

Nova Re SIIQ:

- **Approved the Annual Financial Report as at 31 December 2020**
- **Convened the Shareholders' Meeting for 26 April 2021 at first call**

Rome, 15 March 2021

The Board of Directors of Nova Re SIIQ S.p.A. (the “**Company**”), which met today under the chairmanship of Giancarlo Cremonesi, approved the Annual Financial Report at 31 December 2020, prepared in accordance with international accounting standards (IAS/IFRS). The main results of the 2020 financial year are shown below:

- The **Consolidated Profit/(Loss)** for the year shows a loss of €9.3 million at 31 December 2020 compared to a profit of €0.4 million at 31 December 2019;
- Consolidated **EBITDA** amounted to €0.3 million, up from €0.1 million in FY 2019;
- **Consolidated shareholders' equity** was €85.4 million at 31 December 2020 compared to €68.3 million at 31 December 2019;
- **Consolidated net financial debt** amounted to €41.8 million at 31 December 2020 compared to €63.7 million at 31 December 2019;
- The **Profit/(Loss) for the year** showed a loss of €9.1 million at 31 December 2020 compared to a profit of €0.3 million at 31 December 2019;
- **Shareholders' equity** was €85.1 million at 31 December 2020 compared to €67.9 million at 31 December 2019;
- **Net Loan to Value** was 33.1% at 31 December 2020 compared to 49.20% at 31 December 2019.

The consolidated net result for FY 2020, a loss of €9.3 million, significantly reflects the impact of the COVID-19 pandemic on the Group, as shown, in particular, here below.

Rental income showed a net increase of €0.5 million compared to the previous year, mainly in relation to i) the existence for the entire FY2020 of the rental contract relating to the property in Bari, at Via Dioguardi for € 0.96 million, whilst in the FY2019, it should be noted that the rent pertaining to the first half of the year was reduced; ii) the change in rental allowance (limited to the first rental period) compared to the first half of 2019 for the property in Milan, at C.so San Gottardo following the agreement reached with the counter party OVS S.p.A. as part of the redevelopment plan launched by the latter to enable the tenant to make the investments required for a complete relaunch of the retail outlet; iii) the classification of rental relating to the hotel asset in Verona under the Rental Income item from March 2020 following termination of the vendor's option in force until February 2020, which had led to the asset being classed under the Financial Assets at Fair Value item and that of the related costs and expenses under the Net Financial Income/(Expenses) item.

Net Operating Income, the margin on rental income and real estate operating expenses, was €4 million and decreased when compared to €4.2 million at 31 December 2019 due to (i) the combined effect of temporary reductions granted to certain tenants of approximately €0.6 million in 2020, (ii) the impairment of trade receivables of €0.2 million and (iii) the aforementioned net increase in rental income compared to the prior year of approximately €0.5 million;

The **EBITDA**, which represents the margin before the result of financial operations, adjustments and adjustments to assets and taxes, contributes, in addition to the above, to Operating expenses which amounted to approximately €3.4 million and decreased in total by approximately €0.4 million compared with 2019, as a

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Company subject to management and coordination by CPI Property Group S.A.

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Share Capital Euro 63,264,527.93 fully paid up. - Tax Code /VAT No./Company Registry No. 00388570426 - R.E.A. No. 1479336

result of certain cost efficiency initiatives that were partly offset by the recognition of costs related to capital increase transactions not completed;

The **EBIT**, which represents the operating result, before financial management results and taxes, was affected by fair value adjustments of assets, as explained below:

- Fair value adjustments to financial assets was negative for €1.9 million; this item refers to the value adjustment for the financial asset consisting of a bond loan underwritten by Nova Re, issued by the Luxembourg-registered Historic & Trophy Building Fund - HTBF Comparto Euro. The value adjustment reflects the stressful situation faced by the bond issuing fund and the impact of the COVID-19 pandemic on the industry;
- the fair value adjustment for investment property is negative for 2020 and amounts to approximately - €4.3 million. The value of the real estate portfolio is significantly reduced compared to 31 December 2019 due to the effects of the Covid-19 pandemic on the real estate market especially for the Retail and Hospitality asset classes.

The consolidated loss for the year amounted to -€9.3 million; net financial expenses of €3.9 million also contributed to this - a deterioration of €1.8 million compared to 31 December 2019 - following the incorporation of non-recurring accounting impact related to the early repayment of the mortgage loan agreement with UniCredit S.p.A. on 29 January 2021.

Net financial debt decreased significantly from €63.7 million as of 31 December 2019 to €41.8 million as of 31 December 2020 due to the combined effect of the cash capital increase that improved this indicator and the lack of reduction in financial debt following the suspension of payments of principal and interest instalments on bank loans and real estate leases due to the moratoriums granted by the Law Decree known as Cura Italia. In September 2020 Nova Re SIIQ S.p.A. obtained a bank loan for an amount of €2 million, guaranteed by Mediocredito Centrale, issued by the Banca Centro Lazio institute as part of the Liquidity Decree converted by Law No. 40 of 5 June 2020. At the start of 2021, with a €54.6 million loan from the shareholder CPI PG, Nova Re repaid the mortgage loan to UniCredit S.p.A. in full.

In compliance with the current regulatory framework, the Board of Directors resolved to propose, to the Shareholders' Meeting, carrying forward the loss for the year 2020 in the amount of €9,147,540.19.

