

**STATUTORY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2020**

**HUMAN TECHNOPOLE FOUNDATION**

Legal Headquarters and Offices: Via Cristina Belgioioso, snc - 20157 MILANO (MI)

Endowment Fund: € 77,261,869

Tax Code 97821360159 – VAT Code 11307810967

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## **MANAGEMENT REPORT**

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Dear Sirs,

The 2020 financial year of the Human Technopole Foundation (hereinafter also referred to as "HT Foundation" or "Human Technopole" or "HT") closed with a positive result after taxes of 13,918 euros, after provisions for IRES and IRAP taxes of 169,006 euros. Depreciation and amortisation on tangible and intangible fixed assets were carried out for 723,508 euros.

In addition, the activities carried out in 2020 produced total economic commitments of over 72 million euros, despite the difficulties due to COVID. These commitments have been translated into the budgeting of contributions on operating and capital account for over 12 m euros, related to what pertains to the year, and about 60 m euros in deferred income, for the part of commitments whose execution pertains to future years.

In financial terms, in 2020, revenue from grants amounting to approximately 59 million euros was recorded (excluding the grant allocated to the new Centre for Innovation and Technology Transfer), against monetary outlays of approximately 66 million euros.

The Financial Statements as of and for the year ended 31 December 2020 have been prepared in accordance with articles 2423 et seq. of the Italian Civil Code, adopting the long form, although the conditions set out in art. 2435-bis for preparation in abbreviated form have been met.

The criteria used in the redaction and valuation take into account the rules present in the national legislation pursuant to Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented.

The Financial Statements are subject to certification by the Board of Auditors, as appointed for the legal audit.

## **ACTIVITIES CARRIED OUT IN 2020**

During the year, in general, Human Technopole continued the development of the infrastructure of its Campus, as well as the structuring of scientific and administrative activities. Moreover, despite delays due to the COVID emergency, the selection of scientific and administrative staff continued.

With regard to the scientific activities of HT, the year 2020 was characterised by the consolidation of the initial structure of HT's scientific leadership and the further definition of HT's scientific plans, through the approval, as provided by art. 13 of the Statute, of the

Programmatic Plan of scientific activity for the period 2020-2024 and the supporting documents.

On the basis of the planned research lines and structures, and the related needs of the scientific leaders hired in HT, during the year, important steps forward were also taken in the design and construction of the research campus of HT, which will allow the opening of the first core of laboratories and experimental facilities (i.e. Incubator Labs, US6/North Pavilion and Cardo/South Pavilion) in the first half of 2021.

Globally, 2020 was marked by the rapid spread of the Sars-CoV2 corona virus and the resulting COVID-19 pandemic. In response to the ensuing emergency situation, during 2020 HT scientists initiated a series of projects and collaborations with leading research and clinical institutions in Italy (e.g. University of Padua, European Institute of Oncology, Sacco Hospital), particularly in the field of genetic and transcriptomic (single-cell) analysis of the virus response and population stratification, to study the epidemiology and dynamics of COVID-19. This work is still being pursued in a coherent and integrated manner with the efforts of a number of international initiatives related to COVID-19, in which HT scientists are involved, for example in the context of the European LifeTime initiative and the COVID-19 Host Genetics initiative.

Also, in line with HT's objective to establish and develop collaborative relationships with the Italian biomedical research community, discussions were initiated on potential areas of synergy and collaboration with several universities, research centres, clinical research institutes, scientific societies and research networks. Some of these interactions have led to formal partnerships and/or scientific collaboration agreements during 2020 (e.g. University of Naples, University of Turin). A number of other major collaborative projects with national universities and research hospitals are also at an advanced stage of discussion and are expected to be formalised and the related projects will kick off in 2021.

An important moment in the effort to achieve productive interactions with the Italian research community was the organisation in June 2020 of "Open HT". More than 350 representatives of the scientific community, including representatives from all Italian universities and research hospitals (IRCCS), as well as the country's leading research centres, participated in a two-day virtual event with presentations and open discussions on HT's research lines and scientific plans. The first day of the event also saw the participation of Prof. Gaetano Manfredi, Minister of Universities and Research, who gave a keynote speech.

Additional activities and relationships with the national and international community were carried out as part of the development of advanced science training activities and programmes at HT, targeting both internal early career scientists and the external life science community - following the hiring of science training coordinators and the creation of a dedicated office in

autumn 2020. These efforts have led to requests for HT to join additional doctoral programmes, both domestic and international.

Finally, and again in relation to providing training and career development opportunities to young scientists, HT's Early Career Fellowship Programme - aimed at supporting young scientists to establish their independent research agenda at research institutions in Italy - was launched in 2020, with the first call for applications published in October.

#### Purchasing processes

With regard to the purchasing processes of goods and services, the first public tenders were completed, which helped to contribute to the start-up of Campus activities (Data Storage, High performance computing, Laboratory furniture).

During the year, there was also consolidation in the use of the Sintel platform made available by ARIA S.p.A. (Regional Company for Innovation and Purchases) and the use, where possible, of Consip Conventions.

#### Development of the infrastructures of the HT Campus

With regard to the development of the infrastructures intended to accommodate house HT staff, HT continued the activities for the repurposing of the so-called Manufatti di Primo Settiamento (Palazzo Italia, US6-North Pavilion and Cardo-South Pavilion) with Arexpo S.p.A., based on the original Framework Agreement signed on August 3, 2017 between Arexpo and Istituto Italiano di Tecnologia (IIT), subsequently transferred to HT Foundation in February 2019.

At the end of 2019, the contract works relating to the repurposing of Palazzo Italia and the construction of the technical areas pertaining to it were substantially completed, thus making possible in 2020 discussions with Arexpo on the purchase and sale of the building or its long-term lease. Upon completion of the acquisition of the technical-administrative documentation identified by due diligence, the appraisal report by Agenzia delle Entrate, and then the approval of its bodies in the first half of 2020, the purchase of Palazzo Italia was concluded on July 31, 2020.

Arexpo continued to provide global services for the spaces gradually activated by the Foundation in Palazzo Italia.

Moreover, the works for the conversion of the Cardo-South Pavilion progressed and the works for the US6-North Pavilion began. The completion of both projects is expected within the first quarter of 2021, followed by the delivery to HT for the installation of laboratory equipment.



It should be noted that in May 2019, Arexpo and HT signed a Memorandum of Understanding regarding the assignment to Arexpo of the auxiliary contracting activities for further important Real Estate activities in support of the construction of the Campus, namely:

- The design competition for the new HT building (so called South Building);
- The design and construction of a further 4000 square metres of laboratories in temporary prefabricated structures (so-called Incubator Labs).

The Design Competition for the “New Building”, announced in May 2019, was awarded to RTP Piuarch Srl. in April 2020, after a two-stage selection process.

The development of the first phase of the project was then concluded in December 2020 with the delivery of the Technical-Economic Feasibility Project. This project was evaluated and approved by the Management Committee and finally approved by the Supervisory Board on February 25, 2021. Upon the outcome of the Supervisory Board's approval, the Foundation, through the Auxiliary Contracting Station, will proceed to convene the Preliminary Services Conference, which will be followed by the Final Project.

Moreover, with regard to the tender for the supply and installation of the temporary structures for the creation of the so-called "Incubator labs" (awarded in October 2019), the contract was signed in January 2020, followed by the creation of the prototype of the structures in the plant and the development of the project.

As part of the same Memorandum of Understanding, Arexpo has meanwhile been awarded the contract and started the work to prepare the areas and secondary services required to host these temporary facilities. The preliminary works were completed in August 2020.

At the same time, the areas were handed over to the contractor for the installation of the prefabricated laboratories and the assembly of the temporary structures. The end of these services occurred at the end of January 2021, with delivery to HT on February 10, 2021 after the first operations of compliance verification.

### New ERP management system

In January 2020 the new information management system "SAP Business ByDesign" was formally launched. In December the first implementation phase was completed, aimed at covering the operational processes of the passive cycle and administration.

From 2021, the project will be progressively extended to the remaining operational areas, such as human resources, project management, grants management, minor commercial activities and Business Intelligence.

This project is part of a broader set of initiatives aimed at ensuring the efficiency of operational processes, as well as the transparency and integrity of management and financial values communicated to the various stakeholders of the HT Foundation.

## **HIGHLIGHTS OF 2020 OUTCOMES**

Paragraph 3, letter b) of article 2428 of the Italian Civil Code, as amended by Legislative Decree no. 32 of February 2, 2007, requires that the Management Report include "to the extent necessary for an understanding of the Company's position and operating performance, financial and, where appropriate, non-financial indicators relevant to the specific activity". Given the non-profit nature of Human Technopole it was decided, without prejudice to what is set out in the financial statements and in the explanatory notes, to illustrate the highlights of the balance sheet, income statement and operating ratios that highlight the results achieved.

The financial statements for the year 2020, accompanied by this report and the explanatory notes, have been subjected to a mandatory audit by the Board of Auditors.

<b>EURO</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Net Incomes	12,372,887	5,191,961
Gross operating margin	908,459	106,595
Operating result	184,952	65,012
Net Result	13,918	0
Fixed assets	60,761,347	863,774
Total equity	381,959,527	332,713,421

The "value of production" mainly includes grants from the MEF for a total of 12,137,776 euros, of which 11,414,268 euros is operating grants and 723,508 euros capital grants. It should be pointed out that part of the operating grants, amounting to 90,775 euros, are dedicated to the activities of the new Centre for Innovation and Technology Transfer (CITT). In addition, revenues from commercial activities amounted to 13,918 euros.

With regard to the balance sheet items, the value of shareholders' equity as of December 31, 2020 amounts to 381,959,527 euros. In particular, it includes the Foundation's Endowment Fund of 77,261,869 euros and the Operating Fund, which amounts to 304,654,974 euros and brings together the as yet unspent annual contributions, that art. 1 paragraph 121 of Law 232/2016 assigned to Human Technopole in the period 2017-2020. It should be noted that in 2020, although the activity was severely affected by COVID, more than 72 m euros from the Operating Fund was used, following the economic commitments made by the Foundation. Finally, the value of the Net Equity also includes the surplus of the year 2018 equal to 28,766 euros and the surplus of the current year equal to 13,918 euros.

The net financial position amounts to 83,552,616 euros, representing the sum of the value of monetary assets, amounting to 49,546,664 euros, and the value of financial assets not constituting fixed assets, amounting to 34,005,952 euros, relating to the balance of the centralised treasury account opened during the year with Bankitalia. It should be noted in this regard, that the financial balance does not include resources relating to the balance of the Management Fund as of December 31, which are therefore not available to the Foundation.

### **The Income Statement**

The following table shows the results for the period (in euros), in terms of revenues, EBITDA and income before taxes.

<b>EURO</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Net Incomes	12,372,887	5,191,961
Gross operating margin	908,459	106,595
Profit before taxes	182,924	65,084

### **Main economic figures**

The reclassified Income Statement, compared with that of the previous year, is as follows (in euros).

