dei principi contabili internazionali adottati, nonché delle altre disposizioni legislative e regolamentari inerenti alla formazione del Bilancio di esercizio, del Bilancio consolidato e della Relazione sulla gestione a corredo degli stessi.

Il Collegio non ha, al riguardo, osservazioni particolari da sottoporre all'Assemblea.

In data 20 aprile 2021 Deloitte & Touche S.p.A. ha altresì presentato al Collegio Sindacale, nella sua qualità di Comitato per il Controllo Interno e per la revisione contabile (breviter "CCIRC"), la Relazione aggiuntiva ai sensi e per gli effetti dell'art. 11 del Regolamento (UE) n. 537/2014 dalla quale non risultano carenze nel sistema di controllo interno in relazione al processo di informativa finanziaria meritevoli di essere portati all'attenzione dei responsabili dell'attività di *governance*.

Nella relazione aggiuntiva Deloitte & Touche S.p.A. ha altresì presentato al Collegio Sindacale anche la dichiarazione di indipendenza, in ottemperanza alle disposizioni di cui all'art. 6, paragrafo 2, lettera a) del Regolamento (UE) 537/2014, dalla quale non emergono situazioni che abbiano compromesso l'indipendenza.

#### **5. INDICAZIONI DELL'EVENTUALE PRESENTAZIONE DI DENUNCE EX ART. 2408 DEL CODICE CIVILE ED INIZIATIVE INTRAPRESE**

Nel corso dell'esercizio 2020 e sino alla data della Relazione, sono state presentate due comunicazioni da un azionista, possessore di una azione della Società, dallo stesso qualificate quali denunce ex art. 2408 del cod. civ. e successivamente rinunciate.

Si riporta tuttavia un breve riepilogo delle denunce pervenute.

- (i) 17 febbraio 2020: l'azionista, a seguito del comunicato stampa diffuso al mercato in data 17 febbraio, nel quale la Società informava circa (a) la proroga dell'aumento di capitale sociale dal 30 aprile 2020 al 30 giugno 2020 e (b) la conferma, da parte del socio Augusto S.p.A., del supporto

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finanziario alla Società, ha chiesto, tra l'altro, ulteriori informazioni circa (i) l'inadempimento dell'intermediario depositario delle n. 5.020.618 azioni Aedes, (ii) la legittimità della menzionata proroga e (iii) le conseguenze che deriverebbero alla generalità dei soci. Il Collegio, dopo aver condiviso tale denuncia con lo Studio Legale che assiste la Società, ha interloquuto con il Consiglio di Amministrazione, anche in considerazione degli specifici interessi degli azionisti di minoranza, e non ha ravvisato, nella comunicazione in questione, gli elementi necessari tali da equipararla ad una denuncia ai sensi dell'art. 2408 c.c., avendo la stessa, quale oggetto, mere domande e richieste.

(ii) 2 giugno 2020, integrata in data 4 giugno 2020: con riferimento al procedimento di aumento di capitale sociale deliberato dall'Assemblea degli Azionisti di Aedes in data 10 settembre 2019, l'azionista ha chiesto al Collegio Sindacale di verificare (i) l'illiceità dell'aumento di capitale riservato al socio Augusto S.p.A. e dei criteri per determinare il prezzo delle nuove emissioni di titoli, (ii) se la società incaricata della compravendita di azioni proprie abbia contribuito a mantenere bassa la quotazione del titolo Aedes, (iii) le conseguenze per Augusto e soprattutto per tutti gli altri soci ordinari, in ipotesi che successivamente all'aumento di capitale riservato, Augusto S.p.A. torni in possesso delle azioni, allo stato presumibilmente nelle mani dell'intermediario e (iv) i motivi per cui Augusto S.p.A. non abbia denunciato l'intermediario per appropriazione indebita e perché non l'abbia fatto anche Aedes, avendo tale episodio certamente riflessi negativi sull'immagine del Gruppo. Il Collegio, dopo aver condiviso tale denuncia con lo Studio Legale che assiste la Società, (a) ha ripercorso la procedura che ha portato alla delibera dell'aumento di capitale riservato e in opzione, dando atto della correttezza di tale procedura adottata dalla Società, (b) ha dato atto che la Società né al 31 dicembre 2019 né alla data della denuncia dell'azionista possedeva azioni proprie, nonostante in data 30 aprile 2019 l'Assemblea Ordinaria degli Azionisti di Aedes avesse deliberato di autorizzare il Consiglio di Amministrazione all'acquisto e disposizione di azioni proprie, fino ad un massimo pari al 10% del capitale sociale e per il periodo di 18 mesi dalla delibera assembleare e (c) ha dato atto di non poter rispondere per eventuali condotte attive od omissive di altre società.

