ANNUAL REPORT **2021**

CDP Equity

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CORPORATE BODIES

Board of Directors

Chairman
Giovanni Gorno Tempini

Chief Executive Officer
Pierpaolo Di Stefano

Director
Ilaria Bertizzolo

Board of Statutory Auditors[1]

Chairman
Cristiano Zanella

Standing Auditor
Stefano Podda
Francesca Busardò Armetta

Alternate Auditor
Paolo Russo
Daniela Frusone

Independent Auditor

Deloitte & Touche S.p.A.

(1) Appointed by the Shareholders' Meeting on 15 January 2021.

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1. REPORT ON OPERATIONS

1. COMPANY PROFILE

1.1 ROLE AND MISSION OF CDP EQUITY

CDP Equity S.p.A. (hereinafter also the "Company" or "CDP Equity") is the company name adopted on 31 March 2016 by Fondo Strategico Italiano S.p.A. established on 2 August 2011.

CDP Equity is a public undertaking established by Legislative Decree, which carries out the business of acquiring equity investments in "companies of major national interest" [1] through venture capital investments in accordance with the market economy investor principle.

The Company mainly acquires minority stakes in companies of "significant national interest" that are in a stable situation of economic and financial balance and have adequate profitability and significant growth prospects, such as to generate value for investors.

CDP Equity is the CDP Group's point of reference for equity investments, operating through direct investments in companies and indirect investments by underwriting funds and also through infrastructure investments pursued through agreements to participate in newly established initiatives with industrial partners in the energy, digital and social fields.

1.2 SHAREHOLDING STRUCTURE OF CDP EQUITY

At 31 December 2021, CDP Equity had a fully subscribed and paid-up share capital of Euro 2,890,583,470 entirely held by Cassa Depositi e Prestiti S.p.A. ("CDP") for a total of 289,058,347 ordinary shares.

1.3 CDP EQUITY CORPORATE BODIES AND GOVERNANCE

In line with the provisions of the By-Laws, the Company is managed by a Board of Directors composed of three members, a Board of Statutory Auditors and a Supervisory Board as control bodies.

The Board of Directors, in office as of 29 April 2019 and whose term of office will expire with the approval of the financial statements for the year ended on 31 December 2021, is currently made up of the Chairman, Dr. Giovanni Gorno Tempini, the CEO, Dr. Pierpaolo Di Stefano and Dr. Ilaria Bertizzolo.

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[1] Companies operating in the following sectors are considered to be of "national significant interest" (as defined in the decrees of the Minister of Economy and Finance of 3 May 2011 and 2 July 2014, as well as of the By-laws):

I. in the sectors of defence, security, infrastructure, transport, communications, energy, insurance and financial brokerage, research and innovation with high technological content, and public services, tourism, hotels, agri-food and distribution as well as management of cultural and artistic assets;

II. outside of the aforementioned strategic sectors, which collectively present an annual net turnover of at least Euro 300 million and an average number of employees not less than 250. The size can be reduced up to Euro 240 million of turnover and 200 employees in the case of companies that perform relevant activities in terms of industry and benefits for the national economic and production system, also in terms of presence in the territory of production facilities.

Of "significant national interest" are also companies which, although not established in Italy, operate in the sectors previously mentioned under point I., and have subsidiaries or permanent establishments in Italy, which have in the same territory the following cumulative requirements: (i) annual net turnover not lower than Euro 50 million; (ii) average number of employees in the last fiscal year not lower than 250.

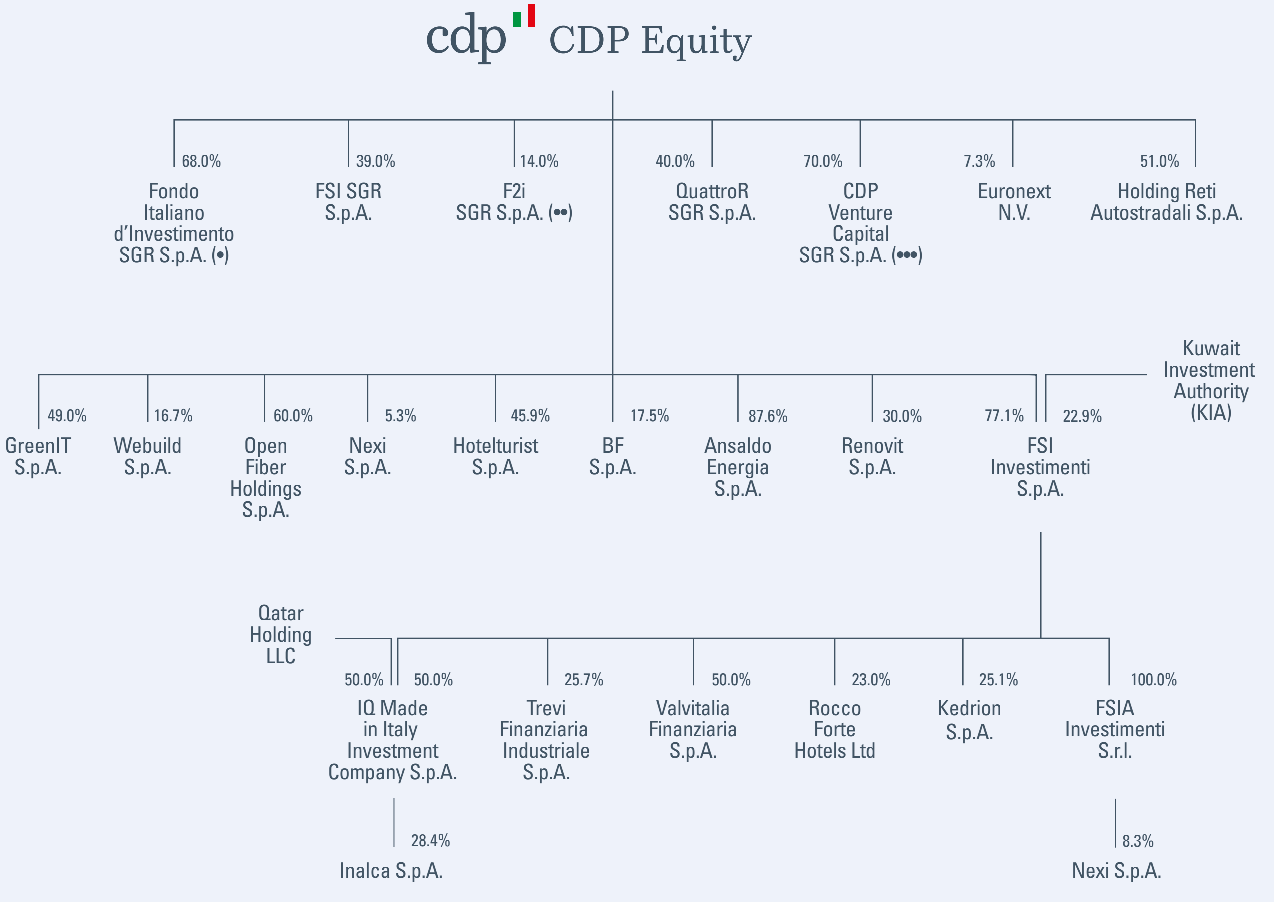
The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting of 15 January 2021 and is made up of the Chief Statutory Auditor, Dr. Cristiano Zanella and the Standing Auditors, Dr. Stefano Poddo and Dr. Francesca Busardò Armetta. The term of office of the Board of Statutory Auditors will expire with the approval of the financial statements for the year ended 31 December 2023.

The Supervisory Board is made up of 3 members in compliance with the Company's By-Laws. On 26 February 2020, the Board of Directors of CDP Equity appointed the members of the Supervisory Board in the persons of Dr. Giuseppe Scammacca and Avv. Alessia Ferruccio as external members and confirmed Dr. Mara De Paola as an internal member.

2. SUMMARY OF THE PORTFOLIO OF CDP EQUITY

At 31 December 2021, CDP Equity, either directly or indirectly through its subsidiaries or joint ventures, had investments in its portfolio totalling Euro 5.5 billion and commitments of further Euro 6.1 billion for a total of Euro 11.6 billion in resources allocated to investments.

The graph below shows CDP Equity corporate structure with the equity investments held at 31 December 2021 either directly or through its subsidiaries and joint ventures.



Funds underwritten by CDP Equity:
(•) FoF Private Debt Italia (77.8%)
(••) Fondo per le Infrastrutture Sostenibili (9.7%)
(•••) Fondo Acceleratori (88.2%)
(•••) FoF VenturItaly (95.2%)
(•••) Fondo Boost Innovation (100%)
(•••) Fondo Technology Transfer (100%)
(•••) Fondo Evoluzione (100%)
(•••) Fondo Corporate Partner (71.4%)

The table below shows the resources allocated to equity investments by CDP Equity at 31 December 2021, either directly or through its subsidiaries and joint ventures in terms of initial invested capital, net of any disposals, including partial disposals, and commitments. The resources allocated through the subsidiaries and joint ventures are represented in their entirely, regardless of the CDP Equity shareholding in the investee company.

Investment categories

(Euro millions)	Allocated resources	Of which committed resources	Of which commitments
Direct Investments - CDP Equity	4,764	4,403	361
Direct Investments - through subsidiaries and joint ventures	5,390	932	4,458
Total Direct Investments	**10,155**	**5,335**	**4,819**
Investments in funds	1,160	78	1,082
Shareholdings and equity interests in SGRs	24	24	-
Total Indirect Investments and SGRs	**1,184**	**102**	**1,082**
Total Investments in Infrastructures	**280**	**42**	**238**
TOTAL INVESTMENTS	**11,619**	**5,479**	**6,140**

Below is a detailed outline of: (i) companies and joint ventures set up by CDP Equity to carry out investments based on its mission, (ii) CDP Equity Direct Investments, including investments held through subsidiaries and joint ventures, and (iii) indirect investments, i.e. in funds and SGRs.

2.1 INVESTEE COMPANIES

FSI INVESTIMENTI

FSI Investimenti, established by CDP Equity on 20 June 2014, is a co-investment company in the form of a joint-stock company, open to the introduction of other investors for the joint completion of investments, without prejudice to CDP Equity's control. FSI Investimenti is 77.12% owned by CDP Equity and 22.88% owned by Kuwait Investment Authority (KIA).

At 31 December 2021, FSI Investimenti held the following equity investments: (i) 100% of FSIA; (ii) 50% of IQ; (iii) 25.06% of Kedrion; (iv) 25.7% of Trevi; (v) 23% of Rocco Forte Hotels (vi) 50% of Valvitalia, also following the contribution given to the relevant financial transaction.

IQ MADE IN ITALY INVESTMENT COMPANY

IQ is a joint venture with Qatar Holding LLC ("QH") incorporated in March 2013 with the aim of investing in companies operating in several typical Made-in-Italy sectors such as food, fashion and luxury goods, furniture and design, leisure, tourism and lifestyle.

In December 2014 IQ acquired 28.4% of Inalca's share capital through the purchase of shares in the company, owned by Cremonini S.p.A. In 2017 the shareholders agreed to modify IQ mission and limit its scope solely to the management and improvement of its portfolio exclusively represented by the investment in Inalca.

On the basis of the investment agreements and shareholders' agreements signed, FSI Investimenti and QH hold joint control over the Company as defined in IFRS 11.

FSIA INVESTIMENTI

FSIA is a holding company, 70% owned by FSI Investimenti and 30% by Poste Italiane until 30 December 2021, established in 2014 to acquire and manage the investment in SIA. As of 31 December 2021, following the spin-off transaction resulting in the exit of Poste Italiane from the shareholding structure, FSIA has become wholly owned by FSI Investimenti.

FSIA held an exclusive controlling interest in SIA corresponding to 57.4% of the company's share capital. The spin-off transaction was part of the SIA - NEXI - Nets combination transaction, in which FSIA was involved as reference shareholder of SIA.

The spin-off transaction of FSIA capital resulted in the attribution to the shareholder Poste Italiane of 17.22% of SIA, leaving the remaining 40.18% to the demerged company, wholly owned by FSI Investimenti.

The spin-off transaction stipulated on 18 October 2021 became effective on 31 December 2021, i.e. immediately prior to completion of the incorporation transaction of SIA into NEXI; the portfolio included SIA shares, cash and cash equivalents, financial payables due to Poste Italiane and capital reserves.

The incorporation transaction of SIA into NEXI, which became effective on 31 December 2021 at 11.59 pm, comprised the exchange of SIA shares, still in FSIA portfolio after the aforementioned spin-off transaction, into NEXI shares.

As a result of this transaction, the details of which are reported in the paragraph dedicated to NEXI below, FSIA has become a shareholder of NEXI with a 8.3% shareholding.

HOLDING RETI AUTOSTRADALI

On 8 June 2021, the consortium comprising CDP Equity, Blackstone Infrastructure Partners ("Blackstone") and Macquarie Infrastructure & Real Assets ("MIRA") set up Holding Reti Autostradali S.p.A., the purpose of which is to acquire the investment in Autostrade per l'Italia S.p.A. and subsequently manage it. Holding Reti Autostradali has share capital of Euro 50 thousand and is 51% owned by CDP Equity and 24.5% by the two consortium partners.

Based on the agreements and the investment contract agreement signed and the requirements of the international accounting standards, the equity investment held by CDP Equity and Holding Reti Autostradali classifies as a jointly controlled company.

At the reporting date, the acquisition of the equity investment in Autostrade per l'Italia S.p.A. had not yet been completed.

2.2 DIRECT INVESTMENTS

The table below shows the capital allocated for “direct investments”, which includes the resources invested or committed in equity investments and in companies through other technical forms, in which the Group has a direct interest, or through its own subsidiaries and joint ventures, at 31 December 2021.