<b>EURO</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Net Incomes	12.372.887	5.191.961	7.180.925
Exsternal costs	7.310.418	2.778.429	4.531.990
<b>Added value</b>	<b>5.062.468</b>	<b>2.413.533</b>	<b>2.648.936</b>
Labour cost	4.154.009	2.306.936	1.847.074
<b>Gross operating margin</b>	<b>908.459</b>	<b>106.595</b>	<b>801.864</b>
Amortisan, depreciation and other accruals	723.508	41.585	681.922
<b>Operating result</b>	<b>184.952</b>	<b>65.012</b>	<b>119.940</b>
Financial income and costs	-2.028	72	-2.100
<b>Ordinary result</b>	<b>182.924</b>	<b>65.084</b>	<b>117.840</b>
Revaluations and write-downs	0		0
<b>Profit bedore taxes</b>	<b>182.924</b>	<b>65.084</b>	<b>117.840</b>
Income taxes	169.006	65.084	103.922
<b>Net Result</b>	<b>13.918</b>	<b>0</b>	<b>13.918</b>

## Balance Sheet

The main changes in the balance sheet during the 2020 financial year are summarised in the following table, in which the asset and liability items have been appropriately reclassified so as to highlight the capital invested, the sources of financing and their determinants.

<b>EURO</b>	<b>BALANCE SHEET RECLASSIFIED 2020</b>		
	<b>TOTAL HT</b>	<b>of which</b>	
		<b>CITT</b>	<b>COMM</b>
Intangible Assets	34,000	0	0
Tangible Assets	60,727,347	0	7,847,678
Financial Assets		0	0
<b>Total Fixed Assets</b>	<b>60,761,347</b>	<b>0</b>	<b>7,847,678</b>
Stock	0	0	0
Accounts Receivable	14,204	0	14,204
Other Accounts Receivable	308,009,057	0	1,451,309
Accrued income and Prepayments	418,717	0	0
<b>Current Assets</b>	<b>308,427,775</b>	<b>0</b>	<b>1,451,309</b>
Payables to suppliers	9,064,879	0	0
Down payments	0	0	0
Tax and social security debts	589,517	0	62,557
Other debts	159,733	0	0
Accrued liabilities and deferred income	60,761,347	0	0
<b>Current Liabilities</b>	<b>70,575,475</b>	<b>0</b>	<b>62,557</b>
<b>Net Working Capital</b>	<b>237,852,299</b>	<b>0</b>	<b>1,388,752</b>
Employees' leaving indemnity	220,938	0	0
Tax and social security debts (due beyond subsequent year)	0	0	0
Other liabilities (due beyond subsequent year)	0	0	0

<b>Medium &amp; Long Term Liabilities</b>	<b>220,938</b>	<b>0</b>	<b>0</b>
<b>Net Invested Capital</b>	<b>238,073,237</b>	<b>0</b>	<b>1,388,752</b>
Net Equity	-381,959,527	-9,909,225	-278,932
Net Financial position (Medium Long Term)	0	0	0
Net Financial position (Short Term)	83,552,616	10,000,000	0
Shareholders' equity and net debt	<b>-298,406,911</b>	<b>90,775</b>	<b>-278,932</b>

After deducting the annual use of the total Operating Fund, the Net Equity incorporates the increases recorded during the year. The latter relate to the 2020 Operating Fund, equal to €10 million, allocated to CITT (Centre for Innovation and Technology Transfer) by Law 77 of 17 July 2020, which converted Legislative Decree 34 of 19 May 2020, and to the Operating Fund of Human Technopole, which was set at €112.1 million for 2020.

### Main financial figures

The net financial position at 31/12/2019, is the following.

<b>EURO</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Bank Deposits (incl. Bankitalia account)	83,552,637	79,160,734	4,391,903
Petty cash	39	194	-155
<b>Total Cash &amp; Cash Equivalentents</b>	<b>83,552,676</b>	<b>79,160,927</b>	<b>4,391,748</b>
<b>Financial assets other than fixed assets</b>			
Accounts payable to banks (short term)	60	2,092	-2,032
<b>Accounts payable to banks (short term)</b>	<b>60</b>	<b>2,092</b>	<b>-2,032</b>
<b>Net Financial position - short term</b>	<b>83,552,616</b>	<b>79,158,836</b>	<b>4,393,780</b>
<b>Net Financial position - medium/long term</b>			
<b>Total Net Financial Position</b>	<b>83,552,616</b>	<b>79,158,836</b>	<b>4,393,780</b>

It should be noted that the value of the net financial position also takes into consideration the balance of the centralised treasury account with Bankitalia, amounting to €34,005,952, which in the statutory financial statements is classified under the item "Financial assets not constituting fixed assets". More specifically, this account was opened in October 2020 in compliance with Article 49-bis, paragraph 4, of Law Decree no. 34/2020 (the so-called "Relaunch Decree"), converted with amendments into Law no. 77/2020, which provided for the

opening of a non-interest-bearing account in the name of the HT Foundation at the State Treasury.

The table below provides a better description of the financial situation.

	31/12/2020	31/12/2019
Fixed Assets (FA) / Invested Capital	187,81	58,75
Immediate Liquidity / Invested Capital	187,81	58,75
Structure Margin (Invested Capital – Fixed Assets)	0,01	3,78

## Investments

During the year, investments were made in the following areas:

<b>EURO - FIXED ASSETS</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Net investments</b>
<b>Tangible fixed assets</b>			
Land and buildings	41.303.566	0	41.303.566
Plants and machinery	2.183	1.421	762
Industrial and commercial equipment	0	0	0
Other assets	426.534	167.069	259.465
Assets under construction	18.995.064	695.284	18.299.780
<b>Intangible fixed assets</b>			
Concessions, licenses, trademarks and similar rights	13.966	0	13.966
Others	20.034	0	20.034

The item land and buildings reflects the purchase at the end of July 2020 of Palazzo Italia for a total value of 41.3 million euros, net of the depreciation of the year of 628,900 euros. In addition, assets under construction mainly refer to costs incurred for the construction of the Lab Incubators, for the design of the New Building, for data warehouse and light microscopy equipment.

## OTHER INFORMATION

The HT Foundation has started a review of internal operational processes, promoting the progressive definition of the rules governing activities (regulations and procedures).

### Organisation, Management and Control Model

On 29 July 2020 HT Foundation approved the "Organisation, Management and Control Model" pursuant to Legislative Decree 231/2001, which regulates the administrative liability of entities in the field of criminal offences. As an integral part of the aforesaid model, the Foundation has adopted a Code of Ethics, through which it has identified a system of values and rules of conduct to which it must constantly refer when carrying out its activities.

In view of the organisational changes that have taken place within the Foundation since the model was approved, the model will be updated in the course of 2021.

### Activation of the VAT number and start of commercial activity

The Foundation's VAT number was activated at the end of June 2020. This opened up the possibility of carrying out, in compliance with the regulations governing non-profit organisations, a commercial activity, which will always represent a small proportion of the non-commercial activity.

In this regard, it should be noted that, since the acquisition of Palazzo Italia took place within the scope of VAT-relevant transactions, with the allocation of part of the premises to commercial activities, it was possible to consider part of the VAT on the purchase as deductible, with the achievement of a significant tax saving of approximately €1.4 million. In July, this transaction was submitted to the Revenue Agency for assessment through the submission of an appeal, the outcome of which was favourable to the Foundation.

As regards the economic result produced by the commercial activity, it should be noted that the loss of approximately €280,000 was substantially determined by the internal recharging of internal costs incurred by the Foundation.

### Plan for multi-year scientific activities 2020 - 2024

On 29 October 2020, the Supervisory Board approved, on the basis of Article 13 of the Foundation's Statute, the Foundation's Multi-Annual Scientific Activity Plan, which, for the five-year period 2020-2024, provides for expenditure commitments of over 700 million euros. These commitments contain, inter alia, the expected expenditure for the completion of the infrastructure of the Scientific Campus, including the construction of the new Foundation building.

### HT Foundation - Founding Ministries Agreement

As provided for by the Budget Law of 27 December 2019 no. 160, Article 1 - paragraphs 275 to 277, concerning interventions in favour of national public research within the scope of the resources allocated to the Human Technopole Foundation, on 30 December 2020 an Agreement was signed between the Human Technopole Foundation and the founding Ministries - Ministry of University and Research, Ministry of Economy and Finance and Ministry of Health. To date, the Foundation has not yet received a countersigned copy of the Agreement from the Ministries.

### The Centre for Innovation and Technology Transfer

In order to encourage innovative processes proposed by public and private entities in the research and innovation system, Article 49-bis of the so-called "Decreto Rilancio" (Decree Law No. 34 of 19 May 2020 - converted into Law No. 77 of 17 July 2020), provided for the allocation of 10 million euros for the year 2020 and 2 million euros starting from the year 2021 in favour of the Human Technopole Foundation, which is entrusted with the task of setting up a "Centre for Innovation and Technology Transfer in the field of Life Sciences", based in Lombardy.

In order to fulfil the task envisaged in the provision, and to encourage the appropriate involvement in the project of the entities explicitly referred to in paragraph 1, i.e. research hospitals (IRCCS), universities, the National Research Council, research centres, SMEs and innovative start-ups, Human Technopole launched a discussion on the subject of technology transfer at the beginning of September 2020 with over 70 representatives of these entities and numerous other stakeholders in the sector. The Foundation has also promoted a study of national and international best practices that could serve as a model for the new centre.

### Supervisory Board

With the Prime Minister's Decree of 29 January 2020, the Presidency of the Council of Ministers appointed four additional members of the Supervisory Board: two designated by the Foundation, chosen from among scientists who are experts in disciplines related to the Human Technopole project and who mainly carry out their activities abroad, one from the Council of Presidents of Public Research Institutions and one who represents both the Municipality and the Region.

Therefore, the seven Board members, including the President, appointed in 2018 have been joined by Prof. Massimo Inguscio, Prof. Maria Grazia Roncarolo, Prof. Gianluca Vago and Prof. Alessandro Vespignani.



### Scientific Advisory Board

It should be recalled that in 2019 the HT Foundation was still at a stage prior to the actual activation of the scientific research activity. Therefore, the Supervisory Board, in order to ensure the efficiency, effectiveness and cost-effectiveness of the Foundation's action, decided not to proceed immediately with the appointment of a Scientific Committee in the manner and form established by the Statutes and the Operating Rules, since the high operating costs would not be consistent with the concrete activity that it is called upon to perform; it therefore decided to proceed with the appointment of a smaller Scientific Advisory Board.

This body was appointed on 15 November 2019 and is called upon to carry out, on a temporary basis and, in any case, no later than 1 January 2022, the functions and powers provided for in the articles of association of the Scientific Committee, until such time as the latter is appointed.

In 2020, the Scientific Committee performed an advisory and evaluation activity for the Supervisory Board and the Management Committee in relation to the 2020-2024 Multi-year Scientific Activity Plan, the appointment of committees for the selection of scientific staff and the purchase of scientific equipment.