Il Collegio Sindacale dà atto che, mediante le comunicazioni inviate alla Società e al Presidente del Collegio Sindacale in data 27 marzo 2020 e 8 giugno 2020, l'azionista ha rinunciato alle precedenti due denunce e ai relativi effetti.

Alla luce dei controlli effettuati e nonostante le rinunce alle denunce ricevute dall'azionista, il Collegio Sindacale non ravvisa fatti censurabili che possano essere imputati al Consiglio di Amministrazione di Aedes SIIQ S.p.A..

Infine, il Collegio Sindacale segnala di aver ricevuto, in data 3 settembre 2020, una ulteriore denuncia ex art. 2408 c.c., pervenuta da un azionista che rappresenta almeno un cinquantesimo del capitale sociale di

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Aedes.

Ai sensi del secondo comma dell'art. 2408 c.c., "se la denuncia è fatta da tanti soci che rappresentino un ventesimo del capitale sociale o un cinquantesimo nelle società che fanno ricorso al mercato del capitale di rischio, il collegio sindacale deve indagare senza ritardo sui fatti denunciati e presentare le sue conclusioni ed eventuali proposte all'assemblea": in conformità a quanto disposto, il Collegio Sindacale ha provveduto alla redazione di una separata relazione presentata all'Assemblea degli Azionisti convocata per il prossimo 12 maggio 2021.

#### **6. INDICAZIONI DELL'EVENTUALE PRESENTAZIONE DI ESPOSTI DELLE EVENTUALI INIZIATIVE INTRAPRESE E DEI RELATIVI COSTI**

Nel corso dell'esercizio 2020 e sino alla data della Relazione, non sono pervenuti esposti presentati da Azionisti e/o da terzi. Pertanto, alcuna iniziativa è stata presa dal Collegio Sindacale in tal senso.

#### **7. INDICAZIONI DI EVENTUALI ULTERIORI INCARICHI SUPPLEMENTARI ALLA SOCIETA' DI REVISIONE E DEI RELATIVI COSTI**

Nel corso dell'esercizio 2020, nell'ambito della procedura di aumento di capitale sociale con esclusione del diritto di opzione ai sensi dell'art. 2441, quinto comma, c.c. e dell'art. 158 TUF, da sottoporre all'approvazione dell'Assemblea straordinaria degli Azionisti convocata in data 18 giugno 2020, la Società ha richiesto a Deloitte & Touche S.p.A. la disponibilità a formulare una proposta per predisporre il parere sulla congruità del prezzo di emissione delle azioni di Aedes.

In data 15 maggio 2020, il Collegio Sindacale di Aedes SiiQ S.p.A., nella sua qualità di Comitato per il Controllo Interno e la Revisione Contabile, considerato (i) il Regolamento UE 537/2014, che disciplina i requisiti specifici relativi alla revisione legale dei conti di Enti di Interesse Pubblico (EIP) e che lo stesso è direttamente applicabile a decorrere dalla data del 17 giugno 2016, (ii) la proposta ricevuta da Deloitte, dalla quale risultava come l'incarico in esame rientrasse tra i servizi diversi dalla revisione contabile e differenti da quelli vietati, di cui ai paragrafi 1 e 2 dell'art. 5 del Regolamento UE 537/2014 e (iii) gli onorari, quantificati in complessivi Euro 120.000, che anche cumulativamente agli altri servizi diversi dalla revisione conferiti al *network* Deloitte, non superavano i limiti previsti dalla normativa applicabile, ha espresso parere favorevole al conferimento dell'incarico a Deloitte & Touche S.p.A. avente ad oggetto l'espressione di un parere *ex lege* (art. 158 TUF) sulla congruità del prezzo di emissione delle azioni di Aedes (congruità da intendersi in termini di ragionevolezza e non arbitrarietà delle metodologie prescelte dagli amministratori) nell'ambito dell'operazione di aumento di capitale con esclusione del diritto di opzione ai sensi dell'art. 2441, quinto comma, del Codice Civile e dell'art. 158 TUF.

