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COMPANY INFORMATION

COMPANY OFFICERS

Board of Directors ¹

Gianni Mion ²
Chairman

Alessandro Benetton
Director

Christian Benetton
Director

Franca Bertagnin Benetton
Director

Sabrina Benetton
Director

Carlo Bertazzo
Director

Giovanni Costa
Director

Fabio Cerchiai ³
Director

Fabio Buttignon ⁴
Director

Marco Patuano ⁴
Director

¹ Appointed on June 24, 2019.

² Appointed Chairman on June 24, 2019.

³ Chairman whose term of office ended on June 24, 2019.

⁴ Director whose term of office ended on June 24, 2019.

In office until approval of the financial statements at December 31, 2019

General Manager ⁵

Carlo Bertazzo

⁵ Resigned on February 29, 2020.

Board of Statutory auditors

Angelo Casò
Chairman

Giovanni Pietro Cunial
Aldo Laghi
Auditors

Alberto Giussani
Maria Martellini ⁶
Alternate auditors

⁶ Auditor whose term of office ended on May 25, 2020.

In office until approval of the financial statements at December 31, 2019

Independent auditors

Deloitte & Touche S.p.A.

In office until approval of the financial statements at December 31, 2023

CORPORATE STRUCTURE

At December 31, 2019, the company Edizione S.r.l., fully owned by the Benetton family, held equity investments in the following industries: Transport Infrastructure, Digital Infrastructure, Food and Beverage, Clothing and Textiles, Real Estate and Agriculture and Financial Institutions. The simplified organisational chart of the main Group companies at December 31, 2019 was as follows:

EDIZIONE	100% Sintonia	▽30.25% Atlantia ¹	88.06% Autostrade per l'Italia	Transport Infrastructure	
			100% Autostrade dell'Atlantico		
			50% + 1 share Abertis		
			99.38% Aeroporti di Roma		
			62.50% Azzurra Aeroporti		64% Aéroports de la Côte d'Azur
			100% Telepass		
			▽23.86% Hochtief		
			▽15.49% Getlink		
		55% Connect	▽29.9% Cellnex Telecom		Digital Infrastructure
		100% Schematrentaquattro	▽50.10% Autogrill ²		Food and Beverage
	100% Benetton	100% Benetton Group	Clothing and Textiles		
		100% Olimpias Group			
	100% Edizione Property		Real Estate and Agriculture		
	100% Edizione Agricola	100% Maccarese			
		100% Compañía de Tierras Sud Argentino			
		100% Ganadera Condor			
	100% Schematrentatre	▽4% Assicurazioni Generali	Financial Institutions		
		▽2.10% Mediobanca			

▽ Listed company

¹ At December 31, 2019, Atlantia holds 0.94% of treasury shares

² At December 31, 2019, Autogrill holds 0.07% of treasury shares

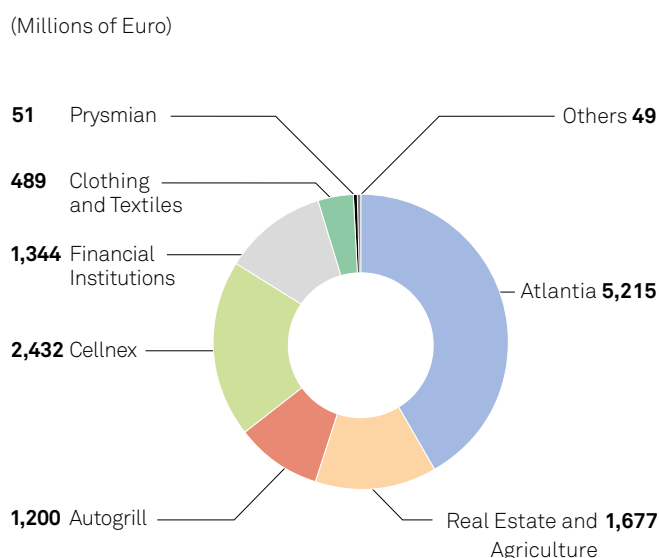
NET ASSET VALUE

The table below shows a breakdown of the Net Asset Value ("NAV") of Edizione at December 31, 2019, compared to the values at December 31, 2018.

(Millions of Euro)	12.31.2019		12.31.2018		Change
	Value	% / GAV	Value	% / GAV	Absolute
Atlantia	5,215	41.9%	4,495	46.6%	720
Cellnex	2,432	19.5%	977	10.1%	1,455
Autogrill	1,200	9.6%	987	10.2%	213
Assicurazioni Generali	1,157	9.3%	757	7.8%	400
Mediobanca	187	1.5%	141	1.5%	46
Prysmian	51	0.4%	20	0.2%	31
Listed companies	10,242	82.2%	7,377	76.5%	2,865
Real Estate and Agriculture	1,677	13.5%	1,669	17.3%	8
Clothing and Textiles	489	3.9%	561	5.8%	(72)
Others	49	0.4%	42	0.4%	7
Non-listed companies	2,215	17.8%	2,272	23.5%	(57)
Gross Asset Value ("GAV")	12,457	100%	9,649	100%	2,808
(Net Financial Indebtedness)/Net cash and cash equivalents	(134)		498		(632)
Net Asset Value	12,323		10,147		2,176

The total asset value at December 31, 2019 was determined by using the following valuation criteria:

- equity investments in listed companies are valued based on the arithmetic average of the closing prices, in the 20 trading days prior to the valuation date;
- equity investments in unlisted companies are valued at the purchase cost in the 12 months following acquisition. Subsequently, the equity investments are valued at the carrying value or the value corresponding to the pro-rata of the shareholders' equity, referring to the last statement of financial position available at the valuation date;
- investment properties are valued at market value, as determined by third-party and internal appraisals;
- net financial indebtedness includes the financial payables of Edizione S.r.l. and the 100% owned sub-holdings at the valuation date, minus cash and cash equivalents and liquid financial investments at the same date;
- assets and liabilities denominated in foreign currency are converted at the exchange rate at the date of calculation of the NAV.



DIRECTORS' REPORT

Dear Shareholders,

The financial statements for the year ended December 31, 2019, which we submit for your approval, show net income of Euro 208 million compared to income of Euro 171.9 million in 2018. Below is an analysis of the main events during the year.

MAIN EVENTS IN 2019

Reorganisation of the equity investments in the agricultural sector

On February 25, 2019, the Shareholders' Meeting of Edizione S.r.l. ("Edizione" or the "Company") approved the plan for demerger of the equity investments held directly and indirectly in the agricultural sector (Maccarese S.p.A. Società Agricola, Compañía de Tierras Sud Argentino S.A. and Ganadera Condor S.A.) in a newly established beneficiary company (Edizione Agricola S.r.l., hereinafter, "Edizione Agricola"). The demerger took effect on July 1, 2019.

Renewal of the Board of Directors

The Shareholders' Meeting of Edizione, held on June 24, 2019, appointed the new Board of Directors of the Company, which shall remain in office until the date of approval of the financial statements at December 31, 2019.

Capital increases of Benetton S.r.l.

On July 22, 2019, the Board of Directors of the Company resolved to subscribe and pay-in a capital increase of the subsidiary Benetton S.r.l., for an amount of Euro 100 million, which was carried out, effective August 1, 2019.

Capital increases of Connect S.p.A.

On March 6, 2019 the Shareholders' Meeting of the indirect subsidiary Connect S.p.A. ("Connect") resolved a capital increase of Euro 354 million, of which the pro-rata share of Sintonia S.p.A. ("Sintonia", the direct parent company of Connect) amounted to around Euro 212.4 million, for the purpose of underwriting the capital increase of Cellnex Telecom S.A. ("Cellnex") for a total of Euro 1.2 billion.

On October 15, 2019, the Shareholders' Meeting of the subsidiary Connect resolved an additional capital increase of Euro 747.4 million, of which Sintonia's pro-rata share amounted to around Euro 411.1 million, for the purpose of underwriting a new capital increase of Cellnex resolved on October 8, 2019, for a total of Euro 2.5 billion.

During 2019, Cellnex continued its development strategy, consolidating its position on key markets and also entering new markets.

Disposal of shares in Connect

As part of the shareholders' agreements signed by Sintonia and the shareholders of Connect, Infinity Investments S.A. ("Infinity") and Raffles Infra Holdings Limited ("Raffles"), Sintonia granted a call option to each of the two shareholders for each of them to separately purchase an additional share of 2.5% of the share capital of Connect. That call option was exercised by both shareholders, by the expiry date of July 31, 2019 and, as a result, Sintonia's equity investment in Connect amounts to 55% of the subsidiary's share capital.

Prysmian S.p.A.

In the first months of 2019, the Company continued purchases on the market of shares of Prysmian S.p.A. which began in December 2018. Specifically, in 2019 the Company acquired 6,614,018 shares of Prysmian S.p.A., amounting to 2.467% of the share capital, for an amount of Euro 120.6 million. Also considering the shares acquired at the end of the previous year, in total, Edizione acquired 7,776,183 shares, amounting to 2.9% of the share capital, for a total investment of Euro 140.3 million.

In December 2019, in light of the favourable trend in the share price, Edizione initiated the sale of the equity investment, which was completed in January 2020, realising a capital gain of Euro 23.8 million, of which Euro 16.3 million relating to the shares sold at December 31, 2019. At the same date, the Company still held 2,393,465 shares, amounting to 0.89% of the share capital of Prysmian S.p.A., for a fair value of Euro 50.7 million.

Purchases of Assicurazioni Generali shares

In the first months of 2019, the subsidiary Schematrentatre S.p.A. ("Schematrentatre") acquired on the market 10,670,000 shares of Assicurazioni Generali S.p.A. for an amount of Euro 161.3 million, increasing its equity investment to 4.001% of the share capital.

Italian Tax Authority Refunds

In December 2019 the Company, as the Parent Company of the companies participating in the National Consolidated Taxation System, received from the Italian Tax Authority a refund on IRES receivables for IRAP deductible pursuant to Decree Law 201/2011 for the years 2008 and 2009, for Euro 6.4 million, including interest. That amount was transferred to the companies in the National Consolidated Taxation System that had applied for the refund.

The accounting representation of results for 2019 was influenced by the adoption of the international accounting standard IFRS 16 from January 1, 2019. This accounting standard, which has had a significant impact on the representation of operating leases, provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the leased asset, and on the liabilities side, the lease liability determined on the basis of the net present value of future minimum guaranteed lease payments. Subsequently, the right-of-use asset is depreciated, while the lease liability accrues the corresponding financial charges.

This accounting model therefore entails a reduction in operating costs (lease payments) and an increase in depreciation and financial charges. Based on the standard, the variable component of leases is still recognized in operating expense in the reporting period.

The type of business conducted by the Company and the low amount of lease agreements resulted in a modest impact on the results for the year and on the statement of financial position.

Key figures from the reclassified income statement and financial structure of the Company are provided below to give a more immediate view of 2019 results.

RECLASSIFIED INCOME STATEMENT

The results of the reclassified income statements for 2019 and 2018 are shown below. To ensure better comparability of the operating results of the comparison year, the figures for 2019 were reconciled, highlighting the effects of the first-time adoption of the international accounting standard IFRS 16. The changes in the results were calculated by comparing the figures for 2018 with the “2019 excluding IFRS 16” figures.

(Millions of Euro)	2019	IFRS 16	2019 excluding IFRS 16	2018	Change	
					Absolute	%
Dividends from equity investments	227.2	-	227.2	186.6	40.6	21.8
Income from investment funds	-	-	-	5.6	(5.6)	(100.0)
Dividends and income from investment funds	227.2	-	227.2	192.2	35.0	18.2
Other revenues and income	0.8	-	0.8	0.8	-	-
Operating costs	(17.3)	(1.0)	(18.3)	(17.5)	(0.8)	4.6
Depreciation, amortisation and impairment	(1.0)	0.9	(0.1)	(0.1)	-	-
Net financial income/(charges)	0.8	0.2	1.0	2.1	(1.1)	(52.4)
Income taxes	2.2	-	2.2	4.0	(1.8)	(45.0)
Net operating income/(loss)	212.7	0.1	212.8	181.5	31.3	17.2
Fair value adjustment of investment funds	-	-	-	(2.2)	2.2	n.s.
Capital gains/(losses) from investment funds and equity investments	0.5	-	0.5	(7.3)	7.8	n.s.
Impairment of equity investments	(5.2)	-	(5.2)	(0.1)	(5.1)	n.s.
Income/(loss) for the year	208.0	0.1	208.1	171.9	36.2	21.1

The following is a detail of Dividends from equity investments collected in 2019 and 2018:

(Millions of Euro)	2019	2018	Change	
			Absolute	%
Schematrentaquattro S.p.A.	23.9	24.2	(0.3)	(1.2)
Sintonia S.p.A.	200.0	162.4	37.6	23.2
Prysmian S.p.A.	3.3	-	3.3	n.s.
Total	227.2	186.6	40.6	21.8

Dividends stood at Euro 227.2 million in 2019, compared to Euro 186.6 million in 2018.