(Euro millions) Sector	Sector	% sharehol.	Owned through	Allocated resources	Of which committed resources	Of which commitments
1. Ansaldo Energia S.p.A.	Engineering, machinery - energy sector	87.6%	CDP Equity S.p.A.	1,191	1,141	50
2. Open Fiber Holding S.p.A.	Telecom infrastructures	60.0%	CDP Equity S.p.A.	1,925	1,632	293
3. NEXI S.p.A.	Transaction management and payment infrastructures	5.3%	CDP Equity S.p.A.	646	646	-
4. Webuild S.p.A.	Construction of large complex infrastructures	16.7%	CDP Equity S.p.A.	250	250	-
5. B. F. S.p.A.	Cultivation and sale of agri products	17.5%	CDP Equity S.p.A.	80	80	-
6. Hotelturist S.p.A.	Tourism and hotels	45.9%	CDP Equity S.p.A.	30	30	-
7. Euronext N.V.	Financial markets	7.3%	CDP Equity S.p.A.	625	625	-
8. PSN - Engagement to participate to public tender	PA cloud management and apps	-	Proposal by the promoter for the PSN project	18	-	18
Total direct investments - CDP Equity				**4,764**	**4,403**	**361**
1. NEXI S.p.A.	Transaction management and payment infrastructures	8.3%	FSIA Investimenti S.r.l.	273	273	-
2. Inalca S.p.A.	Food production and distribution	28.4%	IQ MIIC S.p.A.	165	165	-
3. Valvitalia Finanziaria S.p.A.	Component manufacturing - energy sector	50.0%	FSI Investimenti S.p.A.	156	156	-
4. Trevi Finanziaria Industriale S.p.A.	Engineering, construction, mechanics - energy sector	25.7%	FSI Investimenti S.p.A.	139	139	-
5. Kedrion S.p.A.	Biopharmaceuticals	25.1%	FSI Investimenti S.p.A.	117	117	-
6. Rocco Forte Hotels Limited	Tourism and hotels	23.0%	FSI Investimenti S.p.A.	82	82	-
7. Autostrade per l'Italia S.p.A.	Infrastructures	-	Holding Reti Autostradali S.p.A.	4,458	-	4,458
Total direct investments - through subsidiaries and JVs				**5,390**	**932**	**4,458**
TOTAL DIRECT INVESTMENTS				**10,155**	**5,335**	**4,819**

Note: the interest held by CDP Equity in Euronext does not qualify as an equity investment and is therefore classified as a financial asset.

ANSALDO ENERGIA

Ansaldo Energia is an international leader in the sector of power generation, a key player that provides the industry with an integrated model, ranging from turnkey plants to single components (gas turbines, steam turbines, generators, microturbines) up to the support service and activities in the field of nuclear energy.

ANSALDO ENERGIA

87.6%

Through this transaction CDP Equity intends to support the growth and technological innovation of a company that is strategic for the Italian economy. CDP Equity’s priority is to seek out partners to strengthen Ansaldo Energia's presence in the international markets and develop power generation products and technologies from renewable sources.

At 31 December 2021, the equity investment held by CDP Equity in Ansaldo Energia's capital totalled 87.6%. In May 2019, CDP Equity also contributed with a shareholder loan to Ansaldo Energia for a total of Euro 200 million to support the company's investments and development plan.

OPEN FIBER

open fiber

60.0 %

Open Fiber is a company whose objective is to build a nationwide fibre-to-the-home optic network open to all sector operators. In particular, the company's development plan provides for the overall development of the network in 271 Italian cities, in over 7 thousand municipalities and in industrial areas to connect about 24 million real estate units up to 10 GBPS.

CDP Equity's investment aims to achieve the objective of extending the fibre-optic network nationwide, opening it to all operators interested to participate as co-players in the development of a strategic infrastructure for the country with returns in line with the invested capital.

At 31 December 2021, CDP Equity held 60% of Open Fiber capital through Open Fiber Holdings. The remaining 40% is held by Macquarie Asset Management, also through Open Fiber Holdings.

On 3 December 2021, CDP Equity completed the acquisition from Enel of a further 10% shareholding in Open Fiber (including the pro-rata share of shareholders' loans and accrued interest) in addition to the 50% interest previously held for a consideration of approximately Euro 534 million (of which approximately Euro 4 million by way of ticking fees). Concurrently, Macquarie Asset Management completed the acquisition from Enel of the remaining 40% of Open Fiber (including the pro-rata share of shareholders' loans and interest accrued).

At closing, (i) both CDP Equity and Macquarie Asset Management contributed their respective equity investments in Open Fiber (including their pro-rata share of the shareholders' loans and accrued interest) to a newco, Open Fiber Holdings; (ii) CDP Equity and Macquarie Asset Management signed the new shareholders' agreement on Open Fiber; (iii) the new members of the Board of Directors of Open Fiber and Open Fiber Holdings were appointed and (iv) the new business plan of Open Fiber and the extension of the related Project Financing were approved.

The completion of the transaction was subject, among other things, to the payment in favour of Open Fiber of the residual commitments to contribute capital by CDP Equity and Enel, and the obtaining of all the necessary authorizations (the Council of Ministers, the European Commission regarding antitrust and waivers from Open Fiber's lending banks).

The rights under the existing agreements with Macquarie Asset Management allowed the Company to exercise active governance.

Pursuant to IFRS 11, this investment qualifies as a jointly controlled investment.

NEXI

5.3 %

Prior to the incorporation transaction of SIA into NEXI, the SIA Group was one of Europe's leaders in the design, development and management of technology infrastructures and services for payments, e-money, network services and equity markets dedicated to financial institutions, central banks, public administrations and businesses.

Until 30 December 2021, SIA was owned by CDP Equity directly with a shareholding equal to 25.7% and indirectly through FSIA Investimenti with an indirect shareholding equal to 57.4%.

As described in the previous section, in 2021, FSIA Investimenti was subject to a spin-off transaction following which Poste Italiane left the company structure. To date FSIA Investimenti is entirely owned by FSI Investimenti.

The incorporation transaction of SIA into NEXI was completed on 31 December 2021 at 11.59 pm and involved the exchange of the SIA shares held by FSIA post-spin-off into NEXI shares.

CDP Equity, parent company of FSI Investimenti exchanged through the same transaction n. 44,033,655 SIA shares for n. 69,401,443 NEXI shares representing 5.3% of the share capital.

FSIA exchanged n. 68,867,811 SIA shares for n. 108,542,556 NEXI shares, representing 8.3% of the capital, without any cash payment.

Pursuant to IAS 28, the shareholding held by FSIA in NEXI qualifies as an investee company under significant influence for accounting purposes.

The incorporation transaction of SIA into NEXI made it possible to establish PayTech, an Italian company with a leading position in Europe, to cover the entire value chain of the digital payments and serve all market segments with the most complete and innovative range of solutions. Listed on the Milan stock exchange, NEXI holds a leadership position in the Italian market, making for approximately 50% of the Group's revenues, and in Europe the company is present in more than 25 countries (representing approximately 65% of the European consumer spend).

WEBUILD

16.7 %

Webuild is an Italian industrial group operating in nearly 50 countries with over 35,000 employees, specialized in the development of large complex infrastructures.

The sectors in which it operates are: dams and hydroelectric plants, hydraulic works, railways and subways, airports and highways, civil and industrial construction, including, in some cases, the construction of infrastructures to be subsequently operated under concession.

In November 2019, CDP Equity took part in a capital increase in Webuild for a total amount of Euro 600 million, investing Euro 250 million in Webuild in order to promote the relaunch of the national construction industry through the implementation of the Progetto Italia - a comprehensive industrial project designed to consolidate companies operating in the construction industry into Webuild with a view to creating a group with characteristics that will enable it to compete with large international players. The capital increase was also subscribed by Salini Costruttori for Euro 50 million and by lending banks (Intesa Sanpaolo, UniCredit and Banco BPM) for Euro 150 million; other institutional investors also participated for the remaining portion.

Through the subscription of the capital increase, CDP Equity acquired an equity investment equal to 18.7% of Webuild's share capital, subsequently reduced to 16.7% following the completion, in August 2021, of the Astaldi spin-off in favour of Webuild - the main transaction envisaged by the Progetto Italia that Webuild completed using the liquidity resulting from the capital increase subscribed and paid up in November 2019.

At 31 December 2021, CDP Equity holds 166,666,666 Webuild shares, corresponding to 16.7% of Webuild capital.

The governance rights qualify the investment as an equity investment in a related party in accordance with the international accounting standards.

B.F.

B.F. S.p.A.

17.5%

The B.F. Group was established and developed around Bonifiche Ferraresi S.p.A. Società Agricola, Italy's largest farm by land size and the only listed farm. From a traditional role oriented to the sale of commodities, the Group turned into a more evolved and innovative entity capable of managing consumer-oriented productions, generating value through the control of the entire agricultural, industrial and distribution chain. Moreover, the Group is at the forefront in the use of the most modern cultivation systems relying on innovative precision farming solutions.

The investment in B.F. was made in order to pursue a supply chain oriented and consolidation strategy in the farming sector. The investment was intended to provide financial support to the company's development plan, including the expansion of the cultivated land, the processing and distribution of farming products, and the provision of new consulting and knowledge-sharing services in the agri-tech sector.

At 31 December 2021, the shareholding owned by CDP Equity in B.F. S.p.A. is equal to 17.5%, slightly down compared to 18.8% reported at 31 December 2020.

Under IAS 28, taking into account the analysis performed pursuant to IFRS 10, 11 and 12, this investment qualified as an associated investment.

HOTELTURIST

45.9%

HotelTurist (also "TH Resorts") is one of the leading tourist operators in Italy, with a successful *leisure & hospitality* model.

Tourism is a strategic sector for the national economy, with high potential in terms of tourist attraction and employment development. CDP Equity's investment, entirely referring to the capital increase, is intended to support the growth of TH Resort with the ambition to position it as a leader in its reference market.

At 31 December 2020, CDP Equity holds 45.9% of the HotelTurist capital. The remaining shares of Hotelturist are held by Solfin Turismo S.p.A. ("Solfin Turismo") (45.9%) and Istituto Atesino di Sviluppo S.p.A. ("ISA") (8.2%).

In 2021, TH Resort approved a capital increase totaling Euro 20.4 million; CDP Equity took part in the increase on a pro-rata basis contributing Euro 9.2 million. All shareholders participated in the capital increase. Therefore, the shareholding percentages did not change.

The rights under the existing agreements with Solfin Turismo and ISA allow the Company to exercise active governance. Pursuant to IFRS 11, this investment qualifies as a jointly controlled investment.

EURONEXT

EURONEXT

7.3 %

Euronext manages seven European stock markets (Amsterdam, Brussels, Dublin, Lisbon, Oslo, Paris and Milan) with 1,870 listed companies and a total capitalization of approximately Euro 5.1 billion. The CDP Group's investment in Euronext enabled the Group to acquire the entire shareholding of Borsa Italiana from the London Stock Exchange Group, thus further strengthening the Group's leadership position in Europe.

The transaction is consistent with CDP's mission to support the country's strategic infrastructure with a long-term perspective. In fact, Borsa Italiana is an essential financial infrastructure, representing the main hub for raising equity and bond capital from Italian entities, with 370 listed companies totalling capitalization exceeding 30% of the national GDP and numerous SMEs, to which the ELITE programme is dedicated. Moreover, Borsa Italiana is strongly committed to the promotion of listed companies and contributes to the circulation of financial education, also in partnership with intermediaries and other institutions. This project will also strengthen the role of Italy in the European capital market.

At 31 December 2021, CDP Equity held 7.3% of Euronext capital acquired through the subscription of the reserved capital increase on 29 April 2021 for 5,600,000 shares and, in the following days, through the exercise of the subscription rights for a subsequent capital increase offered under option for additional 2,240,000 shares; the total outlay by CDP Equity amounted to around Euro 625 million.

Given the nature of the equity investment and based on the requirements of international accounting standards, the investment in Euronext classifies as an investment in equity securities under non-current financial assets.

INALCA

INALCA

28.4 %

Inalca is a leading group in beef processing in Europe and in food distribution abroad, especially in Russia and in many African countries. Food distribution covers a wide range of products (over 2,000), including local food products, typically Made in Italy products.

At 31 December 2021, IQ holds a 28.4% shareholding in Inalca. The acquisition of an equity interest by IQ in the capital of Inalca is consistent with the objective of investing in companies with growth potential in Italy and with international development potential, which also generates an increase in terms of related industries, added value and employment in Italy.

The rights entitled under the shareholders' agreements and investment agreements in force allow IQ to exercise active governance at the company. Under IAS 28 and taking into account the analysis performed on IFRS 10, 11 and 12; the investment in Inalca qualifies as an investee company for IQ.

In the last six months of 2021, the IQ management launched a series of activities aimed at increasing the value of the investment through its final disposal. These activities also took into account the possibility of enforcing the contractual rights of IQ provided for in the agreements with the majority shareholder of Inalca in order to ensure the investor an array of exit options.

VALVITALIA FINANZIARIA

50.0 %

Valvitalia is one of the world's leading manufacturers of flow control components (shut-off, safety and control valves, actuators, fittings, flanges and complete systems) and fire-fighting systems. The main sectors of operations are Oil & Gas, railways and shipbuilding.

At 31 December 2021, FSI Investimenti held 50% of Valvitalia Finanziaria S.p.A., a convertible bond issued by the same company, and equity financial instruments issued by Valvitalia S.p.A., an operating company in which Valvitalia Finanziaria is the sole shareholder.

In 2021, given Valvitalia's operational and financial difficulties, a targeted capital strengthening action was implemented, including, among other things, an equal contribution of Euro 10 million by FSI Investimenti and Finvalv (the shareholder holding the remaining 50% of Valvitalia Finanziaria) through the underwriting of equity financial instruments issued by Valvitalia S.p.A.

In the framework of this financial transaction, FSI investimenti converted a portion of its convertible bond coming to maturity on 30 June 2021 into Valvitalia Finanziaria shares increasing its shareholding from 0.5% to 50%, and rescheduled the remaining portion to 30 June 2026. As part of the financial package, the shareholders signed a new shareholders' agreement and redefined the governance system.

Based on the agreements and the investment contract agreement signed and on the requirements identified by IAS 28, IFRS 10, 11 and 12, the equity investment classifies as a jointly controlled company.

TREVI FINANZIARIA INDUSTRIALE

25.7 %

Trevi Group is a world leader in the field of underground engineering (special foundations, tunnels, soil consolidation, construction and marketing of industry specific machinery and equipment). Trevi Group is also active in the construction of automated underground car parks.

The investment aims to support the growth and development of the Trevi Group, consolidating its competitive position at the international level.

At 31 December 2021, FSI Investimenti held a 25.67% interest in Trevi. No differences were reported compared to the situation on 31 December 2020.

Under IAS 28, taking into account the analysis performed pursuant to IFRS 10, 11 and 12, this investment qualifies as an investee company.

Trevi also announced that it has begun negotiations with the lending banks and the major shareholders in order to define a financial transaction aimed at strengthening the group's capital base in line with the development objectives that company management intends to pursue.

KEDRION

25.1 %

Kedrion is Italy's largest operator and one of the world's largest players in the field of plasma-derived products, i.e. drugs developed from proteins extracted from human plasma and used to treat coagulation diseases, infectious diseases, primary immunodeficiencies, neuropathies, and other therapeutic areas.

FSI Investimenti's investment aims to develop a leading operator in the sector by making the company grow at the international level, both organically and through acquisitions.

At 31 December 2021, FSI Investimenti held 25.06% of Kedrion; no differences were reported compared to the situation on 31 December 2020.

Based on the agreements and the investment contract agreement signed and on the requirements identified by the international accounting standards, the shareholding classifies as an investee company.