### Internal Audit & Compliance Function

The Internal Audit & Compliance Function, whose selection notice was published in the first quarter of the year, could only take office on 21 September 2020 due to COVID, which slowed down the selection process. However, it started its first assurance activities in October, as well as providing support in the preparation of certain Organisational Regulations.

## HUMAN RESOURCES AND ORGANISATION

The headcount of HT Foundation employees at the end of 2020 is 70, 42 more than at the end of 2019.

In relation to the COVID emergency, the HT Foundation initially activated precautionary measures aimed at facilitating "agile" work and then, as of 9 March (following the emergency Prime Ministerial Decree approved by the Council of Ministers) ordered the closure of the offices and the continuation of activities with simplified smart working; in parallel, a protocol was activated regarding the presence in the office for certain roles and functions.

In 2020, the Foundation set up its own organisational structure in order to ensure better rationalisation and efficiency in the management of processes.

In this regard, some new operational policies have been implemented. In the area of HR, the "Remuneration and total reward" policy is of particular note.

During the year, personnel selections were carried out for the Organisation's top positions, both in the Scientific Research area and in the Operations and Governance area.

The selection procedures for the Directors of the five Research Centres were completed, and they became fully operational at the beginning of 2021.

With regard to the roles of Group Leaders, who are in charge of specific research lines and projects, a number of profiles have been recruited in the areas of Computational Biology, Structural Biology and Neurogenomics, and other profiles have been identified, with recruitment expected in 2021.

In the area of Research Facilities, which provide technical and instrumental support to research projects, the two new managers of the Cryo-EM and Automated Stem Cell and Organoid facilities have been appointed.

Still in the area of scientific management, a team dedicated to scientific training was created within the Strategy and Scientific Affairs function, and a number of PhDs were also initiated in collaboration with SEMM (European School of Molecular Medicine) and Milan Polytechnic (as part of the DADS - Data Analytics and Decision Science programme).

Reporting directly to the Director, the Head of Corporate Programmes was hired. In the area of support functions, the IT Manager was hired; in the Governance area, the Head of Internal Audit & Compliance was hired.

Finally, the first individual and group training initiatives of a specialised nature or in compliance with legal provisions (compulsory training) were carried out. In this regard, we would like to highlight the language training activities and those in compliance with legal provisions (in the area of Health, Safety and Environment) and the Code of Ethics, organised by the Legal team.

## **EVENTS OCCURRING AFTER THE CLOSE OF THE FINANCIAL YEAR**

With regard to infrastructural developments, the refurbishment and construction activities initiated in 2020 continue, in preparation for the acquisition or long-term lease of the Cardo-

South Pavilion, the US6-North Pavilion and the land on which the New Foundation Building will be built.

## 2021 OUTLOOK

With regard to Personnel, the selection and hiring of new resources will continue in both the Scientific Area and the Support Area (Governance and Operations), in line with the growth plan set out in the Forecast Programme Document for the year 2021, which envisages that the Foundation will have more than 240 employees by the end of the year.

In terms of infrastructure, the first half of the year will see the completion of the refurbishment of the US6-North Pavilion and Cardo-South Pavilion facilities, as well as the incubators, and the first experimental laboratories will be operational by mid-year, following the installation of the relevant scientific instruments.

In addition, by mid-year, following the installation of the relevant scientific equipment, the first experimental laboratories will be operational. In the first half of 2021, HT will also begin the process of evaluating the possible purchase of the US6-North Pavilion and Cardo-South Pavilion buildings.

In the course of 2021, the detailed design of the New Building is expected, along with the related building permit, and the call for tenders for its construction.

On the scientific side, it is worth mentioning the development of several medical/population genomics studies and large-scale collaborations between several HT research centres with the IRCCS Istituto Neurologico Mediterraneo Neuromed and the IRCCS Associazione Oasi Maria Santissima ("Moli-sani" and "Troina" projects).

It is understood that the situation of a persistent health emergency, the conclusion of which is currently not foreseeable, could lead to a possible re-evaluation of the annual objectives and, in particular, the timing of their achievement.

The 2021 financial year, which has already seen the formal approval of the two-year procurement plan, will also be the year in which the first innovative contracts (Dynamic Purchasing Systems) will be published and in which the signing of Conventions and Framework Agreements through Consip SpA will be systematically carried out.

 **PROPOSAL TO ALLOCATE THE ECONOMIC SURPLUS FOR THE  
FINANCIAL YEAR**

Sirs,

We thank you for the trust placed in us and invite you to approve the Financial Statements, the Explanatory Notes and this Directors' Report as presented, and we propose the allocation to the Management Fund the Financial year 2020 net result equal to 13,918 euros.

Milano, XX March 2021

THE SUPERVISORY BOARD

The President

(Prof. Marco SIMONI)

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## **BALANCE SHEET AND INCOME STATEMENT**

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**BALANCE SHEET HT FOUNDATION – ASSETS**

BALANCE SHEET - ASSETS	31/12/2020	31/12/2019
<b>A) Accounts receivable from shareholders in respect of unpaid share capital</b>	<b>0</b>	<b>0</b>
Accounts receivable from shareholders in respect of unpaid share capital - already called up		
Accounts receivable from shareholders in respect of unpaid share capital - not yet called up		
<b>B) Fixed Assets</b>	<b>60,761,347</b>	<b>863,774</b>
<b>I. Intangible Assets</b>	<b>34,000</b>	<b>0</b>
4) Concessions, licences, trademarks	13,966	
6) Intangible fixed assets in progress and advances		
7) Other	20,034	
<b>II. Tangible Assets</b>	<b>60,727,347</b>	<b>863,774</b>
1) Land and buildings	41,303,566	
2) Plant and machinery	2,183	1,421
3) Industrial and commercial equipment	0	
4) Other assets	426,534	167,069
5) Work in progress and advances	18,995,064	695,284
<b>III. Financial Assets</b>	<b>0</b>	<b>0</b>
<b>C) Current Assets</b>	<b>391,575,937</b>	<b>333,522,873</b>
<b>I. Stock</b>	<b>0</b>	<b>0</b>
<b>II. Accounts Receivable</b>	<b>308,023,261</b>	<b>254,361,946</b>
1) vs from customers	14,204	14,204
- due within the subsequent year	14,204	
- due beyond the subsequent year	0	
5-bis) tax assets	1,437,105	91,540
- due within the subsequent year	1,437,105	91,540
- due beyond the subsequent year	0	
5- quater) other	306,571,952	254,270,406
- due within the subsequent year	306,571,952	254,270,406
- due beyond the subsequent year	0	
<b>III. Financial assets other than fixed assets</b>	<b>34,005,952</b>	<b>0</b>
7) Non-interest-bearing accounts with the General State Treasury	34,005,952	
<b>IV. Cash-in-hand, cash-at-bank and cash equivalents</b>	<b>49,546,724</b>	<b>79,160,927</b>
1) Bank and postal accounts	49,546,685	79,160,734
2) Cheques	0	
3) Cash and cash equivalents	39	194
<b>D) Accrued income and Prepayments</b>	<b>418,717</b>	<b>187,462</b>
Discount on loans	0	
Other	418,717	187,462
<b>TOTAL ASSETS</b>	<b>452,756,001</b>	<b>334,574,109</b>

**BALANCE SHEET HT FOUNDATION – LIABILITIES & EQUITY**

<b>BALANCE SHEET - LIABILITIES &amp; EQUITY</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) EQUITY</b>	<b>381,959,527</b>	<b>332,713,421</b>
I. Endowment Fund	77,261,869	77,230,557
- Endowment Fund HT	77,261,869	77,230,557
- Endowment Fund CITT		
II. Equity Binding by Third Parties	0	
III. Equity Binding by Board decision	0	
IV. Yearly Fund	304,654,974	255,454,097
- Yearly Fund HT	294,745,749	255,454,097
- Yearly Fund CITT	9,909,225	
V. Statutory reserves	0	
VI. Reserve for own shares in portfolio	0	
VII. Other Reserves:	0	1
- Reserve from rounding-off to whole euros (2 decimals)	0	1
- Translation reserve from foreign consolidation	0	
- Consolidation reserve	0	
VIII. Cumulative Results of Operation	28,766	28,766
IX. Results of Operation	13,918	
<b>B) Provisions for contingent liabilities and charges</b>	<b>0</b>	<b>0</b>
<b>C) Employees' leaving indemnity</b>	<b>220,938</b>	<b>83,791</b>
<b>D) Accounts Payable</b>	<b>9,814,189</b>	<b>1,738,866</b>
4) Accounts payable to banks	60	2,092
- due within the subsequent year	60	2,092
- due beyond the subsequent year	0	
7) Accounts payable to suppliers	9,064,879	1,342,918
- due within the subsequent year	9,064,879	1,342,918
- due beyond the subsequent year	0	
12) Tax liabilities	302,553	176,978
- due within the subsequent year	302,553	176,978
- due beyond the subsequent year	0	
13) Accounts payable to social security institutions	286,964	161,107
- due within the subsequent year	286,964	161,107
- due beyond the subsequent year	0	
14) Other accounts payable	159,733	55,771
- due within the subsequent year	159,733	55,771
- due beyond the subsequent year	0	
15) Other accounts payable from internal recharges	0	
- due within the subsequent year	0	
- due beyond the subsequent year	0	
<b>E) Accrued liabilities and deferred income</b>	<b>60,761,347</b>	<b>38,032</b>
- premium on loans	0	
- other	60,761,347	38,032
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>452,756,001</b>	<b>334,574,110</b>

**INCOME STATEMENT HT FOUNDATION**

<b>INCOME STATEMENT (Values in EURO)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) Value of Production</b>	<b>12,372,887</b>	<b>5,191,961</b>
1) Income from sales and services	0	
2) Variations in raw materials, subsidiary materials, consumables and goods	0	
3) Variations in work in progress on order	0	
4) Capitalised internal work in progress	0	
5) Other incomes:	12,372,887	5,191,961
a) Other	235,111	121,445
b) MEF grants to HT:	12,047,001	5,070,516
- of which operating account grants	11,323,493	5,070,516
- of which capital account grants	723,508	
b) MEF grants to CITT	90,775	
- of which operating account grants		
- of which capital account grants	90,775	
<b>B) Expenses</b>	<b>12.187.935</b>	<b>5.126.949</b>
6) Raw materials, subsidiary materials, consumables and goods	889,440	30,599
7) Services	6,252,890	2,551,697
8) Rent/Lease	164,767	191,545
9) Personnel Costs	4,154,009	2,306,935
a) salaries and wages	3,016,694	1,727,504
b) social contributions	920,692	474,768
c) employees' leaving indemnity	195,321	104,663
d) accruals for pension and similar benefits	21,302	
e) Other costs	0	
10) Amortisation, depreciation and value adjustments	723,508	41,585
a) amortisation of intangible assets	9,847	
b) depreciation of tangible assets	713,661	29,499
c) other value adjustments	0	12,086
14) Miscellaneous running costs	3,321	4,588
<b>Difference between revenues and expenses (A-B)</b>	<b>184,951</b>	<b>65,012</b>
<b>C) Financial income and costs</b>	<b>-2,028</b>	<b>72</b>
16) Other financial income:	570	
d) Other financial income	570	
17) Interest and other financial costs:	-161	
17-bis) Exchange gains and losses	-2,437	72
<b>D) Value adjustments of financial assets</b>	<b>0</b>	<b>0</b>
<b>E) Extraordinary gains and losses</b>	<b>0</b>	<b>0</b>
Result before taxes	182,924	65,084
22) Income taxes	169,006	65,084
a) Current taxes	169,006	65,084
b) Taxes of prior years	0	
c) Deferred tax assets and liabilities	0	
d) Income (expense) from the adoption of tax consolidation /fiscal transparency regime	0	
23) Net Result	13,918	0