The change is specifically attributable to the higher dividends distributed by the subsidiary Sintonia (Euro 37.6 million) and dividends distributed by Prysmian S.p.A. (Euro 3.3 million).

Other revenues and income refer to services rendered to Group companies.

Operating costs are summarised below in comparison with the previous year:

(Millions of Euro)						Change	
	2019	IFRS 16	2019 excluding IFRS 16	2018	Absolute	%	
Directors and Statutory auditors' emoluments	(5.1)	-	(5.1)	(3.8)	(1.3)	34.2	
Rents	(0.8)	(1.0)	(1.8)	(1.8)	-	-	
Payroll costs	(5.0)	-	(5.0)	(4.5)	(0.5)	11.1	
Donations	(2.2)	-	(2.2)	(2.2)	-	-	
Costs of services	(3.9)	-	(3.9)	(4.8)	0.9	(18.8)	
Other operating costs	(0.3)	-	(0.3)	(0.4)	0.1	(25.0)	
Total	(17.3)	(1.0)	(18.3)	(17.5)	(0.8)	4.6	

The change in Operating costs is substantially attributable to the increase in company officers' emoluments, following the one-off emoluments disbursed to a resigning director. That change is partially offset by a decrease in costs of services, specifically due to the reduction in costs for consulting and travel expenses.

Depreciation, amortisation and impairment increased due to the amortisation of the Rights of use recorded following the application of IFRS 16.

The change in Net financial income is attributable to the decrease in interest income on savings bonds.

Positive income taxes for 2019 of Euro 2.2 million are the estimated remuneration of the tax loss of the Company used in the National Consolidated Taxation System to offset the taxable amounts contributed by other companies participating in the consolidated taxation system. In the comparison year, positive income taxes for the year, amounting to Euro 4 million, also included the reversal of deferred taxes allocated on the fair value of the Quaestio Opportunity Fund units as a result of the liquidation of this fund in the previous year.

Fair value adjustment of investment funds includes the effect of the fair value measurement of the 21 Invest investment funds based on their Net Asset Value at year end.

Capital gains/(losses) from investment funds and equity investments refer to the income deriving from the liquidation of the subsidiary Schemaquattordici S.p.A. In the previous year, the amount referred to the capital loss realised following the liquidation of the residual 50% of the units held in Quaestio Opportunity Fund.

The Impairment of equity investments regards the subsidiaries Verde Sport S.r.l. (Euro 4.15 million) and San Giorgio S.r.l. (Euro 1.1 million) due to the adjustments to the carrying value at equity of the respective companies at year-end.

STATEMENT OF FINANCIAL POSITION

The financial structure at December 31, 2019 compared with that at December 31, 2018 is shown below. To ensure better comparability of the financial figures compared to the previous year, figures at December 31, 2019 were reconciled, highlighting the effects of the first-time adoption of the international accounting standard IFRS 16. The changes in the results were calculated by comparing the figures at December 31, 2018 with the "12.31.2019 excluding IFRS 16" figures.

(Millions of Euro)	12.31.2019	IFRS 16	12.31.2019 excluding IFRS 16	12.31.2018	Change
– Equity investments	3,507.3	-	3,507.3	3,413.5	93.8
– Other non-current securities and receivables	21.4	-	21.4	36.1	(14.7)
– Property, plant and equipment and intangible assets	9.0	(8.8)	0.2	0.2	-
Non-current assets	3,537.7	(8.8)	3,528.9	3,449.8	79.1
– Current receivables	18.4	-	18.4	23.0	(4.6)
– Current payables	(17.1)	-	(17.1)	(17.8)	0.7
Net working capital	1.3	-	1.3	5.2	(3.9)
Provisions and medium-term liabilities	(0.6)	-	(0.6)	(0.6)	-
Capital employed	3,538.4	(8.8)	3,529.6	3,454.4	75.2
Shareholders' equity	3,990.4	0.1	3,990.5	3,944.0	46.5
Net financial indebtedness/(Cash)	(452.0)	(8.9)	(460.9)	(489.6)	28.7
Source of financing	3,538.4	(8.8)	3,529.6	3,454.4	75.2

Equity investments

Equity investments at the end of 2019 were worth Euro 3,507.3 million, a net increase of Euro 93.8 million compared to December 31, 2018 (Euro 3,413.5 million).

Below are details of the movements in equity investments during the year:

(Millions of Euro)	
Value of equity investments at December 31, 2018	3,413.5
Purchase of Prysmian shares	120.6
Disposal of Prysmian shares	(113.4)
Capital gain on Prysmian	16.3
Fair value adjustments of Prysmian	7.5
Effects of demerger of agricultural activities	(35.5)
Capital increase of Benetton	100.0
Capital increase of Verde Sport	3.5
Impairment loss of Verde Sport	(4.2)
Impairment loss of San Giorgio	(1.1)
Value of equity investments at December 31, 2019	3,507.3

Other non-current securities and receivables

At December 31, 2019, the item included the fair value of investment funds.

Net financial indebtedness/(Cash)

The composition of Edizione's net financial position at the end of the year can be summarised as follows:

(Millions of Euro)	12.31.2019	12.31.2018	Change
Net cash and cash equivalents	(200.9)	(393.9)	193.0
Other current financial (assets)/liabilities	(259.1)	(94.8)	(164.3)
Other non-current financial (assets)/liabilities	(0.9)	(0.9)	-
Net financial indebtedness/(Cash) excluding IFRS 16	(460.9)	(489.6)	28.7
IFRS 16	8.9	-	8.9
Net financial indebtedness/(Cash)	(452.0)	(489.6)	37.6

At December 31, 2019 Edizione had net cash for Euro 460.9 million, compared to net cash of Euro 489.6 million at the end of 2018.

At December 31, 2019, Other current financial assets included intercompany current accounts held with the subsidiaries.

Shareholders' equity

At December 31, 2019, Shareholders' equity amounted to Euro 3,990.4 million (Euro 3,944.0 million at December 31, 2018).

During the year, dividends totalling Euro 150 million were distributed to the shareholders.

During 2019 the movements in the statement of comprehensive income included the capital gain deriving from the sale of shares held in Prysmian S.p.A., equal to Euro 16.3 million.

PERFORMANCE OF THE MAIN SUBSIDIARIES AND ASSOCIATES

The performance of the main group companies is briefly described below.

Sintonia S.p.A.

(controlling interest at December 31, 2019: 100%)

At December 31, 2019, Sintonia held equity investments in companies operating in Transport Infrastructure and Digital Infrastructure sectors which are headed by Atlantia and Connect, respectively.

Key figures of Sintonia for the year ended December 31, 2019 compared with those of the previous year are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Dividends and other income from equity investments	226.0	162.4	63.6	39.2
Other revenues and income	0.1	-	0.1	n.s.
Capital gains/(losses) from disposal of equity investments	0.7	(0.2)	0.9	n.s.
Operating costs	(0.3)	(0.2)	(0.1)	50.0
Net financial income/(charges)	(3.9)	(1.1)	(2.8)	n.s.
Income taxes	(0.1)	-	(0.1)	n.s.
Income for the year	222.5	160.9	61.6	38.3
	12.31.2019	12.31.2018	Change	
Shareholders' equity	3,504.7	3,482.2	22.5	
Net financial indebtedness/(Cash)	500.7	(0.7)	501.4	

Dividends and other income from equity investments received during 2019 include Euro 224.8 million for the dividend for 2018, equal to Euro 0.90 per share, whose distribution was resolved by the Atlantia S.p.A. ("Atlantia") shareholders' meeting in April 2019. That dividend was collected in May 2019. The residual amount refers to the dividend resolved by the Shareholders' Meeting of the subsidiary Connect in April 2019 and collected in October 2019.

In the previous year, the item fully referred to the 2017 final dividend, whose distribution was resolved by the Atlantia shareholders' meeting in April 2018.

The Capital gain from disposal of equity investments relates to the sale of 5% of the Connect shares in July 2019, as a result of the exercise of the call option granted by Sintonia to the two shareholders. In the previous year, the sale of 5% of Connect shares to the same shareholders had generated a capital loss of Euro 0.2 million.

The Net financial income/(charges) include interest charges accrued on the intercompany current account held with the holding company Edizione, interest charges on the amount of the Term Loan and Revolving Facility, the latter partially used during the year and commitment fees relating to said facility. During the previous year, in addition to the items commented on above, the item also included interest income on shareholders' loans that Sintonia granted the subsidiary Connect.

The change in Shareholders' equity includes the net income and dividends distributed (Euro 200 million) during the year.

At December 31, 2019, Sintonia had net financial indebtedness of Euro 500.7 million, compared to cash and cash equivalents for the previous year of Euro 0.7 million. The negative financial exposure is the result of obtaining financial resources to support the capital increases of the subsidiary Connect.

Atlantia S.p.A.

(controlling interest at December 31, 2019: 30.25% through the sub-holding Sintonia)

The following table shows key figures from the consolidated financial statements of the subsidiary Atlantia at December 31, 2019, compared with those of the previous year.

(Millions of Euro)	Consolidated financial statements		Change	
	2019	2018 ¹	Absolute	%
Revenues	11,630	6,916	4,714	68.2
EBITDA	5,727	3,768	1,959	52.0
Income/(Loss) for the year, group	136	775	(639)	(82.5)
	12.31.2019	12.31.2018¹	Change	
Shareholders' equity	14,903	16,686	(1,783)	
Net financial indebtedness/(Cash)	36,722	37,931	(1,209)	

¹ Figures for 2018 have been restated to reflect the completed accounting of the acquisition of the Abertis Infraestructuras group, which contributed to the results starting from the end of October 2018.

The income statement results of the Atlantia group for 2019 were specifically characterised by the contribution of the Abertis Infraestructuras group, which totalled 12 months compared to the two months of 2018, and by the provisions of Euro 1,500 million made by Autostrade per l'Italia linked to undertaking given to Italian Government to take on new financial commitments in form of toll discounts and contribution to development of the country's infrastructure, conditional on reaching agreed resolution of dispute initiated by Ministry of Infrastructure and Transport, following the event of August 14, 2018, that would ensure necessary financial sustainability of investment programme. Total cost of measures proposed by Autostrade per l'Italia amount to Euro 2,900 million, to be met entirely by the subsidiary.

It is noted that, at the date of preparation of the Annual Report for the year ended 31 December 2019, there are certain significant uncertainties surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, linked to the events of August 14, 2018 and the legislation introduced by Law 8 of February 28, 2020 (which has converted Law Decree 162/2019 of December 31, 2019, the so-called Milleproroghe legislation). Further uncertainty also surrounds Autostrade per l'Italia's and Atlantia's potential exposure to liquidity and financial risk resulting from the spread of the Covid19 pandemic, which has led many governments to limit the movement of people, with a major impact on traffic and revenue at the Atlantia group's main subsidiaries.

Moreover, in response to the uncertainty resulting from the approval of the Milleproroghe Decree, Atlantia's ratings were downgraded by the leading rating agencies (Moody's: Ba3 Outlook Negative, Fitch: BB Rating Watch Negative and Standard & Poor's: BB- Credit Watch Negative). This was accompanied by downgrades of the subsidiary, Autostrade per l'Italia, Aeroporti di Roma and Abertis Infraestructuras. The terms and conditions applicable to Atlantia's borrowings do not provide for early repayment in the event of a rating downgrade, while the downgrading of Autostrade per l'Italia's rating to subinvestment grade could result in the early repayment of several loans.

Connect S.p.A.

(controlling interest at December 31, 2019: 55% through the sub-holding Sintonia)

Connect was incorporated on May 23, 2018 as a vehicle to be used to make investments in the Digital Infrastructures sector. Key figures from the financial statements of Connect (owner of a 29.9% equity investment in Cellnex) for the year ended December 31, 2019 are summarised below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Dividends and other income from equity investments	8.0	3.7	4.3	n.s.
Operating costs	(0.5)	(0.1)	(0.4)	n.s.
Net financial income/(charges)	(0.1)	(1.4)	1.3	92.9
Income for the year	7.4	2.2	5.2	n.s.
	12.31.2019	12.31.2018	Change	
Shareholders' equity	2,598.4	1,491.8	1,106.6	
Net financial indebtedness/(Cash)	(5.6)	(5.5)	(0.1)	

Dividends and other income from equity investments refer to the dividend of Euro 0.03956 per share distributed by the associate Cellnex in July 2019 and the interim dividend for 2019 of Euro 0.03842 per share distributed in November 2019. In the previous year, the balance of the item referred to the interim dividend for 2018 distributed by Cellnex in November 2018.