#### **8. INDICAZIONI DI EVENTUALI ULTERIORI INCARICHI A SOGGETTI LEGATI ALLA SOCIETA' INCARICATA DELLA REVISIONE DA RAPPORTI CONTINUATIVI E DEI RELATIVI COSTI**

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Si rinvia a quanto già riferito al punto 7 della Relazione.

**9. INDICAZIONI DELL'ESISTENZA DI PARERI RILASCIATI AI SENSI DI LEGGE NEL CORSO DELL'ESERCIZIO DAL COLLEGIO SINDACALE**

Nel corso dell'esercizio 2020, il Collegio Sindacale ha provveduto a rilasciare propri pareri in ottemperanza alle disposizioni di Legge, di Statuto e della normativa regolamentare applicabile.

Oltre a quanto riferito al punto 7 che precede, alla data della Relazione, il Collegio dà atto di aver, *inter alia*, rilasciato:

- (i) parere in merito al piano di lavoro annuale predisposto dal Responsabile della Funzione di *Internal Audit* Anno 2020;
- (ii) parere in merito alla conferma dell'incarico a PricewaterhouseCoopers Advisory S.r.l., nella persona del Dott. Mario Cristina, per l'esecuzione in outsourcing delle attività di *Internal Audit* della Società per il 2020;
- (iii) attestazione del rispetto del limite di cui all'articolo 2412, primo comma, c.c. con riferimento delibera del Consiglio di Amministrazione per la proroga del prestito obbligazionario da Euro 15 milioni, avente quale codice ISIN IT0005250920;
- (iv) parere in merito all'adeguatezza del Sistema di Controllo Interno e di Gestione dei Rischi;
- (v) parere in merito alla corretta applicazione, con riferimento all'esercizio 2020, dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione per valutare l'indipendenza dei propri membri, stabiliti dall'art. 148, comma 3, del TUF e dall'art. 3 del Codice di Autodisciplina;
- (vi) parere in merito all'attribuzione dei compensi variabili agli organi delegati e ai dirigenti con responsabilità strategiche;
- (vii) parere in merito all'erogazione di finanziamenti da parte del socio di maggioranza Augusto S.p.A.;
- (viii) parere in merito alla sottoscrizione di un *Addendum* per la modifica del contratto di affitto del ramo d'azienda fra la controllata Pragaquattro Center SINC S.p.A., in qualità di affittante, e Bollina S.r.l., in qualità di affittuario;
- (ix) parere in merito all'operazione con parti correlate concernente la cessione ai sensi dell'art. 1406 c.c. del contratto di lavoro con un dipendente da Restart S.p.A. ad Aedes SIIQ S.p.A. e conseguente distacco parziale del medesimo dipendente a beneficio di Restart S.p.A.;
- (x) attestazione del rispetto del limite di cui all'articolo 2412, primo comma, c.c. con riferimento delibera del Consiglio di Amministrazione per la proroga del prestito obbligazionario da Euro 30 milioni, avente quale codice ISIN IT0005317174;
- (xi) attestazione del rispetto del limite di cui all'articolo 2412, primo comma, c.c. con riferimento delibera del Consiglio di Amministrazione per l'emissione del prestito obbligazionario da Euro 45

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milioni, avente quale codice ISIN IT0005431231;

- (xii) parere in merito al piano di lavoro annuale predisposto dal Responsabile della Funzione di Internal Audit Anno 2021;
- (xiii) parere in merito alla conferma dell'incarico a PricewaterhouseCoopers Advisory S.r.l., nella persona del Dott. Mario Cristina, per l'esecuzione in *outsourcing* delle attività di Internal Audit della Società per il 2021;
- (xiv) parere in merito alla modifica dell'*Addendum* al contratto di affitto del ramo d'azienda fra la controllata Pragaquattro Center SIIINQ S.p.A., in qualità di affittante, e Bollina S.r.l., in qualità di affittuario.

#### **10. INDICAZIONE SULLA FREQUENZA E DEL NUMERO DELLE RIUNIONI DEL CONSIGLIO DI AMMINISTRAZIONE DEL COMITATO ESECUTIVO E DEL COLLEGIO SINDACALE.**

Come evidenziato dagli Amministratori nella Relazione annuale sul Governo Societario e sugli Assetti Proprietari per l'esercizio 2020, redatta ai sensi dell'art. 123-bis del TUF e approvata dal Consiglio di Amministrazione della Società in data 24 marzo 2021, nel corso del 2020:

- (i) il Consiglio di Amministrazione si è riunito 29 volte;
- (ii) il Comitato Controllo Rischi e Operatività con Parti Correlate si è riunito 22 volte;
- (iii) il Comitato Remunerazioni e Nomine si è riunito 4 volte;
- (iv) il Comitato Investimenti si è riunito 12 volte.