It should also be noted that on 20 January 2022, as part of the transfer transaction of the company's entire share capital, a resolution was made to transfer the entire shareholding held by FSI Investimenti to a newly established entity owned by the Permira funds, supported by the Abu Dhabi Investment Authority, and, to a lesser extent, by Kedrion current shareholders. In this context, CDP Equity allocated Euro 100 million to be invested in a shareholding of the new pan-European complex resulting from the integration between Kedrion and the British Bpl Group, the latter being subject to a concurrent acquisition and industrial integration transaction with the Italian company.

This transaction is in line with the principle of rotation in the capital, that is, the evaluation of potential options for rationalization of the existing investment portfolio after attainment of the relevant objectives also in order to support new initiatives with the capital made available.

The sale of the equity investment guarantees a significant value increase and return on the investment and represents a further development opportunity for Kedrion on the international markets.

ROCCO FORTE HOTELS LIMITED

23.0 %

The Rocco Forte Hotels Group is one of the world's largest operators of five-star hotels. Italy, where Rocco Forte Hotels is present in Rome, Florence and in Sicily, is the top country in terms of sales.

The main objective of the investment is the promotion of a hotel management company specialized in the luxury hotel segment, operating at a global level but with a significant presence in Italy. Italy is a tourist destination with a high potential thanks to its artistic and cultural heritage and consequent development of ancillary activities and employment. The partnership with the Rocco Forte Hotels Group is the first concrete step in the realization of the Tourism Hub project.

At 31 December 2021, FSI Investimenti held 23% of Rocco Forte Hotel Limited for a total of Euro 82 million.

The rights entitled under the shareholders' agreements and investment agreements in force allow the exercise of active governance at the company. Under IAS 28 and taking into account the analysis performed on IFRS 10, 11 and 12; the investment qualifies as an investee company.

AUTOSTRADE PER L'ITALIA

HRA

51.0 %

On 11 June 2021, the consortium comprising CDP Equity, Blackstone and MIRA, on the one hand, and Atlantia, on the other, signed binding agreements for the purchase of Atlantia's entire interest in ASPI, equal to 88.06%, via the newly established vehicle Holding Reti Autostradali S.p.A. against recognition of an equity value of Euro 9.1 billion for 100% of the share capital.

In light of the waiver of the exercise of the co-sale right by ASPI minority shareholders (cumulatively retaining 11.94% of the company), CDP Equity's maximum direct commitment for the acquisition of ASPI amounts to approximately Euro 4.5 billion and includes, in addition to the pro-rata share of the purchase price of the ASPI equity investment corresponding to approximately Euro 4.1 billion, the maximum overall estimate of approximately Euro 0.3 billion of the earn-outs provided for in the agreements and relating to the repurchase of any Covid refunds and insurance indemnities pertaining to the period prior to the transfer and the expected amount of approximately Euro 0.1 billion of the ticking fee equal to 2% per annum of the price offered to be paid from 1 January 2021 to the closing.

With reference to the timing of the closing, the longstop date envisaged in the sale and purchase agreement for the fulfillment of the conditions precedent is 31 March 2022. If the conditions precedent are not fully satisfied by that date, both HRA and Atlantia are entitled to unilaterally request an extension of the deadline to a date to be agreed between the parties, which may not, in any event, be after 30 June 2022.

The transaction is consistent with CDP Group's long-term approach to investing in Italian infrastructures as evidenced by the Group's investment portfolio, which includes companies that operate strategic national networks (Snam, Terna, Italgas, and Open Fiber). The investment meets, among other things, the objectives of promoting network modernization, encouraging digitalization and innovation; providing stability to the governance of a key infrastructure for Italy in the long term and contributing to the implementation of a major investment plan covering Autostrade per l'Italia's entire highway network with the aim of accelerating infrastructure maintenance programmes while ensuring the highest standards of performance and safety for the users.

POLO STRATEGICO NAZIONALE

On 28 September 2021, CDP Equity, Leonardo, Sogei and TIM jointly presented, as a promoter entity, to the Italian Minister for Technological Innovation and Digital Transition (MITD) a Public-Private Partnership Proposal for the development of the Polo Strategico Nazionale (PSN), an infrastructure for Public Administration (PA) cloud data management and applications, which is part of the overall plan to accelerate digital transformation to ensure national data security and control.

If the promoter is awarded the contract and following a tender called by the Public Administration, the initiative will involve the setting up of a NewCo with a 20% shareholding held by CDP, 25% by Leonardo, 10% by Sogei and 45% by TIM.

The aim is to provide innovative services to citizens and businesses in line with the provisions of the PNRR and recently enforced regulations regarding digital infrastructure. The project consists in the provision of cloud solutions and services to support the PA with a view to ensuring the highest possible level of data efficiency, security and reliability.

The presentation of the proposal by the promoter, if considered of interest, will allow the Public Administration to launch a public tender in a short period of time. In particular, the Public Administration will examine the proposal in the three months after its receipt and, in the event of a positive assessment, will launch a tender in which, in addition to the promoter, all possibly interested operators may participate.

In the event in which the promoter is awarded the contract, the newco will be equipped with the industrial skills needed to provide the services (also through the acquisition from the shareholders) and will make the investments necessary for the development of the technological infrastructure.

This is the background to the joint initiative between CDP Equity, Leonardo, Sogei and TIM based on a public-private partnership whose task will be to encourage and accelerate technological innovation and the security of public infrastructure. In the event of award, CDP Equity will act as a financial partner and institutional investor supporting initiatives with significant development prospects in key sectors for the country.

With regard to the current phase of the project (the first phase including the submission of the proposal), the shareholders have committed pro-rata to guarantee the amount of the provisional deposit issued by the insurer. The guarantee amount is equal to Euro 91.3 million or 2% of the accumulated revenues envisaged in the Financial Plan originally submitted to the MiTD in September 2021. At 31 December 2021, the commitment made by CDP Equity at this stage (considering its 20% investment) totalled Euro 18.3 million.

2.3 INDIRECT INVESTMENTS AND SGRS

The following table shows CDP Equity's portfolio of investments in funds and funds of funds defined as "indirect investments" at 31 December 2021 and investments in asset management companies ("SGRs").

(Euro millions) Investee company	Sector	% sharehol.	Owned through	Allocated resources	Of which committed resources	Of which commitments
1. Fondo di Fondi Venturitaly	Venture Capital	95.2%	CDP Equity S.p.A.	300	19	281
2. Fondo di Fondi Private Debt Italy	Private Debt	77.8%	CDP Equity S.p.A.	250	29	221
3. Fondo Acceleratori	Venture Capital	88.2%	CDP Equity S.p.A.	75	10	65
4. Fondo Boost Innovation	Venture Capital	100.0%	CDP Equity S.p.A.	50	5	45
5. Fondo Technology Transfer	Venture Capital	100.0%	CDP Equity S.p.A.	225	4	221
6. Fondo Evoluzione	Venture Capital	100.0%	CDP Equity S.p.A.	100	10	90
7. Fondo Corporate VC (ServiceTech sector)	Venture Capital	100.0%	CDP Equity S.p.A.	30	-	30
8. Fondo Corporate VC (IndustryTech sector)	Venture Capital	71.4%	CDP Equity S.p.A.	30	0.1	30
9. Fondo per le infrastrutture sostenibili	Venture Capital	9.7%	CDP Equity S.p.A.	100	-	100
Total investments in funds				**1,160**	**78**	**1,082**
1. Fondo Italiano di Investimento SGR	Asset management company (SGR)	68.0%	CDP Equity S.p.A.	10	10	-
2. CDP Venture Capital SGR	Asset management company (SGR)	70.0%	CDP Equity S.p.A.	7	7	-
3. F2i SGR	Asset management company (SGR)	14.0%	CDP Equity S.p.A.	5	5	-
4. FSI SGR	Asset management company (SGR)	39.0%	CDP Equity S.p.A.	1	1	-
5. QuattroR SGR	Asset management company (SGR)	40.0%	CDP Equity S.p.A.	1	1	-
Total equity investments in SGRs				**24**	**24**	**-**
TOTAL INDIRECT INVESTMENTS AND SGRS				**1,184**	**102**	**1,082**

Note: The interest held by CDP Equity in F2i does not qualify as an equity investment and is therefore classified as a financial asset.

INVESTMENTS IN FUNDS

At 31 December 2021 CDP Equity had subscribed:

- Euro 300 million in the VenturItaly Fund of Funds, managed by CDP Venture Capital SGR, which invests in venture capital funds, including first time team/first time funds, with a view to generating new players in the market and new teams within the structure of fund managers already operating in the market, and supporting subsequent funds managed by existing managers;
- Euro 250 million for the Private Debt Italy Fund of Funds, managed by Fondo Italiano d'Investimento SGR, whose objective is supporting the development of the Italian private debt market dedicated to SMEs by means of investments in funds or other vehicles with investment policies focused on financial debt instruments issued by selected SMEs, which stand out at the national level for their stability and growth potential;
- Euro 75 million for the Acceleratori Fund, managed by CDP Venture Capital SGR, whose objective is contributing to the creation and/or development of vertical acceleration programs in strategic sectors by investing in the start-ups participating in the programmes supported by the fund. The fund will intervene, either directly or indirectly, to provide financial and/or managerial

support to business accelerators and innovative high-tech content start-ups operating in sectors with high growth potential. The fund has initial assets for Euro 125 million;
- Euro 50 million for the Boost Innovation Fund, managed by CDP Venture Capital SGR, whose objective is supporting Italian companies in launching and funding start-ups with a strong innovative impact on their business and on the development of the markets in which they operate or are about to enter;
- Euro 225 million, of which Euro 125 million subscribed in 2021 for the Technology Transfer Fund, including Euro 58 million in the direct component of the fund and Euro 167 million in the indirect component, managed by CDP Venture Capital SGR, whose objective is exploiting the results of research on the market through the creation of integrated Technology Transfer platforms specializing in certain areas of scientific and technological research with high potential for the competitiveness and innovation of the Italian industrial system;
- Euro 100 million for the Fondo Evoluzione, managed by CDP Venture Capital SGR, which aims to invest directly in the best innovative start-ups and SMEs, providing entrepreneurs with strategic and operational support, know-how and networks;
- Euro 30 million for the Corporate Venture Capital Fund in the ServiceTech sector;
- Euro 30 million for the Corporate Venture Capital Fund relating to the IndustryTech sector.
  - The latter two refer to the Corporate Partners I Fund managed by CDP Venture Capital SGR, which aims to involve leading Italian companies in order to grow the Italian venture ecosystem through investment and support for innovative start-ups and SMEs in the country's most strategic sectors;
- Euro 100 million for the Sustainable Infrastructure Fund managed by F2i SGR, which aims to identify companies operating in the infrastructure sector that can combine industrial growth with continuous improvement in environmental, social and governance (ESG) parameters.

CDP VENTURE CAPITAL SGR

At 31 December 2021, CDP Equity holds 70% of CDP Venture Capital SGR. The SGR was set up in 2008 under the company name Invitalia Ventures SGR to accelerate growth in the Italian venture capital ecosystem elevating it among the best European countries and main comparable economies in terms of amount of capital invested and number and quality of operators. CDP Venture Capital SGR also aims to (i) expand direct and indirect investments, by also stimulating the establishment of new fund managers that invest in start-ups in the various stages of development, from the early stage segment to the growth capital segment; (ii) promote the development of new investment instruments that facilitate, for example, technology transfer processes from universities/research institutes, as well as the active involvement of Italian companies through corporate venture capital; (iii) support the overall growth of the venture capital market by promoting and facilitating the connection between national/international investors and start-ups, and creating opportunities for sharing and education about the potential and the challenges of this sector; (iv) promote contacts between start-ups and the companies in which the CDP Group has an interest, expanding opportunities for new companies to access customers and markets, and offering large Italian companies opportunities to access innovation-oriented operators.

FONDO ITALIANO DI INVESTIMENTO

At 31 December 2020, CDP Equity holds 68% of Fondo italiano di investimento SGR. Established in 2010 on the initiative of the Ministry of the Economy and Finance, Fondo Italiano d'Investimento SGR is owned by CDP Equity (68%) and by other Italy's leading institutions and banks for the remainder. Since the beginning, the distinctive feature of the initiative has been the combination of the objectives of economic return and development of the production system through the use of market instruments.

In order to encourage fundraising activities, functional to the development in Italy of strategic companies and supply chains, as well as the growth and modernization of the private capital market, the capital of Fondo Italiano d'Investimento SGR was opened to new shareholders in major banks and institutional investors and their participation is expected in 2022. As part of this transaction, CDP Equity undertook to sell 13% of the capital, maintaining a 55% control shareholding of the SGR.

F2I SGR

At 31 December 2021, CDP Equity holds 14% of F2I SGR. Established in 2007, the SGR is Italy's largest independent manager of infrastructure funds, with assets under management of around Euro 5.5 billion. The companies that are part of the F2i network represent Italy's main infrastructure platform, diversified into strategic sectors for the economic system: transport and logistics, The transition energy, energy distribution networks, telecommunications networks, and social and health infrastructures.

FSI SGR

At 31 December 2021, CDP Equity holds 39% of FSI SGR. Established in 2016, the SGR manages the FSI I fund which, by size, ranks among Europe's largest venture capital investment funds focused on a single country. The fund's investor base is diversified by asset class and geographic region, including Cassa Depositi e Prestiti, the European Investment Fund, European banks, insurance companies and asset managers, banking foundations, pension funds, family offices of industrial groups and sovereign wealth funds from the Middle East, Far East and Central Asia. The fund offers investors the possibility to combine solid investment returns with unique access to Italian mid-market companies with growth potential in industries such as mechanic engineering, food production and distribution, luxury, fashion, design, pharmaceuticals and, in general, business services.

QUATTROR SGR

At 31 December 2021, CDP Equity holds 40% of QuattroR SGR. The SGR started operations in late 2016 and is an asset management company controlled by its management. The SGR manages a fund specializing in investments in Italian companies experiencing a temporary financial imbalance. QuattroR fund subscribers are leading Italian institutional investors. QuattroR configures as a financial partner for the relaunch of medium and large Italian companies facing a temporary crisis but with solid industrial fundamentals.

2.4 INFRASTRUCTURE INVESTMENTS

CDP Equity continued its activities to develop strategic infrastructure investments through the stipulation of agreements regarding new initiatives with industrial partners in the energy, digital and social sectors. The table below illustrates investments and commitments made by CDP Equity in this sector.