Operating costs mainly refer to consulting fees and emoluments accrued to the Board of Statutory Auditors and to a director.

In 2018, Net financial charges accrued on loans granted by the shareholder Sintonia, for the purpose of acquiring the equity investment in Cellnex. That loan was fully repaid on October 12, 2018. The balance for 2019 includes the bank commissions for holding securities in custody and for the collection of dividends from the associate Cellnex.

Cellnex Telecom S.A.

(percentage held at December 31, 2019: 29.9% through the sub-holding Connect)

The following table shows key figures from the consolidated financial statements of the associated Cellnex at December 31, 2019 compared to those of the previous year.

(Millions of Euro)	Consolidated financial statements		Change	
	2019	2018	Absolute	%
Revenues	1,035	901	134	14.9
Adjusted EBITDA	686	591	95	16.1
Income/(Loss) for the year, group	(9)	(15)	6	40.0
	12.31.2019	12.31.2018	Change	
Shareholders' equity	5,051	615	4,436	
Net financial indebtedness/(Cash)	3,938	3,166	772	

The year 2019 marked an extreme transformation for Cellnex in terms of size and quality: after completing two share capital increases for a total amount of Euro 3.7 billion, Cellnex consolidated in key markets (Spain, Italy, the Netherlands, France, Switzerland and the United Kingdom) and entered two new countries, Ireland and Portugal.

Schematrentaquattro S.p.A.

(controlling interest at December 31, 2019: 100%)

Key figures from the financial statements of Schematrentaquattro, owner of a 50.1% interest in Autogrill S.p.A. ("Autogrill"), for the year ended December 31, 2019, compared with those of the previous year are summarised below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Dividends and other income from equity investments	25.5	24.2	1.3	5.4
Operating costs	(0.1)	(0.1)	-	-
Income taxes	(0.3)	(0.2)	(0.1)	(50.0)
Income for the year	25.1	23.9	1.2	5.0
	12.31.2019	12.31.2018	Change	
Shareholders' equity	977.2	975.9	1.3	
Net financial indebtedness/(Cash)	(23.0)	(22.1)	(0.9)	

Dividends and other income from equity investments refer to the dividends received from the subsidiary Autogrill.

Income taxes for the year were calculated on dividends received from the subsidiary Autogrill and financial income accrued from cash and cash equivalents.

At December 31, 2019, the cash and cash equivalents of Schematrentaquattro were comprised of the balance of the intercompany current account receivable from the holding company Edizione of Euro 21.8 million and the remainder of bank deposits.

Autogrill S.p.A.

(controlling interest at December 31, 2019: 50.1% through the sub-holding Schematrentaquattro)

The following table shows key figures from the consolidated financial statements of the subsidiary Autogrill at December 31, 2019 compared to those of the previous year.

(Millions of Euro)				Change	
	2019	2019 ^{ADJ}	2018	Absolute	%
Revenues	4,997	4,997	4,695	302	6.4
EBIT	337	306	150	156	n.s.
Income/(Loss) for the year, group	205	237	69	168	n.s.
	12.31.2019	12.31.2019^{ADJ}	12.31.2018	Change	
Shareholders' equity	936	969	741	228	
Net financial indebtedness/(Cash)	2,948	559	671	(112)	

^{ADJ} Adjusted as a result of the application of the international accounting standard IFRS 16, to enable comparison with the figures for 2018.

The accounting representation of results for 2019 was influenced by the application of the international accounting standard IFRS 16 from January 1, 2019, which resulted in an impact of Euro 31 million on the EBIT and Euro 2,389 million on Net financial indebtedness.

Revenues for 2019 grew as a result of the performance in airports, the main channel of operations of the group, and benefited from a positive exchange rate effect of Euro 132.6 million, primarily linked to the strengthening of the USD on the Euro.

Net income for the year benefited from the capital gains earned on the sales of assets in the motorway channel in Canada, the operations managed in the Czech Republic (Euro 165.6 million) and the improvement in operating performance.

Benetton S.r.l.

(controlling interest at December 31, 2019: 100%)

Benetton S.r.l. holds the equity investments in Benetton Group S.r.l. ("Benetton Group") and Olimpias Group S.r.l. ("Olimpias Group"), which head the Clothing and Textiles sectors, respectively.

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Dividends and other income	-	2.8	(2.8)	n.s.
Operating costs	(0.9)	(0.7)	(0.2)	(28.6)
Net financial income/(charges)	1.1	0.7	0.4	(57.1)
Impairment of equity investments	(90.0)	-	(90.0)	n.s.
Income/(Loss) for the year	(89.8)	2.8	(92.6)	n.s.
	12.31.2019	12.31.2018	Change	
Shareholders' equity	817.8	807.6	10.2	
Net financial indebtedness/(Cash)	(3.9)	(0.9)	(3.0)	

Benetton Group S.r.l. (controlling interest at December 31, 2019: 100% through the sub-holding Benetton S.r.l.)

Key figures from the consolidated financial statements of Benetton Group for the year ended December 31, 2019 are summarised below, with comparative figures from the previous year:

(Millions of Euro)	Consolidated financial statements			Change	
	2019	2019 ^{ADJ}	2018	Absolute	%
Revenues	1,148	1,148	1,230	(82)	(6.7)
EBIT	(86)	(98)	(96)	(2)	(2.1)
Income/(Loss) for the year, group	(138)	(128)	(115)	(13)	11.3
	12.31.2019	12.31.2019^{ADJ}	12.31.2018	Change	
Shareholders' equity	311	346	383	(37)	
Net financial indebtedness/(Cash)	765	124	91	33	

^{ADJ} Adjusted as a result of the application of the international accounting standard IFRS 16, to enable comparison with the figures for 2018.

Olimpias Group S.r.l. (controlling interest at December 31, 2019: 100% through the sub-holding Benetton S.r.l.)

Key figures from the consolidated financial statements of Olimpias Group for the year ended December 31, 2019 are summarised below, with comparative figures from the previous year:

(Millions of Euro)	Consolidated financial statements		Change	
	2019	2018	Absolute	%
Revenues	252	288	(36)	(13)
EBITDA	16	2	14	n.s.
Income/(Loss) for the year, group	(0.4)	(12.4)	12.0	96.8
	12.31.2019	12.31.2018	Change	
Shareholders' equity	178	178	-	
Net financial indebtedness/(Cash)	(40)	(2)	(38)	

Edizione Property S.p.A.

(controlling interest at December 31, 2019: 100%)

Key figures from the consolidated financial statements of Edizione Property S.p.A. for the year ended December 31, 2019 are summarised below, with comparative figures from the previous year:

(Millions of Euro)	Consolidated financial statements		Change	
	2019	2018 ¹	Absolute	%
Rental income	48.6	43.9	4.7	10.7
EBITDA	38.7	36.1	2.6	7.2
Income/(Loss) for the year, group	13.1	15.8	(2.7)	(17.1)
	12.31.2019	12.31.2018¹	Change	
Shareholders' equity	540.7	568.5	(27.8)	
Net financial indebtedness/(Cash)	365.7	221.1	144.6	

¹ The economic results and balance sheet items related to the agricultural sector have been reclassified respectively in a single line of the income statement and of the balance sheet in accordance with the provisions of the IFRS 5.

During the year, the program of real estate development continued with the finalisation of the purchase of a building in Rome for Euro 150 million. At December 31, 2019, the real estate assets consist of a portfolio of 107 properties in 15 countries worldwide.

In 2019, the Company earned property rental income of Euro 48.6 million from the management of real properties mainly intended for commercial use. Despite the positive performance of operations, income for the year decreased due to higher tax charges comparing the tax benefit of the previous year.

Edizione Agricola S.r.l.

(controlling interest at December 31, 2019: 100%)

The company was established in July 2019 as a result of the demerger of the equity investments in the agricultural companies held by Edizione and Edizione Property. Edizione Agricola S.r.l. wholly-owns the equity investments in

Maccarese S.p.A. Società Agricola ("Maccarese"), Compañía de Tierras Sud Argentino S.A. ("Cia de Tierras") and Ganadera Condor S.A. ("Ganadera"), and had a shareholders' equity of Euro 93.5 million.

Maccarese S.p.A. Società Agricola

(controlling interest at December 31, 2019: 100%, through the subholding Edizione Agricola)

Key figures of the company for the year ended December 31, 2019, compared with those of the previous year, are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Revenues	12.5	12.0	0.5	4.2
Income/(Loss) for the year	0.9	0.4	0.5	n.s.
	12.31.2019	12.31.2018	Change	
Shareholders' equity	33.7	32.8	0.9	
Net financial indebtedness/(Cash)	6.9	6.6	0.3	

Compañía de Tierras Sud Argentino S.A.

(controlling interest at December 31, 2019: 100%, through the subholding Edizione Agricola)

Key figures of the company for the year ended December 31, 2019, compared with those of the previous year, are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Revenues	8.3	9.7	(1.4)	(14.4)
Income/(Loss) for the year	3.3	0.6	2.7	n.s.
	12.31.2019	12.31.2018	Change	
Shareholders' equity	28.2	25.3	2.9	
Net financial indebtedness/(Cash)	2.5	2.3	0.2	

Ganadera Condor S.A. (controlling interest at December 31, 2019: 100%, through the subholding Edizione Agricola)

Key figures of the company for the year ended December 31, 2019, compared with those of the previous year, are shown below:

(Millions of Euro)	Consolidated financial statements		Change	
	2019	2018	Absolute	%
Revenues	10.3	7.7	2.6	33.8
Income/(Loss) for the year, group	1.0	0.9	0.1	11.1
	12.31.2019	12.31.2018	Change	
Shareholders' equity	11.8	10.9	0.9	
Net financial indebtedness/(Cash)	(1.4)	1.6	(3.0)	

Schematrentatre S.p.A.

(controlling interest at December 31, 2019: 100%)

Key figures of the company for the year ended December 31, 2019, compared with those of the previous year, are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	2018	Absolute	%
Dividends and other income from equity investments	65.3	49.2	16.1	32.7
Operating costs	(0.1)	(0.3)	0.2	(66.7)
Net financial income/(charges)	(0.2)	-	(0.2)	n.s.
Income taxes	(0.6)	(0.5)	(0.1)	20.0
Income for the year	64.4	48.4	16.0	33.1
	12.31.2019	12.31.2018	Change	
Shareholders' equity	1,229.5	879.9	349.6	
Net financial indebtedness/(Cash)	114.3	18.1	96.2	

At December 31, 2019, Schematrentatre holds 62,800,000 shares of Assicurazioni Generali S.p.A., amounting to 4.001% of the share capital and 18,625,029 shares of Mediobanca S.p.A., amounting to 2.10% of the share capital. Dividends and other income from equity investments comprise Euro 56.5 million for the dividends received from Assicurazioni Generali S.p.A. on May 22, 2019 and Euro 8.8 million received from Mediobanca S.p.A. in November 2019.

The Shareholders' equity also includes the change in the fair value of the Assicurazioni Generali S.p.A. and Mediobanca S.p.A. securities, which was a positive Euro 285.2 million in 2019. Net financial indebtedness is represented by the intercompany current account payable, held with Edizione, whose change was attributable to the purchases of Assicurazioni Generali S.p.A. shares during the year.

SIGNIFICANT EVENTS FOLLOWING THE END OF THE FINANCIAL YEAR

In January 2020, Edizione completed the sale of Prysmian S.p.A. shares, realising a total net capital gain of Euro 23.8 million, of which Euro 16.3 million recorded in the statement of comprehensive income for 2019.

On February 29, 2020, Carlo Bertazzo submitted his resignation from the position of General Manager of the Company and, starting on March 1, 2020, took on the position of General Manager of Atlantia S.p.A., of which he was appointed Chief Executive Officer on January 13, 2020.

On March 11, 2020, the Board of Directors of the Company decided to donate Euro 3 million to support the projects and needs of four hospitals, as concrete assistance for the emergency deriving from the spread of the Covid19 epidemic in Italy. The donation regards the hospitals Ca' Foncello in Treviso, Luigi Sacco in Milan, and Lazzaro Spallanzani and the Agostino Gemelli polyclinic in Rome. In Italy, Edizione's main operations are located in Treviso, the city of origin of the family, in Milan and in Rome.

