

Financial Statements 2019

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Human Technopole is the new **life sciences research institute** located in the heart of MIND - Milano Innovation District, the area that hosted Expo Milano 2015.



Human Technopole is a **private law foundation** established pursuant to Law 232 of 11 December 2016, which mandated that the purpose of the Foundation was to create a multidisciplinary scientific and research complex of national importance integrated in the health, genomic and data and decision-making science sectors and to realise the scientific and research project named Human Technopole.

The founding members of Human Technopole are the Ministry of Economy and Finance, the Ministry of Health, and the Ministry of Education, University and Research, which are responsible for supervision of the Foundation.

The mission of Human Technopole is **to improve human health and well-being**, with a special focus on aging, through **innovative research in the life sciences** to develop new approaches to **personalised** and **preventive medicine**. Human Technopole is endowed with the **latest generation of scientific structures**, which will also be **made available** to **outside scientists**. It promotes innovation and scientific progress through **technological transfers** and relations with the industrial world. Moreover, ample resources will be devoted to **providing scientific information** for the scientific community and private citizens.

Human Technopole concentrated on starting up its initial scientific and administrative activities, selecting key members of its staff and further development of the infrastructure on its campus in 2019.

SCIENCE

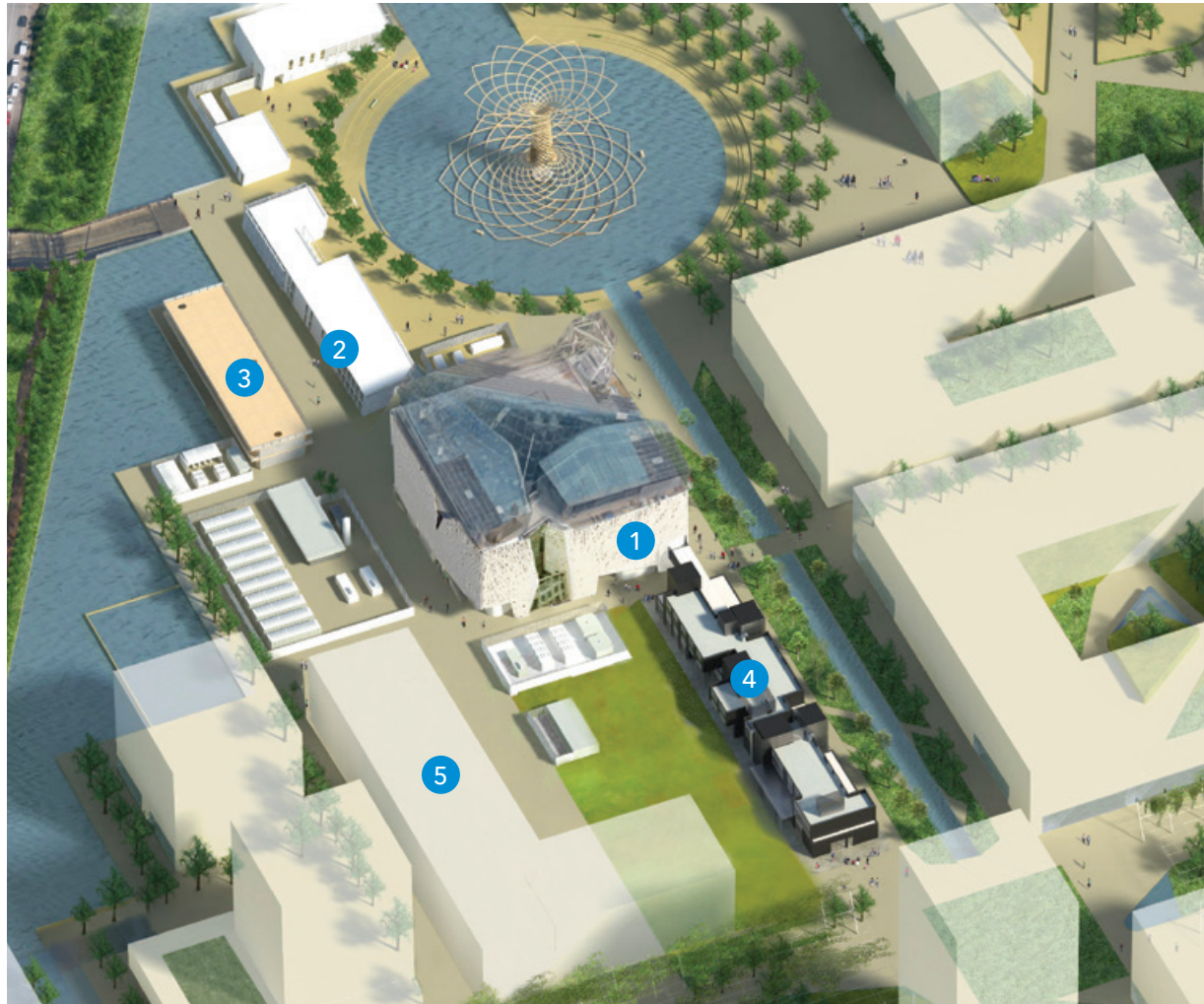
In 2019 Human Technopole was busy mapping out its own scientific strategy for the coming years. That same year, it also identified five areas where research would be concentrated and appointed the first scientists to head its various units. Numerous partnerships with authoritative members of the scientific community were also established. In 2019 it signed a Memorandum of Understanding with the Alisei (Advanced Life Science in Italy) National Life Sciences Technological Cluster and with the National CLuster Agrifood Nazionale (CL.A.N) to develop and promote the life sciences and agrifood sectors at the domestic and international levels.