Significant events occurring after the end of the financial year are outlined below:

On **15 January 2021**, the Company signed the final contract for the purchase of the property parcels leased to OVS S.p.A., located on the first and second floors of the building in Milan, Via Spadari, no. 2, adjacent to the premises already owned by the Company located on the ground and basement floors, at a price of €5.7 million plus taxes, duties and closing costs. The signing of the final contract was subject to failure to exercise or a waiver of pre-emption rights by the tenant mentioned above, which was formalised in the meantime.

On **25 January 2021**, the Company signed the final contract for the purchase of additional real estate premises, leased to Zara Italia S.r.l., located on the second floor of the building located in Milan, at via Spadari, no. 2, adjacent to the sections already owned by the Company located on the ground, basement, first and second floors, at a price of €1.8 million plus taxes, duties and closing costs. In this case too, signing the final contract was subject to the non-exercise or waiver of pre-emption rights in favour of the tenant named above, which waiver was formalised in the meantime.

On **26 January 2021**, following the publication of the final results of the Offering made by CPI Property Group S.A. pursuant to and for the purposes of articles 102, 106 paragraphs 1 and 109 of the Consolidated Finance Act, as a result of the Reopening of Terms, within the meanings of article 41, par. 6, of the Consob Regulations adopted by resolution no. 11971 on 14 May 1999, as subsequently amended and extended, a total of 9,348,018 ordinary shares of Nova Re were contributed, representing approximately 42.44% of the share capital of the Issuer and approximately 85.18% of the ordinary shares of Nova Re covered by the Offering, at a price of Euro 2.36 per ordinary share and, therefore, for a total value of Euro 22,061,322.48. Therefore, CPI

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Property Group S.A. came to hold a total of 20,360,573 ordinary shares of NOVA RE, equal to approximately 92.44% of its share capital.

In addition, taking into account the 38,205 treasury shares of Nova Re (equal to about 0.17% of the related share capital), within the meanings and purposes of art. 44-bis, par. 5, of the Issuers' Regulations, reference should be made to 20,398,778 shares, equal to about 92.62% of the share capital: therefore, more than 90% but less than 95% of the share capital of the Issuer.

In this regard, it should be noted that CPI Property Group S.A., as already stated in the Offering Document, intends to re-establish a free float sufficient to ensure the regular course of trading within ninety days, in accordance with procedures - such as, by way of example, selling off NOVA RE ordinary shares, Accelerated Book Building (ABB), capital increases with partial or total exclusion of option rights reserved for parties other than shareholders who hold significant holdings under art. 120 of the Consolidated Finance Act - which will be considered most appropriate in the light of market conditions, inter alia. As already specified in the Offering Document, CPI Property Group S.A. will take any useful initiative aimed at reducing its shareholding below the threshold of 60% of voting rights in ordinary shareholders' meetings and of profit sharing rights in order to maintain the special status as Società di Investimento Immobiliare Quotata (Listed Property Investment Company - the so-called SIIQ regimen), under art. 1, paragraphs 119 and following of the 2007 Finance Act, within the timing set out in applicable regulatory requirements in force.

On **27 January 2021**, the Company approved a loan proposal received from the reference shareholder CPI Property Group S.A., for an amount of approximately €54.6 million, intended to cover the costs incurred by Nova RE for the purposes of early repayment of the mortgage loan agreement signed on 29 December 2017 with UniCredit S.p.A.. The Loan, granted by the shareholder in a single tranche, has a term of five years and bears fixed nominal interest at a rate of 2.1% per annum. Both the repayment of the Loan and the payment of interest will take place in a single instalment at maturity, unless repayment is made early. There are no ancillary costs or guarantees made by Nova Re. CPI is a related party of Nova Re as controlling body for the Company under art. 93 of Law Decree 58/1998 and exercises management and coordination of the same under articles 2497 and following of the Italian Civil Code. Signing of the Loan Agreement also qualifies as a "Significant Related Party Transaction" under art. 4, par. 1 (a) of Consob Regulation no. 17221/2010 (the "RPT Regulation"). Therefore, the Funding transaction was approved by the Board of Directors with the prior and unanimous consent of Nova RE's Control, Risk, Nomination, Remuneration and Related Parties Committee, composed entirely of independent directors who are not related to the counter party.

On **29 January 2021**, the Company voluntarily repaid the residual balance on the mortgage loan agreement signed on 29 December 2017 with UniCredit S.p.A. in advance, in the amount of €51.7 thousand including interest accrued at that date. Also on 29 January 2021, the debt relating to the derivative contract to hedge the interest rate on the mortgage loan referred to above in the amount of €1.9 million was extinguished.

On **5 February 2021**, the Company formed Fidelio Engineering S.r.l., an engineering company, wholly owned by Nova Re, whose scope of business is performing work in Italy and abroad aimed at redeveloping and refurbishing areas subject to real estate development or existing buildings subject to redevelopment, in order to support the CPI Group's real estate development and value enhancement initiatives, which have already been launched in Italy, whilst enabling allowing Nova Re to receive certain revenue streams.

On 16 February 2021, following voluntary early repayment of the UniCredit mortgage loan, the same institution agreed to the total cancellation of the mortgage, the release of factoring arising under lease agreements and the termination of bank account pledges.

On **3 March 2021**, the Company, due to change of control that took place and with a view to rationalizing auditing work to make it more cost-effective and efficient within the new Group corporate set-up, whose statutory auditing is entrusted to the EY firm, sent a proposal for consensual termination of the remit assigned to the auditing firm Ria Grant Thornton S.p.A., as the entity in charge of the statutory audit for Nova Re SIIQ Group by the Shareholders' Meeting of 28 April 2017 for the nine-year period 2017-2025. Conferring all audit remits to the group's statutory auditor would, on the one hand, enable greater effectiveness and efficiency in the performance of auditing work and, on the other hand, would also facilitate the entire group taking responsibility for this, as required under current statutory audit regulations.