On April 8, 2020, an agreement was signed with the subsidiary Benetton S.r.l. for a loan of Euro 100 million, which can be used in several tranches, has a term of 18 months and a 1% annual fixed rate. The repayment of principal and payment of interest are planned in a lump-sum on maturity.

OTHER INFORMATION

No research and development costs were incurred during the year given Edizione's activities as a holding company.

At December 31, 2019 Edizione owned no treasury shares, either directly or through trust companies or other intermediaries, and did not buy or sell any such shares during the course of the year.

The Directors have opted for the extended deadline of 180 days from the end of the year to hold the annual shareholders' meeting, as permitted by Art. 7 of the Company by-laws and by Art. 2364 of the Italian Civil Code. Extending the deadline was necessary to obtain all information for the preparation of the Group's consolidated financial statements.

For the following aspects, refer to the Notes to the separate financial statements:

- in Note 38 – Financial risk management, the financial risks of the Company are described;
- in Note 39 – Related party transactions, the Company's transactions with related parties are detailed.

OUTLOOK FOR 2020

Starting in January 2020, the domestic and international scenario was harshly impacted by the spread of the coronavirus and the resulting restrictive measures implemented by the public authorities in the countries concerned. These circumstances, which are extraordinary in terms of their nature and scope, had direct and indirect negative repercussions on economy activities, whose evolution and related effects cannot be predicted at this time. In that scenario marked by extreme uncertainty, the market value of equity securities recorded a sharply negative trend compared to the prices at the end of 2019. The restrictive measures imposed by the public authorities to contain the pandemic harshly impacted all sectors in which the Group operates. Those factors led all the subsidiaries to decide not to distribute dividends.

FINANCIAL STATEMENTS AT DECEMBER 31, 2019

STATEMENT OF FINANCIAL POSITION

(Euro)	12.31.2019	12.31.2018	Note
ASSETS			
Non-current assets			
Property, plant and equipment			1
Land and buildings	-	-	
Investment property	-	-	
Plant, machinery and equipment	47,801	79,367	
Furniture, furnishings and electronic equipment	158,088	105,862	
Other property, plant and equipment	-	-	
Assets under construction and advances	-	-	
Total property, plant and equipment	205,889	185,229	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	-	-	
Intangible assets of finite useful life	3,735	6,494	
Total intangible assets	3,735	6,494	
Right of use			3
Land and Buildings	8,698,872	-	
Other assets	56,219	-	
Total rights of use	8,755,091	-	
Other non-current assets			
Equity investments in subsidiaries	3,451,352,153	3,388,562,450	4
Equity investments in associates	5,229,976	5,229,976	5
Equity investments in other companies	50,685,212	19,697,348	6
Investment securities	21,329,187	15,961,855	7
Other non-current financial assets	887,560	21,031,891	8
Other non-current receivables	48,293	16,293	9
Deferred tax assets	-	3,859	10
Total other non-current assets	3,529,532,381	3,450,503,672	
Total non-current assets	3,538,497,096	3,450,695,395	
Current assets			
Inventories	-	-	
Trade receivables	297,458	119,717	11
Tax receivables	12,625,535	19,857,581	12
Other current receivables, accrued income and prepaid expenses	5,409,066	3,128,061	13
Other current financial assets	280,930,519	97,711,823	14
Other investments	-	-	
Cash and cash equivalents	200,929,906	393,948,497	15
Total current assets	500,192,484	514,765,679	
Assets held for sale	-	-	
TOTAL ASSETS	4,038,689,580	3,965,461,074	

(Euro)	12.31.2019	12.31.2018	Note
SHAREHOLDERS' EQUITY			
Share capital	1,500,000,000	1,500,000,000	16
Legal reserve	117,078,804	108,481,655	17
Fair value reserve	7,287,548	(222,759)	18
Other reserves	2,158,063,648	2,163,856,164	19
Income/(loss) for the year	207,975,660	171,942,965	
Total Shareholders' equity	3,990,405,660	3,944,058,025	
LIABILITIES			
Non-current liabilities			
Bonds	-	-	
Medium and long-term loans	-	-	
Other non-current liabilities	-	-	
Lease liabilities	7,996,641	-	20
Other non-current financial liabilities	-	-	
Provisions for employee benefits	571,792	549,691	21
Deferred tax liabilities	-	-	
Other non-current provisions and liabilities	-	-	
Total non-current liabilities	8,568,433	549,691	
Current liabilities			
Trade payables	480,735	906,806	22
Other payables, accrued expenses and deferred income	16,582,988	16,990,313	23
Tax payables	-	-	
Other current provisions and liabilities	-	-	
Current portion of bonds	-	-	
Current portion of medium and long-term loans	-	-	
Current portion of lease liabilities	854,243	-	20
Other current financial liabilities	21,797,521	2,956,239	24
Payables to banks	-	-	
Total current liabilities	39,715,487	20,853,358	
Liabilities held for sale	-	-	
Total liabilities	48,283,920	21,403,049	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,038,689,580	3,965,461,074	

INCOME STATEMENT

(Euro)	2019	2018	Note
Revenues	798,253	754,162	25
Other revenues and operating income	367	2,061	26
Payroll costs	(9,926,931)	(8,028,439)	27
Costs of services	(4,148,894)	(4,863,661)	28
Leases and rentals	(836,962)	(1,842,400)	29
Other operating costs	(2,404,415)	(2,578,953)	30
Depreciation of property, plant and equipment and amortisation of intangible assets and rights of use	(1,046,885)	(122,826)	31
Impairment of property, plant and equipment, intangible assets and rights of use	-	-	
Impairment of doubtful accounts	(42,198)	-	32
Provisions for risks	-	-	
Operating result	(17,607,665)	(16,680,056)	
Financial income	228,818,388	194,298,576	33
Impairment of equity investments and investment funds	(5,204,415)	(2,184,858)	34
Financial charges	(254,118)	(7,450,646)	35
Foreign currency hedging gains/(losses) and exchange differences	(816)	(1,506)	36
Income before taxes	205,751,374	167,981,510	
Income taxes	2,224,286	3,961,455	37
Profit/(loss) from assets held for sale and discontinued operations	-	-	
Income/(Loss) for the year	207,975,660	171,942,965	

STATEMENT OF COMPREHENSIVE INCOME

(Euro)	2019	2018
Income/(Loss) for the year	207,975,660	171,942,965
Income/(losses) from fair value measurement of equity investments	7,510,307	-
Capital gains/(losses) from disposal of equity investments valued at fair value	16,321,965	16,456,932
Total other comprehensive income for the year	23,832,272	16,456,932
Comprehensive income/(loss) for the year	231,807,932	188,399,897

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Euro)	Share capital	Legal reserve	Fair value reserve	Other reserves	Income/ (Loss) for the year	Total
Balance at 12.31.2017	1,500,000,000	85,681,655	78,999,438	1,863,295,185	377,681,848	3,905,658,126
Carry forward of 2017 income	-	22,800,000	-	354,881,848	(377,681,848)	-
Dividends distributed	-	-	-	(150,000,000)	-	(150,000,000)
Capital increases/ (reimbursements)	-	-	-	-	-	-
Other movements	-	-	(95,679,129)	95,679,131	-	2
Comprehensive income for the year	-	-	16,456,932	-	171,942,965	188,399,897
Balance at 12.31.2018	1,500,000,000	108,481,655	(222,759)	2,163,856,164	171,942,965	3,944,058,025
Carry forward of 2018 income	-	8,597,148	-	163,345,817	(171,942,965)	-
Dividends distributed	-	-	-	(150,000,000)	-	(150,000,000)
Capital increases/ (reimbursements)	-	-	-	-	-	-
Demerger	-	-	-	(35,460,297)	-	(35,460,297)
Other movements	-	1	-	(1)	-	-
Comprehensive income for the year	-	-	7,510,307	16,321,965	207,975,660	231,807,932
Balance at 12.31.2019	1,500,000,000	117,078,804	7,287,548	2,158,063,648	207,975,660	3,990,405,660

CASH FLOW STATEMENT

(Euro)	2019	2018
Operating activities		
Income/(Loss) for the year	207,975,660	171,942,965
Income taxes	(2,224,286)	(3,961,455)
Income before taxes	205,751,374	167,981,510
Adjustments:		
- depreciation and amortisation	1,046,885	122,826
- impairment of doubtful accounts	-	-
- provisions for employee termination indemnities	265,745	240,281
- income from investment funds	-	(5,599,608)
- dividends from subsidiaries	(223,891,045)	(186,590,000)
- dividends from other companies	(3,343,759)	-
- impairment of equity investments and investment funds	5,250,000	170,606
- (capital gains)/losses from sale of investment funds	-	7,260,600
- fair value adjustments	(45,585)	2,184,858
- net financial (income)/charges	(1,329,466)	(2,081,200)
Cash flow from operating activities before changes in working capital	(16,295,851)	(16,310,127)
Cash flow provided/(used) by changes in working capital	7,685,706	(1,287,714)
Cash flow provided/(used) by changes in non-current assets and liabilities	(28,141)	198,386
Payment of taxes	-	-
Payment of employee termination indemnities	(243,644)	(323,052)
Net interest received/(paid)	822,617	2,091,385
Cash flow provided/(used) by operating activities	(8,059,313)	(15,631,122)
Investing activities		
Operating investments	(118,232)	(36,787)
Operating divestments	-	-
(Purchase)/disposals of equity investments	(8,677,110)	(417,570,627)
(Investments)/divestments in investment funds	(5,321,746)	(4,643,383)
Capital increases	(103,500,000)	(958,500,000)
Liquidation of investment funds	-	254,751,900
Dividends from subsidiaries, from equity investments and from investment funds	227,234,804	192,189,608
Cash flow generated/(used) by investing activities	109,617,716	(933,809,289)
Financing activities		
Change in Shareholders' equity	-	-
New medium and long-term loans	-	-
Repayment of medium and long-term loans	-	-
Net changes in other sources of financing	(144,576,994)	(129,387,020)
Dividend payments and distribution of capital reserves	(150,000,000)	(150,000,000)
Cash flow provided/(used) by financing activities	(294,576,994)	(279,387,020)
Net increase/(decrease) in cash and cash equivalents	(193,018,591)	(1,228,827,431)
Cash and cash equivalents at the beginning of the period	393,948,497	1,622,775,928
Cash and cash equivalents at the end of the period	200,929,906	393,948,497

NOTES TO THE FINANCIAL STATEMENTS

Company profile

Set up in 1981, Edizione S.r.l., wholly-owned by the Benetton family, at December 31, 2019 held controlling and non-controlling interests in companies operating in the following business segments:

- Transport Infrastructure,
- Digital Infrastructure,
- Food and Beverage,
- Clothing and Textiles,
- Real Estate and Agriculture, and
- Financial Institutions.

The Company's registered office is in Piazza del Duomo 19, Treviso, Italy and it has a branch in Corso di Porta Vittoria 16, Milan, Italy. The Company's duration is currently set to December 31, 2050.

These financial statements for the year ended at December 31, 2019 were approved by the Company's Board of Directors at the meeting of May 18, 2020.

As the Company holds controlling interests in other companies, it also prepares the consolidated financial statements of the Group, published along with these separate financial statements.

Form and content of the financial statements

The financial statements at December 31, 2019 have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and approved by the European Commission in force at the reporting date, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as well as the previous International Accounting Standards (IAS) and the interpretations of the Standard Interpretations Committee (SIC) still in force at that date.

These financial statements are composed of the accounting statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement) and these Notes, applying that set out in IAS 1 "Presentation of Financial Statements" and the general principle of historical cost, with the exception of financial statement items which, in accordance with IFRS, are measured at fair value, as specified in the individual accounting policies. The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense. The statement of cash flows has been prepared in application of the indirect method. The IFRSs were applied in line with the indications provided in the Framework for the Preparation and Presentation of Financial Statements, and no critical issues arose which required the use of exceptions pursuant to IAS 1. The statement of financial position, income statement, statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement are presented in Euros. The Notes are presented in thousands of Euros, save for where otherwise indicated. The Euro is both Edizione's functional currency and the currency of presentation of the financial statements.

Each item in the accounting statements is compared to the corresponding value for the previous year.

In addition to that illustrated in the Directors' Report on Operations, in 2019, as in 2018, no atypical or unusual transactions were implemented, either with third parties or with related parties, with significant effects on the economic-financial data of the Company.

Accounting standards and policies

International Accounting Standards

For preparation of its annual financial statements, the Company has used the International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union and the interpretations issued thereby (IFRIC and SIC). IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standard Interpretations Committee (SIC).