(Euro millions) Investee company	Sector	% sharehol.	Owned through	Allocated resources	Of which committed resources	Of which commitments
1. Renovit S.p.A.	Energy efficiency	30%	CDP Equity S.p.A.	47	32	15
2. GreenIT	Energy	49%	CDP Equity S.p.A.	193	9	184
3. CircularIT	Engineering, constructions - energy sector	-	CDP Equity S.p.A.	39	-	39
TOTAL INVESTMENTS IN INFRASTRUCTURES				**280**	**42**	**238**

RENOVIT

In the period, CDP Equity completed the transaction for the acquisition of a 30% shareholding of Renovit. The remaining 70% is held by Snam. The transaction was completed on 29 January 2021 with a total investment of approximately Euro 32.5 million, while maximum Euro 15 million are still pledged as a result of the earn-out included in the equity investment purchase agreement.

Renovit is the new Italian platform focused on energy efficiency for condominiums, companies and the public administration, promoting sustainable development and energy transition in Italy. Renovit qualifies as enabler of further growth in the sector, contributing to the achievement of national energy efficiency targets by 2030 and the decarbonization of the economic system.

GREENIT

On 23 February 2021, by means of the shareholders' loans amounting to a total of Euro 6 million as an initial capital, CDP Equity set up GreenIT, a company dedicated to the production and wholesale supply of energy generated from renewable sources together with its industrial partner ENI. GreenIT is 49% owned by CDP Equity and 51% owned by ENI. On 31 May 2021, the shareholders fulfilled part of their capitalization commitments by making capital contributions, of which CDP Equity's share amounted to Euro 2.5 million. Moreover, in the period further commitments were signed in support of GreenIT business plan, of which CDP Equity's share amounted to approximately Euro145 million.

CIRCULARIT

In 2021, CDP Equity entered a binding agreement with ENI for the establishment of the company CircularIT, dedicated to the development of plants for the production of biofuels and water for industrial and irrigation re-use, through the use of urban organic waste (FORSU) in line with a circular economy development model. To date, the transaction has not been completed yet.

3. RESULTS AND SIGNIFICANT EVENTS OCCURRED IN THE PERIOD

3.1 PERFORMANCE OF OPERATIONS

In 2021, the Company continued its activities in line with the Group strategies on venture capital investments in companies with reference to the development of the companies making up the corporate equity investment portfolio, monitoring the implementation of the business guidelines and strategies and with reference to the pursuit of new projects for direct investment in companies through the development and subscription of investment funds and the development of agreements in newly established initiatives with industrial partners in the energy, digital and social segments.

With regard to the development of the equity investment portfolio and new investments, as indicated in the previous sections, the main transactions completed during the year are: i) the merger of SIA into NEXI, as a result of which CDP Equity holds 5.3% of the share capital (through FSIA it also holds 8.3% of the share capital); ii) the acquisition of a shareholding in Euronext BV aimed at acquiring Borsa Italiana S.p.A.; iii) the acquisition of 30% of Renovit S.p.A. (formerly Snam4Efficiency); iv) support for the Open Fiber investment plan through capital contributions and the subsequent acquisition of a further 10% of the share capital of the same company as part of a broader shareholding re-organization (which involved the contribution of shares in Open Fiber Holding, as described above) resulting from the complete divestment by Enel and the simultaneous acquisition by Macquarie Asset Management (v) the incorporation and capitalization of GreenIT S.p.A. in partnership with ENI, (vi) the top up of the Technology Transfer Fund and the subscription of the Evoluzione and Corporate Partner Fund and the Sustainable Infrastructure Fund managed by CDP Venture Capital SGR and F2i SGR respectively, in addition to payments to private debt and venture capital funds and (vi) support for the financial transaction regarding Valvitalia.

These transactions involved the commitment of resources totalling Euro 1,432 million in the period.

In addition, CDP Equity set up Holding Reti Autostradali S.p.A., a vehicle in which Blackstone Infrastructure Partners and Macquarie Asset Management also have a shareholding, to carry out the acquisition of the controlling interest in Autostrade per l'Italia S.p.A. held by Atlantia S.p.A. (88.1%). The acquisition is expected to be completed in 2022.

The Company also pursued a number of investment projects, mainly in the infrastructure sector, and in particular stipulated agreements with leading industrial partners for the development of joint ventures in the energy sector.

The Company is also studying other investment opportunities as part of its mission.

The aforementioned activities aimed at developing the Company's portfolio continued despite a national economic scenario that reflected the effects of the persisting health emergency, the health restrictions, and the economic and social policies introduced by the Italian government. Despite a massive vaccination campaign, the emergence of new variants of the virus imposed the maintenance of the restrictive and prudential measures, especially during the winter months. In this context, CDP Investimenti carefully monitored the economic and financial performance of its investee companies in order to assess any impact on business arising from external factors such as, namely, the regulations issued from time to time by the authorities to limit the spread of Covid-19.

On the economic level, the Company sustained its operations thanks to the capital gain derived from the exchange of SIA shares, and the dividends distributed by the investee companies as well as interest accrued on shareholders' loans granted to some of them; the financial profile is to be considered solid, given that the Company's financial resources are sufficient to meet its short-term requirements and guarantee room for action even in the event of adverse scenarios. The Company's activities are always geared to managing risks with a prudent risk management approach.

The investments in the portfolio, consisting of equity investments in companies of major national interest, shares in investment funds and investments in prospective companies operating in the renewable energy, digital and social sectors, proved to be, comprehensively, substantially resilient.

In confirmation of this, the detailed analysis carried out on the entire portfolio to verify the presence of possible impairment indicators (so-called "trigger events") and the impairment tests carried out for the purpose of preparing the financial statements at 31 December 2021 on those equity investments for which the aforementioned indicators emerged, confirmed the recoverability of the values of the equity investments recorded without, therefore, identifying the conditions to make any value adjustments. For further details on the portfolio valuation and the outcomes of the impairment tests, reference should be made to the specific section in the Notes. This exercise was carried out on the basis of the latest information available, which reflects, where appropriate, the effects that the Covid-19 health crisis has had and may have on the economy and the sectors in which the companies included in the portfolio operate, even if a persisting situation of uncertainty regarding the future development of the pandemic results naturally in a lower degree of reliability of the estimates.

With regard to the other financial assets held by the Company, the value posted in the financial statements reflects their reasonably recoverable value. The valuation of assets measured at fair value already reflects, where appropriate, the effects that the Covid-19 health crisis has had and may have on the economy and the sectors in which the companies included in the portfolio operate and also factors in the impact relating to climate change.

The Company continued to implement a series of actions aimed at guaranteeing the health and safety of its employees and collaborators by promptly putting in place safety and control preventive measures that are even more stringent than the ones issued by the national and regional authorities. In this way, the company intends to limit possible contagion and at the same time promote the continuity of company operations.

In consideration of the above, the Company assessed the applicability of the going concern assumption in the preparation of these financial statements and came to the conclusion that, despite the persisting situation of uncertainty on the future performance of the investments included in the portfolio, caused by the health crisis, there are no doubts on the going concern assumption.

In the sections below is an analysis of the accounting position at 31 December 2021, as proposed on the basis of statements reclassified according to management criteria, with the objective of reporting clearer results for the year. 2021 financial and economic data is compared to the corresponding values recorded as at 31 December 2020.

3.2 ECONOMIC PERFORMANCE

At 31 December 2021, the reclassified income statement included the following aggregate items:

(euro thousand)	2021	2020	Change (+/-)	Change (%)
Revenue from operations (A)	**379,717**	**31,980**	**347,737**	**>100%**
Dividends	21,184	5,098	16,086	>100%
Capital gains on investments	325,105	-	325,105	>100%
Interest on SHL	29,315	26,881	2,434	9%
Impairments IFRS 9 on shareholder loans	4,113	-	4,113	>100%
Costs from operations (B)	**(10,489)**	**(22,330)**	**11,841**	**-53%**
Due diligence and consultancy for investments	(8,585)	(6,253)	(2,332)	37%
Other expenditure for investments and Tobin tax on investments	(1,224)	(442)	(782)	>100%
Impairments on equity investments	-	(10,717)	10,717	<100%
Impairments IFRS 9 on shareholder loans	(680)	(4,918)	4,238	-86%
Net variation in the value of financial instruments (C)	**4,228**	**(11,477)**	**15,705**	**>100%**
Result from operations (D = A + B + C)	**373,456**	**(1,827)**	**375,283**	**>100%**
Financial income and expenses	(45)	(62)	17	-28%
Overhead costs	(17,090)	(14,196)	(2,894)	20%
Result from ordinary operations (E)	**(17,135)**	**(14,258)**	**(2,877)**	**20%**
Other operating expenses and income (F)	5,287	5,505	(218)	-4%
Result for the year (G = D + E + F)	**361,608**	**(10,580)**	**372,188**	**>100%**
Income tax (H)	5,469	51,499	(46,030)	-89%
Profit (loss) for the year (G + H)	**367,077**	**40,919**	**326,158**	**>100%**

The financial year ended on 31 December 2021 posted net profit Euro 367 million, resulting from (i) the positive result from operations equal to Euro 373 million; (ii) the negative result from operating activities equal to Euro 17.1 million, and (iii) other operating income of Euro 5 million and (iv) positive taxes of approximately Euro 5.5 million.

The result from operations includes: (i) capital gain of Euro 325 million derived from the exchange of SIA shares for NEXI shares as part of the SIA-NEXI merger transaction and generated by the difference between the book value of SIA shares and the spot market value of NEXI shares at closing on 30 December 2021 [2] (ii) dividends received from Euronext N.V, Webuild and B.F. for a total of Euro 21.2 million, (iii) interest income on shareholders' loans from Ansaldo Energia for Euro 14 million (substantially in line with the values recognized in 2020), Open Fiber for Euro 15 million (Euro 13 million in 2020) and FSIA Investimenti for Euro 0.7 million (Euro 4 million in 2020) net of IFRS 9 adjustments made to the above loans for Euro 0.7 million (Euro 5 million in 2020, which included the Open Fiber adjustment), (iv) IFRS 9 value recovery made to the Open Fiber loan following the reversal of the adjustment provision as part of the transaction described above net, (v) change in the FV of the

[2] Last day of listing available as 31 December 2021 was the closing date of the stock exchange in Milan.

financial instruments in the portfolio positive for Euro 4.2 million resulting from the positive change due to the cancellation of the Open Fiber earn out for Euro 19.4 million (negative for Euro 7 million in 2020) partially offset by negative adjustments for Euro 15.2 million related to the valuation of funds in the portfolio (Euro 4 million in 2020) net of costs from ordinary operations mainly consisting of (vi) investment advisory fees for approximately Euro 9.8 million (Euro 6.7 million in 2020).

The increase in advisory expenses for investments derives from the multiple portfolio development activities mentioned in the previous paragraph.

The result from operating activities was negative for Euro 17.1 million, down from the negative amount of Euro 14.3 million registered in the previous year. The difference is attributed to the increase in overheads as a result of increased staff and seconded personnel.

Other operating income and charges consisted mainly of income from service contracts between CDP Equity and FSI Investimenti, FSIA Investimenti and IQ, as well as other minor items totalling Euro 6.7 million partially offset by a provision of Euro 1.5 million for the commitment to disburse funds; this item increased compared to the amount reported at 31 December 2020 when it stood at Euro 5.5 million.

The tax line reports a positive balance of Euro 5.5 million; this amount includes approximately Euro 10.3 million of income from tax consolidation, Euro 3.9 million of deferred taxes, the estimated IRAP charge for the year of Euro 0.6 million and, finally, Euro 0.3 million of deferred tax assets.

3.3 SHAREHOLDERS' EQUITY AND FINANCIAL POSITION

At 31 December 2021, the Balance Sheet assets included the following aggregate items:

(euro thousand)

Assets	31/12/2021	31/12/2020	Change (+/-)	Change (%)
Non-current assets	**5,212,904**	**3,387,796**	**1,825,108**	**54%**
Equity investments	4,007,878	2,662,345	1,345,533	51%
Non-current financial assets	1,060,866	580,809	480,057	83%
Other non-current assets	144,160	144,642	(482)	0%
Current assets	**728,947**	**477,143**	**251,804**	**53%**
Cash and cash equivalents	705,363	460,975	244,388	53%
Other current assets	23,584	16,168	7,416	46%
TOTAL ASSETS	**5,941,851**	**3,864,939**	**2,076,912**	**54%**

At 31 December 2021, total assets amounted to Euro 5,942 million, up Euro 2,077 million compared to 31 December 2020.

"Non-current assets" included "Shareholdings" for Euro 4,008 million and "Non-current financial assets" for Euro 1,061 million and "Other non-current assets" for Euro 144 million.

In detail, increases in "Investments" were determined by (i) the recognition of the contribution, as part of the transaction described above, of Open Fiber Holdings for Euro 1,644 million, (ii) the recognition of the investment in NEXI for Euro 971 million, (iii) investments for the period relating to the acquisition of 30% of the share capital of Renovit for Euro 32.5 million, (iv) investments in the investee company GreenIT, set up during the period for approximately Euro 9.2 million, and (v) capital contributions made to the investee company Hotelturist for Euro 9 million.

"Equity investments" include investments in industrial companies totaling Euro 3,602 million, investments in asset management companies of Euro 19 million and investments in investment companies amounting to Euro 387 million.

"Non-current financial assets", amounting to Euro 1,061 million, comprise (i) the fair value of the equity investment in F2i SGR and Euronext, totalling approximately Euro 728 million, (ii) shareholders' loans of Euro 274 million granted to investee companies, including accrued interest of Euro 36 million and net of the IFRS 9 adjustment of Euro 10 million, and (iii) the fair value of fund units subscribed, totalling Euro 59 million. The change versus 31 December 2020 resulted from (i) the recognition of the investment in Euronext for Euro 715.4 million, of which Euro 90.7 million relate to the recognition of the fair value for the period (i) the contribution to Open Fiber Holding of the receivable due from Open Fiber for Euro 271 million (ii) the interest accrued on the loan to the investee Ansaldo, the collection of which is deferred for approximately Euro 13.7 million, less the IFRS 9 value adjustment for the period of approximately Euro 0, 7 million; (iii) the repayment of interest accrued on the loan to Open Fiber for approximately Euro 24.9 million and the reversal of the IFRS 9 value adjustment for the period for Euro 4.1 million as part of the Open Fiber Holding transaction described in the previous paragraph; (iv) the recognition of investments for the period in subscribed funds net of the change in fair value for the period for approximately Euro 37.6 million; and (v) the fair value adjustment of F2i for Euro 5.6 million.

"Other non-current assets" amounted to Euro 144.2 million and included (i) Euro 141.7 million of prepaid tax assets, (ii) Euro 2 million of leased capital goods, (iii) Euro 0.3 million of fixed assets and (iv) Euro 0.1 million of security deposits.