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**CASH FLOW**

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**CASH FLOW HT FOUNDATION**

Values in Euro	FY 31/12/2020	FY 31/12/2019
<b>A. Cash flow from operating activities (indirect method)</b>		
Profit (loss) for the year	13,918	
Income taxes	169,006	65,084
Interest expense (interest income) (Dividends)	(409)	
<b>Total capital (gains)/losses from the disposal of assets</b>		
of which tangible assets		
of which intangible assets		
of which financial fixed assets		
<b>1. Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses from sale</b>	182,515	65,084
<b>Adjustments in connection with non-monetary items with no offsetting items in the net working capital</b>		
Accrual to provisions		83,791
Amortisation/depreciation of fixed assets	723,508	29,499
Write-downs of assets due to permanent value impairment		12,086
Value adjustments to financial assets and liabilities generated by derivative financial instruments which do not involve a cash flow		
Other adjustments in connection with non-monetary items		
Total adjustments in connection with non-monetary items with no offsetting items in the net working capital	723,508	125,376
<b>2. Cash flow before changes in working capital</b>	906,023	190,460
<b>Changes in working capital</b>		
Decrease/(increase) of inventory		
Increase/(decrease) of accounts receivable from customers	(14,204)	
Increase/(decrease) of accounts payable to suppliers	7,721,961	1,338,038
Decrease /(Increase) of accrued income and prepayments	(231,255)	(187,462)
Increase /(decrease) of accrued liabilities and deferred income	60,723,315	(6,218,101)
Other decreases/(increases) in working capital	(53,453,623)	(254,034,597)
Total changes in working capital	14,746,194	(259,102,122)
<b>3. Cash flow after changes in working capital</b>	15,652,217	(258,911,662)
<b>Other adjustments</b>		
Interest collected/(paid)	409	
(Income taxes paid)	(7,100)	(102,528)
Dividends collected		
(Use of provisions)	137,147	
Other collections/(payments)		
Total other adjustments	130,456	(102,528)
<b>Cash flow from operating activities (A)</b>	15,782,673	(259,014,190)
<b>B. Cash flow from investing activities</b>		
Tangible assets	(60,577,234)	(905,359)

(Investments)	(60,577,234)	(905,359)
Realisation price of divestments		
Intangible assets	(43,847)	
(Investments)	(43,847)	
Realisation price of divestments		
Financial fixed assets		
(Investments)		
Realisation price of divestments		
Financial assets not included among fixed assets	(34,005,952)	
(Investments)	(34,005,952)	
Realisation price of divestments		
(Acquisition undertakings or business concerns not including cash-in-hand and cash-at-bank)		
Disposal undertakings or business concerns not including cash-in-hand and cash-at-bank		
<b>Cash flow from investing activities (B)</b>	<b>(94,627,033)</b>	<b>(905,359)</b>
<b>C. Cash flow from financing activities</b>		
<b>Debt</b>		
Increase (decrease) of short-term bank debt	(2,032)	2,092
Loans taken out		
Loans repaid		
<b>Equity</b>		
Share capital increase	49,230,156	332,684,655
(share capital reimbursement)		
Sale (purchase) of treasury shares		
Dividends (and interim dividends) paid		
<b>Cash flow from financing activities (C)</b>	<b>332,686,747</b>	<b>332,686,747</b>
<b>Cash increase (Decrease) (A ± B ± C)</b>	<b>(29,614,204)</b>	<b>72,767,198</b>
Exchange differences in cash-at-bank, cash-in-hand and cash equivalents		
Cash at the beginning of the year		
Bank and post office deposits	79,160,734	6,393,730
Cheques		
Cash-in-hand and cash equivalents		
Total cash-at-bank, cash-in-hand and cash equivalents at the beginning of the year	79,160,734	6,393,730
Of which are not freely usable		
Cash at the end of the year		
Bank and post office deposits	49,546,685	79,160,734
Cheques		
Cash-in-hand and cash equivalents	39	194
Total cash-at-bank, cash-in-hand and cash equivalents at the end of the year	49,546,724	79,160,928
Of which are not freely usable		

**INCOME STATEMENT – CITT DETAIL**

<b>INCOME STATEMENT (Values in EURO)</b>	<b>31/12/2020</b>
<b>A) Value of Production</b>	<b>90,775</b>
1) Income from sales and services	0
2) Variations in raw materials, subsidiary materials, consumables and goods	0
3) Variations in work in progress on order	0
4) Capitalised internal work in progress	0
5) Other incomes:	90,775
a) Other	0
b) MEF grants to HT:	0
- of which operating account grants	0
- of which capital account grants	0
b) MEF grants to CITT	90,775
- of which operating account grants	0
- of which capital account grants	90,775
<b>B) Expenses</b>	<b>90,775</b>
6) Raw materials, subsidiary materials, consumables and goods	0
7) Services	59,553
8) Rent/Lease	0
9) Personnel Costs	31,222
a) salaries and wages	23,698
b) social contributions	5,929
c) employees' leaving indemnity	1,222
d) accruals for pension and similar benefits	373
e) Other costs	0
10) Amortisation, depreciation and value adjustments	0
a) amortisation of intangible assets	0
b) depreciation of tangible assets	0
c) other value adjustments	0
14) Miscellaneous running costs	0
<b>Difference between revenues and expenses (A-B)</b>	<b>0</b>
<b>C) Financial income and costs</b>	<b>0</b>
16) Other financial income:	0
d) Other financial income	0
17) Interest and other financial costs:	0
17-bis) Exchange gains and losses	0
<b>D) Value adjustments of financial assets</b>	<b>0</b>
<b>E) Extraordinary gains and losses</b>	<b>0</b>
Result before taxes	0
22) Income taxes	0
a) Current taxes	0
b) Taxes of prior years	0
c) Deferred tax assets and liabilities	0
d) Income (expense) from the adoption of tax consolidation /fiscal transparency regime	0
23) Net Result	0

The table does not show any comparison with 2019 values, since the activity started in 2020

**INCOME STATEMENT – COMMERCIAL ACTIVITY DETAIL**

<b>INCOME STATEMENT (Values in EURO)</b>	<b>31/12/2020</b>
<b>A) Value of Production</b>	<b>13,918</b>
1) Income from sales and services	0
2) Variations in raw materials, subsidiary materials, consumables and goods	0
3) Variations in work in progress on order	0
4) Capitalised internal work in progress	0
5) Other incomes:	13,918
a) Other	13,918
b) MEF grants to HT:	0
- of which operating account grants	0
- of which capital account grants	0
b) MEF grants to CITT	0
- of which operating account grants	0
- of which capital account grants	0
<b>B) Expenses</b>	<b>230,293</b>
6) Raw materials, subsidiary materials, consumables and goods	0
7) Services	90,261
8) Rent/Lease	0
9) Personnel Costs	20,524
a) salaries and wages	15,367
b) social contributions	3,915
c) employees' leaving indemnity	987
d) accruals for pension and similar benefits	254
e) Other costs	0
10) Amortisation, depreciation and value adjustments	119,508
a) amortisation of intangible assets	0
b) depreciation of tangible assets	119,508
c) other value adjustments	0
14) Miscellaneous running costs	0
<b>Difference between revenues and expenses (A-B)</b>	<b>-216,375</b>
<b>C) Financial income and costs</b>	<b>0</b>
16) Other financial income:	0
d) Other financial income	0
17) Interest and other financial costs:	0
17-bis) Exchange gains and losses	0
<b>D) Value adjustments of financial assets</b>	<b>0</b>
<b>E) Extraordinary gains and losses</b>	<b>0</b>
Result before taxes	-216,375
22) Income taxes	62,557
a) Current taxes	62,557
b) Taxes of prior years	0
c) Deferred tax assets and liabilities	0
d) Income (expense) from the adoption of tax consolidation /fiscal transparency regime	0
23) Net Result	-278,932

The table does not show any comparison with 2019 values, since the activity started in 2020

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## **EXPLANATORY NOTE**

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## PART A – INTRODUCTION

The Human Technopole Foundation - hereinafter: HT Foundation, Foundation or HT - was established by Article 1, paragraph 116, former Law no. 232 of December 11, 2016.

The year ended December 31, 2020 represented the third year of activity of the Foundation and was characterised by the growth of scientific operations through the launch of research activities and the infrastructural development of the HT Campus.

In July 2020, art. 49-bis titled "Urgent measures regarding health, support of labour force and the economy, as well as social policies related to the epidemiological emergency from COVID-19" former Decree Law no. 34 of May 19, 2020, converted with amendments by Law no. 77 of July 17, 2020, provided for the disbursement, in favour of HT, of the contribution for the year 2020 of 10 million euros and 2 million euros per year starting from the year 2021 "as the State's contribution to the costs of promoting and financing highly innovative research projects carried out in collaboration with companies by the Human Technopole Foundation referred to in Article 1, paragraphs 116 to 123, of Law no. 232 of December 11, 2016, through a structure called "Centre for innovation and technology transfer in the field of life sciences", based in Lombardy".

The establishment of this Centre (also called in the following CITT) aims to promote collaboration between private actors of the innovation system and national and European research institutes, ensuring the wide dissemination of research results and knowledge transfer and supporting patent activity and the exploitation of intellectual property. The Centre also aims to promote collaborative research activities between companies and innovative start-ups for the development of biotechnology, artificial intelligence technologies for genetic analysis, proteomics and metabolomics, technologies for diagnostics, active surveillance, protection of vulnerable individuals, improving the quality of life and active ageing. These financial statements, submitted for your examination and approval, show a positive operating result for the year of 13,918 euros.

The following table summarises data relating to public contributions received and the related use of financial resources during the year.

Value of MEF grant paid to HT on 22.10.2018	6,531,520
Value of the Initial Fund paid to HT on 22.10.2018	77,140,000
Cash out from 01.11.2018 to 31.12.2018	137,790
Cash out from 01.01.2019 to 31.12.2019	4,372,803
<b>Ending Financial Balance at 31.12.2019</b>	<b>79,160,927</b>
Value of MEF grant paid to HT on 11.08.2020	35,812,898
Value of MEF grant paid to HT on 17.12.2020	24,005,952
Value of MEF grant paid to HT on 17.12.2020 CITT	10,000,000
Cash in for Initial Fund balance from IIT Genova 26.05.2020	31,312
Reimbursement from recharged costs from 01.01.2020 to 31.12.2020	90,063
HT Cash out from 01.01.2020 to 31.12.2020	65,520,110
CITT Cash out from 01.01.2020 to 31.12.2020	28,426
<b>Ending Financial Balance at 31.12.2020</b>	<b>83,552,616</b>

### Significant events during the year

Please refer to the contents of the Management Report on Operations.