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On **8 March 2021**, with reference to the civil proceedings brought by the Company against SHG Hotel Verona S.r.l., the Court of Verona ruled, given the period in which the arrears accrued, against the validity of the notice to quit for arrears. In the same order, the judge also made a settlement proposal to be discussed during the proposed compulsory mediation procedure; lastly, he set a hearing for 13 July 2021 to examine the merits of the dispute.

On **9 March 2021**, the first hearing was held in the lawsuit brought by Sorgente Group Italia S.r.l., which, it should be noted, had challenged the Board of Directors' resolution of 29 October 2020, which approved the share capital increase, as well as the Board of Directors' resolution of 7 October 2020, which accepted the offer of CPI Property Group S.A., and the Shareholders' resolution of 27 August 2020, by which the Board of Directors had been granted authority to increase the share capital under art. 2443 of the Italian Civil Code. At the first hearing, the judge granted the parties more time to file their defence briefs. The proceedings were adjourned until a hearing on 12 October 2021.

On **12 March 2021**, Ria Grant Thornton S.p.A. replied to the writer that it had no comments on the proposed early termination and that it could be formalised as soon as the procedure laid out in the relevant regulations is completed by a resolution of the Company Shareholders' Meeting.

With reference to the **outlook for business**, during 2020, despite the adverse environment, Nova Re achieved exceptional results, on the market side, by successfully completing radical changes via a capital increase transaction. Following this transaction, in fact, Nova Re has become part of the CPI PG group, one of the most solid and dynamic real estate companies at international level, which positions the SIIQ as one of the most central and potentially active players in the domestic and European market, with very ambitious growth targets. CPI PG's stated strategic objective is to make Nova Re the platform for CPI PG Group's current and future investments in Italy.

As of the date of the Tender Offer Document, CPI Property Group S.A. owned 92.62% of the Company's shares but, as stated in the Document itself, its strategy is for Nova Re to maintain its status as both a listed company and a SIIQ, continuing to benefit from the relevant special tax regime.

With reference to the business outlook and the Nova Re Group, it is believed that with the support of the controlling shareholder and new partners, the Group can increase the size, quality and performance of its ownership portfolio.

In fact, as stated in the Tender Offer Document once more, CPI Property Group believes that, over the next two years, further capital increases in Nova Re could be carried out, with the support - in terms, in particular, of both notoriety in the reference sector and favourable vote - of CPI PG, which together with the capital increases envisaged in the Nova Re 2020 Sailing Fast Plan and further capital increases in kind could bring the GAV (gross asset value) to over €1.5 billion, thus placing Nova RE in a market position in line with its peers trading in Italy and Europe.

In any event, any capital increases to achieve these objectives, as indicated above, will also be carried out with the involvement of third-party investors other than CPI PG, in order to keep CPI PG's interest in Nova Re's share capital below 60%, so that it can maintain its SIIQ status.

To this end, in line with the current characteristics of the SIIQ market in Italy and at a European level, any capital increase operations will be mainly aimed at institutional investors, with the possibility of contributions in kind to Nova RE's capital of assets with features in line with the strategy and asset allocation defined from time to time within Nova RE's business plan.

With reference to financial structure, the transaction was completed in January and CPI Property Group S.A. confirmed its full willingness to support the consolidation and progressive expansion of Nova Re's business. The Company's financial structure has been strengthened in the medium-long term, laying the foundations for stable profitability in the future. Signing a loan agreement with the shareholder CPI Property Group has enabled the voluntary early repayment of the mortgage loan with Unicredit S.p.A. and is an important step towards the financial optimization of the Company, with a significant reduction in the average cost of debt, which was one of the strategic objectives in the 2020-2024 Business Plan. The target in terms of loan to value was confirmed at 40% with a maximum ceiling of 45%, in line with the 2020-2024 Business Plan. In this context, the Company has begun the process of updating its Business Plan, with the strategic objective of making Nova Re an efficient platform for real estate investment, significantly increasing its real estate portfolio and placing the Company in a market position in line with its *peers* that trade in Italy and Europe.

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At the end of this press release, the following information is provided in respect of the Nova Re Group's Consolidated Financial Statements for the year ended 31 December 2020:

- Consolidated Statement of Financial Position;
- Consolidated Statement of Profit/(Loss) for the year;
- Consolidated Statement of Other Comprehensive Income;
- Statement of Changes in Consolidated Shareholders' Equity;
- Consolidated Statement of Cash Flows.

At the end of this press release, the following information is provided in relation to the financial statements of Nova Re SIIQ S.p.A. as at 31 December 2020:

- Statement of Financial Position;
- Statement of Profit/(Loss) for the year;
- Statement of Other Comprehensive Income;
- Statement of Changes in Shareholders' Equity
- Cash-flow Statement.

The Annual Financial Report for the year ended 31 December 2020, together with the Reports of the Statutory Auditors and the Independent Auditors will be made available to the public by the opening of the markets on **6 April 2021** at the Company's registered office, on the Company's website at www.novare.it and on the authorised storage system 1Info at www.1info.it.