"Cash and cash equivalents" reflect the balance of liquidity with primary credit institutes and CDP; the increase in cash and cash equivalents of Euro 244 million includes (i) a negative cash flow from investing activities of Euro 1.4 million, (ii) a positive cash flow from operating activities of Euro 21.9 million resulting from the collection of interest from Euronext N.V., Webuild and BF totalling Euro 21.2 million, and the collection of interest on the FSIA Investimenti shareholders' loan of Euro 0.7 million, and (iii) a negative cash flow from operating activities of approximately Euro 16.6 million, offset by funding represented by the resources provided by CDP amounting to Euro 1,626 million.

Variation in financial resources

(euro thousand)	2021	
Total initial balance		**460,984**
Dividend collection	21,184	
Collection of interest on SHL FSIA	702	
Operations	**21,886**	
Used resources - Direct	(1,334,528)	
Used resources - Provisions	(59,117)	
Repayments from funds	6,482	
Investment activity	**(1,387,163)**	
Operating activities	**(16,558)**	
Capital account payments	1,626,221	
Funding activity	**1,626,221**	
Total cash generated / (paid)		**244,386**
TOTAL FINAL BALANCE		**705,370**

"Other current assets" amounted to Euro 23.6 million and include Euro 14.3 million relating to a receivable due to CDP for tax consolidation and the remaining amount receivables due from investee companies (almost all referring to the receivable due from companies for services rendered to FSI Investimenti in the framework of the service agreement), and other tax receivables and other minor items.

At 31 December 2021, the liabilities included the following aggregate items:

(euro thousand) Liabilities	31/12/2021	31/12/2020	Change (+/-)	Change (%)
Shareholders' equity	5,920,569	3,832,137	2,088,432	54%
Provision for risks and charges and other non-current liabilities	12,068	24,944	(12,876)	-52%
Tax payables and other current liabilities	9,214	7,858	1,356	17%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,941,851**	**3,864,939**	**2,076,912**	**54%**

As at 31 December 2021, shareholders' equity amounted to Euro 5,921 million, up approximately Euro 2,088 million compared to 31 December 2020; this increase is mainly attributable to capital contributions granted by CDP in the period of Euro 1,626 million and the recognition of the result for the period of Euro 367 million and the recognition of the positive adjustment for approximately Euro 95.1 million of the fair value of the interest held in Euronext N.V. and F2i net of the relevant tax effect totaling Euro 1.2 million.

"Provisions for risks and charges and other non-current liabilities" amounted to Euro 12.1 million, including: (i) Euro 5.1 million resulting from deferred taxes; (ii) approximately Euro 2.4 million resulting from bonuses and employee severance indemnities (approximately Euro 2.3 million at 31 December 2020); (iii) Euro 2.1 million of liabilities recognized to reflect the use of leased assets following the adoption of IFRS 16 (Euro 2.4 million at 31 December 2020); (iv) approximately Euro 1.5 million from the provision for charges resulting from payment commitments in new funds and (v) approximately Euro 750 thousand from provisions for the estimated future charge related to the establishment, similarly to the provisions of the parent company CDP, of a scholarship for the children of deceased employees and from employee severance indemnities. The change against 31 December 2020 related to the lapse of the fair value of the earn-out on the Open Fiber transaction.

“Tax payables and other current liabilities” amount to Euro 9.2 million and consist of trade payables due to third parties and operating payables due to CDP in relation to the outsourcing of services provided by CDP to CDP Equity, sundry costs charged back in relation to seconded staff and the payable relating to the sublease agreement.

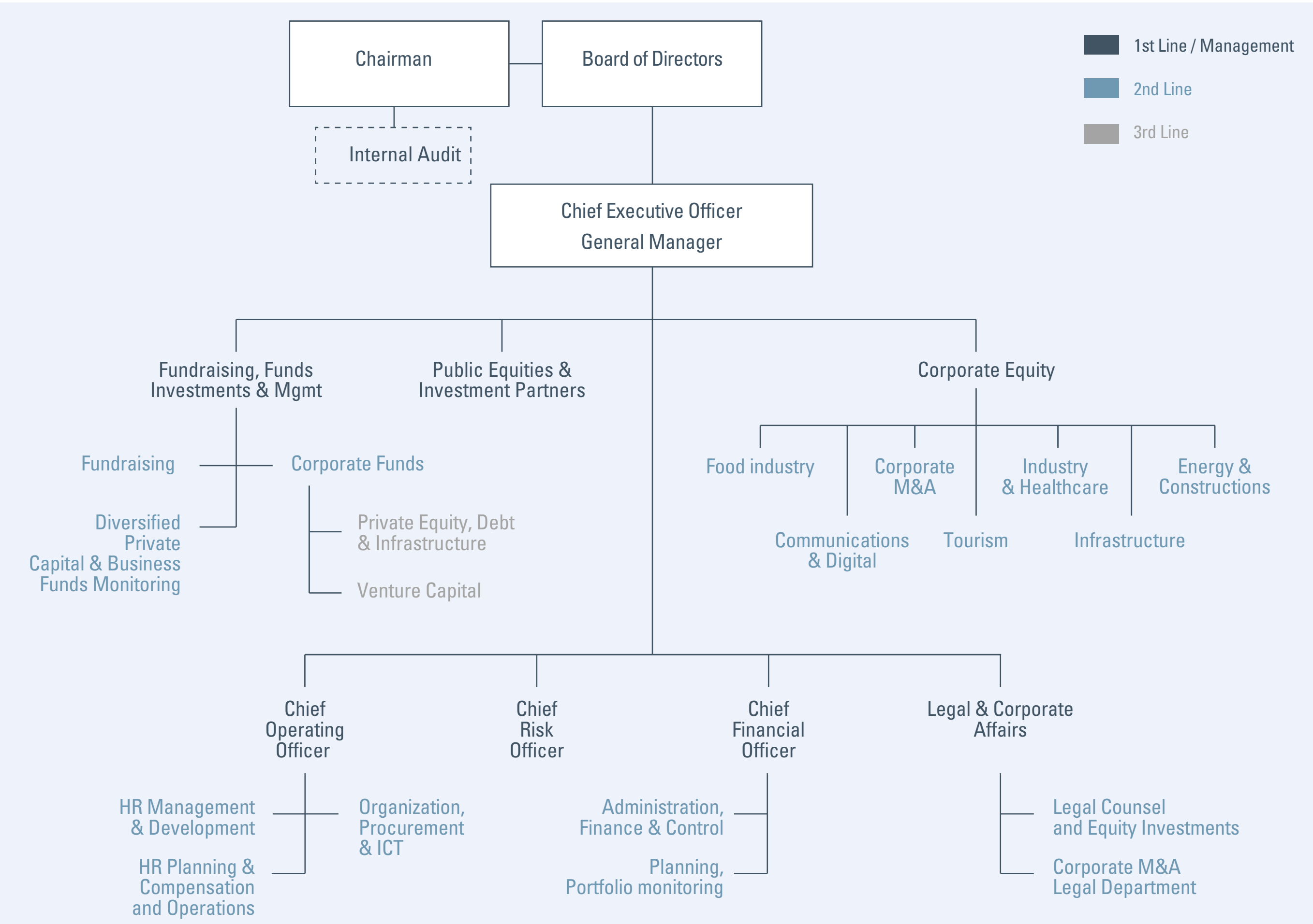
3.4 EQUITY TRANSACTIONS

No equity transactions were completed on CDP share capital in 2021. In 2021, the Company received a capital contribution of Euro 1,626,221 thousand from CDP.

4. ORGANIZATIONAL STRUCTURE OF CDP EQUITY

4.1 ORGANIZATIONAL STRUCTURE OF CDP INVESTIMENTI

The organizational structure of CDP Equity at 31 December 2021 is shown in the diagram below:



In 2021, with a view to facilitating a more effective and efficient management of corporate activities and taking into account the exponential growth of the Company both in terms of volumes and complexity of investment and divestment transactions, and in terms of resources employed, the Company carried out the following organizational changes:

- establishment of the "**Chairman's Office**" function, to which "Internal Audit" will report;
- establishment of the "**Technical Secretariat and Strategic Projects**" function, whose mission is ensuring the management of significant strategic corporate projects assisting the CEO and the General Manager in the management of business activities and priorities;
- establishment of the "**Diversified Private Capital & Business Funds Monitoring**", reporting directly to the Fundraising, Funds Investments & Mgmt function with the concurrent elimination of the Vice-DG function with the objective of coordinating the activities relating to investment and divestment transactions in units of investment funds and management companies in relation to (the "areas of competence") (i) Turnaround Funds, (ii) Private Equity Funds managed by

minority SGRs, (iii) Funds - if any - of other nature with the exclusion of PE, PD, VC and Infrastructure Funds, in cooperation with the Group's competent corporate structures and with the aim of monitoring existing investments and preparing the related reporting;

- the clusters reporting directly to the existing Corporate Equity function have been simplified, through:
  - the separation, within the "Industry & Construction" cluster, of industrial equity investments from those in the Construction sector;
  - the merger of the Industry cluster with the Healthcare cluster and the consequent establishment of the "Industry & Healthcare" cluster;
  - the merger of the Construction cluster with the Energy cluster and consequent establishment of the "**Energy & Construction**" cluster;
- the following organizational structures were set up in order to focus the areas and responsibilities relating to the area of the Chief Operating Officer in dedicated teams and reporting directly to the latter:
  - "**Organization, Procurement & ICT**", with the mission of ensuring the management and monitoring of the Company's organizational, technological and procurement issues, in coordination with and in accordance with the Group guidelines;
  - "**HR Management & Development"**, with the mission of ensuring the management of HR issues relating to personnel administration and management, development and training in coordination with and in accordance with the Group guidelines;
  - "**HR Planning & Compensation and Operations**" with the mission of ensuring the monitoring of HR issues relating to workforce planning & recruitment, analytics, compensation, facility management and health and safety in coordination with and in accordance with the Group guidelines;
- the following organizational structures were set up, again with a view to focusing the areas and responsibilities relating to the Legal and Corporate Affairs area into dedicated teams and reporting directly to the latter:
  - "**Legal Counsel and Equity Investments**" with the mission of taking care of the legal and corporate activities related to corporate governance, the support of the corporate bodies and the management of the equity investments portfolio in coordination with and in accordance with the Group guidelines;
  - "**Corporate M&A Legal Department**" with the mission of taking care of the legal and corporate activities related to the investment and divestment transactions as well as the support and advice to the organizational business structures on extraordinary transactions in coordination and in accordance with the Group guidelines.

In addition to and concurrently with the aforementioned organizational changes:

- in order to facilitate synergies and complementarity with the strategies of the new management in terms of communications, the "Communications and External Relations" function and the "Health Care" function were cancelled;
- the "Funds Investment & Management" function was renamed "**Corporate Funds**" and the related mission was adapted to the new structure of the reference area.

Finally, it should be noted that on 9 March 2022, some corporate areas were renamed; the "Fundraising" area was cancelled and the "Investor Relations and Fundraising" was set up.

At 31 December 2021, CDP Equity had a total of 82 employees, including seconded staff members, 14 more than the 68 employees registered at the end of 2020. The company adopts the National Collective Bargaining Agreements applicable to credit, financial and instrumental companies for both middle managers and professional staff members.

The average employee age is 36 years, with men accounting for 72% and women for 28%.

The revised organizational structure allows CDP Equity to fully accomplish its corporate mission, maximizing the operational synergies with the sole shareholder. In this context, CDP Equity and CDP operate in close coordination with regard to the main corporate staff and support functions.

In 2021, a training plan was defined involving all employees.

Compulsory training courses were organized on the following topics: i.) Market Abuse, ii.) Sustainability, iii.) Information Classification and Management, iv.) GDPR - General Data Protection Regulation, and v.) Legislative Decree 231/01. In addition, following meetings with the heads of the B.U., we identified training needs at the technical and development level and organized the following courses: i.) PMO basic level, ii.) Time Management, iii.) Negotiation, and iv) Financial Modeling.

In the ICT area, during 2021, the Salesforce CRM was designed and implemented for the management of investments from origination to possible disinvestment.

In line with the previous paragraph, AIP (Azure Information Protection) was implemented for the management of labels for the classification of information.

Antivirus software for company laptops was centralized in line with the relevant CDP policy and USB ports were inhibited for the use of USB keys.

Lastly, the security of Multipartner Virtual Data Room was increased with complex passwords and strong authentication in the login phase.

4.2 RISK MANAGEMENT AND COMPLIANCE

CDP Equity risk management is based on the Risk Management Policy approved by the Board of Directors. The document defines the basic principles of operation and related guidelines, in order to identify, measure and manage the various types of risk CDP Equity may be subject to in carrying out its activities. These principles define, among other things, limits to risk-taking for CDP Equity also in the process of approval of the investments.

RISK MANAGEMENT

In 2021, the CDP Equity Risk Management carried out activities in compliance with the of the principles of risk management established in the company's internal policy, summarized along three lines: (i) assessment of the risks in the process of approval of the investments and divestments; (ii) monitoring of company risk profiles of the investments portfolio; (iii) preparation of quarterly update notes on risk management activities to be submitted to the Board of Directors.

In particular, in 2020, Risk Management expressed opinions on certain investment transactions regarding (i) companies already held in the company's direct investment portfolio, (ii) new investments in joint ventures and (iii) investment funds, as reported in the interim report.

In the period, Risk Management also collaborated with the business functions with regard to the analysis of transactions in the process of being defined and approved.

In addition to the periodic reporting submitted by the companies included in the portfolio, equity investments are monitored also through specific in-depth analyses in order to update and verify company risk profiles. The main findings were brought to the attention of the Board of Directors through the quarterly reports.

CDP Equity's liquidity profile is solid, also because it is part of the CDP Group. The company has no borrowings and the available liquidity is substantial even with respect to its financial commitments.

In the period and in compliance with the existing risk policy Risk Management also conducted audits on the impairment tests carried out on the investees as well as accounting valuations of the optional components associated with portfolio investments. The valuations of said optional components were carried out, in the fair value perspective, with the support of an independent expert consultant.

COMPLIANCE

In 2021, Compliance continued to implement the activities falling under its competence, relating, in particular, to the performance of second-level audits envisaged in the annual plan and the analysis of the reputational risk associated with direct and indirect investment transactions involving CDP Equity.

Moreover, Compliance was — and still is — involved in the adjustment and integration of corporate processes with a view to managing the risk of non-conformities resulting from the expansion of CDP Equity operations. In this context, Compliance is called upon to contribute to the definition of new processes and the integration of existing ones.

The findings of these activities are brought to the attention of the Corporate Bodies through periodic reporting.

5. FORESEEABLE OUTLOOK

In 2022, the Company is expected to continue searching for new investment opportunities, while managing, monitoring and enhancing the value of its equity investments.