### Drafting criteria

The Financial Statements as of and for the year ended December 31, 2020 have been prepared in accordance with articles 2423 et seq. of the Italian Civil Code, adopting the long form, although the conditions set out in art. 2435-bis for preparation in abbreviated form apply. The criteria used in the drafting and valuation take into account the rules present in the national legislation pursuant to Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented. The values in the financial statements are represented in units of full euros by rounding off the relevant amounts. Any rounding differences have been reported under the item "Euro rounding reserve" included in the equity items. Pursuant to article 2423, paragraph 6, of the Italian Civil Code, the Explanatory Notes have been drawn up in euros. The Explanatory Notes provide information on items in the Balance Sheet and Income Statement in the order in which such items are shown in the respective financial statements.

### Principles of drafting

The valuation of the items in the financial statements was carried out in accordance with the general criteria of prudence and competence, with a view to business continuity.

In accordance with the accruals principle, the effects of transactions and other events have been recorded in the accounts and attributed to the period to which such transactions and



events refer, and not to the period in which the related cash movements (receipts and payments) take place.

In application of the principle of relevance, the obligations relating to recognition, measurement, presentation and disclosure were not complied with when their observance would have an irrelevant effect in terms of providing a true and fair view.

Continuity in the application of valuation criteria over time is a necessary element for the purposes of the comparability of the company's financial statements in different periods. Recognition and presentation of items in the financial statements have been made taking into account the substance of the transaction or contract.

The Financial Statements comprise the "Balance Sheet", the "Income Statement", the "Cash Flow Statement", the "Notes" and the "Management Report".

The "Balance Sheet" is organised by macro-classes, in accordance with the criterion of increasing liquidity, whilst the groupings and items are subdivided according to type.

The various balance sheet items are shown net of the related adjustment items.

Memorandum accounts are no longer included in the Financial Statements and are described in these Notes.

The Income Statement has been prepared in accordance with the format established by article 2425 of the Italian Civil Code and represents the Company's financial position.

The Income Statement is characterised by the cost and revenue structure of the production carried out, with a scalar development and whose content reflects an order of costs by nature.

The Income Statement is divided into areas that highlight:

**Ordinary operations**, (items A and B), which consist of the Foundation's typical and non-typical activities and whose economic result is indicated with the definition: "Difference between production value and costs";

**Financial management**, (items C and D), which refers to charges and income deriving from the provision of funds and their temporary investment pending their use in ordinary operations;

**Income taxes** (Item 20) consist of direct taxes (IRAP and IRES) levied on taxable income for the year. They have been accounted for by taking into account the taxable income for the year and on the basis of the tax regulations in force.

At the end of the year there were no deferred tax liabilities or deferred tax assets.

The comparison with the previous accounting period is carried out by means of indication in two separate columns of the balance for the current year and that for the previous year.

The **Statement of Cash Flow** is an element of the Financial Statements. It should be noted that the Foundation, in compliance with the provisions of OIC 10, has adopted the indirect method.

The Notes to the Financial Statements have been prepared in order to clarify, complete and analyse the information contained in the Balance Sheet, Income Statement and Cash Flow Statement, as well as to provide information on the valuation criteria applied, and details of changes in the various asset and liability items.

It is an integral part of these Financial Statements and provides information of a descriptive and tabular nature, with particular reference to balance sheet, income statement and financial position.

#### **Exceptional cases pursuant to art. 2423, fifth paragraph, of the Italian Civil Code**

There were no exceptional circumstances that made it necessary to resort to exceptions pursuant to art. 2423, paragraph 5 of the Italian Civil Code.

#### **Evaluation criteria applied**

##### **Assets**

##### *Intangible Assets*

These are recorded at their historic purchase cost, including ancillary expenses and VAT (where this is considered non-deductible due to the fact that they are intended for institutional activities), and are shown net of amortisation charged directly to the individual items.

- Licenses, concessions and trademarks are amortised at an annual rate of 20%.
- Leasehold improvements are depreciated at rates that depend on the duration of the contract.

If, irrespective of the depreciation already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

### *Tangible Assets*

Tangible fixed assets are recorded at purchase cost, including ancillary expenses and non-deductible VAT, and adjusted by the corresponding accumulated depreciation. Depreciation, charged to the Income Statement, has been calculated on the basis of the criterion of the residual useful life of the asset, taking into account its use, destination and economic-technical duration:

<b>Asset Type</b>	<b>% Amortisation</b>
Industrial buildings	3%
Plant and machinery	10%
Furniture and fittings	12%
Electronic office machines	20%
Mobile phones	20%
Servers	20%

If, irrespective of the depreciation already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

### **Credits**

They are shown at their estimated realisable value and without using the amortised cost method, given that all receivables are due in the short term and therefore the application of the amortised cost method would have insignificant effects.

### **Financial assets not constituting assets**

The issuance of accounting standard OIC 14, has changed, starting from the 2016 financial

year, the classification and valuation of cash and cash equivalents by restricting its belonging to bank and postal current accounts that have the requirement of being instantly accessible and usable for any business purpose.

In the light of these provisions, there are two important aspects concerning the assets held in the Foundation's treasury accounts with the Bank of Italy. These assets:

- are not required to be collectible with instant access (given the procedure and withdrawal limits imposed by law and the guidelines agreed with the Ragioneria Generale dello Stato (RGS));
- have strong similarities with the centralised treasury management methods given the impossibility for the Foundation to access these funds directly but only after requesting authorisation and transfer to the RGS.

In accordance with the provisions of the new OIC 14, these assets of the HT Foundation, which are held in treasury accounts with the Bank of Italy, are therefore recorded under "Financial assets not constituting fixed assets" at nominal value.

## **Equity**

The equity of non-commercial entities is intended on a lasting basis to support the acquisition of the necessary productive factors of both a current and investment nature, its nature is therefore definable as a "dedicated fund", to be allocated to the achievement of the statutory purposes.

## **Debts**

Debts are entered at their nominal value, which is considered representative of their decreasing value and substantially conforms to the amortised cost criterion.

Payables in foreign currencies have been accounted for on the basis of the exchange rates on the date on which the relevant transactions were carried out; positive or negative differences arising from the valuation of foreign currency items at the year-end exchange rate are credited or debited respectively to the year.

"Payables to suppliers", in addition to the value of payables for invoices received, include the value of invoices to be received for services rendered and orders delivered, not invoiced by the closing date of the financial year.

"Taxes payable" include liabilities for withholding taxes as withholding agent, direct taxes for the year represented by IRAP and IRES as well as indirect taxes. The latter are determined in accordance with a realistic forecast of the tax charges to be paid, taking into account current tax legislation, and are shown net of advances paid.

"Payables to pension and social security institutions" include the value of social security charges relating to employees and collaborators, accrued and not paid at the closing date of the financial year, including payables to supplementary pension funds for those who availed themselves of the option provided for by Law 296 of 27.12.2006 concerning the allocation of severance indemnities as from 1 January 2007.

"Other payables" include residual payables, not included in the previous items, including payables to employees for all liabilities accrued towards them, in accordance with current legislation, including the value of annual leave and other benefits accrued but not taken at the balance sheet date.

### **Accruals and prepayments**

They were determined according to the criterion of actual accrual for the year.

The item "prepaid expenses" includes costs incurred before the end of the financial year for the portion pertaining to the following year.

"Deferred income" includes income realised before the end of the financial year but accruing to the following year.

### **Severance fund**

This represents the actual debt accrued to employees in accordance with the law and current employment contracts, considering all forms of remuneration of an ongoing nature.

The provision corresponds to the total of the individual indemnities accrued in favour of employees at the closing date of the financial statements and is equal to the amount that would have been payable to employees if they had terminated their employment on that date. The amount included in this item is related to the severance indemnity accrued by most of the employees, who decided to keep it in the company, not availing themselves of the option provided by Law No. 296 of December 27, 2006 to pay the severance indemnity accrued from January 1, 2007 to complementary pension funds.

### **Income tax**

Taxes are provided for on an accrual basis and in accordance with current tax regulations. At the closing date of the financial year, there were no deferred tax liabilities or prepaid tax assets.

### **Income and expenses**

Income and expenses are recognised on an accrual basis, irrespective of the date of collection and payment, and on a prudent basis, also in relation to the preservation of the value of Human Technopole's assets and in anticipation of the continuation of the business.

### **Operating contributions**

In accordance with Accounting Principle no. 1 for not-for-profit entities, contributions received on the account during the financial year, either by law or under contractual provisions, related to specific activities of the Foundation, are recognised on an accrual basis, in relation to the expenses incurred to which they refer, regardless of whether they have been received.

In this regard, the standard provides that "when a correlation between income, in any case of a non-monetary nature, can be identified, it can be correlated with the expenses of the financial year. This correlation constitutes a fundamental corollary of the principle of economic competence of the management events characterising institutional activities and expresses the need to set off the charges for the financial year, whether certain or presumed, against the related income". As these are contributions specifically for the Foundation's ordinary activities, they are recorded in the income statement under item A5) Other revenues and income, where they are indicated separately under the sub-item "Operating grants".

Costs pertaining to the financial year are partly covered by the use of the contribution deferred in the previous financial year, through the recording of the portion pertaining to the future in the item deferred income and partly through the use of the "Operating fund".

### **Capital contributions**

Contributions received in full are recognised in the balance sheet as deferred income and are reduced at the end of each tax period by charging to the profit and loss account an annual portion determined on the basis of the useful life of the asset acquired.

In accordance with the principles set out in OIC No. 16, letter F.II.a), capital grants received

from the State (included in the mixed grant awarded annually in relation to investment plans for the acquisition of depreciable assets and other expenses, with specific reference to orders formalised by the end of the financial year) are also recognised on this basis for the portion intended for the acquisition of tangible fixed assets, commensurate with the cost of investments and with the restriction on their use in connection with the Foundation's statutory and legal mission.

Capital grants are accounted for using the "income method", whereby the amount of the grant, recognised in the income statement under "other revenues and income", is deferred to future years through the recognition of deferred income, with depreciation charged to the income statement on the gross cost of the assets equal to the grant for the year.

### **Memorandum accounts**

The commitments entered into by the Foundation are shown in the appropriate section of the notes to the accounts. In particular, the value of contracts for which there is a revocable commitment to make future grants is shown.