Il Collegio Sindacale, nel corso del medesimo anno 2020, si è riunito 37 volte.

Per completezza informativa si segnala che l'Assemblea degli Azionisti del 30 aprile 2019 ha nominato fino all'approvazione del bilancio chiuso al 31 dicembre 2021 quali membri del Collegio Sindacale i Signori: (i) Cristiano Agogliati - Presidente; (ii) Philipp Oberrauch - Sindaco Effettivo; (iii) Roberta Moscaroli - Sindaco Effettivo; (iv) Laura Galleran - Sindaco Supplente; (v) Lorenzo Brocca - Sindaco Supplente; (vi) Luca Angelo Pandolfi - Sindaco Supplente.

Il Collegio, inoltre, ha assistito a tutte le adunanze del Consiglio di Amministrazione e del Comitato Controllo Rischi e Operatività con Parti Correlate e del Comitato Remunerazioni e Nomine con la presenza del Presidente del Collegio Sindacale e/o almeno di un membro del Collegio Sindacale.

Infine, in ottemperanza alle norme di comportamento del Collegio Sindacale di società quotate emesse dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) in data 26 aprile 2018, il Collegio Sindacale dà atto di aver valutato l'idoneità dei componenti dell'organo di controllo e l'adeguata composizione dello stesso, con riferimento ai requisiti di professionalità, competenza, onorabilità e indipendenza, e di aver redatto apposita Relazione di Autovalutazione, in data 12 marzo 2021: in considerazione della mole di lavoro che il Collegio Sindacale ha dovuto svolgere nel corso del

2020, la remunerazione di tale organo è risultata non adeguata.

#### **11. OSSERVAZIONI SUL RISPETTO DEI PRINCIPI DI CORRETTA AMMINISTRAZIONE**

Il Collegio Sindacale ha vigilato, per quanto di propria competenza, sul rispetto dei principi di corretta amministrazione. La Società è, a parere del Collegio Sindacale, amministrata nel rispetto delle norme di Legge e dello Statuto sociale.

In particolare, anche per quanto attiene i processi deliberativi dell'organo amministrativo, il Collegio Sindacale ha accertato, anche mediante la partecipazione diretta alle adunanze, la conformità alla Legge e allo Statuto sociale delle scelte gestionali operate dal Consiglio di Amministrazione e ha verificato che le relative delibere fossero assistite da specifiche analisi e pareri redatti – se necessario – anche da consulenti, con particolare riferimento alla congruità economico – finanziaria delle operazioni e la loro rispondenza all'interesse sociale.

L'articolazione dei poteri e delle deleghe appare adeguata alle dimensioni e all'operatività della Società.

#### **12. OSSERVAZIONE SULLA STRUTTURA ORGANIZZATIVA**

Nel corso dell'esercizio 2020 e alla data della presente Relazione, il Collegio Sindacale ha vigilato, per quanto di propria competenza, sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento.

L'assetto organizzativo è a parere del Collegio adeguato alle dimensioni e alle esigenze operative della Società.

L'organizzazione e i servizi, sia quelli strutturati all'interno della Società che quelli in *outsourcing*, risultano adeguati ed assolvono in modo più che soddisfacente gli adempimenti necessari.

Il Collegio Sindacale non ha rilevato particolari criticità da segnalare e/o rilievi significativi da formulare, relativamente alla struttura organizzativa.

#### **13. OSSERVAZIONI SULL'ADEGUATEZZA DEL SISTEMA DI CONTROLLO INTERNO E AMMINISTRATIVO CONTABILE E SULL'AFFIDABILITA' DI QUEST'ULTIMO A RAPPRESENTARE CORRETTAMENTE I FATTI DI GESTIONE**

Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema di controllo interno della Società, nonché in qualità di Comitato per il controllo interno e la revisione contabile (breviter "CCIR").

Il Collegio Sindacale ha dato atto che la Società ha adottato (i) le Linee di Indirizzo del Sistema di Controllo Interno; (ii) la politica di gestione dei conflitti di interesse; (iii) la procedura delle operazioni con parti correlate; (iv) la procedura *market abuse*; (v) il Modello di Organizzazione, Gestione e Controllo ai sensi del D.Lgs. n. 231/01.