The Board of Directors also resolved to convene an **Extraordinary and Annual Shareholders' Meeting** on first call for **26 April 2021** and, if necessary, on second call for 27 April 2021 to pass resolutions, as regards the Extraordinary Meeting, on: (i) a proposal to revise and update the company's memorandum and articles of incorporation; and (ii) granting the Board of Directors the power to increase share capital by a maximum amount of Euro 2 billion, including any share premium, to be carried out in one or more tranches, by the date of shareholders' approval of the financial statements as at 31 December 2023 under article 2443 of the Italian Civil Code, even by excluding option rights under article 2441(4) and (5) of the Italian Civil Code.

Regarding the Annual Meeting, on: (i) the approval of the financial statements for the year ended 31 December 2020; (ii) the approval of the remuneration policy and advisory vote on the second section of the Report on remuneration policy and compensation paid; (iii) the renewal of the Board of Directors, subject to determination of the number of Directors, term of office and remuneration; (iv) the appointment of the Board of Statutory Auditors for the three-year period 2021-2023 and determination of the related remuneration; (v) the consensual early termination of the remit to Ria Grant Thornton S.p.A. for the remaining financial years 2021-2025 and conferral of a new remit as statutory auditors to the EY S.p.A company for the period 2021-2029, with definition of the related fee; as well as (vi) the renewal of the authorisation to purchase and dispose of treasury shares under articles 2357 and following of the Italian Civil Code, in addition to art. 132 of Law Decree no. 58 of 24 February 1998, subject to revocation of the resolution passed by the Shareholders' Meeting of 15 July 2020 since it has not been used.

The reasons for the proposal to renew the Shareholders' Meeting's authorisation to purchase and dispose of treasury shares, subject to revocation of the resolution passed by the Shareholders' Meeting of 15 July 2020, are stated in detail in the Board of Directors' Report on the relevant item on the agenda prepared under article 125-ter of Law Decree no. 58/98 ("**Consolidated Finance Act**"), to which reference is made. The proposal provides that: (i) the maximum number of shares that may be purchased for a period of 18 months from the date of the relevant shareholders' resolution shall not exceed one fifth of the share capital; (ii) purchases must be made in the manner required under applicable legislation, including European legislation, and/or by accepted market practices and/or by the guidelines adopted by the Supervisory Authority (so as to benefit, where applicable, from the protection afforded by EU Reg. No. 596/2014 or by accepted market practices), ensuring equal treatment among Shareholders; (iii) the purchase price of each of the treasury shares must be, as a minimum, not less than 20% lower and, as a maximum, not more than 20% higher than the official price

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recorded on the Mercato Telematico Azionario on the day prior to the purchase or the announcement of the transaction, depending on the technical procedures identified by the Board of Directors.

As of today's date, the Company holds 38,205 treasury shares.

As regards the proposal to grant the Board of Directors a power of attorney to increase the share capital by a maximum amount of Euro 2 billion, including any share premium, to be carried out also in divisible form, in one or more tranches, by the date of the shareholders' approval of the financial statements as at 31 December 2023, under article 2443 of the Italian Civil Code, also excluding option rights under article 2441(4) and (5) of the Italian Civil Code, it should be noted that the timing for the exercise of the power of attorney, in addition to the terms and conditions of any issues, will depend on actual opportunities that arise and will be communicated to the market in accordance with law and regulations as soon as they are determined by the new Board of Directors to be appointed by the Shareholders' Meeting of 26-27 April 2021.

For further information, reference should be made to the Reports of the Board of Directors on the items on the agenda prepared in accordance with art. 125-ter of the Consolidated Finance Act, which will be made available to the public as required by law at the Company's registered office, on the Company's website at www.novare.it and on the authorised storage system 1Info at the address www.1info.it.

Lastly, the Board of Directors approved the Report on Corporate Governance and Ownership Structure for the year 2020 prepared in accordance with art. 123-bis of the Consolidated Finance Act, the Remuneration Policy and the Report on Remuneration Policy and Compensation Paid in accordance with art. 123-ter of the Consolidated Finance Act, which will be made available to the public, together with the Annual Financial Report as at 31 December 2020, the Reports of the Board of Statutory Auditors and the Independent Auditors, as well as the lists of candidates presented for appointment to the Board of Directors and the Board of Statutory Auditors before the opening of the markets on **6 April 2021** at the registered office, on the Company's website at www.novare.it and on the authorised storage system 1Info at www.1info.it.

The notice of call and the related documentation required by current regulations will be made available to the public at the Company's registered office and published on the Company's website at the following address www.novare.it and on the authorised storage mechanism 1Info at the address www.1info.it in accordance with the law and the regulations; in compliance with the regulations in force, the notice of call will also be published in extracts in a daily newspaper.

* * *

The manager responsible for preparing the company financial reports for Nova Re S.p.A., Giovanni Cerrone, certifies - under art. 154-bis, par. 2 of the Consolidated Finance Act. - that the accounting information relating to the figures as at 31 December 2020, as reported in this press release, corresponds to the documented results, books and accounting records.

With reference to the data presented in this press release, it should be noted that these are figures on which the statutory audit has not been completed.