The financial statements of the Company for 2019 and of the years set as comparisons were prepared in accordance with the aforesaid standards and interpretations.

Application of IFRSs

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on January 1, 2019:

Details	IASB adoption	EU adoption
IFRS 16 – Leases	January 1, 2019	October 31, 2017
Amendments to IFRS 9: Prepayment Features with Negative Compensation	January 1, 2019	March 22, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 1, 2019	October 23, 2018
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	January 1, 2019	February 8, 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	January 1, 2019	March 13, 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019	March 14, 2019

IFRS 16 introduces a comprehensive accounting model in which the lessee shall recognise the assets and the liabilities deriving from each lease arrangements with more than 12 months duration, recognising in profit or loss the amortisation of the right of use of the asset and the financial charges connected with the liability. This standard does not apply to service agreements.

The new standard requires the recognition of assets and liabilities for all existing leases (which implies the determination of the net present value at January 1, 2019, by discounting guaranteed minimum fixed payments).

The Company applied the option to adopt that standard using the modified retrospective approach. Note that the rate used by the Company to discount future rentals (“average weighted incremental borrowing rate”) applied to the financial liabilities recognised as at January 1, 2019 is 2.5%.

The Company applied the exemption granted by IFRS 16 concerning lease agreements with an underlying low-value asset (i.e. the single asset underlying the lease agreement does not exceed the value of Euro 5,000, when new). Agreements for which the exemption was applied generally fall within the following categories:

- computers, telephones and tablets;
- printers;
- other electronic devices.

For these agreements, the introduction of IFRS 16 did not result in the recognition of lease liabilities or the related rights of use; rather, the lease rentals are recognised in the income statement on a straight-line basis for the duration of the respective agreements, under the item “other costs” of the consolidated income statement.

Moreover, with regard to the transition rules, the Company applied the following practical expedients when choosing the modified retrospective approach:

- excluding initial direct costs from the measurement of the right of use at January 1, 2019;
- use of the information present at the transaction date to determine the lease term, with specific reference to the exercise of the extension option and of early closing.

At January 1, 2019, the Company recorded an increase of around Euro 8.9 million in the net financial position and an increase in non-current assets of the same amount.

As regards the other standards, no significant material effects on the Company’s statement of financial position are expected.

There are no accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on January 1, 2019.

Below are the new accounting standards and the respective applications, not yet endorsed by the European Union, which may in the future be applied:

Details	IASB adoption	EU adoption
IFRS 17 Insurance Contracts	January 1, 2021	May 2017
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020	March 2018
Amendments to IFRS 3: Definition of a Business	January 1, 2020	October 2018
Amendments to IAS 1 and IAS 8: Definition of Material	January 1, 2020	October 2018
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	January 1, 2020	September 2019

Accounting policies

The most important accounting standards and policies applied in preparing the separate financial statements at December 31, 2019 are described below.

These financial statements have been prepared on a going concern basis, matching costs and revenues to the accounting periods to which they pertain and applying the historical cost principle to all items except those that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies. The statement of financial position follows the format whereby assets and liabilities are split into current and non-current, while in the income statement, costs are grouped by nature. The cash flow statement has been prepared using the indirect method.

Property, plant and equipment

These are recognised at purchase cost, including directly attributable ancillary expenses.

The value of property, plant and equipment, determined as indicated above, whose use is limited in time, is depreciated on a straight-line basis each year, over its useful life.

The residual value and useful life of an asset is reviewed at least at every financial year-end; if, regardless of depreciation already recorded, an impairment loss occurs according to the rules of IAS 36, the asset is correspondingly written down in value. If, in subsequent years, the reasons for the impairment no longer exist, the asset's value is written back.

Property, plant and equipment is derecognised on sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and/or the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets

Intangible assets are measured initially at cost, normally defined as their purchase price, inclusive of any ancillary charges.

After initial recognition, intangible assets are carried at cost, less accumulated amortisation and any accumulated impairment losses calculated in accordance with IAS 36.

Intangible assets are amortised unless they have indefinite useful lives.

Amortisation, which starts from the time the intangible asset starts producing the related economic benefits, is applied systematically over the intangible asset's useful life according to the estimated future economic use.

Right of use

The right of use is recognised in assets on the commencement date of the lease agreement, i.e. the date on which a lessor makes the underlying asset available to the lessee.

That item is initially measured at cost, and includes the initial valuation of the lease liabilities, the lease payments made prior to or at the commencement date of the agreement and any other initial direct cost. The item may be subsequently adjusted further in order to reflect any recalculations of the lease assets/liabilities.

The right of use is amortised on a straight-line basis each year at the lower of the contractual duration and the residual useful life of the underlying asset. Amortisation is begun at the commencement date of the lease.

In the event that, irrespective of the amortisation previously recorded, impairment arises, determined in accordance with the criteria described in the principle of burdensome contracts, the asset is proportionately written down.

Equity investments

Equity investments in subsidiaries, associates and joint ventures are carried at cost, including directly attributable ancillary expenses. The cost is adjusted for any impairment, in accordance with the criteria set out in IAS 36. The value is subsequently restored if the reasons for the adjustments no longer apply, without exceeding the original cost of the equity investment.

The investment in Benetton Group S.p.A. (currently Edizione Property S.p.A.) was revalued in 1983 in compliance with Law 72 of March 19, 1983, using the indirect method. The remaining revaluation amounts to Euro 431,218 and is included in the cost of the following investments:

- Edizione Property S.p.A. Euro 51,965
- Benetton S.r.l. Euro 379,253

Equity investments in other companies, classified in the residual category envisaged by IFRS 9, are measured at fair value through profit or loss. In the event of investments in equity instruments not held for trading, on initial recognition, the entity may irrevocably choose to measure these at fair value, recognising the subsequent changes in the statement of comprehensive income. If the fair value cannot be reliably measured, equity investments are valued at cost, net of impairment losses.

Held for sale investments or those acquired as a temporary investment are recognised at the lower of their carrying value and fair value, less any costs to sell.

Financial assets

Classification and related measurement of financial assets is carried out considering both the management model and the contractual characteristics of the cash flows obtainable from those assets.

Financial assets are measured at amortised cost, where the objective is to hold them for the purpose of collecting the cash flows generated at pre-set dates.

Financial assets are measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset to obtain its related contractual cash flows or to sell it.

Lastly, there is the residual category of financial assets measured at fair value through profit or loss, which includes assets held for trading.

Trade receivables

Receivables are initially recognised at fair value and are subsequently stated at amortised cost, using the effective interest rate method, net of impairment losses recorded in specific provisions for doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Cash and cash equivalents

These include cash, current accounts at banks and post offices, demand deposits, and other short-term financial investments that are highly liquid, easily convertible to cash, and subject to insignificant risk of change in value. They are stated at nominal value.

Trade payables

Payables are initially recorded at cost, which corresponds to fair value, net of directly attributable transaction costs.

They are subsequently recognised at amortised cost, using the original effective interest rate method.

The implicit interest component included in medium/long-term payables is recorded separately using an appropriate market rate.

Financial liabilities

Financial liabilities are divided into three categories:

- liabilities acquired with the intention of making a profit from short-term price fluctuations or that are part of a portfolio held for short-term profit. These are recorded at fair value, with the related gains and losses recognised in the income statement;
- other liabilities (bank overdrafts, loans, bonds, bank mortgages), which are initially recorded at fair value, on the basis of the amounts received net of transaction costs, and are subsequently stated at amortised cost using the effective interest rate method;
- convertible bonds, which are financial instruments comprised of a liability component and an equity component. The fair value of the liability component is estimated as of the issue date using the going market interest rate for similar, non-convertible bonds. The difference between the net amount raised by the issue and the fair value assigned to the liability component, which represents the implicit option to convert the bonds into shares of the Company, is posted to shareholders' equity under other reserves.

Employee benefits

All employee benefits are recognised and disclosed on an accruals basis.

Due to changes in the system of employee termination indemnities (Trattamento di fine rapporto or TFR) for Italian companies brought about by Law no. 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "Social Security Reform"), the Company has adopted the following accounting rules:

- TFR accrued at December 31, 2006 is treated as a defined-benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognised in the period when the right matures;
- TFR accrued from January 1, 2007 is treated as a defined-contribution plan, so contributions accrued during the period are fully recognised as costs and shown as a liability under employee termination indemnities and other employee benefit provisions.

Financial income and charges

Interest income and charges are recorded on a time-proportion basis.

Dividends

Dividends are recorded when the shareholders' right to receive payment is established, following a resolution by the shareholders of the investee company.

Expense recognition

Costs and expenses have been recognised according to the accrual principle.

Recoveries of costs borne on behalf of others are recognised as a deduction from the related cost.

Income taxes

Taxes recognised in the income statement represent the amount of current income taxes and deferred taxes.

The charge for income taxes pertaining to the year is determined based on current regulations, and is recorded in the income statement, with the exception of that relating to items directly debited from or credited to shareholders' equity (in those cases, the taxes are directly recognised in shareholders' equity).

Deferred taxes are recorded on temporary differences between statement of financial position values and the corresponding values recognised for tax purposes and in relation to the fiscal deferral or deductibility of revenues and costs.

Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carry forward of unused tax losses. The carrying value of deferred tax assets is reviewed at every reporting date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset.

Deferred tax liabilities, save for specific exceptions, are always recognised.

Deferred tax assets and liabilities are calculated using tax rates which are expected to apply in the year when the asset is realised or the liability settled, using the tax rates and tax regulations which are in force at the reporting date.

Tax assets and liabilities for current taxes are only offset if there is a legally enforceable right to set off the recognised amounts and if it is intended to settle or pay on a net basis or to realise the asset and settle the liability simultaneously.

It is possible to offset deferred tax assets and liabilities only if the deferred balances refer to taxes levied by the same tax authorities, and if the Company is able to offset the current tax balances.

Since 2007 the Company has adopted, as the Consolidating Company, the National Consolidated Taxation System (pursuant to Art. 114 et seq. of the Consolidated Income Tax Act – TUIR). The Group taxation option is currently binding for the three-year period from 2019 to 2021.

Participation in the National Consolidated Taxation System entails the recognition in the financial statements of receivables and payables from and to the fiscally consolidated companies in view of the respective positive and negative taxable amounts transferred by them. Equally transferred are the amounts referred to tax credits, to withholding taxes and advances autonomously paid by the subsidiaries.

Transactions among the companies participating in the Tax Consolidation are governed by a set of “Regulations” signed by all participants.

At December 31, 2019, the following companies participated in the National Consolidated Taxation System:

1	Benetton S.r.l.	13	Autogrill Advanced Business Services S.p.A.
2	Benetton Group S.r.l.	14	Autogrill Europe S.p.A.
3	Retail Italia Network S.r.l.	15	Autogrill Italia S.p.A.
4	Benetton Servizi S.r.l.	16	Nuova Sidap S.r.l.
5	Villa Minelli società agricola a r.l.	17	Schematrentatre S.p.A.
6	Fabrica S.r.l.	18	Sintonia S.p.A.
7	Ponzano Children S.r.l.	19	Schematrentaquattro S.p.A.
8	Verde Sport S.r.l.	20	Edizione Property S.p.A.
9	Olimpias Group S.r.l.	21	Property Due S.r.l.
10	Maccarese S.p.A. Società Agricola	22	Edizione Alberghi S.r.l.
11	San Giorgio S.r.l.	23	Edizione Agricola S.r.l.
12	Autogrill S.p.A.		

Estimates and measurements

As envisaged by the IFRS, the preparation of the financial statements requires the creation of estimates and measurements that are reflected in the determination of the carrying values of assets and liabilities, as well as in the related information provided in the notes, also with regard to potential assets and liabilities existing at the end of the year. Those estimates are mainly used for determining depreciation and amortisation, the fair value of financial assets and liabilities and current taxes and deferred tax assets and liabilities.

The actual results subsequently recognised could thus differ from those estimates. Therefore, the estimates and measurements are revised and updated periodically and the effects of all of their changes are immediately reflected in the financial statements.

Cash flow statement

In compliance with IAS 7, the cash flow statement, prepared using the indirect method, reports the Company's ability to generate "cash and cash equivalents". Other cash equivalents comprise short-term highly liquid financial investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity, that is when the original maturity is shorter than three months.

Bank overdrafts qualify as borrowings, unless they are payable on demand and form an integral part of an enterprise's cash and cash equivalents management, in which case they are classified as a component of cash and cash equivalents. Cash and cash equivalents included in the cash flow statement comprise the statement of financial position amounts for this item at the reporting date. Cash flows in foreign currencies are translated at the average exchange rate for the period. Income and expenses relating to interest, dividends received and income taxes are included in cash flow from operating activities.