## **PART B - INFORMATION ON THE BALANCE SHEET ASSETS**

### **Assets**

#### **Intangible Assets**

Balance at 31/12/2020	Balance at 31/12/2019	Variations
34,000		34,000

**Movements in intangible assets**

	Installation and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Concessions, licenses, trademarks and similar rights	Startup	Intangible fixed assets in progress and advances	Other intangible fixed assets	Total intangible fixed assets
<b>Value at the beginning of the year</b>								
Cost								
Revaluations								
Amortisation (Amortisation Fund)								
Write-downs								
Book value								
<b>Changes during the year</b>								
Increases for acquisitions				20,951			22,896	43,847
Amortisation for the year				6,985			2,862	9,847
Write-downs made during the year								
Other variations								
Total changes				13,966			20,034	34,000
<b>Value year-end</b>								
Cost				20,951			22,896	43,847
Revaluations								
Amortisation (Amortisation Fund)				6,985			2,862	9,847
Write-downs								
Book value				13,966			20,034	34,000

Intangible fixed assets arise from increases during the year ended 31/12/2020 and consist of: "Concessions, licences, trademarks and similar rights" and "Other intangible fixed assets".

The item "Other intangible assets" refers to "leasehold improvements", carried out by the HT Foundation in relation to small interventions on the building leased from the company Arexpo Spa.

**Tangible Assets**

Balance at 31/12/2020	Balance at 31/12/2019	Variation
60,727,347	863,774	59,863,573



**Movements in tangible assets**

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets under construction and prepayments	Total tangible fixed assets
<b>Value at the beginning of the year</b>						
Cost		1,496		208,580	695,284	905,360
Revaluations						
Amortisation (Amortisation Fund)		75		29,425		
Write-downs				12,086		
Book value		1,421		176,069	695,284	863,774
<b>Changes during the year</b>						
Increases for acquisitions	41,932,554	1,014		343,886	18,299,780	60,577,234
Amortisation for the year	628,988	252		84,421		713,661
Write-downs made during the year						
Other variations						
Total changes	41,303,566	762		259,465	18,299,780	59,863,573
<b>Value year-end</b>						
Cost	41,932,554	2,510		552,466	18,995,064	61,482,594
Revaluations						
Amortisation (Amortisation Fund)	628,988	327		113,846		743,161
Write-downs						12,086
Book value	41,303,566	2,183		438,620	18,995,064	60,739,433

The value of the buildings recognised in the financial statements refers to the purchase of Palazzo Italia, located in Milan at 171 Via Cristina Belgioioso, the headquarters of the HT Foundation. The property was sold by notarial deed between HT and Arexpo Spa, dated 31 July 2020.

It should be noted that the item "Other assets" also includes the assets transferred by the Italian Institute of Technology (IIT) on 20 February 2019 following the signing of the Agreement between IIT and Human Technopole.

IIT, in order to allow the Human Technopole Foundation to be fully operational for the implementation of the "Human Technopole" scientific and research project referred to in Article 1, paragraph 116, of Law no. 232 of 11 December 2016, and the Decree of the President of

the Council of Ministers of 16 September 2016, purchased in the interest of HT assets amounting to €90,557.29 forming part of the Agreement entered into between the two Foundations.

In this context, pursuant to and for the purposes of Article 3.2 of the Agreement, IIT has transferred the aforesaid assets to HT.

In particular, the historical cost of the assets sold by IIT under the item "Other assets" is detailed as follows:

<b>Asset</b>	<b>Acquisitions from IIT</b>
Furniture and fittings	2,867
Electronic office machines	87,690
Mobile phones	
<b>Total</b>	<b>90,557</b>

The total of "Other assets" is broken down as follows:

<b>II 4) Other tangible fixed assets</b>	<b>Furniture and Furnishings</b>	<b>Electromechanical and electronic office machines</b>	<b>Cell phones</b>
Historical cost	8,426	199,114	1,040
Previous years' amortisation	850	40,557	104
<b>Balance at 31/12/2019</b>	<b>7,576</b>	<b>158,557</b>	<b>936</b>
Acquisitions during the year	3,005	340,881	
Amortisation for the year	3,474	80,739	208
<b>Balance at 31/12/2020</b>	<b>7,107</b>	<b>418,699</b>	<b>728</b>

The item "Tangible assets in progress and advances" is recorded for an amount of €18,995,064 and includes the costs incurred for the call for tenders launched by the company Arexpo Spa as well as those deriving from the competition held for the design of the "New Building", seat of the Foundation's laboratories and the competition held for the installation and construction of temporary structures (so-called Incubators) that house the first laboratories following the construction of the new building.

**Current assets**
**Current receivables**

Balance at 31/12/2020	Balance at 31/12/2019	Variation
308,023,261	254,361,946	53,661,315

**Changes and maturity of receivables included in current assets**

	Value at the beginning of the year	Change during the year	Year-end value	Amount due within the financial year	Amount due after the financial year	Of which with a residual maturity of more than 5 years
Changes and maturity of receivables included in current assets		14,204	14,204	14,204		
Tax receivables recorded under current assets	91,540	1,345,565	1,437,105	1,437,105		
Receivables from others included in current assets	254,270,406	52,301,546	306,571,952	306,571,952		
Total receivables included in current assets	254,361,946	53,661,315	308,023,261	308,023,261		

The item "Receivables from customers at 31/12/2020 consists of the following:

Description	Amount
Due from customers - Italy	1,586
Receivables for invoices to be issued to clients - Italy	12,618
<b>Total</b>	<b>14,204</b>

The item "Tax credits" as of 31/12/2020 is composed of the amount of 1,437,391 euros, corresponding to the VAT credit that HT Foundation has following the purchase of Palazzo Italia and the amount of VAT adjusted for a credit amount of 286 euros.

The recognition of this credit position is in accordance with the results of the response by the Revenue Agency to the *Interpello* request of 29/07/2020 submitted by the HT Foundation.

The item "Receivables from others" as of 31/12/2020, amounting to €306,571,952, is composed as follows:

Description	Amount
Due to the State for contributions to be paid out	306,549,630
Others	22,322
<b>Total</b>	<b>306,571,952</b>

The item Receivables from the State amounts to €306,549,630 and consists of the contributions indicated in Article 1, paragraph 121 of Law no. 232 of 11 December 2016, relating to the years 2018, 2019 and 2020 for the portion not collected at the closing date of the financial year, as summarised in the following table:

Period	Contributions ex L. 232/2016	Grants disbursed at 12/31/2019	Residual contributions at 12/31/2019	Grants disbursed at 12.31.2020	Residual contributions at 12.31.2020
2017	10,000,000	6,531,520	3,468,480	3,468,480	-
2018	114,300,000	-	114,300,000	56,350,370	57,949,630
2019	136,500,000	-	136,500,000		136,500,000
2020	112,100,000				112,100,000
<b>Total</b>	<b>372,900,000</b>	<b>6,531,520</b>	<b>254,268,480</b>	<b>59,818,850</b>	<b>306,549,630</b>

#### Breakdown of receivables recorded in current assets by geographical area

The breakdown of receivables at 31/12/2020 by geographic area is not considered significant.

#### Financial assets not constituting fixed assets

#### Changes in financial assets not constituting fixed assets

Balance at 31/12/2020	Balance at 31/12/2019	Variation
34,005,952		34,005,952

	Value at the beginning of the year	Changes during the year	Year-end value
Non-interest-bearing accounts with the Central State Treasury		34,005,952	34,005,952
Total financial assets not constituting fixed assets		34,005,952	34,005,952

Paragraph 4 pursuant to Article 49-bis of the former Decree-Law no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020, added the following sentence to the Law establishing the HT Foundation, in particular, to Article 1, paragraph 121 pursuant to Law no. 232/2016: "The contributions to the Foundation's endowment fund and management fund charged to the State budget shall be credited to a non-interest-bearing account opened with the State Treasury, in the name of the Foundation". Therefore, in compliance with the law, a non-interest-bearing account no. 25084 was opened with the Central State Treasury. This account is credited with the annual contribution and the sum necessary for its operation is transferred to the cashier's account with Banca Intesa in accordance with the procedures set out in Ministerial Decree MEF 49506 of 16 June 2010 and subsequent guidelines.

The balance as at 31/12/2020 consists of the following amounts:

- 10,000,000 euros deriving from the provisions of Article 49-bis former Decree-Law no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020 for the establishment of the CITT;
- 24,005,952 euros deriving from the portion of the 2018 contribution collected during the current financial year.

### Cash and cash equivalents

Balance at 31/12/2020	Balance at 31/12/2019	Variation
49,546,724	79,160,928	(29,614,205)

	Value at the beginning of the year	Changes during the year	Year-end value
Bank and postal deposits	79,160,734	(29,614,050)	49,546,685
Cheques			
Cash and other valuables on hand	194	(155)	39
Total cash and cash equivalents	79,160,928	(29,614,205)	49,546,724

The balance represents cash and cash equivalents at the end of the financial year.

The item "Bank and post office deposits" as of 31/12/2020, amounting to €49,546,685 is composed as follows:

<b>Description</b>	<b>Amount</b>
Banca Intesa c/c 162106	49,046,685
Banca Intesa c/c 167570	500.000
<b>Total</b>	<b>49,546,685</b>

It should be noted that €500,000 is deposited in a current account with IntesaSanPaolo and constitutes an escrow deposit necessary to issue a guarantee to Arexpo Spa for €1,000,000. This guarantee was required at the time of the assignment of the framework agreement entered into between IIT and Arexpo Spa, which was assigned under the agreement between the Foundation and IIT.

### **Accrued income and prepaid expenses**

Balance at 31/12/2020	Balance at 31/12/2019	Variation
418,717	187,462	231,255

They measure income and expenses whose accrual is in advance or deferred with respect to their cash and/or documentary manifestation; they do not take into account the date of payment or collection of the related income and expenses, which are common to two or more financial years and can be allocated over time.

There are no accruals or deferrals with a duration of more than five years at 31/12/2020.

	Accrued income	Prepaid expenses	Total accrued income and prepaid expenses
Value at the beginning of the year		187,462	187,462
Changes during the year		231,255	231,255
Year-end value		418,717	418,717

This item can be broken down as follows:

<b>Description</b>	<b>Amount</b>
Licenses	495
Maintenance and repairs	1,433
Software Services	4,239
IT support and maintenance services	112,181
Science instrumentation maintenance and repair	70,638
Cost PhD Students	200,500
Expenses for employee and collaborator	186

travel	
Various equipment leases	11,509
Meeting and event organisation expenses	14,640
	1,327
Advertisements and staff recruitment	
Transport and shuttle services	1,569
<b>Total prepaid expenses</b>	<b>418,717</b>

## PART B - INFORMATION ON THE BALANCE SHEET LIABILITIES AND EQUITY

### Equity

Balance at 31/12/2020	Balance at 31/12/2019	Variation
381,959,527	332,713,421	49,246,106

### Movements of Equity

	Value at the beginning of the year	Allocation of previous year's result		Other changes			Operating result	Year-end value
		Attribution of dividends	Other destinations	Increments	Decreases	Reclassifications		
Endowment funds and reserves	77,230,557			31,312				77,261,869
Management Fund	255,454,097			49,200,877				304,654,974
Euro rounding reserve	1				(1)			
Economic surplus (deficit) for the previous year	28,766							28,766
Economic surplus (deficit) for the year							13,918	13,918
Total net equity	332,713,421			49,232,189	(1)		13,918	381,959,527

As established by Article 1, paragraph 119 of Law no. 232 of 11 December 2016, the Foundation's assets are made up of contributions from the founding Ministries and increased by further contributions from the State, as well as resources from public and private entities.