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CONSOLIDATED FINANCIAL STATEMENTS OF THE NOVA RE SIIQ S.P.A. GROUP

Consolidated Statement of Financial Position

(figures in Euro)

	31/12/2020	of which related parties	31/12/2019	of which related parties
ASSETS				
Non-current assets				
Investment properties	120.450.000	0	118.700.000	0
Other tangible assets	1.948.236	0	7.241	0
Rights of use	65.331	0	1.085.026	990.703
Intangible assets	112.218	0	56.872	0
Other non-current assets	2.373.995	0	1.426.901	0
Total non-current assets	124.949.780	0	121.276.040	990.703
Current assets				
Financial assets at fair value	3.186.000	3.186.000	13.622.416	5.041.000
Trade and other current receivables	2.216.317	0	1.460.394	30.278
Cash and cash equivalents	24.922.620	0	475.275	0
Totale attività correnti	30.324.937	3.186.000	15.558.085	5.071.278
TOTAL ASSETS	155.274.717	3.186.000	136.834.125	6.061.981
EQUITY				
Capital stock	63.264.528	0	37.274.898	0
Share premium reserve	22.931.342	0	22.931.342	0
Other reserves	11.753.268	0	11.356.543	0
Other items of comprehensive income	(17.327)	0	(18.127)	0
Profit/(Loss) carryforward	(3.240.216)	0	(3.574.960)	0
Profit/(Loss) for the period	(9.320.485)	0	371.137	0
Total Group Shareholders' Equity	85.371.110	0	68.340.833	0
Minorities' equity	0	0	0	0
Minorities Profit/(Loss) for the period	0	0	0	0
Minorities	0	0	0	0
TOTAL SHAREHOLDERS' EQUITY	85.371.110	0	68.340.833	0
LIABILITIES				
Non-current liabilities				
Staff leaving indemnity	248.578	0	153.823	0
Bank borrowings and other non-current lenders	11.601.050	0	59.946.988	725.077
Non-current derivatives	0	0	1.008.155	0
Trade payables and other non-current liabilities	313.170	0	629.695	0
Total non-current liabilities	12.162.798	0	61.738.661	725.077
Current liabilities				
Bank borrowings and other current lenders	53.190.505	0	2.622.451	277.728
Current derivatives	1.916.491	0	580.571	0
Trade payables and other current liabilities	2.633.814	270.666	3.551.608	409.912
Total current liabilities	57.740.809	270.666	6.754.631	687.640
TOTAL LIABILITIES	69.903.607	270.666	68.493.292	1.412.717
TOTAL EQUITY AND LIABILITIES	155.274.717	270.666	136.834.125	1.412.717

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Consolidated Statement of Profit/(Loss) for the Period

(figures in Euro)

	31/12/2020	of which related parties	31/12/2019	of which related parties
Rents	5.977.903	0	5.436.110	0
Net real estate operating expenses	(2.027.032)	(72.372)	(1.267.923)	(230.495)
Net rents	3.950.871	(72.372)	4.168.187	(230.495)
Personnel expenses	(1.738.863)	0	(1.643.099)	0
Salaries	(1.104.348)	0	(1.109.756)	0
Social contribution	(298.897)	0	(308.357)	0
Staff leaving indemnity accrual	(96.845)	0	(92.108)	0
Other personnel costs	(238.772)	0	(132.878)	0
Other G&A expenses	(1.646.757)	(595.471)	(2.187.018)	(769.648)
G&A expenses	(3.385.620)	(595.471)	(3.830.117)	(769.648)
Other income	50.085	0	87.827	0
Net depreciations	(160.264)	(97.981)	(433.214)	(283.056)
Fair value adjustment of financial assets*	(1.855.000)	(1.855.000)	(686.268)	(959.000)
Other expenses*	(318.015)	(13.792)	(278.972)	(15.208)
Total other income/(other expenses)	(2.283.194)	(1.966.773)	(1.310.627)	(1.257.264)
Positive fair value of investment properties	140.709	0	3.253.966	0
Negative fair value of investment properties	(4.439.521)	0	(50.000)	0
Net movement in fair value of investment properties	(4.298.812)	0	3.203.966	0
Net operating income	(6.016.755)	(2.634.616)	2.231.409	(2.257.407)
Net financial income/(expenses)	(3.864.720)	(115.142)	(2.028.183)	40.551
Profit before tax	(9.881.475)	(2.749.758)	203.226	(2.216.856)
Income taxes	560.990	0	167.911	0
Profit/(Loss) for the period	(9.320.485)	(2.749.758)	371.137	(2.216.856)
Profit for the Group	(9.320.485)	(2.749.758)	371.137	(2.216.856)
Minorities	0	0	0	0

* Fair value adjustment of financial assets has been reclassified from the caption Other expenses for the purpose of a better presentation

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Share Capital Euro 63,264,527.93 fully paid up. - Tax Code /VAT No./Company Registry No. 00388570426 - R.E.A. No. 1479336

Consolidated Statement of Other Comprehensive Income

(figures in Euro)

	31/12/2020	31/12/2019
Prift/(Loss) for the period	(9.320.485)	371.137
Change in cash flow hedge reserve	1.418.268	(82.747)
Actuaria gain/(loss)**	800	5.364
Total Other components of comprehensive income	1.419.068	(77.384)
Total comprehensive Profit/(Loss)	(7.901.417)	293.754

**items that will not be reclassified to Profit and loss

Consolidated Statement of Changes in Shareholders' Equity

(figures in Euro)