In addition, a framework agreement was signed with the University of Milan (Università Statale di Milano), which calls for realising synergies in the use of laboratories and research facilities, exchanges among research staff at all levels, the development of research projects and programmes in areas of common interest and joint efforts in the promotion of public engagement activities. Finally, collaboration with the PhD programme of SEMM (European School of Molecular Medicine) was established in 2019 and is still functioning. Human Technopole is a host institution of SEMM for the doctoral programme in Systems Medicine.

INFRASTRUCTURE

Human Technopole made significant progress in the construction of its own campus during 2019. In February the Foundation took over from the Italian Institute of Technology (Istituto Italiano di Tecnologia) in the framework agreement that the latter had previously made with Arexpo, the entity that manages the MIND area, which performs the work to transform the various buildings that will compose the HT campus, including Palazzo Italia, the Southern

Pavilion, the Northern Pavilion and the parcel of land where the new building will be constructed. Moreover, transformation work on Palazzo Italia was completed while it continued on the Southern Pavilion. Finally, an agreement was signed, commissioning Arexpo to perform certain campus development support activities on behalf of the principal, including the design and construction of 400 square metres of new experimental laboratory space.



1 Palazzo Italia

2 Incubator labs

3 North Pavilion

4 South Pavilion

5 South Building

HIGHLIGHTS OF RESULTS REALISED IN 2019

The separate financial statements 2019 underwent mandatory audit by the Board of Auditors and voluntary audit by Ria Grant Thornton S.p.A.

	2019	2018
Income	5.191.961	275.388
EBITDA	106.595	34.168
EBIT	65.012	34.168
Operating surplus	-	28.766
Fixed assets	863.774	-
Net financial position	79.158.836	6.393.730

Table 1: key Financial Statement indicators

The **income** refers to the portion of the Operating Fund used to cover all the costs incurred during the year and other residual items.

EBITDA represents the difference between revenue and costs incurred during the year for operation of Foundation activities, without counting interest, amortisation and depreciation allowances, and taxes.

EBIT measures the result for the year gross of interest and taxes, while the operating surplus is the overall earnings result generated by Foundation activities.

The **fixed assets** consist of non-current assets and, in particular, the costs for information technology tools and the costs associated with fixed assets under construction. The **net financial position** includes the cash and cash equivalents supporting institutional activity.

Shareholders' Equity represents all of the contributions that are available and earmarked to support the investments and ordinary expenses related to the institution activity of the Foundation. Shareholders' Equity totalled Euro 332,713,421 at 31 December 2019 and includes the Foundation Endowment Fund, Euro 77,230,557, the Operating Fund of Euro 255,454,097, and the Euro 28,766 surplus for the year 2018, while also containing the annual contributions assigned to Human Technopole during 2017-2019 pursuant to Article 1, paragraph 121 of Law.

The following table (Table 2) illustrates the value generated and distributed to the stakeholders of Human Technopole: science, citizens and enterprises. The **generated economic value** represents the total revenues for the year, while the **distributed economic value** represents the total costs incurred with counterparties outsi-

de the Foundation (employees, suppliers, state). Finally, **withheld economic value** means the difference between generated economic value and distributed economic value. It can be ascribed exclusively to accounting costs, such as depreciation and amortisation, provisions and impairment.

	2019	2018
Amounts in Euro		
Generated economic value	5.191.961	275.387
A) Income	5.191.961	275.387
<i>Endowment Fund</i>	0	0
<i>Annual Contributions</i>	5.070.516	275.387
<i>Other</i>	121.445	-
Distributed economic value		
Total	5.150.376	246.621
B) Operating costs ¹	2.511.960	241.127
<i>General expenses²</i>	2.147.908	241.127
<i>Expenses for setting up HT Campus</i>	364.052	-
C) Employees	2.306.935	0
<i>Direct and indirect compensation</i>	2.306.935	0
D) Payments to providers of capital	-72	0
<i>Net financial expenses</i>	-72	-
E) Payments to the Public Administration	65.084	5.494
<i>Taxes</i>	65.084	5.494
F) Benefits for society	266.397	0
<i>Institutional activity</i>	163.014	-
<i>Educational and conference activities</i>	103.383	-
Withheld economic value (difference between generated and distributed economic value)		
Total	41.585	28.766
Provisions/Impairment	12.086	-
Depreciation and amortisation	29.499	-
Result for the year		
Total	0	28.766