The Endowment Fund is made up of the restricted fund for the start-up of the Human Technopole scientific project, provided for by Article 5 of Legislative Decree no. 185 of 25 November 2015, converted, with amendments, into Law no. 9 of 22 January 2016 and initially allocated to the Fondazione Istituto Italiano di Tecnologia (IIT) for an original amount of €79,900,000 and transferred, in the form of both financial resources and assets in kind, to the Human Technopole Foundation, for the residual amount of € 77,230,557, corresponding to the original amount, net of the charges incurred for the project by IIT.

As dictated by Article 6, paragraph 4, of the Human Technopole Foundation's Articles of Association and Article 3 of the Foundation's Regulation, contained in the Prime Minister's

Decree of 27 February 2018, the aforementioned endowment fund is unavailable and restricted to the pursuit of statutory purposes.

Furthermore, during the financial year ended 31 December 2020, the HT Foundation received an amount of €31,312 from the Italian Institute of Technology (IIT) as the residue of the Endowment Fund resulting from the closure of the current account dedicated to the management of the "HT Project".

As of the closing date of the financial year 2020, the Endowment Fund was recorded among the items of the Foundation's net equity for a total amount of €304,654,974 and included the contributions indicated in Article 1, paragraph 121 of Law no. 232 of 11 December 2016, relating to the years 2018, 2019 and 2020, for the portion not used at the closing date of the financial year and the portion to be used, of the contributions granted for the "Centre for Innovation and Technology Transfer in the field of Life Sciences".

This fund consists of two different items:

- HT Management Fund of € 294,745,749
- CITT Management Fund amounting to € 9,909,225

Changes in the operating fund are shown in the table below:

<b>HT Management Fund</b>					
Period	Contributions ex L. 232/2016	Grants used			Grants to be used
		FY 2018	FY 2019	FY 2020	
2017	10,000,000	275,387	5,070,516	4,654,097	-
2018	114,300,000	-	-	68,054,251	46,245,749
2019	136,500,000	-	-		136,500,000



2020	112,000,000				112,000,000
<b>Total</b>	<b>372,800,000</b>	<b>275,387</b>	<b>5,070,516</b>	<b>72,708,348</b>	<b>294,745,749</b>
<b>CITT Management Fund</b>					
Period	Contributions pursuant to art. 49-bis of Decree Law 34/2020 (conv. Law 77/2020)	Grants used			Grants to be used
		FY 2020			
2020	10,000,000		90,775		9,909,225
<b>Total</b>	<b>10,000,000</b>		<b>90,775</b>		<b>9,909,225</b>
<b>Total Operating Fund</b>					<b>304,654,974</b>

It should be noted, as highlighted in the introductory section of these Notes to the Financial Statements, that the "CITT Management Fund" derives from the contribution granted under the provisions of Article 49-bis of Law Decree no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020, which provided for the establishment of the structure called "Centre for innovation and technology transfer in the field of life sciences", specifying that the HT Foundation must adopt specific organisational measures and dedicated management solutions, with the adoption of separate accounting for the use of the resources allocated for this purpose.

The contribution for the Centre for Innovation and Technology Transfer for the year 2020 amounted to €10,000,000 and, following the charges incurred for the start-up phase, it amounts to €9,909,225 as of 31/12/2020.

In compliance with art. 6, fourth paragraph, of the Human Technopole Foundation Statute and art. 3 of the Foundation's Regulation, contained in the Prime Minister's Decree of 27 February 2018, the Management Fund is intended to cover operating expenses.

### Severance pay

Balance at 31/12/2020	Balance at 31/12/2019	Variations
220,938	83,791	137,147

	Severance pay
Value at beginning of year	83,791
<b>Changes during the year</b>	
Provision for the year	137,147
Profit for the year	
Other changes	
Total changes	137,147
Year end value	220,938

The provision set aside represents the company's actual debt at 31/12/2020 to employees in force at that date.

## Debts

Balance at 31/12/2020	Balance at 31/12/2019	Variations
9,814,189	1,738,866	8,075,323

## Changes and maturity of debts

The maturity of payables is broken down as follows:

	Value at beginning of year	Change during the year	Year-end value	Amount due within one year		Amount due after one year	Of which with a residual maturity of more than 5 years
Payables to banks	2,092	(2,092)	60	60			
Payables to suppliers	1,342,918	7,721,961	9,064,879	9,064,879			
Tax debts	176,978	125,575	302,553	302,553			
Payables to social security institutions	161,107	125,857	286,964	286,964			
Other liabilities	55,771	103,962	159,733	159,733			
<b>Total payables</b>	<b>1,738,866</b>	<b>8,075,323</b>	<b>9,814,189</b>	<b>9,814,189</b>			

"Payables to suppliers" are recorded at nominal value and this item includes, in addition to the value of payables for registered invoices, the sum of invoices to be received for services pertaining to the financial year relating to invoices to be received.

The total of the item "Payables to suppliers" at 31/12/2020 is composed as follows:

Description	Amount
Suppliers of goods and services	4,412,816
Invoices to be received	4,652,063
<b>Total</b>	<b>9,064,879</b>

The item "Taxes payable" only includes liabilities for certain and definite taxes.

The item "Taxes payable" includes payables for IRAP tax in the amount of € 49,382, net of advances paid during the year in the amount of € 39,050. In addition, there are IRES tax payables of € 80,574.

The item "Taxes payable" at 31/12/2020 is made up as follows:

Description	Amount
Debt IRAP	49,382
Debt IRES	80,574
Payables for withholding tax on employee income	133,716
Payables to tax authorities for withholding tax on self-employed income	13,725
Other tax liabilities	25,156
<b>Total</b>	<b>302,553</b>

"Payables to social security institutions" include the amount of social security charges for employees and collaborators, accrued and unpaid as at 31 December 2020 for an amount of €208,835 and the social security portion of the allocations to the funds for €78,129.

"Other payables" include residual payables, which by their nature do not fall under the previous items, including payables to the Foundation's collaborators for all liabilities accrued towards them. In particular, the sum of payables related to employees' accrued but untaken holidays is €143,741.

### Breakdown of debts by geographical area

The breakdown of payables at 31/12/2020 by geographical area is shown in the table below:

Geographical area	Obligations	Convertible obligations	Payables to shareholders for loans	Payables to banks	Payables to other lenders	Advances	Payables to suppliers	Debts represented by debt securities
Italy				60			9,044,005	
EU							16,434	
Outside EU							4,440	
<b>Total</b>							<b>9,064,879</b>	

Geographical area	Payables to subsidiaries	Payables to affiliated companies	Payables to parent companies	Payables to companies controlled by parent companies	Tax debts	Payables to social security institutions	Other liabilities	Debts

Italy					302,553	286,964	159,733	9,814,189
Total					302,553	286,964	159,733	9,814,189

### Accruals and deferred income

Balance at 31/12/2020	Balance at 31/12/2019	Variations
60,761,347	38,032	60,723,315

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Balance at year beginning	38,032		38,032
Year variations	(38,032)	60,761,347	60,723,315
Balance at year end		60,761,347	60,761,347

This item can be broken down as follows:

Description	Amount
Deferred income contributions	60,761,347
<b>Total</b>	<b>60,761,347</b>

The criteria adopted in the valuation and translation of the values expressed in foreign currency for these items are reported in the first part of these notes.

In accordance with the indirect method governed by OIC 16, deferred income includes the portion of the capital grant (treated as prepaid income to be deferred) related to depreciable assets acquired during the year, amounting to € 60,761,347.

## PART C - INFORMATION ON THE PROFIT AND LOSS ACCOUNT

### Value of production

Balance at 31/12/2020	Balance at 31/12/2019	Variation
12,372,887	5,191,961	7,180,926

Description	31/12/2020	31/12/2019	Variations
Revenues from sales and services			
Other income and revenues	12,372,887	5,191,961	7,180,926
<b>Total</b>	<b>12,372,887</b>	<b>5,191,961</b>	<b>7,180,926</b>

The item "Other revenues and income" is composed as follows:

- **Operating contribution - HT pursuant to Article 1, paragraph 121 of Law no. 232/2016:** amounting to €11,323,493 relating to the portion of the operating

contribution, related in accrual terms to the specific activities of the Foundation on account of the expenses incurred (as provided for by accounting principle no. 1 for non-profit entities).

- Operating contribution - CITT ex art. 49-bis D.L. 34/2020, converted with modifications by L. 77/2020:** amounting to €90,775 related to the share of the operating contribution related to the financing of the "Centre for Innovation and Technology Transfer in the field of Life Sciences". The total amount of the contribution ex lege is equal to €10,000,000; the amount included in the item "Other revenues and income" is the portion pertaining to the year ended 31 December 2020 used for the start-up phase of the Centre.
- Capital contribution - HT:** amounting to €723,508, it refers to the capital contribution for the year, calculated on the basis of the depreciation charged to the income statement and determined on the basis of the useful life of the assets acquired during the year and in previous years. The presentation of this contribution derives from the application of the so-called "income method", according to which the amount of the contribution, recorded in the income statement among other revenues and income, is deferred for accrual to subsequent years through the recording of deferred income, charging to the income statement the depreciation calculated on the gross cost of the assets equal to the portion of the contribution pertaining to the year.
- Other revenues and income:** amounting to €235,111 relating to recharges for the reimbursement of costs and to the contingent asset realised following the cancellation of the IRAP debt for 2019, taking into account that the Foundation has taken advantage of the provisions contained in Legislative Decree 34/2020.

### Costs of productions

Balance at 31/12/2020	Balance at 31/12/2019	Variation
12,187,935	5,126,949	7,060,986

Description	31/12/2020	31/12/2019	Variations
Materials, supplies and goods	889,440	30,599	858,841
Services	6,252,890	2,551,697	3,701,193
Use of third party assets	164,767	191,545	(26,778)
Wages and salaries	3,016,694	1,727,504	1,289,190
Social charges	920,692	474,768	445,924
Severance pay	195,321	104,663	90,658
Pensions and similar benefits	21,302		21,302
Amortisation of intangible assets	9,847		9,847

Depreciation of tangible fixed assets	713,661	29,499	684,162
Other write-downs of assets		12,086	(12,086)
Other operating expenses	3,321	4,588	(1,267)
<b>Total</b>	<b>12,187,935</b>	<b>5,126,949</b>	<b>7,060,986</b>

### Cost of raw materials, consumables and goods and Cost of services

These concern the costs incurred for the procurement of consumables and are a direct consequence of the research activities and structural costs incurred by the HT Foundation.