	Share capital	Share premium reserve	Fair value reserve	Legal reserve	Other reserves	Other components of comprehensive income	Profit/(Loss) carryforward	Profit/(Loss) for the period	Minorities' equity	Total
Saldo al 1/1/2019	35.536.700	34.206.006	982.200	51.695	(3.195.891)	(23.491)	(2.384.885)	1.932.401	0	67.104.736
Allocation of 2018 result	0	0	1.596.231	84.012	0	0	252.159	(1.932.401)	0	0
Allocation of share premium reserve	0	(12.243.618)	5.271.985	6.971.633	0	0	0	0	0	0
Capital increase	1.738.198	1.738.198	0	0	0	0	0	0	0	3.476.397
Distribution of extraordinary dividend	0	(769.244)	0	0	0	0	0	0	0	(769.244)
Costs for capital increase	0	0	0	0	(267.406)	0	0	0	0	(267.406)
Purchase of treasury stocks	0	0	0	0	(1.588.339)	0	0	0	0	(1.588.339)
Bonus shares allocation	0	0	0	0	1.477.912	0	(1.477.912)	0	0	(1.588.339)
Share based payments reserve	0	0	0	0	55.257	0	0	0	0	55.257
Other components of comprehensive income	0	0	0	0	(82.747)	5.364	0	0	0	(77.384)
Other movements	0	0	0	0	0	0	35.677	0	0	35.677
Result for the period	0	0	0	0	0	0	0	371.137	0	371.137
Total comprehensive Profit/(Loss) for the period	0	0	0	0	(82.747)	5.364	0	371.137	0	293.754
Minorities' equity	0	0	0	0	0	0	0	0	0	0
Minorities Profit/(Loss) for the period	0	0	0	0	0	0	0	0	0	0
Balance as at December 31, 2019	37.274.898	22.931.342	7.850.416	7.107.340	(3.601.214)	(18.127)	(3.574.960)	371.137	0	68.340.833
Balance as at January 1, 2020	37.274.898	22.931.342	7.850.416	7.107.340	(3.601.214)	(18.127)	(3.574.960)	371.137	0	68.340.833
Allocation of 2019 result	0	0	288.997	15.210	0	0	66.930	(371.137)	0	0
Capital increase	25.989.630	0	0	0	0	0	0	0	0	25.989.630
Costs for capital increase	0	0	0	0	(1.270.492)	0	0	0	0	(1.270.492)
Share based payments reserve	0	0	0	0	212.557	0	0	0	0	212.557
Cancellation of performance shares plan	0	0	0	0	(267.815)	0	267.815	0	0	0
Other components of comprehensive income	0	0	0	0	1.418.268	800	0	0	0	1.419.068
Result for the period	0	0	0	0	0	0	0	(9.320.485)	0	(9.320.485)
Total comprehensive Profit/(Loss) for the period	0	0	0	0	1.418.268	800	0	(9.320.485)	0	(7.901.417)
Minorities' equity	0	0	0	0	0	0	0	0	0	0
Minorities Profit/(Loss) for the period	0	0	0	0	0	0	0	0	0	0
Balance as at December 31, 2020	63.264.528	22.931.342	8.139.413	7.122.550	(3.508.695)	(17.327)	(3.240.216)	(9.320.485)	0	85.371.110

Nova Re SIQ S.p.A.

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Share Capital Euro 63,264,527.93 fully paid up. - Tax Code /VAT No./Company Registry No. 00388570426 - R.E.A. No. 1479336

Consolidated Cash-flow Statement

(figures in Euro)

	31/12/2020	of which related parties	31/12/019	of which related parties
Profit before taxes	(9.881.475)	(2.749.758)	203.226	(2.216.856)
Adjustments:				
Depreciations and amortizations	160.264	97.981	433.214	283.056
Net movement in fair value property	4.298.812	0	(3.053.966)	0
Net movement in fair value of financial instruments	1.855.000	1.855.000	686.269	959.000
Net financial (income)/expenses	3.864.720	115.142	2.028.183	(75.416)
Financial expenses paid	(223.967)	(6.210)	(2.301.894)	0
Financial income received	161.391	0	257.164	75.416
Fair value of performance share plan	212.557	0	55.257	0
Staff leaving indemnity accrual	96.845	0	92.108	0
Accrual bad debts reserve	188.018	0	0	0
Cash flow generated (absorbed) from operating activities	732.166	(687.845)	(1.600.439)	(974.800)
Taxes (net of deferred taxation)	39.603	0	28.674	0
Cash flow generated (absorbed) from operating activities before tax	771.769	(687.845)	(1.571.765)	(974.800)
Other assets/ Other liabilities	(2.584.824)	(73.190)	1.149.013	(27.335)
Change in trade receivables	19.674	0	(159.361)	(3.569)
Change in trade payables	(1.636.653)	(97.102)	1.191.051	(16.843)
Change in other current assets	(776.860)	23.912	123.467	(23.912)
Change in other current liabilities	988.499	0	(1.622)	16.989
Change in other non-current assets	(840.083)	0	(274.272)	0
Change in tax receivables	(27.233)	0	346.845	0
Change in tax payables	(406.923)	0	(117.376)	0
Change in Staff leaving indemnity	94.755	0	40.281	0
Cash flow before the investing and financing activities	(1.813.055)	(761.035)	(422.752)	(1.002.135)
<i>Investment/ divestment activities</i>				
(Increase)/decrease of intangible assets	(55.346)	0	(53.000)	0
(Increase)/decrease of other tangible assets	(241.130)	0	0	0
(Increase)/decrease of investment properties	(117.841)	0	(3.696.715)	0
(Increase)/decrease of financial instruments	792.067	0	1.626.178	0
<i>Financing activities</i>				
Purchase of treasury stocks	0	0	(1.588.339)	0
Dividends paid	0	0	(769.244)	0
Other changes in equity	(1.270.492)	0	(267.405)	0
Capital increase	25.989.630	25.989.630	0	0
Increase/(decrease) of financial debts	1.163.513	0	(2.364.891)	(270.954)
Cash and cash equivalents generated/(absorbed) during the period	24.447.345	25.228.595	(7.536.167)	(1.273.089)
Cash and cash equivalents at the beginning of the period	475.275		8.011.442	
Cash and cash equivalents at the end of the period	24.922.620		475.275	

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Share Capital Euro 63,264,527.93 fully paid up. - Tax Code /VAT No./Company Registry No. 00388570426 - R.E.A. No. 1479336

FINANCIAL STATEMENTS OF NOVA RE SIIQ S.P.A.