In relation to the equity investment in Kedrion, it should be noted that on 20 January 2022, as part of the transfer transaction of the entire share capital, a resolution was made to transfer the shareholding held by FSI Investimenti (25.6% at 31 December 2021) to a newly established entity owned by the Permira funds, supported by the Abu Dhabi Investment Authority, and, to a lesser extent, by CDP Equity, Sestant and FSI SGR.

At the same time, CDP Equity also planned to reinvest, with a maximum commitment of Euro 100 million in the shareholding structure in order to obtain a stake in the capital of the new pan-European pole that will result from the integration of Kedrion and the British Bpl group, the latter being subject to a concurrent acquisition and industrial integration transaction with the Italian company.

As described in the previous paragraphs, in December 2021 the acquisition of 10% of ENEL's share capital was completed with the relevant concurrent transfer of the remaining 40% to MIRA. In addition, the new Business Plan was approved, which envisages expansion of the perimeter to include the Grey Areas under tender, for which a new equity commitment was subscribed by the shareholders. The contract is expected to be awarded by the end of July.

With reference to Autostrade per l'Italia, for the purpose of closing the acquisition by CDP Equity, Blackstone and Macquarie of Atlantia's 88.1% interest in ASPI, a number of conditions precedent remain to be met, including the effectiveness of the Transaction Agreement with MIMS and the PEF. The closing is expected to be completed by the end of the first half of 2022.

With reference to the Fondo Italiano d'Investimento SGR, for the purpose of promoting fundraising activities functional to the development in Italy of strategic companies and supply chains, as well as the growth and modernization of the private capital market, the capital of Fondo Italiano d'Investimento SGR was opened to new shareholders in major banks and institutional investors and their participation is expected in 2022. As part of this transaction, CDP Equity undertook to sell 13% of the capital, maintaining a 55% control shareholding of the SGR.

In addition, based on the news reported by the media, on 24 February 2022, the President of the Russian Federation Vladimir Putin had announced the invasion of Ukraine by the Russian army motivating the action with his intention to protect the Russian citizens living in the Donbass region belonging to the Ukrainian Republic. The military action quickly turned into a real war extending the conflict to other regions of Ukraine also with the ultimate objective, among others, to conquer the capital Kiev. These actions led to the opening of diplomatic channels, the imposition of economic, commercial and financial sanctions against Russian citizens and companies operating in Western markets and, in particular, with the United States, the European Union, the United Kingdom and other NATO countries. The general state of tension between the countries also involved other players, including China. The situation of uncertainty, the outcome and developments of which are difficult to interpret and predict, could have negative effects on the real economy and financial markets, which are highly globalized and interconnected.

The Management is actively engaged in monitoring significant events that could have a direct or indirect impact on the Company's activities, even if, to date, there are no sufficiently reliable tools or criteria to determine potential occurrence and extent.

As far as CDP Equity is concerned, no direct risks were found relating to the safety of the personnel or the continuity of operations with particular reference to the security of the IT infrastructure.

With reference to the assets in the portfolio, both direct and indirect, the aforementioned monitoring activity has identified the most exposed assets in the equity investments of Ansaldo Energia, Bonifiche Ferraresi, Inalca, Rocco Forte Hotel, NEXI and Euronext.

More specifically:
- Ansaldo Energia is monitoring the potential consequences of the conflict on the energy market and identifying potential countermeasures, including pursuing trade channels with less impacted areas;
- Bonifiche Ferraresi purchases fertilizers and animal feed from Russia and Ukraine respectively, and could therefore be affected by possible cost increases and/or raw material availability on the market;
- the Inalca Group has operations in Russia which, however, make a relative contribution to the overall economic and financial performance. These could be affected by the increased raw material costs and exchange rate fluctuations;
- Rocco Forte Hotel is present in Russia with two hotels;
- as for NEXI, a theoretical potential risk of cyber attack on the NEXI electronic payment system, considered a strategic infrastructure, has been identified.

Lastly, the potential effects described above are theoretical and do not refer to actual data since, for the purposes of preparing the financial statements at 31 December 2021, the conflict is a non-adjusting event pursuant to IAS 10 as it relates to conditions occurred after the reporting date.

After 31 December 2021, no significant events or events that further would have required additional information, have occurred.

For considerations regarding the continued uncertainty on the future development of the Covid-19 health crisis, reference should be made to the information provided in the "Results and significant events occurred in the period" section.

6. ADDITIONAL INFORMATION PURSUANT ARTICLE 2428 OF THE ITALIAN CIVIL CODE

With reference to the additional information required by Article 2428 of the Italian Civil Code, it should be noted that: (i) the Company did not carry out any research and development activities in the period; (ii) the Company's relations, held in the period of reference, with subsidiaries, associated companies, parent companies and companies subject to the control of the latter are reported in Section V of the Explanatory Notes, to which reference should be made; (iii) the Company does not hold, nor has it acquired or transferred during the six months of reference, any of its own shares or shares in its parent company, either directly or through a trust company or third party; (iv) the Company opened a secondary office in Rome, Via Goito no. 4 at the Parent Company's offices.

Milan, 25 March 2022

Chief Executive Officer

Pierpaolo Di Stefano

2.
FINANCIAL STATEMENTS AT 31 DECEMBER 2021

FORM AND CONTENT OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021

The financial statements at 31 December 2021 were prepared in accordance with the current regulatory provisions and are made up of:

- Balance Sheet;
- Income Statement;
- Statement of Comprehensive Income;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Explanatory Notes.

The Explanatory Notes include:

- Introduction;
- I. Basis of preparation and accounting principles;
- II. Information on the Balance Sheet;
- III. Information on the Income Statement;
- IV. Information on risks and related hedging policies;
- V. Transactions with related parties;
- VI. Information on public funding.

The section “Annexes to the financial statements”, which forms an integral part of these annual financial statements includes the separate financial statements at 31 December 2020 of the parent company Cassa Depositi e Prestiti S.p.A.

CONTENTS

TABLES OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021

BALANCE SHEET

(Euro units)

Asset	31/12/2021	31/12/2020	Note
Non-current assets			
Property, plants and equipment	2,258,327	2,537,960	II.1.1
Intangible assets	116,529	65,209	II.1.2
Equity investments	4,007,878,026	2,662,344,880	II.1.3
Non-current financial assets	1,060,866,136	580,808,969	II.1.4
Deferred tax assets	141,666,266	141,919,556	II.1.5
Other non-current assets	119,124	119,131	II.1.6
Total non-current assets	**5,212,904,408**	**3,387,795,705**	
Current assets			
Receivables from investee companies	5,724,374	5,753,967	II.2.1
Tax receivables	943,073	1,161,201	II.2.2
Other current assets	16,916,308	9,393,332	II.2.3
Cash and cash equivalents	705,363,186	460,975,144	II.2.4
Total current assets	**728,946,941**	**477,283,644**	
TOTAL ASSETS	**5,941,851,349**	**3,865,079,349**	

(Euro units)

Liabilities and shareholders' equity	31/12/2021	31/12/2020	Note
Shareholders' equity			
Share Capital	2,890,583,470	2,890,583,470	II.3.1
Reserves	2,624,165,136	1,417,443,113	II.3.2
Profit (loss) carried forward	38,743,411	(516,808,266)	
Profit (loss) for the year (+/-)	367,077,332	40,918,498	
Total Shareholders' equity	**5,920,569,349**	**3,832,136,815**	
Non-current liabilities			
Provisions for risks and charges	4,591,725	3,000,000	II.4.1
Staff Severance and Retirement	265,339	143,708	II.4.2
Payables on leases	2,133,376	2,362,742	II.4.3
Other financial liabilities	-	19,416,285	II.4.3
Deferred tax liabilities	5,077,989	21,243	II.4.4
Total non-current liabilities	**12,068,429**	**24,943,978**	
Current liabilities			
Tax payables	1,150,368	1,359,086	II.5.1
Other current liabilities	8,063,203	6,639,470	II.5.2
– *Payables due to suppliers*	*4,201,580*	*3,225,937*	
– *Payables due to social security institutions*	*280,881*	*238,577*	
– *Payables due to parent company*	*2,918,797*	*2,660,531*	
– *Other payables*	*661,945*	*514,425*	
Total current liabilities	**9,213,571**	**7,998,556**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,941,851,349**	**3,865,079,349**	

INCOME STATEMENT

(Euro units)

Items	2021	2020	Note
Revenue from ordinary operations			
Dividends	21,183,654	5,098,437	III.1.1
Interest on loans to investees	29,314,911	26,881,299	III.1.2
Capital gains on investments	325,105,333	-	III.1.3
Non-current assets impairments	4,113,318	-	
Increase in the value of financial instruments	19,416,285	-	III.1.4
Total revenue from ordinary operations	**399,133,501**	**31,979,736**	
Costs from ordinary operations			
Investment expenses	(9,809,397)	(6,694,848)	III.1.5
Impairment of non-current assets	(678,084)	(15,634,869)	III.1.6
Decreases in the value of financial instruments	(15,188,031)	(11,477,242)	III.1.7
Total costs from ordinary operations	**(25,675,512)**	**(33,806,959)**	
Result from ordinary operations	**373,457,989**	**(1,827,223)**	
Financial income	15,077	3,754	III.2.1
Financial expenses	(59,900)	(66,013)	III.2.2
Administrative costs:	(16,704,932)	(13,814,366)	III.2.3
– *personnel costs*	*(13,444,236)*	*(11,226,816)*	
– *Other administrative expenses*	*(3,260,696)*	*(2,587,550)*	
Amortisation and depreciation and impairment of intangible and tangible assets	(385,290)	(381,672)	III.2.4
Impairment and value reversals of current assets	(5,539)	(11,708)	III.2.5
Result from ordinary operations	**(17,140,584)**	**(14,270,005)**	
Other operating income/expenses	5,290,897	5,516,297	III.3
– *other income*	*6,749,488*	*5,543,943*	
– *other expenses*	*(1,458,591)*	*(27,646)*	
Result before taxes	**361,608,302**	**(10,580,931)**	
Income, current and deferred taxes	5,469,030	51,499,429	III.4
PROFIT (LOSS) FOR THE YEAR	**367,077,332**	**40,918,498**	

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

Items	2021	2020
Profit (loss) for the year	367,077,332	40,918,498
Other income components net of taxes without reclassification to income statement	**95,134,702**	**1,748,981**
Tangible assets	-	-
Defined benefit plan	-	-
Equity securities at fair value with impact on comprehensive income	96,290,184	1,770,224
Tax effect	(1,155,482)	(21,243)
Other income components net of taxes with reclassification to income statement	**-**	**-**
Financial assets (different from equity securities) at fair value with impact on comprehensive income	-	-
Hedging of financial flows	-	-
Total other income components net of taxes	**95,134,702**	**1,748,981**
COMPREHENSIVE PROFITABILITY	**462,212,034**	**42,667,479**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2021

(Euro units)	Initial balance at 31/12/2020	Changes in initial balance	Initial balance at 01/01/2021
Share capital:			
– ordinary shares underwritten and paid-up	2,890,583,470	-	2,890,583,470
Reserves:			
a) profits	25,555,282	-	25,555,282
b) other	873,330,584	-	873,330,584
Valuation reserves:			
a) Financial assets valued at fair value through other comprehensive income	1,748,981	-	1,748,981
b) hedging of financial flows	-	-	-
c) other reserves	-	-	-
Equity instruments	-	-	-
Treasury shares	-	-	-
Profit (loss) for the year	40,918,498	-	40,918,498
SHAREHOLDERS' EQUITY	**3,832,136,815**	**-**	**3,832,136,815**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2020

(Euro units)	Initial balance at 31/12/2019	Changes in initial balance	Initial balance at 01/01/2020
Share capital:			
– ordinary shares underwritten and paid-up	2,890,583,470	-	2,890,583,470
Reserves:			
a) profits	25,555,282	-	25,555,282
b) other	22,307,637	-	22,307,637
Valuation reserves:			
a) Financial assets valued at fair value through other comprehensive income	-	-	-
b) hedging of financial flows	-	-	-
c) other reserves	-	-	-
Equity instruments	-	-	-
Treasury shares	-	-	-
Profit (loss) for the year	(267,277,053)	-	(267,277,053)
SHAREHOLDERS' EQUITY	**2,671,169,336**	**-**	**2,671,169,336**

Allocation of previous year's result		Changes in the period		
Reserves	Dividends and other allocations	Changes in equity and reserves	Comprehensive profitability at 31/12/2021	Equity at 31/12/2021
-	-	-	-	2,890,583,470
2,045,925	-	-	-	27,601,207
38,872,573	-	1,626,220,500	-	2,538,423,657
-	-	-	95,134,702	96,883,683
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(40,918,498)	-	-	367,077,332	367,077,332
-	**-**	**1,626,220,500**	**462,212,034**	**5,920,569,349**

Allocation of previous year's result		Changes in the period		
Reserves	Dividends and other allocations	Changes in equity and reserves	Comprehensive profitability at 31/12/2020	Equity at 31/12/2020
-	-	-	-	2,890,583,470
-	-	-	-	25,555,282
(267,277,053)	-	1,118,300,000	-	873,330,584
-	-	-	1,748,981	1,748,981
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
267,277,053	-	-	40,918,498	40,918,498
-	**-**	**1,118,300,000**	**42,667,479**	**3,832,136,815**

FINANCIAL STATEMENTS (INDIRECT METHOD)

(Euro units)	31/12/2021	31/12/2020
A Operations		
1. Operations	**19,536,899**	**(77,174,942)**
- profit for the year (+/-)	367,077,332	40,918,498
- capital gain/loss on financial assets held for trading and financial assets and valued at fair value (-/+)	(4,228,254)	11,477,242
- value adjustments/reversal on impairment (+/-)	(3,429,695)	4,917,807
- value adjustments/reversal on tangible and intangible assets (+/-)	385,290	381,672
- value adjustments/reversal on equity investments (+/-)	(325,105,333)	10,717,062
- net allowances to provisions for risks and charges and other costs/income (+/-)	3,994,089	(1,712,241)
- unpaid taxes (+)	(5,469,030)	(143,573,628)
- other adjustments (+/-)	(13,687,500)	(301,354)
2. Cash generated/paid on financial assets	**512,495,624**	**(150,777,536)**
- receivables due from invested companies - current	29,593	5,426,754
- receivables due from invested companies - non current	17,122,734	(150,105,131)
- financial assets at fair value with impact on comprehensive income	95,134,702	(1,770,224)
- financial assets designated at fair value	(15,188,031)	-
- other current assets	517,590,892	(4,334,281)
- other non-current assets	(102,194,266)	5,346
3. Cash generated/paid on financial liabilities	**(823,685)**	**(587,241)**
- other current liabilities	1,215,015	(587,241)
- other non-current liabilities	(2,038,700)	-
Net liquidity generated/paid on operating activities	**531,208,838**	**(228,539,719)**
B. Investment activity		
1. Liquidity generated by	**645,820,850**	**-**
- disposal of equity investments	645,820,850	-
2. Liquidity paid on	**(2,044,228,968)**	**(537,847,701)**
- acquisition of equity investments	(1,991,353,996)	(512,382,827)
- investments in funds	(52,757,561)	(25,289,398)
- acquisitions of tangible assets	(35,756)	(119,625)
- acquisitions of intangible assets	(81,655)	(55,851)
Net liquidity generated/paid on investment activities	**(1,398,408,118)**	**(537,847,701)**
C. Funding activity		
- emissions/acquisitions of equity instruments (payment/reimbursement of equity and reserves)	1,111,587,321	1,118,300,000
Net liquidity generated/paid on funding activities	**1,111,587,321**	**1,118,300,000**
NET LIQUIDITY GENERATED/PAID IN THE YEAR	**244,388,041**	**351,912,579**

RECONCILIATION

Items	31/12/2021	31/12/2020
Cash and cash equivalents at the beginning of the year	**460,975,144**	**109,063,540**
Total net liquidity generated/paid in the year	244,388,041	351,911,604
CASH AND CASH EQUIVALENTS AT YEAR END	**705,363,186**	**460,975,144**

EXPLANATORY NOTES

INTRODUCTION

INFORMATION ON THE COMPANY

As to the information on the Company, reference should be made to the Report on Operations.