In the Company's layout, the following are reported separately:

- operating cash flow: cash flow from operating activities is presented using the indirect method; this method adjusts income for the year for the effects of items which did not result in cash outflows or generate liquidity (i.e. non-cash transactions);
- investing cash flow: investing activities are reported separately, in part because they are indicative of investments/divestments aimed at the future generation of revenues and positive cash flows;
- financing cash flow: financing activities consist of the cash flows which determine a change in the size and composition of shareholders' equity and loans granted.

COMMENTS ON ASSET ITEMS

(All figures in thousands of Euro)

NON-CURRENT ASSETS

1 – Property, plant and equipment

The gross value, accumulated depreciation and impairment, and net value of the property, plant and equipment are detailed below:

(Thousands of Euro)	12.31.2019			12.31.2018		
	Gross value	Accumulated depreciation and impairment	Net value	Gross value	Accumulated depreciation and impairment	Net value
Land and buildings	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Plant, machinery and equipment	352	(304)	48	339	(259)	80
Furniture, furnishings and electronic equipment	1,407	(1,249)	158	1,313	(1,208)	105
Other property, plant and equipment	-	-	-	-	-	-
Assets under construction and advances	-	-	-	-	-	-
Total	1,759	(1,553)	206	1,652	(1,467)	185

The following table reports changes in 2019 and in 2018 in property, plant and equipment, stated net of accumulated depreciation.

(Thousands of Euro)	Land and buildings	Investment property	Plant, machinery and equipment	Furniture, furnishings and electronic equipment	Other property, plant and equipment	Assets under construction and advances	Total
Balance at 12.31.2017	-	-	137	122	-	-	259
Additions	-	-	-	37	-	-	37
Disposals	-	-	-	(1)	-	-	(1)
Depreciation	-	-	(57)	(53)	-	-	(110)
Impairment	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
Balance at 12.31.2018	-	-	80	105	-	-	185
Additions	-	-	13	106	-	-	119
Disposals	-	-	-	-	-	-	-
Depreciation	-	-	(45)	(53)	-	-	(98)
Impairment	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
Balance at 12.31.2019	-	-	48	158	-	-	206

2 — Intangible assets

The balance of this item at December 31, 2019 decreased compared to the previous year due to the annual amortisation charges.

3 — Right of use

The entry into force of the new accounting standard IFRS 16 resulted in the recognition of a new asset in the financial statements, representing the rights of use of assets due to the lease agreements signed by the Company.

The Company has three rental agreements in force at the locations of its offices in Treviso, Milan and Rome. In particular:

- the agreement for the Treviso offices has a duration of six years, up to December 31, 2022, which can be renewed for a further six years, and a fixed annual rental in addition to the variable expenses;
- the lease agreement for the Milan offices has a duration of six years, up to October 31, 2022, which can be renewed for a further six years, and a fixed annual rental in addition to the variable expenses;
- the agreement for the Rome offices started on July 1, 2019 and ends on June 30, 2025, can be tacitly renewed for a further six years, and has a fixed annual rental, in addition to the variable expenses.

The Company also has five long-term rental agreements for automobiles used by employees. These agreements have a duration of four years and entail the payment of a fixed monthly rental.

The movements during the year in rights of use are shown below:

(Thousands of Euro)	Land and buildings	Other assets	Total
Balance at 01.01.2019	8,236	89	8,325
Additions	1,654	-	1,654
Disposals	-	-	-
Amortisation	(913)	(33)	(946)
Other movements	(278)	-	(278)
Balance at 12.31.2019	8,699	56	8,755

The increases refer to the value of the rights of use relating to the lease agreement for the Rome offices, signed in 2019, while other movements recognise the reduction in the rights of use for a residential lease agreement subject to early termination during the year.

4 – Equity investments in subsidiaries

The movements during the year in equity investments in subsidiaries are shown below:

(Thousands of Euro)	Carrying value at January 1, 2019			Increases	Reclassifications	Decreases	Carrying value at December 31, 2019		
	Cost	Revaluations/ (Impairment)	Value at January 1, 2019				Capital increases and other increases	(Demergers)/ Mergers by incorporation	Disposal, capital re- payments and other
Subsidiaries									
Compañía de Tierras Sud Argentino S.A.	2,518	-	2,518	-	(2,518)	-	-	-	-
Ganadera Condor S.A.	545	-	545	-	(545)	-	-	-	-
Edizione Property S.p.A.	92,961	52	93,013	-	(10,523)	-	4,000	100.00	82,490 ¹
Maccarese S.p.A. Società Agricola	32,397	-	32,397	-	(32,397)	-	-	-	-
Edizione Agricola S.r.l.	-	-	-	-	10,523	-	-	-	10,523
San Giorgio S.r.l.	10,544	(4,200)	6,344	-	-	(1,100)	-	100.00	5,244
Schemaquattordici S.p.A. – in liquidation	-	-	-	-	-	-	-	-	-
Schematrentatre S.p.A.	926,181	-	926,181	-	-	-	1,000,000	100.00	926,181
Schematrentaquattro S.p.A.	1,806,374	(850,848)	955,527	-	-	-	100,000,000	100.00	955,527
Benetton S.r.l.	251,670	363	252,033	100,000	-	-	-	100.00	352,033 ²
Sintonia S.p.A.	1,108,747	-	1,108,747	-	-	-	1,000,000	100.00	1,108,747
Verde Sport S.r.l.	22,571	(11,368)	11,203	3,500	-	(4,150)	8,000,000	100.00	10,553
Bensec società consortile a r.l.	54	-	54	-	-	-	-	45.00	54
Total			3,388,562	103,500	(35,460)	(5,250)			3,451,352

¹ of which revaluation of Euro 52 thousand.

² of which revaluation of Euro 379 thousand.

On July 22, 2019 the Board of Directors of Edizione resolved to make a payment for a future share capital increase of the subsidiary Benetton S.r.l., for an amount of Euro 100 million, which was carried out through a payment of Euro 50 million and the conversion of the financial receivable due to the subsidiary of Euro 50 million, as illustrated in Note 8 – Other non-current financial assets.

On July 1, 2019 the demerger of the equity investments in the agricultural business (Maccarese S.p.A., Compañía de Tierras S.A. and Ganadera Condor S.A.) directly and indirectly held by Edizione became effective. As a result of the demerger the equity investment of the agricultural business were transferred to the newly-established company Edizione Agricola S.r.l. In December 2019, the Company subscribed and paid-in a capital increases in favour of the subsidiary Verde Sport S.r.l. (Euro 3.5 million).

The table below contains the information pursuant to Art. 2427, point 5 of the Italian Civil Code.

(amounts in Euro unless stated otherwise)

Name	Registered office	Share capital	Shareholders' equity	Income/(Loss) for the year	Interest held		Carrying value (in thousands of Euro)
					No. of shares	% held	
Edizione Property S.p.A.	Treviso – Piazza del Duomo, 19	4,000,000	591,280,030	31,298,640	4,000	100.00	82,490
Edizione Agricola S.r.l.	Treviso – Piazza del Duomo, 19	1,000,000	93,424,960	(212,575)	1,000,000	100.00	10,523
San Giorgio S.r.l.	Fiumicino (Roma) – Viale Maria, 20	100,000	5,243,094	(791,056)	-	100.00	5,244
Schematrentatre S.p.A.	Treviso – Piazza del Duomo, 19	1,000,000	1,229,471,395	64,444,695	1,000,000	100.00	926,181
Schematrentaquattro S.p.A.	Treviso – Piazza del Duomo, 19	100,000,000	977,154,275	25,130,243	100,000,000	100.00	955,527
Benetton S.r.l.	Ponzano Veneto – Villa Minelli, 1	225,708,580	817,788,892	(89,848,274)	-	100.00	352,033
Sintonia S.p.A.	Treviso – Piazza del Duomo, 19	1,000,000	3,504,715,871	222,525,871	1,000,000	100.00	1,108,747
Verde Sport S.r.l.	Treviso – Strada di Nascimben, 1/b	8,000,000	10,558,419	(2,494,300)	1	100.00	10,553
Bensec società consortile a r.l. ¹	Ponzano Veneto – Villa Minelli, 1	110,000	238,541	20,838	-	45.00	54

¹ An additional 16.5% is held by the subsidiary Edizione Property S.p.A. The data refer to the financial statements as at December 31, 2018.

5 – Equity investments in associates

The balance of the item at December 31, 2019, amounting to Euro 5,230, refers to the value of the equity investment in Eurostazioni S.p.A., unchanged on the previous year.

The table below contains the information pursuant to Art. 2427, point 5 of the Italian Civil Code.

(in Euro)

Name	Location	Share capital	Shareholders' equity	Income/(Loss) for the year	Interest held		Value at December 31, 2019 (in thousands of Euro)	Value at December 31, 2018 (in thousands of Euro)
					No. of shares	% held		
Eurostazioni S.p.A. ¹	Rome – Via Montello, 10	16,000,000	19,549,560	393,218	52,333,333	32.71	5,230	5,230

¹ Financial statements at July 31, 2019.

6 – Equity investments in other companies

Equity investments in other companies are classified, as permitted by IFRS 9, as Investments in equity instruments designated at fair value through other comprehensive income.

At December 31, 2019 and 2018 investments in other companies were made up as follows:

(Thousands of Euro)	12.31.2019		12.31.2018	
	% held	Carrying value	% held	Carrying value
Prysmian S.p.A.	0.89	50,685	0.43	19,697
Total		50,685		19,697

The table below shows changes during the year in Equity investments in other companies:

(Thousands of Euro)	Fair value at 12.31.2018	Additions	(Disposals)	Changes in Shareholders' equity		Fair value at 12.31.2019
				Capital gain/ (loss)	Fair value adjustments	
Prysmian S.p.A.	19,697	120,575	(113,419)	16,322	7,510	50,685
Total	19,697	120,575	(113,419)	16,322	7,510	50,685

From December 2018 to January 2019, the Company acquired 7,776,183 shares of Prysmian S.p.A. on the market, for a total amount of Euro 140.3 million.

In December 2019, considering the favourable trend of the share on the market, the Company began to gradually sell the shares held, which concluded in January 2020.

At December 31, 2019, the Company sold 5,382,718 shares of Prysmian S.p.A., achieving a capital gain recognised in the statement of comprehensive income of Euro 16.3 million. At the same date, the Company still held 2,393,465 shares, for a fair value of Euro 50.7 million.

7 – Investment securities

Based on the provisions of IFRS 9, investment funds are classified as financial assets at fair value through profit or loss. The fair value of investment funds at the balance sheet date is equal to the Net Asset Value at the same date.

At December 31, 2019 and 2018, the fair value of investment funds was made up as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
21 Centrale Partners III investment fund	126	174
21 Investimenti II investment fund	1,970	1,685
21 Investimenti III investment fund	11,885	11,530
21 Centrale Partners V investment fund	7,151	2,528
Builders Fund	197	45
Total	21,329	15,962

The movements during the year are shown in the table below:

(Thousands of Euro)	Fair value at 12.31.2018	Contri- butions	Reimburse- ments	Changes in Income statement		Fair value at 12.31.2019
				Capital gain/ (loss)	Fair value adjustments	
21 Centrale Partners III investment fund	174	-	-	-	(47)	127
21 Investimenti II investment fund	1,685	23	(59)	-	321	1,970
21 Investimenti III investment fund	11,530	306	-	-	48	11,884
21 Centrale Partners V investment fund	2,528	4,940	-	-	(317)	7,151
Builders Fund	45	111	-	-	41	197
Total	15,962	5,380	(59)	-	46	21,329

8 – Other non-current financial assets

The breakdown of this item is as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Loan to Benetton S.r.l.	-	20,107
Escrow account for sale of the equity investment in Banca Leonardo S.p.A.	888	925
Total	888	21,032

In the previous year, Edizione entered into a three-year loan agreement with the subsidiary Benetton S.r.l. for a total amount of Euro 50 million, with a bullet repayment on maturity on March 26, 2021, including the interest accrued at market rates. The balance at December 31, 2018 referred to the first utilisation of the loan (Euro 20 million), made by the subsidiary on October 24, 2018, and included the interest accrued up to the year-end. In April 2019 the Company disbursed an additional tranche of the loan, amounting to Euro 30 million, increasing its receivable to Euro 50 million. On August 1, 2019, that loan was repaid in advance through its conversion into a capital increase resolved by the subsidiary's shareholders' meeting, as illustrated in Note 4 – Equity investments in subsidiaries.