Statement of Financial Position

(figures in Euro)

	31/12/2020	of which related parties	31/12/2019	of which related parties
ASSETS				
Non-current assets				
Investment properties	115.050.000	0	111.950.000	0
Other tangible assets	1.948.236	0	7.241	0
Rights of use	65.331	0	1.085.026	990.703
Intangible assets	112.218	0	56.872	0
Investments	2.901.000	2.901.000	3.603.670	3.603.670
Other non-current assets	2.149.575	0	1.309.493	0
Total non-current assets	122.226.361	2.901.000	118.012.302	4.594.373
Current assets				
Financial assets at fair value	3.186.000	3.186.000	13.622.416	5.041.000
Trade and other current receivables	2.412.213	565.079	1.347.966	281.864
Cash and cash equivalents	24.903.181		475.273	0
Total current assets	30.501.394	3.751.079	15.445.655	5.322.864
TOTAL ASSETS	152.727.755	6.652.079	133.457.957	9.917.237
EQUITY				
Capital stock	63.264.528	0	37.274.898	0
Share premium reserve	22.931.342	0	22.931.342	0
Other reserves	11.753.268	0	11.356.543	0
Other items of comprehensive income	(17.327)	0	(18.127)	0
Profit/(Loss) carryforward	(3.637.639)	0	(3.905.454)	0
Profit/(Loss) for the period	(9.147.540)	0	304.208	0
TOTAL EQUITY	85.146.632	0	67.943.410	0
LIABILITIES				
Non-current liabilities				
Staff leaving indemnity	248.578	0	153.823	0
Bank borrowings and other non-current lenders	9.992.449	0	58.485.173	725.077
Non-current derivatives	0	0	1.008.155	0
Total non-current liabilities	10.241.027	0	59.647.151	725.077
Current liabilities				
Bank borrowings and other current lenders	52.912.956	0	1.899.590	277.728
Current derivatives	1.916.491	0	580.571	0
Trade payables and other current liabilities	2.510.649	266.471	3.387.235	409.912
Total current liabilities	57.340.096	266.471	5.867.396	687.640
TOTAL LIABILITIES	67.581.123	266.471	65.514.547	1.412.717
TOTAL EQUITY AND LIABILITIES	152.727.755	266.471	133.457.957	1.412.717

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Statement of Profit/Loss for the Year

(figures in Euro)

	31/12/2020	of which related parties	31/12/2019	of which related parties
Rents	5.391.986	0	4.850.193	0
Net real estate operating expenses	(1.899.888)	(72.372)	(1.159.401)	(230.495)
Net rents	3.492.098	(72.372)	3.690.792	(230.495)
Personnel expenses	(1.738.863)	0	(1.643.099)	0
Salaries	(1.104.348)	0	(1.109.756)	0
Social contribution	(298.897)	0	(308.357)	0
Staff leaving indemnity accrual	(96.845)	0	(92.108)	0
Other personnel costs	(238.772)	0	(132.878)	0
Other G&A expenses	(1.605.743)	(586.909)	(2.158.877)	(769.648)
G&A expenses	(3.344.605)	(586.909)	(3.801.976)	(769.648)
Other income	20.046	0	17	0
Net depreciations	(160.264)	(97.981)	(433.214)	(283.056)
Fair value adjustment of financial assets	(1.855.000)	(1.855.000)	(686.268)	(959.000)
Other expenses*	(310.035)	(13.792)	(212.373)	(15.208)
Total other income/(other expenses)	(2.305.253)	(1.966.773)	(1.331.838)	(1.257.264)
Positive fair value of investment properties	140.709	0	3.103.966	0
Negative fair value of investment properties	(3.089.521)	0	(50.000)	0
Net movement in fair value of investment properties	(2.948.812)	0	3.053.966	0
Net operating income	(5.106.572)	(2.626.054)	1.610.944	(2.257.407)
Net financial income/(expenses)	(4.534.548)	(814.737)	(1.643.167)	385.549
Profit before tax	(9.641.120)	(3.440.791)	(32.223)	(1.871.858)
Income taxes	493.580	0	336.431	0
Prift/(Loss) for the period	(9.147.540)	(3.440.791)	304.208	(1.871.858)

* Fair value adjustment of financial assets has been reclassified from the caption Other expenses for the purpose of a better presentation

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Statement of Other Comprehensive Income

(figures in Euro)

	31/12/2020	31/12/2019
Prift/(Loss) for the period	(9.147.540)	304.208
Change in cash flow hedge reserve	1.418.268	(82.747)
Actuarial gain/(loss)**	800	5.364
Total Other components of comprehensive income	1.419.068	(77.384)
Total comprehensive Profit/(Loss)	(7.728.472)	226.824

**items that will not be reclassified to Profit and loss

Statement of Changes in Equity

(figures in Euro)