FORM AND CONTENT

The annual financial statements of CDP Equity S.p.A. ("CDP Equity" or the "Company") were prepared according to International Accounting Standards IAS/IFRS, making use of the right, which is granted under Legislative Decree no. 38 of 28 February 2005, as amended by Legislative Decree 91/2014 ("Competitiveness Decree"), that extends the possibility for preparing the financial statements in accordance with International Accounting Standards ("IAS/IFRS") to all companies, other than those required to prepare financial statements according to the IAS/IFRS or in abbreviated form pursuant to art. 2435-bis of the Italian Civil Code (Legislative Decree 38/2005 art. 4, paragraph 6).

The financial statements include the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Explanatory Notes, and are accompanied by the Directors' Report on Operations.

The annual financial statements have been prepared with clarity and provide a true and fair view of the equity and financial position and net economic result for the financial year. The financial statements are consistent with the company's accounting records, which fully reflect the transactions that occurred in the year.

These financial statements provide information about the fiscal year 2021 and include comparative information related to the most recently approved financial statements at 31 December 2020.

All the schedules included in the annual financial statements and the tables in the Explanatory Notes have been prepared in Euro. In the Income Statement revenues were reported without any sign, while costs are shown in brackets. The rounded-off amount of the items has been obtained by adding the individual rounded-off amounts of the sub-items.

The Explanatory Notes provide, as detailed hereinafter, any and all information required by the IAS/IFRS regulations, as well as any additional information that is considered necessary to give a true and fair view of the Company's situation.

AUDIT OF ACCOUNTS

The condensed financial statements of CDP Equity are subject to audit by the independent auditors Deloitte & Touche S.p.A. ("Deloitte") based on the resolution of the Shareholders' Meeting of 7 May 2020, which appointed the company to audit the financial statements for the 2020-2022 period.

MANAGEMENT AND COORDINATION BY CDP

CDP Equity is a wholly-owned subsidiary of Cassa depositi e prestiti S.p.A. ("CDP") and is subject to direction and coordination by CDP. The General Principles on the exercise of direction and coordination currently in force were approved by CDP's Board of

Directors on 3 August 2020. The standards on the exercise of direction and coordination activities identify and define the scope and procedures for the exercise of direction and coordination by CDP, the purpose of which is to coordinate the actions and activities undertaken by the Company and CDP in the interest of the Group. In any case, direction and coordination activities are carried out in such a way as not to violate European legislation on state aid and, in particular, the principles set out in European Commission Communication 2001/C 235/03 on “State aid and risk capital”.

EXEMPTION FROM PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company does not prepare consolidated financial statements in accordance with IFRS 10, as it falls within one of the cases of exemption provided for in paragraph 4 of IFRS 10; as CDP Equity is a subsidiary of CDP, which prepares consolidated financial statements, CDP Equity is not subject to the obligation of preparing consolidated financial statements.

I. BASIS OF PREPARATION AND ACCOUNTING PRINCIPLES

I.1 INTRODUCTION

I.1.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The annual financial statements have been prepared in accordance with the accounting standards issued by the IASB (including the SIC and IFRIC) endorsed by the European Commission, pursuant to EU Regulation no. 1606 of 19 July 2002 at the reporting date of the financial statements, also taking into account the minimum information required by the Civil Code, if compatible with the standards adopted.

For interpretation and application purposes, the following documents, although not yet endorsed by the European Commission, have been taken into account:

- Framework for the Preparation and Presentation of Financial Statements of the International Accounting Standards Board (issued by the IASB in 2001);
- Implementation Guidance, Basis for Conclusions, IFRIC and any other documents prepared by the IASB or by the IFRIC as an addition to the Accounting Standards issued;
- Interpretations on the application of the IAS/IFRS in Italy, prepared by the Italian Accounting Board (*Organismo Italiano di Contabilità*, OIC).

If the information required by the International Accounting Standards is not considered to be sufficient to give a true and fair representation, the Explanatory Notes will provide any additional information that is required for this purpose.

In the preparation of the annual financial statements, the accruals principle has been correctly applied, on a going-concern basis. The general principles of relevance and significance of the information have also been taken into account, as well as the principle of substance over form.

In terms of the Company's going-concern assumption and compliance with the requirements for the same assumption of IAS 1 revised, CDP Equity has carried out an assessment of the ability to continue as a going concern, taking account of any and all information available in the medium term and weighing opportunely a number of instability factors resulting from the Covid-19 health crisis and outbreak of the pandemic with the relevant impacts on the macro-economic scenario and the potential impacts deriving from the Russian-Ukrainian conflict. From the analysis of such information and on the basis of the results highlighted in previous years, CDP Equity deems it appropriate to evaluate the financial statements on a going-concern basis.

Assets and liabilities, revenues and costs have not been offset, unless expressly required or permitted by an accounting standard or by an interpretation.

NEW INTERNATIONAL ACCOUNTING PRINCIPLES APPROVED AND EFFECTIVE IN 2021

Below are the new Regulations of the European Commissions endorsing the new international accounting principles and interpretations or revisions to the already effective accounting principles, whose application has become mandatory as of 1 January 2021:

- Regulation (EU) 2021/1421 of the Commission of 30 August 2021, published in the Official L.305/17 of 31 August 2021, amending Regulation (EC) No.1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No.1606/2002 of the European Parliament and the Council concerning the International Accounting Standard 16;
- Regulation (EU) 2021/25 of the Commission of 13 January 2021, published in the Official Gazette L. 11/7 of 14 January 2021, amending Regulation (EC) No. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) No.1606/2002 of the European Parliament and of the Council as regards the International Accounting Standard IAS 39 and the International Financial Reporting Standards (IFRS) 4, 7, 7 and 16;

- Regulation (EU) 2020/2097 of the Commission of 15 December 2020, published in the Official Gazette L. 425 of 16 December 2020, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No.1606/2002 of the European Parliament and the Council concerning the International Accounting Standard 4.

NEW ACCOUNTING PRINCIPLES AND INTERPRETATIONS ALREADY ISSUED AND APPROVED BY THE EUROPEAN UNION BUT NOT YET EFFECTIVE

Below are the new principles and interpretations already issued and approved, but not yet in force and therefore inapplicable to the drafting of the financial statements at 31 December 2021:
- Commission Regulation (EU) 2021/1080 of 28 June 2021, published in the Official Gazette L. 234/90 of 2 July 2021, amending Regulation (EC) No.1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards the International Accounting Standards (IAS) 16, 37 41 and the International Financial Reporting Standards (IFRS) 1, 3 and 9;
- Regulation (EU) 2021/2036 of the Commission of 19 November 2021, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council concerning the International Accounting Standard 17.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION AT 31 DECEMBER 2021

Below is a list of accounting standards, interpretations and amendments that have been issued by IASB, but which have not yet been approved by the European Union as at the date of these financial statements.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021).

I.1.2 EVENTS AFTER THE REPORTING DATE OF THE FINANCIAL STATEMENTS

During the period between the reporting date of these annual financial statements and the date of its approval by the Board of Directors (25 March 2022), no events occurred in addition to those already reported, which would have required adjustments to the data approved on said date. Significant events requiring additional information are listed below.

On 20 January 2022, in relation to the equity investment in Kedrion held through FSI Investimenti, it should be noted that, as part of the transfer transaction of the entire share capital, a resolution was made to transfer the shareholding held by FSI Investimenti (25.6% at 31 December 2021) to a newly established entity owned by the Permira funds, supported by the Abu Dhabi Investment Authority, and, to a lesser extent, by CDP Equity, Sestant and FSI SGR.

At the same time, CDP Equity also planned to reinvest, with a maximum commitment of Euro 100 million in the shareholding structure in order to obtain a stake in the capital of the new pan-European pole that will result from the integration of Kedrion and the British Bpl group, the latter being subject to a concurrent acquisition and industrial integration transaction with the Italian company.

As described in the previous paragraphs, in December 2021 the acquisition of 10% of ENEL's share capital was completed with the relevant concurrent transfer of the remaining 40% to MIRA. In addition, the new Business Plan was approved, which envisages expansion of the perimeter to include the Grey Areas under tender, for which a new equity commitment was subscribed by the shareholders. The contract is expected to be awarded by the end of July.

With reference to Autostrade per l'Italia, for the purpose of closing the acquisition by CDP Equity, Blackstone and Macquarie of Atlantia's 88.1% interest in ASPI, a number of conditions precedent remain to be met, including the effectiveness of the Transaction Agreement with MIMS and the PEF. The closing is expected to be completed by the end of the first half of 2022.

With reference to the Fondo Italiano d'Investimento SGR, for the purpose of promoting fundraising activities functional to the development in Italy of strategic companies and supply chains, as well as the growth and modernization of the private capital market, the capital of Fondo Italiano d'Investimento SGR was opened to new shareholders in major banks and institutional investors and their participation is expected in 2022. As part of this transaction, CDP Equity undertook to sell 13% of the capital, maintaining a 55% control shareholding of the SGR.

Based on the news reported by the media, on 24 February 2022 President of the Russian Federation Vladimir Putin had announced the invasion of Ukraine by the Russian army motivating the action with his intention to protect the Russian citizens living in the Donbass region belonging to the Ukrainian Republic. The military action quickly turned into a real war extending the conflict to other regions of Ukraine also with the ultimate objective, among others, to conquer the capital Kiev. These actions led to the opening of diplomatic channels, the imposition of economic, commercial and financial sanctions against Russian citizens and companies operating in Western markets and, in particular, with the United States, the European Union, the United Kingdom and other NATO countries. The general state of tension between the countries also involved other players, including China. The situation of uncertainty, the outcome and developments of which are difficult to interpret and predict, could have negative effects on the real economy and financial markets, which are highly globalized and interconnected.

The Management is actively engaged in monitoring significant events that could have a direct or indirect impact on the Company's activities, even if, to date, there are no sufficiently reliable tools or criteria to determine potential occurrence and extent.

As far as CDP Equity is concerned, no direct risks were found relating to the safety of the personnel or the continuity of operations with particular reference to the security of the IT infrastructure.

With reference to the assets in the portfolio, both direct and indirect, the aforementioned monitoring activity has identified the most exposed assets in the equity investments of Ansaldo Energia, Bonifiche Ferraresi, Inalca, Rocco Forte Hotel, NEXI and Euronext.

More specifically:
- Ansaldo Energia is monitoring the potential consequences of the conflict on the energy market and identifying potential countermeasures, including pursuing trade channels with less impacted areas;
- Bonifiche Ferraresi purchases fertilizers and animal feed from Russia and Ukraine respectively, and could therefore be affected by possible cost increases and/or raw material availability on the market;
- the Inalca Group has operations in Russia which, however, make a relative contribution to the overall economic and financial performance. These could be affected by the increased raw material costs and exchange rate fluctuations;
- Rocco Forte Hotel is present in Russia with two hotels;
- as for NEXI, a theoretical potential risk of cyber attack on the NEXI electronic payment system, considered a strategic infrastructure, has been identified.

Lastly, the potential effects described above are theoretical and do not refer to actual data since, for the purposes of preparing the financial statements at 31 December 2021, the conflict is a non-adjusting event pursuant to IAS 10 as it relates to conditions occurred after the reporting date.

After 31 December 2021, no significant events or events that further would have required additional information, have occurred.

For considerations regarding the continued uncertainty on the future development of the Covid-19 health crisis, reference should also be made to the information provided in the "Results and significant events occurred in the Period" section in the Report on Operations.

I.1.3 OTHER ASPECTS

I.1.3.1 USE OF ACCOUNTING ESTIMATES

The application of the international accounting standards for the preparation of the annual financial statements requires the Company to make some accounting estimates on certain Balance Sheet items, which are considered to be reasonable and realistic based on the information available at the time when they were made and which affect the book value of assets and liabilities and the information on potential assets and liabilities as at the reporting date of the annual financial statements, as well as the amount of revenues and costs in the relevant period. Furthermore, any change in the conditions underlying the judgments, assumptions and estimates adopted may have an impact on the subsequent results.

The only items that are subject to an estimate at the date of these annual financial statements are connected to those related to current and deferred taxes, financial assets and liabilities and the determination of the provision for future costs, in addition to the recoverable amount of investments recorded at cost in order to assess whether there is evidence that the value of investments may be impaired.

For the purposes of drafting these financial statements, the best possible estimates were developed on the basis of the latest available information, reflecting, where appropriate, the effects that the Covid-19 health crisis could have in the upcoming years on the economy in general and on the sectors in which the companies included in the portfolio operate.

With reference to the impairment test carried out on the investee companies pursuant to IAS 36, the estimate of the recoverable value was calculated by taking into account the "Guidelines for impairment testing after the effects of the Covid-19 pandemic" contained in the Exposure Draft of the Italian Accounting Standards Board (OIV).

The performance of the test includes making estimates that depend on factors that may change over time, with consequent and sometimes significant effects on the valuations of the items subject to the impairment testing carried out in previous years.

I.1.3.2 PROPOSED ALLOCATION OF THE PERIOD RESULT

CDP Equity closed the year with a profit of Euro 367,077,331.78; the proposal was submitted to the Shareholders' Meeting that Euro 18,353,866.59 be allocated to legal reserve, as this reserve has not yet reached one-fifth of the share capital as required by Article 2430 of the Italian Civil Code. With regard to the remaining Euro 348,723,465.19, the allocation is left to the decision of the sole shareholder.