The balance of the item Escrow account for sale of the equity investment in Banca Leonardo S.p.A. refers to an amount committed until 2021, provided as guarantee to the purchaser of Banca Leonardo S.p.A., as envisaged by the sale agreements signed by the Company in April 2019. At December 31, 2019, that receivable was adjusted to its recoverable amount.

9 – Other non-current receivables

The item includes guarantee deposits and other non-current receivables.

10 – Deferred tax assets

At the reporting date, no temporary differences were recognised between the value of assets according to the tax rules and the corresponding value determined in accordance with the international accounting standards, nor were there significant costs or revenues deductible or taxable in subsequent years.

CURRENT ASSETS

11 — Trade receivables

The balance of this item at December 31, 2019 mainly refers to receivables due from subsidiaries, the details of which are reported in Note 39 – Related party transactions.

12 — Tax receivables

This item includes:

(Thousands of Euro)	12.31.2019	12.31.2018
IRES refund due under Art. 2 of Decree Law 201/2011	9,992	15,749
IRES receivables from Tax Consolidation	2,629	4,108
Others	5	1
Total	12,626	19,858

The IRES (corporate income tax) refund requested refers to the option under Article 2 of Italian Decree Law 201/2011 to deduct IRAP (regional business tax) relating to payroll costs for fiscal years 2007 through 2011 and to apply for a refund of the corresponding tax. Edizione, as consolidating company, has submitted the refund applications concerning the IRES pertaining to the subsidiaries participating in the Tax Consolidation; when the refund is actually received from the Tax Authorities, the Company will pay the amount collected to the various subsidiaries, with which it has recognised a payable of the same amount. In December 2019, Edizione received two refunds for a total of Euro 6.4 million relating to the years 2008 and 2009, which were fully transferred to the subsidiaries. Specifically, the payment for 2008 was received in December 2019 while the payment for 2009 was received at the beginning of 2020.

The IRES receivables from Tax Consolidation is referred to receivables from Tax Authorities for withholding taxes transferred by the companies participating in the Tax Consolidation in the current year and in previous years, as prescribed by the Regulation stipulated by the participating companies. The change on the previous year is specifically due to the assignment of part of the receivable (Euro 1.8 million) to several group companies that participate in the Tax Consolidation.

13 — Other current receivables, accrued income and prepaid expenses

Other current receivables, accrued income and prepaid expenses are detailed in the table below:

(Thousands of Euro)	12.31.2019	12.31.2018
Receivables from Tax Consolidation	4,584	2,061
Advances to suppliers	77	-
VAT receivables	542	503
Withholding tax in foreign countries	123	74
Other receivables, accrued income and prepaid expenses	83	490
Total	5,409	3,128

The item Receivables from Tax Consolidation comprises the estimated receivable due from the tax consolidated companies in view of the respective positive and negative taxable amounts transferred by them.

The item Withholding tax in foreign countries refers to the withholdings incurred by the Company for the emoluments for the position of director covered by employees of the Company in subsidiaries resident abroad, and reversed to the same.

Other receivables, accrued income and prepaid expenses mainly include the costs for insurance and rental payments pertaining to the subsequent year but already recorded at the reporting date. At December 31, 2018, the item also included the prepaid lease rentals for the offices in Treviso and Milan.

14 – Other current financial assets

The balance of this item is made up as follow:

(Thousands of Euro)	12.31.2019	12.31.2018
Receivables from intercompany current accounts	279,339	97,287
Advances for interest on the intercompany current account	37	-
Receivable for sale of Prysmian S.p.A. shares	1,522	-
Receivable from the liquidation of Schemaquattordici S.p.A.	33	-
Accrued income and prepaid expenses	-	425
Total	280,931	97,712

The details of Receivables from intercompany current accounts are shown in Note 39 – Related party transactions. These transactions are settled at market conditions.

The balance at December 31, 2019 comprises Euro 114.4 million for the receivable due from Schematrentatre and the Euro 164.9 million for the receivable due from Sintonia.

The Receivable for sale of Prysmian S.p.A. shares refers to the sale of shares at the end of the year, which was settled at the beginning of 2020.

The Receivable from the liquidation of Schemaquattordici S.p.A arose as part of the liquidation procedure of the investee, which concluded in December 2019.

In the previous year, accrued income and prepaid expenses referred to interest accrued on savings bonds maturing in 2019.

15 – Cash and cash equivalents

Cash and cash equivalents are represented by the positive balance of the current accounts and of the bank deposits of the Company with some credit institutions.

(Thousands of Euro)	12.31.2019	12.31.2018
Bank current accounts	200,926	393,945
Cash in hand	4	3
Total	200,930	393,948

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in thousands of Euro)

16 — Share capital

At December 31, 2019 the share capital of Edizione S.r.l. amounted to Euro 1.5 billion, fully subscribed and paid in and divided into quotas.

17 — Legal Reserve

The Legal reserve increased compared to the previous year as a result of the allocation of income for the year 2018.

18 — Fair value reserve

This item includes the change in fair value of equity investments for which the option to designate the changes in fair value through other comprehensive income, as permitted by IFRS 9, was irrevocably exercised.

The reserve includes the change in fair value of the Prysmian shares still in portfolio at year-end.

19 — Other reserves

Other reserves are made up as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Monetary revaluation reserve under Law 72/83	1,148	1,215
Revaluation reserve under Law 576/75	14	15
Reserve under Article 1 of Law 169/83	75,538	79,923
Reserve under Law 904/77	1,294	1,369
Extraordinary reserve	5,179	5,179
Merger surplus reserve	659,343	659,343
Retained earnings and other reserves	1,415,548	1,416,812
Total	2,158,064	2,163,856

The portion of the untaxed reserves indicated in the table, was reconstituted in Edizione Agricola S.r.l., following the demerger in favour of that company, and then was freed up to income related reserve.

The item Retained earnings and other reserves also comprises the profits deriving from the sale of financial assets classified based on IFRS 9 as designated at fair value through other comprehensive income.

On June 24, 2019, the Annual Shareholders' Meeting of Edizione S.r.l. approved a dividend totalling Euro 150 million, paid during the year.

The table pursuant to art. 2427 no. 7-bis of the Italian Civil Code is shown below:

(Euro)					
Type	Amount	Possibility of utilisation	Amount available	Summary of utilisations in the past three years	
				for loss coverage	for other purposes ¹
Share capital	1,500,000,000		-	-	-
Income-related reserves					
Revaluation reserve ²	1,162,692	A B C	1,162,692	-	-
Reserve under Art. 1 of Law 169/83 ²	75,538,102	A B C	75,538,102	-	-
Reserve under Law 904/77 ²	1,293,544	A B C	1,293,544	-	-
Legal reserve	117,078,804	B	117,078,804	-	-
Extraordinary reserve	5,179,444	A B C	5,179,444	-	-
Retained earnings	1,404,757,889	A B C	1,404,757,889	-	-
Merger surplus reserve	659,342,583	A B C	659,342,583	-	166,682,406
Reserve from transition to IFRS	(222,758)	B	-	-	-
Fair value reserve	7,510,305		-	-	-
Other IAS reserves	10,789,395	A B C	10,789,395	-	-
Total	3,782,430,000		2,275,142,453	-	166,682,406
Non-distributable amount	-		119,192,530	-	-
Residual distributable amount			2,155,949,923		

A capital increase

B loss coverage

C dividend pay-out

¹ the item does not include the reclassifications between the reserves in shareholders' equity

² Reserves that, if distributed to shareholders would form part of the taxable income of the tax period in which they were distributed, in the amount equal to the fiscal value

COMMENTS ON LIABILITY ITEMS

(All figures in thousands of Euro)

NON-CURRENT LIABILITIES

20 — Lease liabilities

This item comprises the present value of payments for future minimum guaranteed rentals outstanding at January 1, 2019 recognised following the entry into force of the new accounting standard IFRS 16.

The breakdown of the item between the non-current and current portions is as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Current	7,997	-
Non-current	854	-
Total	8,851	-

21 — Provisions for employee benefits

The movements in employee termination indemnities are as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Opening balance	550	632
Uses	(244)	(322)
Provisions	266	240
Closing balance	572	550

Uses mainly refer to amounts paid to employees' pension funds and the amounts paid to employees terminated during the year.

CURRENT LIABILITIES

22 – Trade payables

The item includes payables for services received from suppliers and companies of the Group, which are illustrated in Note 39 – Related party transactions.

23 – Other payables, accrued expenses and deferred income

This item is summarised as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Payables from Tax Consolidation	2,487	103
IRES refund due under Art. 2 of Decree Law 201/2011	13,064	15,748
Payables to social security institutions	270	234
Payables to employees and consultants	411	305
Payables to Tax Authorities	316	581
Other payables, accrued expenses and deferred income	35	19
Total	16,583	16,990

The details of Payables from Tax Consolidation are shown in the detailed table of Note 39 – Related party transactions. Payables for IRES refund requests refer to the companies participating in the tax consolidation which, jointly with the consolidating company Edizione S.r.l., have filed requests for IRES refunds and a residual amount also to the companies that were consolidated at the date of submission of the refund requests but which are now no longer part of the Group. Payment by the consolidating company Edizione S.r.l. to each of the consolidated companies is subject to the actual payment by the Tax Authorities of the same amount recorded under Tax receivables. It is noted that, in December 2019, Edizione received two refunds from the Tax Authorities for a total of Euro 6.4 million relating to the years 2008 and 2009. The refund received for 2008 (Euro 2.7 million) was fully transferred at the end of December 2019, while the refund received for 2009 was transferred in January 2020.

24 – Other current financial liabilities

Details are as follows:

(Thousands of Euro)	12.31.2019	12.31.2018
Payables for intercompany current accounts	21,797	57
Payables to brokerage companies	1	2,899
Total	21,798	2,956

The details of Payables for intercompany current accounts are shown in Note 39 – Related party transactions. These transactions are settled at market conditions.

At December 31, 2018, payables to brokerage companies referred to the payable for the purchase of Prysmian S.p.A. shares that took place at the end of the year and whose payment was completed in the first days of 2019.

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in thousands of Euro)

25 — Revenues

The item refers to compensation paid to employees of the Company that serve as directors in subsidiaries and that are reversed to Edizione and revenues from administrative services provided to Group companies.

The details of Revenues are shown in the detailed table of Note 39 – Related party transactions.

26 — Other revenues and operating income

The item includes contingent income.

27 — Payroll costs

Details are as follows:

(Thousands of Euro)	2019	2018
Wages and salaries	3,786	3,373
Social security charges	897	815
Directors' emoluments	4,910	3,540
Provision for employee termination indemnities and similar	266	240
Other payroll costs	68	60
Total	9,927	8,028

The change in the item compared to 2018 is attributable to a one-off emolument disbursed to a resigning director.

At December 31, 2019, the company had a workforce of 21 resources, which is equal to the average number of employees during the current year, broken down by category as follows:

(average no.)	2019	2018
Executives	7	7
White-collar workers	14	14
Total	21	21

28 — Costs of services

Costs of services are made up as follows:

(Thousands of Euro)	2019	2018
Maintenance costs	285	259
Consultants' fees (Accounting, Tax & Legal)	2,320	2,634
Utilities	14	11
Cleaning and disinfestation	49	44
Advertising and promotion	44	47
Insurance	196	165
Travel expenses	271	558
Surveillance and security	637	766
Telephone and postal charges	99	150
Bank expenses and commissions	7	7
Statutory auditors' emoluments	93	88
Supervisory Board members' emoluments	58	61
Other services	76	74
Total	4,149	4,864

Costs of services include the VAT that the Company records as an increase in the related costs, pro-quota for the year pursuant to Art. 19-bis of Italian Presidential Decree 633/1972.

29 — Leases and rentals

Office leases include the lease payments of the offices in Treviso, Milan and Rome. The change in the item compared to the previous year is attributable to the application of IFRS 16: based on this standard, the variable component of lease and any other ancillary expenses are excluded from the IFRS 16 accounting representation and, therefore, are still recorded in this item.

(Thousands of Euro)	2019	2018
Office leases	728	1,605
Car rentals	76	113
Other rentals	33	124
Total	837	1,842

30 — Other operating costs

In detail:

(Thousands of Euro)	2019	2018
Donations	2,220	2,220
Membership fees	40	42
Indirect taxes and duties	71	186
Other expenses	73	131
Total	2,404	2,579

Donations refer to a contribution made by the Company to the Fondazione Benetton Studi Ricerche.