Description	Share capital	Share premium reserve	Fair value reserve	Legal reserve	Other reserves	Other components of comprehensive income	Profit/(Loss) carryforward	Profit/(Loss) for the period	Total
Balance as at December 31, 2018	35.536.700	34.206.006	982.200	51.695	(3.195.891)	(23.491)	(2.427.542)	1.680.243	66.809.920
Allocation of 2018 result	0	0	1.596.231	84.012	0	0	0	(1.680.243)	0
Allocation of share premium reserve	0	(12.243.618)	5.271.985	6.971.633	0	0	0	0	0
Capital increase	1.738.198	1.738.198	0	0	0	0	0	0	3.476.397
Distribution of extraordinary dividend	0	(769.244)	0	0	0	0	0	0	(769.244)
Costs for capital increase	0	0	0	0	(267.406)	0	0	0	(267.406)
Purchase of treasury stocks	0	0	0	0	55.257	0	0	0	55.257
Bonus shares allocation	0	0	0	0	(1.588.339)	0	0	0	(1.588.339)
Share based payments reserve	0	0	0	0	1.477.912	0	(1.477.912)	0	0
Other components of comprehensive income	0	0	0	0	(82.747)	5.364	0	0	(77.384)
Result for the period	0	0	0	0	0	0	0	304.208	304.208
<i>Total comprehensive Profit/(Loss) for the period</i>					(82.747)	5.364	0	304.208	226.824
Balance as at December 31, 2019	37.274.898	22.931.342	7.850.416	7.107.340	(3.601.214)	(18.127)	(3.905.454)	304.208	67.943.410
Allocation of 2019 result	0	0	288.997	15.210	0	0	0	(304.208)	(1)
Capital increase	25.989.630	0	0	0	0	0	0	0	25.989.630
Costs for capital increase	0	0	0	0	(1.270.491)	0	0	0	(1.270.491)
Share based payments reserve	0	0	0	0	212.557	0	0	0	212.557
Cancellation of performance shares plan	0	0	0	0	(267.815)	0	267.815	0	0
Other components of comprehensive income	0	0	0	0	1.418.268	800	0	0	1.419.068
Result for the period	0	0	0	0	0	0	0	(9.147.540)	(9.147.540)
<i>Total comprehensive Profit/(Loss) for the period</i>					1.418.268	800	0	(9.147.540)	(7.728.472)
Balance as at December 31, 2020	63.264.528	22.931.342	8.139.413	7.122.550	(3.508.695)	(17.327)	(3.637.639)	(9.147.540)	85.146.632

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Cash-flow Statement

(figures in Euro)

	31/12/2020	of which related parties	31/12/2019	of which related parties
Profit before taxes	(9.641.120)	(3.440.791)	(32.223)	(1.871.858)
Adjustments:				
Depreciations and amortizations	160.264	97.981	433.214	283.056
Net movement in fair value property	2.948.812	0	(3.053.966)	0
Net movement in fair value of financial instruments	1.855.000	1.855.000	342.846	615.557
Net financial (income)/expenses	4.534.548	699.595	1.986.590	(75.416)
Financial expenses paid	(209.223)	(6.210)	(2.260.301)	0
Financial income received	161.391	0	257.164	75.416
Fair value of performance share plan	212.557	0	55.257	0
Staff leaving indemnity accrual	96.845	0	92.108	0
Accrual bad debts reserve	188.018	0	0	0
Cash flow generated (absorbed) from operating activities	307.093	(794.425)	(2.179.311)	(973.245)
Taxes (net of deferred taxation)	0	0	28.674	0
Cash flow generated (absorbed) from operating activities before taxes	307.093	(794.425)	(2.150.637)	(973.245)
Other assets/ Other liabilities	(2.523.273)	(383.608)	1.216.613	0
Change in trade receivables	19.674	0	(222.237)	(3.569)
Change in trade payables	(1.667.961)	(97.102)	1.175.909	(16.843)
Change in other current assets	(1.061.958)	(286.506)	126.031	(202.195)
Change in other current liabilities	963.689	0	20.197	16.989
Change in other non-current assets	(840.083)	0	(274.272)	0
Change in tax receivables	(21.964)	0	350.704	0
Change in tax payables	(9.425)	0	0	0
Change in Staff leaving indemnity	94.755	0	40.281	0
Cash flow before the investing and financing activities	(2.216.180)	(1.178.033)	(934.024)	(973.245)
<i>Investment/ divestment activities</i>				
(Increase)/decrease of intangible assets	(55.346)	0	(53.000)	0
(Increase)/decrease of other tangible assets	(241.130)	0	0	0
(Increase)/decrease of investment properties	(117.841)	0	(3.696.715)	0
(Increase)/decrease of financial instruments	792.067	0	1.626.178	0
<i>Financing activities</i>				
Purchase of treasury stocks	0	0	(1.588.339)	0
Dividends paid	0	0	(769.244)	0
Other changes in equity	(1.270.492)	0	(267.405)	0
Capital increase	25.989.630	25.989.630	0	0
Increase/(decrease) of financial debts	1.547.200	(68.790)	(1.853.619)	(270.954)
Cash and cash equivalents generated/(absorbed) during the period	24.427.908	24.742.807	(7.536.167)	(1.244.199)
Cash and cash equivalents at the beginning of the period	475.273		8.011.440	
Cash and cash equivalents at the end of the period	24.903.181		475.273	

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This press release is also available at www.novare.it in the Investor Relations section.

Nova Re Siiq Spa is a real estate investment company listed on the MTA segment of the Italian Stock Exchange.

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