Si rammenta inoltre che nell'esercizio 2020 la Funzione di *Internal Audit* ha dato corso ai propri interventi di verifica di cui al piano annuale 2020, approvato nella seduta consiliare del 19 febbraio 2020.

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Alla data della Relazione e in attuazione del piano sopracitato, sono stati eseguiti dalla citata funzione gli interventi concernenti (i) piano dei conti e gestione della contabilità, (ii) gestione delle relazioni con gli azionisti, i media e le sponsorizzazioni, (iii) selezione e gestione dei fornitori, (iv) selezione degli esperti indipendenti e (v) flussi informativi da e verso i Comitati endoconsiliari.

Alla data della Relazione, il Consiglio di Amministrazione ha conferito l'incarico per l'esecuzione in *outsourcing* delle attività di *Internal Audit* e ha approvato il Piano annuale delle attività dell'*Internal Audit* per il 2021.

Con particolare riferimento ai presidi di carattere organizzativo e procedurale posti in essere ai sensi del D.Lgs. n. 231/2001, il Collegio Sindacale dà atto che, in data 13 maggio 2020, il Consiglio di Amministrazione della Società ha approvato e adottato il MOG e il Codice Etico aggiornati. Tali documenti aggiornati sono stati successivamente sottoposti all'esame del Comitato Controllo Rischi e Operazioni con Parti Correlate in data 17 luglio 2020, che li ha approvati e successivamente diffusi a livello aziendale, pubblicandoli sul sito internet della Società in data 1 agosto 2020.

Il Collegio Sindacale, in qualità anche di componente l'Organismo di Vigilanza, ha segnalato inoltre l'opportunità di aggiornare il Modello di Organizzazione, Gestione e Controllo alla luce anche delle novità introdotte dal D. Lgs. n. 75 del 14 luglio 2020 recante «Attuazione della direttiva (UE) 2017/1371, relativa alla lotta contro la frode che lede gli interessi finanziari dell'Unione mediante il diritto penale», ossia il provvedimento normativo di recepimento della c.d. «Direttiva PIF», che ha ulteriormente ampliato il novero dei reati contemplati dal D. Lgs. 231/2001.

La Società, mediante comunicazione inviata lo scorso 23 febbraio 2021, ha comunicato al Collegio Sindacale l'intenzione di avviare l'attività finalizzata all'aggiornamento del Modello di Organizzazione, Gestione e Controllo ex D. Lgs. 231/2001 avvalendosi del supporto di PricewaterhouseCoopers Advisory S.p.A., in esecuzione di un incarico che prevede lo svolgimento da parte di quest'ultima, a favore delle controllate di Aedes SiiQ S.p.A., delle attività di aggiornamento dei Modelli 231 da queste ultime adottati alla luce della Direttiva PIF, laddove la stessa risultasse applicabile sulla base delle evidenze dell'*assessment* previsto.

#### **14. OSSERVAZIONI SULL'ADEGUATEZZA DEL SISTEMA AMMINISTRATIVO CONTABILE E SULL'AFFIDABILITÀ DI QUEST'ULTIMO A RAPPRESENTARE CORRETTAMENTE I FATTI DI GESTIONE**

Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema amministrativo contabile, sulla relativa affidabilità a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni aziendali competenti, l'esame dei documenti aziendali e l'analisi dei risultati del lavoro svolto dalla società di revisione, nonché dalla Funzione di *Internal Audit*.

La funzione amministrativo-contabile appare adeguatamente strutturata ed idonea a fronteggiare le

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esigenze aziendali, sia in termini di risorse impiegate sia in termini di professionalità utilizzata.

Con riferimento all'informativa contabile contenuta nel bilancio di esercizio e in quello consolidato al 31 dicembre 2020, si segnala che l'Amministratore Delegato (Giuseppe Roveda) ed il Dirigente Preposto alla redazione dei documenti contabili societari (Achille Mucci) hanno reso attestazione, priva di rilievi, relativamente all'adeguatezza ed effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio d'esercizio e consolidato, redatti in conformità ai principi contabili internazionali applicabili, in corrispondenza dei libri e delle scritture contabili ed idonei a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria della Società e delle imprese incluse nel consolidamento del Gruppo Aedes, ed ai contenuti della relazione sulla Gestione, che comprende un'analisi attendibile dell'andamento e del risultato della Gestione, nonché una descrizione dei rischi ed incertezze cui sono esposte le società del Gruppo.