With particular reference to costs for services, the amount of €6,252,890 is composed of the following items:

<b>Expenses for services</b>	<b>31.12.2020</b>
	<b>Euro Amount</b>
Technical, administrative and legal consulting	832,118
Software support and maintenance services	1,097,052
Insurance	116,209
Fees for collaborators	310,781
Fees for Bodies and Committees	720,836
Maintenance and repairs	1,124,651
Other research support services	384,240
Training	41,680
Communication and publications	251,054
Costs PhD Students	329,618
Other service costs	404,942
Selection and publication services	369,550
Organisational and management support services	270,160
<b>Total</b>	<b>6,252,890</b>

### Personnel costs

This item includes all expenses for employees including merit improvements, category upgrades, contingency payments, the cost of untaken annual leave and provisions required by law and collective agreements.

### Depreciation of tangible fixed assets

Depreciation is calculated on the basis of the useful life of the asset and its use in production.

### Other operating expenses

The HT Foundation did not record any costs of significant size or impact under this heading

### Financial income and expenses

Balance at 31/12/2020	Balance at 31/12/2019	Variation
(2,028)	72	(2,100)

Descriptions	31/12/2020	31/12/2019	Variations
Other income	570		570
(Interest and other financial charges)	(161)		(161)
Profit (loss) on currency exchange	(2,437)	72	(2,509)
<b>Total</b>	<b>(2,028)</b>	<b>72</b>	<b>(2,100)</b>

### Current, deferred and prepaid income taxes for the year

Balance at 31/12/2020	Balance at 31/12/2019	Variation
169,006	65,084	103,922

Taxes	Balance at 31/12/2020	Balance at 31/12/2019	Variations
<b>Taxes:</b>			
IRES	80,574		80,574
IRAP	88,432	65,084	23,348
<b>Total</b>	<b>169,006</b>	<b>65,084</b>	<b>103,922</b>

Taxes for the year have been recorded.

Pursuant to Article 2427, first paragraph, no. 14, of the Italian Civil Code, it should be noted that there are no temporary differences detectable for deferred taxation purposes.

### Calculation of IRES

Institutional Activity	Fiscal year 31/12/2020
Income from buildings	113,207
rate IRES	24%
IRES Institutional Activity	27,170

Commercial Activity	Fiscal year 31/12/2020
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A) Value of production	
- 5) other revenues and incomes	13,918
B) Costs of production	
- 7) Expenses for services (mixed costs)	(90,261)
- 9) Personnel costs (mixed costs)	(20,524)
- 10) Depreciation and amortisation (mixed costs):	(119,508)
Share of cadastral revenue	(2,265)
Costs non deductible	441,160
Corporate income	222,520
Rate IRES	24%
IRES Commercial Activity	53,404

IRES total	FY ending 31/12/2020
IRES Institutional Activity	27.170
IRES Commercial Activity	53.404
IRES for the year	80,574

### Calculation of IRAP

Institutional Activity	Fiscal year 31/12/2020
Personnel costs	
- Gross taxable amount	3,375,372
- Deductions	(675,412)
Net taxable base	2,700,320
Rate IRAP	3.9%
IRAP Institutional Activity	105,313

Decree-Law no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020, on: 'Urgent measures on health, employment support and the economy, as well as social policies related to the epidemiological emergency from COVID-19', in paragraph 1, Article 24, provided that: "The payment of the first instalment of the advance payment of the regional tax on production activities relating to the tax period following the one in progress on 31 December 2019 is [...] not due, to the extent provided for by Article 17, paragraph 3, of the Decree of the President of the Republic no. 435 of 7 December 2001, or by Article 58 of Decree-Law no. 124 of 26 October 2019, converted, with amendments, by Law no. 157 of 19 December 2019; the amount of such payment is in any event excluded from the calculation of the tax to be paid in full for the same tax period."

Therefore, on the basis of the aforementioned provision, the HT Foundation was not required to pay the first instalment, amounting to 40% of the IRAP advance payment due for the tax year 2020. Moreover, again in light of the provisions of Article 24 above, the amount corresponding to the first instalment of the advance payment is in any event excluded from the calculation of the tax to be paid in full for 2020.



In compliance with the law, having to exclude the amount of the first instalment of the IRAP advance payment, equal to € 26,034, the final tax to be paid, relating to the Institutional Activity is € 79,279, as shown in the table relating to the calculation of the total IRAP.

Commercial Activity	Fiscal year 31/12/2020
A) <i>Value of production</i>	13,918
B) <i>Costs of production</i>	(90,261)
Non deductible IRAP	311,048
Taxable base IRAP	234,705
Rate IRAP	3.9%
IRAP Commercial Activity	9,153

IRAP total	Fiscal year 31/12/2020
IRAP Istituzionale Activity	79,279
IRAP Commercial Activity	9,153
IRAP for the year	88,432

IRAP has been calculated according to the provisions concerning noncommercial entities, while IRES has been calculated considering that the real estate owned by the HT Foundation contributes to the formation of income on the basis of the cadastral results, without deduction of expenses or other specific negative components.

## **PART D - OTHER INFORMATION**

### **Data on employment**

Please refer to the Management Report.

The composition of the workforce as at 31/12/2020 is shown below; the staff were hired during 2020, including the core group of people formally hired by IIT in 2018 (12 people). The remaining figures were added to the Foundation's workforce through recruitment advertisements published on the Foundation's website and on major international recruiting sites (Linkedin, Springer Nature, Eurojobsites).

The average number of staff, broken down by category, changed as follows compared to the previous year.

<b>Employee's level</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Managers	21	10	11
Mid – managers	17	6	9
Employees	32	12	20
Workers			

Other Employees			
Total Employees	<b>70</b>	<b>28</b>	<b>42</b>

In the management of labour relations, reference was made, for salary and regulatory aspects, to two National Collective Labour Agreements (hereinafter referred to as CCNL): (i) for employees with managerial qualifications, the CCNL DIRIGENTI INDUSTRIA; (ii) for other qualifications, the CCNL CHIMICA-AZIENDE INDUSTRIALI.

	Managers	Mid-managers	Employees	Workers	Other employees	Total Employees
Average number	13	10	17			40

#### **Remuneration, advances and credits granted to directors and auditors and commitments undertaken on their behalf**

	Supervisory Board	Management Committee	Board of Auditors
Fees	422,605	120,000	35,641
Anticipations			
Credits			
Commitments made on their behalf under guarantees given			

#### **Commitments, guarantees and contingent liabilities not shown in the balance sheet**

The year 2020 saw the formalisation of numerous commitments that will be completed over the next few years, totalling € 85,689,721 including:

- € 57,370,728 for the purchase of laboratory equipment and € 1,696,503 for machinery maintenance.
- € 1,271,663 for laboratory consumables.
- € 9,089,000 for buildings and € 4,735,918 for light constructions
- € 717,589 for building maintenance and € 1,319,241 for engineering and architectural services.
- € 5,734,000 for technical furnishings and € 1,271,240 for office furnishings
- € 2,483,838 for other services and various materials.

In addition, bank guarantees have been granted for a total amount of €1,021,250, broken down as follows:

Amount	Beneficiary	Expiry date
€ 1,000,000	Arexpo spa	30.07.2029
€ 21,250	Immobiliare Mozart sas	31.12.2022

Finally, it should be noted that the sum of €500,000 deposited in a current account opened with IntesaSanPaolo spa constitutes a cash pledge in favour of the bank. This guarantee was

given at the time of the issuance of the surety of € 1,000,000 in favour of Arexpo referred to in the table above.

It should be noted that in February 2021, the bank guarantee in favour of Arexpo Spa was reduced to the amount of € 282,832. The request for the release of the amount of € 500,000 held in the current account of IntesaSanPaolo is still pending.

#### **Information on transactions with related parties**

FHT has not entered into any transactions with related parties.

#### **Information on agreements not shown in the balance sheet**

Please refer to the Management Report and to the previous point on commitments not shown in the Balance Sheet.

#### **Information on significant events after the end of the financial year**

In January 2021, construction work on the Incubator Lab was completed and the Labs were handed over to the Foundation after the first compliance checks.

In addition, the repurposing and construction activities started in 2020 continue, in preparation for the acquisition of the Cardo -South Pavilion, the US6 -North Pavilion and the land on which the Foundation's new headquarters will be built.

#### **Information on derivative financial instruments pursuant to Article 2427-bis of the Italian Civil Code**

The Foundation does not hold derivative financial instruments.

#### **Information pursuant to Article 1, paragraph 125-bis, of Law No. 124 of 4 August 2017**

Pursuant to Article 1, paragraph 125, of Law no. 124 of 4 August 2017, in compliance with the obligation of transparency, it should be noted that the following contributions were received during the year

-€ 31,312 as the residue of the Endowment Fund resulting from the closure of the current account dedicated to the management of the "HT Project".;

-€ 3,468,480 as residual contributions for the year 2017;

-€ 56,350,370 as the share of contributions for the year 2018;

This amount represents the residual resources referred to in Article 5, paragraph 2, of Decree-Law no. 185 of 25 November 2015, converted with amendments, into Law no. 9 of 22 January 2016, transferred pursuant to Article 1, paragraph 123, of Law no. 232 of 2016.

It should also be noted that, as provided for by Decree-Law No. 34 of 19 May 2020, converted with amendments by Law No. 77 of 17 July 2020, the Foundation also collected the amount of:

-€ 10,000,000 as a contribution for the Innovation and Technology Transfer Centre for the year 2020;

Finally, the Foundation has accrued contributions during the financial year, which have not yet been materially received, amounting to €306,549,630, relating to the years 2018, 2019 and 2020.

### **Other information**

The table below summarises the income statement for the HT Foundation's commercial activity:

	Fiscal Year 31/12/2020
<i>A) Value of production</i>	<b>13,918</b>
5) Other revenues and income	
- Contributions	13,918
<i>B) Costs of production</i>	<b>230,293</b>
7) Expenses for services	90,261
9) Personnel costs	20,524
- Wages and salaries	15,367
- Social charges	3,916
- Severance pay	987
- Pensions and similar benefits	254
10) Amortisation and depreciation	119,508

- Depreciation of tangible fixed assets	119,508
Difference between production values and costs	(216,375)
22) Income tax for the year	(62,557)
Profit (loss) for the year	(278,932)

Paragraph 3 pursuant to Article 49-bis of Law Decree no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020, in relation to the development of the "Centre for Innovation and Technology Transfer in the field of Life Sciences", specifies how: "The Human Technopole Foundation management solutions, with the adoption of separate accounting for the use of the resources allocated for that purpose."

The table below summarises the income statement relating to the start-up of CITT:

	Fiscal year 31/12/2020
<i>A) Value of production</i>	<i>90,775</i>
5) Other revenues and income	
- Contributions	90,775
<i>B) Costs of production</i>	<i>90,775</i>
7) Expenses for services	59,553
9) Personnel costs	31,222
- Wages and salaries	23,698
- Social charges	5,929
- Severance pay	1,222
- Pensions and similar benefits	373
Difference between production values and costs	-
22) Income tax for the year	-
Profit (loss) for the year	-

These financial statements, comprising the balance sheet, the income statement, the notes to the financial statements and the cash flow statement, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.