Table 2: Income Statement 2019

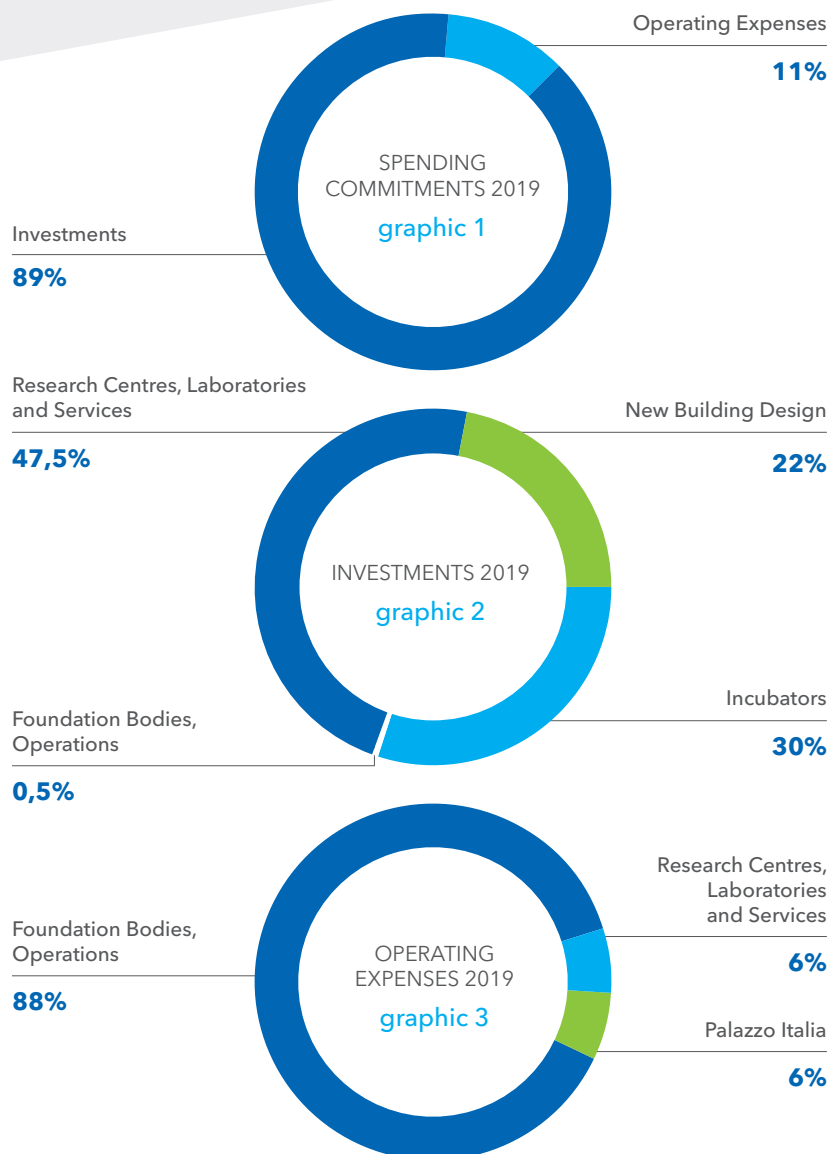
¹ Numbers refer to costs pertaining to 2019. These are costs incurred for non-scientific activities, such as for campus development, human resources, procurement, etc.

² Operational expenses included in income statement.

ECONOMIC COMMITMENTS MADE IN 2019¹

Economic commitments totalling over Euro 59 million were made in 2019, of which about Euro 5 million fulfilled the requirements for inclusion in the Income Statement 2019. In particular, those commitments are related to the **investments allocated for future construction of infrastructure** and totalled **Euro 52.7 million**, or 89% of the total (graphic 1). **Operating expenses**, i.e. those expenses associated with employee costs and the acquisition of services and goods accrued on an annual basis, totalled **Euro 6.5 million**, representing about 11% of total commitments (graphic 1).

Of the investments (graphic 2), 47.5% was allocated to the research centres and laboratories; 30% was allocated to the first experimental laboratories, and 22% was allocated to design of the new building. A residual portion, 0.5%, was allocated for the Foundation bodies and Operations. The remaining 11% of commitments was dedicated to operating expenses (graphic 3), broken down into expenses for the Foundation bodies and Operations (88%), expenses for the laboratories (6%), and expenses for Palazzo Italia (6%).



¹ These refer to the total contractual commitments made in 2019

/05 HUMAN CAPITAL

Human Technopole had 28 employees at the end of 2019 (Table 3). The recruitment of individuals to fill executive positions in the administrative, governance, and scientific areas continued during the year. The organisational structure was also defined to ensure optimal streamlining and efficiency in the management of processes. At the end of 2019, the majority of employees were in the 20-40 age bracket (table 4), thus representing 53.5% of the total.

2019

	Uomini	Donne	Totale
Senior manager	5	5	10
Manager	2	4	6
White collar employee	5	7	12
Total employees	12	16	28

Table 3: breakdown of the corporate payroll by professional category and gender¹.

2019

	20-40	>40
Senior manager	1	9
Manager	3	3
White collar employee	11	1
Total	15	13
Contract workers	5	7

Table 4: corporate payroll by professional category and age bracket¹.

¹ at 31 December