**15. OSSERVAZIONI SULL'ADEGUATEZZA DELLE DISPOSIZIONI IMPARTITE ALLE SOCIETA' CONTROLLATE AI SENSI DELL'ART. 114 DEL D.LGS. N. 58/98**

Il Collegio Sindacale ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle proprie controllate ai sensi dell'art. 114 del D.lgs. n. 58/98 e le ha ritenute idonee al fine adempiere agli obblighi di comunicazione previste dalla legge.

In relazione agli stringenti legami operativi e funzionali, anche per la presenza di persone di riferimento di Aedes nelle controllate, vengono garantiti i corretti, costanti ed adeguati flussi informativi. Si ricorda che Aedes e le proprie partecipate sono soggette all'attività di direzione e coordinamento di Augusto S.p.A..

**16. OSSERVAZIONI IN ORDINE ALLE RIUNIONI TENUTESI CON I REVISORI**

Nel corso dell'esercizio 2020 e sino alla data della Relazione, il Collegio Sindacale ha tenuto periodiche riunioni con i rappresentanti della società di revisione Deloitte & Touche S.p.A. al fine di ottemperare agli obblighi di informativa di cui all'art 150 del TUF.

In tali incontri, sono stati, *inter alia*, esaminati l'applicazione dei principi contabili, la migliore appostazione e la rappresentazione nei prospetti di bilancio di elementi significativi sotto l'aspetto economico, finanziario e patrimoniale.

La Società di revisione ha condiviso con il Collegio Sindacale la pianificazione ed i riscontri delle proprie attività.

Nel corso delle menzionate riunioni non sono emersi aspetti significativi che debbano essere evidenziati nella Relazione.

**17. ADESIONE DELLA SOCIETA' AL CODICE DI AUTODISCIPLINA DEL COMITATO PER LA CORPORATE GOVERNANCE**

Il Collegio Sindacale ha vigilato sul rispetto delle regole di governo societario previste dal Codice di Autodisciplina ai sensi dell'art. 149, comma 1, lett. c-bis, del TUF, a cui la Società ha aderito nei termini



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illustrati nella Relazione sul Governo Societario e gli Assetti Proprietari 2020.

Per completezza informativa si segnala che, in data 22 dicembre 2020, il Presidente del Comitato Italiano per la *Corporate Governance* ha trasmesso ai Presidenti, Amministratori Delegati e ai Presidenti degli organi di controllo delle società quotate una lettera contenente la Relazione del Comitato per il 2020 e le Raccomandazioni per il 2021.

Il Comitato, per il 2021, ha ritenuto utile riconsiderare l'insieme delle raccomandazioni fornite negli ultimi quattro anni, formulando alcune indicazioni specifiche nelle aree caratterizzate dal permanere di significativi elementi di debolezza, il cui superamento appare funzionale anche al fine di una migliore applicazione degli aspetti più innovativi della nuova edizione del Codice, rivolgendosi non soltanto all'organo amministrativo, ma anche, per quanto di competenza, all'organo di controllo. Le aree individuate da parte del Comitato hanno riguardato, in particolare: 1) il tema della sostenibilità; 2) l'informativa pre-consiliare; 3) il tema dell'applicazione dei criteri di indipendenza; 4) il tema dell'autovalutazione dell'organo di amministrazione; 5) il tema della nomina e successione degli amministratori; 6) il tema delle politiche di remunerazione.

Detta lettera è stata portata all'attenzione dei Presidenti del Consiglio di Amministrazione, del Comitato Controllo Rischi e Operatività con Parti Correlate, nonché successivamente a tutti gli Amministratori e Sindaci.

Per una più dettagliata trattazione in merito, si rinvia a quanto già indicato nella Relazione sul Governo Societario e gli Assetti Proprietari 2020.

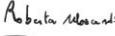
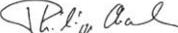
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Posto quanto sopra, sulla base delle attività di controllo svolte nel corso dell'esercizio, il Collegio Sindacale esprime parere favorevole in merito all'approvazione del bilancio chiuso al 31 dicembre 2020 e non ha obiezioni da formulare in merito alla proposta formulata dal Consiglio di Amministrazione di rinviare a nuovo la perdita di esercizio di Euro 32.407.180, salvo quanto previsto dagli obblighi di legge.

Milano, 20 aprile 2021.

Con osservanza.

I componenti del Collegio Sindacale di Aedes SIQ S.p.A.

Dott. Cristiano Agogliati   
Dott.ssa Roberta Moscaroli   
Dott. Philipp Oberrauch 



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