31 — Depreciation of property, plant and equipment and amortisation of intangible assets and rights of use

In detail:

(Thousands of Euro)	2019	2018
Depreciation of property, plant and equipment	98	111
Amortisation of intangible assets	3	12
Amortisation of rights of use	946	-
Total	1,047	123

The Amortisation of rights of use, recorded following the application of IFRS 16, are calculated based on the duration of the lease agreements to which they refer.

32 — Impairment of doubtful accounts

The amount refers to the write-down of a portion of the Banca Leonardo S.p.A. escrow account to align it with the recoverable value.

33 – Financial income

The item is made up as follows:

(Thousands of Euro)	2019	2018
Dividends from Sintonia S.p.A.	200,000	162,390
Dividends from Schematrentaquattro S.p.A.	23,887	24,200
Dividends from Prysmian S.p.A.	3,344	-
Interest income from subsidiaries	802	656
Interest income from banks	247	1,454
Income from investment funds	45	5,599
Capital gains from liquidation of Schemaquattordici S.p.A.	489	-
Other financial income	4	-
Total	228,818	194,299

Income from investment funds mainly comprises the income distributed in 2019 by the 21 Centrale Partners III fund. Interest income from subsidiaries is detailed in Note 39 – Related party transactions.

34 – Impairment of equity investments and investment funds

Impairment of equity investments and investment funds includes the adjustment to the fair value at December 31, of investment funds based on their Net Asset Values at the same date, and the impairment of equity investments in subsidiaries and associates.

(Thousands of Euro)	2019	2018
Adjustment to fair value of 21 Centrale Partners III Fund	(47)	(126)
Adjustment to fair value of 21 Investimenti II Fund	321	(1,689)
Adjustment to fair value of 21 Investimenti III Fund	48	(256)
Adjustment to fair value of 21 Centrale Partners V Fund	(317)	(92)
Adjustment to fair value of Builders	41	(22)
San Giorgio S.r.l.	(1,100)	-
Verde Sport S.r.l.	(4,150)	-
Total	(5,204)	(2,185)

In 2019 the equity investments in San Giorgio S.r.l. and Verde Sport S.r.l. were written down to align the carrying value with the shareholders' equity of the respective companies.

35 — Financial charges

In detail:

(Thousands of Euro)	2019	2018
Interest charges from subsidiaries	37	3
Interest charges on lease liabilities	217	-
Capital losses on liquidation of equity investments	-	171
Capital losses from investment funds	-	7,260
Other financial charges	-	17
Total	254	7,451

In the previous year, the capital losses on liquidation of equity investments referred to Schematrentasei S.r.l., Schemaquaranta S.r.l. and Schemaquarantuno S.r.l., liquidated in November 2018, while the capital loss from investment funds was realised as a result of the repayment of the units held in the Quaestio Opportunity Fund, as the difference between the Net Asset Value of the fund at the termination date and its carrying value.

In the current year, interest charges on lease liabilities accrued on the related financial payable recorded based on the IFRS 16.

36 — Foreign currency hedging gains/(losses) and exchange differences

The amount of this item refers to exchange differences on transactions in foreign currency.

37 — Income taxes

This item comprises:

(Thousands of Euro)	2019	2018
Current taxes	2,216	1,398
Previous years' taxes	12	(777)
Deferred tax liabilities	-	3,607
Deferred tax assets	(4)	(267)
Total	2,224	3,961

The Company participates, as the consolidating company, in the National Consolidated Taxation System in accordance with Article 114 et seq. of the Income Tax Act (TUIR). This system allows to offset the taxable amounts and the tax losses of the companies that participate in the consolidated taxation system.

Current taxes are positive and refer to the tax losses of the Company that are offset with the positive taxable amounts transferred from the consolidated companies within the Tax Consolidation.

In the previous year, deferred tax liabilities referred to the release to the income statement of taxes allocated on the Quaestio Opportunity Fund, whose units were liquidated in October 2018.

OTHER INFORMATION

(All figures in thousands of Euro)

38 — Financial risk management

Edizione has always paid close attention to the identification, assessment and coverage of financial risks, which can be divided into three categories:

- financial market risks, mainly related to interest rate risk, currency risk, commodity risk and financial asset risk;
 - liquidity risk, with a special focus on the availability of funds and access to the credit market and financial instruments;
 - credit risk, in relation to both commercial and financial transactions.
-

Market risk

Interest rate risk and currency risk

Exposure to interest rate risk derives from the need to finance financial operating activities and to invest liquid funds. A change in market interest rates may have an adverse or a positive impact on Edizione's performance, by indirectly influencing the cost of borrowing and the return on investments.

At the reporting date, Edizione is not exposed to currency risk as the items in the income statement and the statement of financial position are almost all originated in Euro.

Price risk

Edizione is exposed to the risk of changes in the market price of its financial assets, particularly with respect to its medium and long-term investments in the capital of listed companies on regulated markets that are classified as equity investments measured at fair value through profit or loss or through other comprehensive income on the basis of IFRS 9.

With reference to the fair value hierarchy within which to classify assets valued at fair value or for which the fair value is given in the financial statement disclosure, the prevailing level is 1 for listed securities and 2 for investment securities.

Sensitivity analysis of price risk

Concerning the sensitivity analysis of price risk in investments in listed companies, we have assumed a 500 bps shock in the price of the shares.

Based on the analyses, the outcome is that a change of $\pm 5\%$ in the stock market price at December 31, 2019 would have affected shareholders' equity by \pm Euro 2.5 million (\pm Euro 0.9 million in 2018).

Liquidity risk

Liquidity risk can arise through the inability to access the financial resources needed to guarantee the Company's ability to operate and to honour its liabilities.

The two main factors that determine the Company's liquidity situation are the resources generated or used by operating and investment activities; and the terms of maturity and renewal of debt or financial investments in conjunction with market conditions.

Edizione finances the outflows of ordinary operations mainly through the dividends received from subsidiaries and through its cash holdings.

Liquidity risk may arise only when the amounts related to investment decisions are not covered by cash availability and suitable and readily available funding sources.

Edizione believes that it has cash and cash equivalents in line with its investment plans.

The table below shows financial liabilities outstanding at December 31, 2019 by maturity:

(Thousands of Euro)	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank and intercompany current accounts	(21,797)	(21,797)	-	-
Other financial liabilities	(1)	(1)	-	-
Lease liabilities	(8,851)	(854)	(3,653)	(4,344)
Total	(30,649)	(22,652)	(3,653)	(4,344)

The table below shows financial liabilities outstanding at December 31, 2018 by maturity:

(Thousands of Euro)	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank and intercompany current accounts	(57)	(57)	-	-
Other financial liabilities	(2,899)	(2,899)	-	-
Total	(2,956)	(2,956)	-	-

Credit risk

Credit risk is the risk of incurring losses due to the failure to collect receivables due for both normal commercial transactions and financial investments. It includes the direct risk of the counterparty's insolvency or decrease in creditworthiness, as well as credit concentration risk.

The carrying amount of the financial assets is the Company's maximum exposure to credit risk, in addition to the nominal value of guarantees given for the borrowings or commitments of third parties.

39 — Related party transactions

The following table shows statement of financial position figures at December 31, 2019 and income statement figures for 2019 regarding related party transactions. Related party transactions are conducted at arm's length and with the utmost transparency.

(Thousands of Euro)	Other non-current financial assets	Other current financial assets	Other non-current financial liabilities	Other current financial liabilities	Interest income	Interest charges
Benetton S.r.l.	-	-	-	-	577	-
Edizione Agricola S.r.l.	-	62	-	-	-	-
Edizione Property S.p.A.	-	-	-	-	-	-
Schematrentaquattro S.p.A.	-	3	-	21,763	-	3
Schematrentatre S.p.A.	-	114,369	-	-	179	-
Sintonia S.p.A.	-	164,928	-	34	45	34
Verde Sport S.r.l.	-	14	-	-	1	-
Total	-	279,376	-	21,797	802	37

(Thousands of Euro)	Trade receivables	Other current receivables, accrued income and prepaid expenses	Trade payables	Other payables, accrued expenses and deferred income	Revenues	Costs
Abertis Infraestructuras S.A.	2	-	-	-	-	-
Aeroporti di Roma S.p.A.	28	-	-	-	25	-
Atlantia S.p.A.	19	-	-	-	139	-
Autogrill S.p.A.	120	-	-	10,492	115	13
Autogrill Italia S.r.l.	-	-	-	82	-	-
Autostrade per l'Italia S.p.A.	3	-	1	-	8	-
Benetton S.r.l.	37	56	-	-	55	-
Benetton Group S.r.l.	-	-	1	3,486	-	203
Benetton Servizi S.r.l.	-	-	-	47	-	-
Bensec società consortile a r.l.	-	-	95	-	-	545
Cellnex Telecom S.A.	20	-	-	-	-	-
Connet S.p.A.	1	-	-	-	60	-
Edizione Agricola S.r.l.	-	-	-	5	10	-
Edizione Alberghi S.r.l.	-	-	-	-	-	5
Edizione Property S.p.A.	-	3,044	49	77	8	1,301
Fabrica S.r.l.	-	-	-	93	-	-
Getlink S.A.	4	-	-	-	-	-
Maccarese S.p.A. Società Agricola	-	-	-	168	-	-
Nuova Sidap S.r.l.	-	-	-	21	-	-
Olimpias Group S.r.l.	-	-	-	869	-	-
Ponzano Children S.r.l.	-	-	-	6	-	-
Retail Italia Network S.r.l.	-	-	-	31	-	-
San Giorgio S.r.l.	3	628	-	22	3	-
Schematrentaquattro S.p.A.	-	289	-	2	20	-
Schematrentatre S.p.A.	-	570	-	-	31	-
Sintonia S.p.A.	-	-	-	92	52	-
Total	237	4,587	146	15,493	526	2,067

40 — Significant events following the end of the financial year

In January 2020, Edizione completed the sale of Prysmian S.p.A. shares, realising a total net capital gain of Euro 23.8 million, of which Euro 16.3 million recorded in the statement of comprehensive income for 2019.

On February 29, 2020, Carlo Bertazzo submitted his resignation from the position of General Manager of the Company and, starting on March 1, 2020, took on the position of General Manager of Atlantia S.p.A., of which he was appointed Chief Executive Officer on January 13, 2020.

On March 11, 2020, the Board of Directors of the Company decided to donate Euro 3 million to support the projects and needs of four hospitals, as concrete assistance for the emergency deriving from the spread of the Covid19 epidemic in Italy. The donation regards the hospitals Ca' Foncello in Treviso, Luigi Sacco in Milan, and Lazzaro Spallanzani and the Agostino Gemelli polyclinic in Rome. In Italy, Edizione's main operations are located in Treviso, the city of origin of the family, in Milan and in Rome.

On April 8, 2020, an agreement was signed with the subsidiary Benetton S.r.l. for a loan of Euro 100 million, which can be used in several tranches, has a term of 18 months and a 1% annual fixed rate. The repayment of principal and payment of interest will be on maturity.

41 — Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2019	12.31.2018
Guarantees given		
Sureties and guarantees	-	-
Commitments		
Other commitments	16,843	22,216
Total	16,843	22,216

Other commitments relate to units subscribed but not yet paid at the end of the year to investment funds held by the Company.

42 — Other commitments and rights of the Company

No Other commitments and rights are reported other than those already mentioned in other notes of these financial statements.

43 — Contingent liabilities

There are no contingent liabilities of a significant amount with respect to what is already commented in the Notes to the Financial Statements.

44 — Fees paid to the independent auditors

The fees contractually due to the independent auditors refer entirely to auditing services and amount to Euro 80,000.

PROPOSED RESOLUTION

Dear Shareholders,

We propose that you:

- approve the separate financial statements at and for the year ended December 31, 2019 and the Directors' Report submitted to you;
- allocate income for the year of Euro 207,975,660.04 as follows:
 - to the Legal reserve, Euro 10,389,783.00;
 - the remainder to Retained earnings reserve of Euro 197,576,877.04.

Treviso, May 18, 2020

*Chairman of
the Board of Directors*

Gianni Mion

ANNEXES

REPORT OF THE INDEPENDENT AUDITORS

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Quotaholders of
Edizione S.r.l.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Edizione S.r.l. (the Company), which comprise the statement of financial position as at December 31, 2019, and the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Palermo Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 172039 | Partita IVA IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10**

The Directors of Edizione S.r.l. are responsible for the preparation of the Directors' report of Edizione S.r.l. as at December 31, 2019, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the Directors' report with the financial statements of Edizione S.r.l. as at December 31, 2019 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned Directors' report is consistent with the financial statements of Edizione S.r.l. as at December 31, 2019 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
June 8, 2020

This report has been translated into the English language solely for the convenience of international readers.

Edizione S.r.l.

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