I.1.3.3 CDP GROUP CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the smaller group of companies to which CDP Equity belongs as a subsidiary company, are prepared by Cassa depositi e prestiti S.p.A., with registered office at Via Goito 4, Rome. The consolidated financial statements are available at the Parent Company's head office and on its institutional website.

I.2 INFORMATION ON THE MAIN ITEMS IN THE FINANCIAL STATEMENTS

The accounting standards adopted in the preparation of the annual financial statements are described in the following pages.

Assets or liabilities have been classified as “current” when the trading, sale or discharge thereof is expected within twelve months from the reporting date of the financial statements or within the normal operating cycle of the company, if greater than twelve months; all other assets and liabilities have been classified as “non-current”.

TANGIBLE ASSETS

“Tangible assets” include both property, plant and equipment and any other tangible functional assets regulated by IAS 16, investment property (land and buildings) regulated by IAS 40, and tangible assets used under finance leases governed by IFRS 16 (for which reference should be made to the specific section of this note). This item includes also improvements and incremental expenses incurred on third-party assets, separate from the assets and with independent functionality and usability.

Tangible fixed assets are recognized at their acquisition cost, including additional charges, non-deductible VAT and costs for commissioning of the asset, increased by revaluations made in the application of specific laws. Ordinary maintenance and repair costs, incurred subsequent to initial recognition, resulting in an increase in future economic benefits, are recognized as increase of the value of assets. In the absence of future economic benefits, these costs are recognized in the Income Statement.

Financial expenses directly attributable to the acquisition, construction or production of an asset that justify capitalization under IAS 23 are capitalized on the asset as part of its cost.

The amount recognized in the financial statements express the accounting value of assets, net of depreciation, which have been calculated on the basis of rates that are considered to be adequate to represent the residual useful life of each asset or value.

Any newly-acquired assets are depreciated starting from the time when they are included in the production process and are therefore ready for use.

Each component of property, plant and equipment of material value of the overall value of the item to which it belongs, is recognized and depreciated separately.

Property, lands and buildings were treated as assets that can be separated and, therefore, are considered separately for accounting purposes, even if jointly acquired. Land is considered to have an indefinite life and, therefore, is not depreciated.

Any assets that are considered to be capital goods, either because of their destination or because of their nature, are depreciated in every financial year on a straight-line basis with reference to their residual possible use.

If, regardless of depreciation there is an impairment, the asset is written down, with subsequent reversal of the original value should the assumptions of the impairment no longer apply.

The “Fixed assets under construction and advances” are made up of advances or costs incurred for fixed assets and materials not yet completed, or waiting to be tested, which therefore have not yet been included in the production cycle of the company and for this reasons the depreciation is suspended.

The book value of an instrumental tangible asset is derecognized from the Balance Sheet upon disposal or when no future economic benefits are expected from its use or disposal.

FINANCIAL LEASE ASSETS

Item “Tangible assets” includes “Financial lease assets” reflecting the value of the right of use of the assets for which the Company has a multi-year contract in place, recognized according to the provisions of IFRS 16. The scope of IFRS 16 includes all leases, without distinction between operating and financial, with the exception of the following cases, which are already within the scope of other Standards:

- leases for the exploration for or extraction of minerals, oil, natural gas and similar non-regenerative resources (IFRS 6 - Exploration for and Evaluation of Mineral Resources);
- leases of agricultural activities (IAS 41 - Agriculture) held by the lessee;
- service concession arrangements (IFRIC 12 - Service Concession Arrangements);
- intellectual property licenses granted by the lessor (IFRS 15 - Revenue);
- rights held by the lessee under licensing agreements for products such as films, video recordings, plays, literary works, patents and copyrights (IAS 38 - Intangible Assets).

According to IFRS 16, a lease is defined as an agreement that gives the final lessee the right to use a specified asset for a specific period of time in exchange for a fee, and therefore assumes a criterion based on the control of an asset as a discriminating factor to distinguish lease contracts from contracts for the provision of services. In addition, the following specific conditions must be met and be present in order to obtain the use of the asset:

- a specific activity;
- the right to obtain substantially all the economic benefits deriving from the use of the specified asset;
- the right to decide on the use of the asset.

The evaluation of whether a contract is, or contains a lease, is made at the beginning of the contract and is updated every time there is a change in the terms and conditions of the contract.

The accounting model defined by IFRS 16 envisages that an asset relating to the right of use of a leased asset be recognized under assets in the balance sheet and a liability for the lease rents still to be paid to the lessor be recognized, opportunely discounted, as a lease liability in the balance sheet. Charges relating to amortization of the right of use and interest expense on the lease liability are recognized in income statement. At the time of payment, lease payments are recognized as a decrease in lease liabilities.

The Group decided to adopt some of the practical expedients and recognition exemptions provided for by IFRS 16. In particular, the accounting model defined by IFRS 16 excludes the following:

- contracts with a total or residual lease term shorter than or equal to 12 months;
- contracts with an irrelevant value of the underlying asset at the date of purchase (e.g. less than or equal to Euro 5,000);
- initial direct costs from the valuation of the right of use at the date of first application;
- leases of intangible assets (IFRS 16.4).

The lease term considered in determining the value of the right of use and the lease payable is the “non-cancellable” period, together with the effects of any extension or early termination clauses, the exercise of which is considered reasonably certain. Assets used under finance leases are amortized on the basis of a useful life equal to the lease term thus determined.

With regard to the discount rate, CDP Group decided to adopt an incremental borrowing rate to represent what the lessee “would expect to pay to borrow, for a similar term and with a similar value guarantee, the funds needed to obtain an asset of value similar to the right of use in a similar economic environment”. The valuation was determined on the basis of an analysis of the identified leases, in which no implied interest rate was found. Taking into account the characteristics and requirements of the standard, the BTP curve was used to determine the discount rate.

INTANGIBLE ASSETS

“Intangible assets” under IAS 38 are non-monetary assets, identifiable, without physical substance and consist mainly of concessions, licenses and trademarks, contractual relationships with customers, research and development costs and industrial patent intellectual property rights. Intangible assets include goodwill, under IFRS 3, equal to the difference between the amount incurred for a business combination and the fair value of the net identifiable asset acquired.

An intangible asset is recognized if all the following conditions are met:
- the asset is identifiable, i.e. it is separable from the rest of the company;
- the asset is controlled, i.e. it subject to the control of the company;
- the asset will generate future economic benefits.

The amortization of any development costs recognized as intangible assets commences from the date on which the result generated by the project is marketable and is performed using the straight-line method.

Intangible assets are recognized at their acquisition or production cost, including any additional charges and are amortized for the period of their expected future use that, at the closing date of each financial year, is assessed for the purpose of verifying the fairness of the estimate.

An intangible asset is reported under Balance sheet assets only where it is established that:
- future economic benefits attributable to the asset in question will probably flow to the company;
- the cost of the asset can be assessed reliably.

If, regardless of depreciation there is an impairment, the asset is written down, with subsequent reversal of the original value should the assumptions of the impairment no longer apply.

EQUITY INVESTMENTS

"Investments" include investments in subsidiaries (IFRS 10), joint ventures (IFRS 11) and entities subject to significant influence (IAS 28), other than those under "Financial assets held for trading" and"Financial assets at fair value" in accordance with IAS 28, paragraph 18.

Subsidiaries are companies in which more than half of the voting rights at a Shareholders' Meeting are directly or indirectly held for the purpose of appointing the Directors, or, in any case, regardless of the foregoing, when the power is exercised to determine the subsidiary's financial and management policies (inclusive of the *de facto* control cases). Joint controlled companies are companies where control is shared with other parties as per contract. Associated companies are companies in which at least 20% of the voting rights is held, either directly or indirectly, or in which, although with a lower share of voting rights, a significant influence exists, which is defined as the power to participate in the determination of the financial and management policies, without retaining control or joint control. Other equity interests are included in item "Financial assets available for sale", the accounting of which will be described below.

In accordance with IAS 27, paragraph 10, the initial recognition and the subsequent valuation of equity investments are made at cost, on the settlement date (i.e. in case of non-recurring transactions, the relevant effective date) plus any directly attributable transaction costs or income. In the case in which the investment is not consolidated at higher levels, in the presence of coordination or joint control, the same is measured according to the equity method. Upon acquisition, the same provisions envisaged for business combination apply. Therefore, the difference between the purchase price and the equity interest acquired is subject to allocation based on the fair value allocation of the subsidiary's identifiable net assets. Any higher price which is not allocated represents goodwill. Any higher allocated price is not subject to a separate representation, but is summarized in the book value of the investee (so-called "synthetic consolidation").

In the presence of indicators that the value of an equity investment might have been impaired, the recoverable value is estimated in accordance with IAS 36.

Possible indicators of impairment are:
- the generation of negative economic results or in any case a significant variance from *budget* or multi-year plan objectives, if, following specific analyses, they prove to be relevant in terms of their effects on the estimate of expected flows;
- significant financial difficulties of the investee;

- probability that the investee declares bankruptcy or is subject to other financial restructuring procedures;
- a book value of the investment in the separate financial statements that exceeds, in the consolidated financial statements, the value of the corresponding portion of equity, including any goodwill;
- the distribution of a dividend greater than the profit for the period and existing profit reserves;
- the distribution of a dividend by investee companies greater than the profit for the period posted in the statement of comprehensive income.

The recoverable value is determined by taking into account the current value of future cash flows that the investment may generate, including the value of final disposal of the investment. If such value is less than the book value, the difference is recognized through Income Statement as an impairment loss.

In case of absence of market values and valuation models, the value of the interest is prudentially adjusted for the loss resulting from the financial statements of the investee company, if such value is considered a reliable indicator of a permanent impairment loss.

Equity investments are derecognized from the Balance Sheet assets when contractual rights to the cash flows arising from such assets expire or when all related risks and rewards are substantially transferred along with the transfer of the financial asset.

FINANCIAL ASSETS

1) FINANCIAL ASSETS VALUED AT *FAIR VALUE* THROUGH PROFIT OR LOSS (FVTPL)

The following financial assets are included:

- Financial assets held for trading[3];
- assets measured at fair value with the valuation results recognized in the income statement based on the option granted to companies under IFRS 9 (the so-called fair value option), which allows a financial asset to be irrevocably designated as measured at fair value with an impact on income statement if, and only if, by doing so, an inconsistent valuation is eliminated;
- other financial assets that must be measured at fair value, i.e. those assets other than those designated at fair value with an impact on income statement that do not meet the requirements for classification at amortized cost, at fair value with an impact on comprehensive income or that are not held for trading. They are essentially represented by those financial assets whose contractual terms provide for periodic flows that are not represented only by capital repayments and interest payments on the capital to be repaid (therefore characterized by failure to pass the SPPI test), or those assets that do not comply with the business model terms of the portfolio valued at amortized cost or at fair value with an impact on overall profitability.

Derivatives are classified as financial assets held for trading if their fair value is positive. Otherwise, they are classified as financial liabilities held for trading. The item also includes derivatives embedded in complex financial contracts, the primary contract of which is represented by a financial liability, which have been recognized separately because:

- the economic characteristics and risks are not strictly correlated to the characteristics of the underlying contract;
- the embedded instruments, even if separate, meet the definition of a derivative;
- the hybrid instruments to which they belong are not recognized at fair value and the relevant changes are recognized in the Income Statement.

Financial assets measured at fair value with an impact on the income statement are initially recognized on the trading date for derivative contracts, on the settlement date for debt securities, equity securities, OICR units and on the disbursement date for loans. Exceptions are securities whose delivery is not regulated on the basis of conventions envisaged by the reference market; therefore, their initial recognition occurs on the date of subscription.

Upon initial recognition, financial assets measured at fair value with an impact on the income statement are recognized at fair value,

[3] A financial asset is classified as held for trading if: (i) it is acquired mainly with a view to being sold in the short term; (ii) it is part of a portfolio of financial instruments that are managed jointly and for which there is a strategy aimed at achieving profits in the short term; (iii) it is a derivative contract not designated as part of accounting hedging transactions, including derivatives with a positive fair value embedded in financial liabilities other than those measured at fair value with recognition of the income effects in income statement.

which generally corresponds to the consideration envisaged for the transaction, less transaction costs or income, which are immediately recognized in income statement.

The valuation subsequent to initial recognition is carried out at fair value, with valuation effects recognized under "Net result from trading" in income statement. The fair value for the financial instruments listed on active markets is determined based on the official prices at the reporting date. The fair value of financial instruments, including equity instruments, that are not listed on active markets is determined on the basis of valuation techniques and data available on the market, such as prices of similar instruments on active markets, discounted cash flows, option pricing models and values reported in recent comparable transactions.

For equity securities and related derivative instruments not listed on an active market, the cost criterion is used as a fair value estimate only residually and limited to a few circumstances, i.e. in the case in which it is not possible to apply the valuation methods indicated above, or in the presence of a wide range of possible fair value measurements, where the cost represents the most accurate estimate.

If the fair value of a financial asset becomes negative, such asset is accounted for under item "Financial liabilities held for trading" in the Balance Sheet.

Reclassifications to other categories of financial assets are not permitted unless the business model is changed in relation to financial assets held for trading. In this case, all financial assets involved will be reclassified based on IFRS 9.

Financial assets held to maturity, valued at fair value with an impact on income statement, are derecognized from the Balance Sheet upon collection or when the contractual rights related to the financial flows have expired or in the event of assignments to third parties which transfer all the risks and rewards attached to the ownership of the transferred asset. On the other hand, if a relevant portion of the risks and rewards attached to the financial assets transferred has been retained, the asset will continue to be recognized in the financial statements, even though it has actually been legally transferred.

In the event that it is not possible to verify the substantial transfer of risks and benefits, financial assets are derecognized from the financial statements if no type of control has been retained over the same. Otherwise, any control, even if only partial, allows for the assets to be accounted for in the balance sheet to the extent of the residual involvement.

When financial assets are transferred, they are derecognized from the financial statements even if the contractual rights regarding the related cash inflows are retained in the presence of a simultaneous obligation to transfer these flows, and only them, without causing any significant delay to other third parties.

2) FINANCIAL ASSETS VALUED AT *FAIR VALUE* THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

This item includes all financial assets (debt securities, equity securities and loans) classified in the portfolio valued at fair value with an impact on comprehensive income.

Specifically, this portfolio contains the debt instruments and loans that meet both of the following conditions:

- the financial activity is managed according to a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets;
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid.

This item also includes equity instruments that are not held for trading and do not represent potential compensation paid by a purchaser in a business combination to which IFRS 3 applies, for which the option, granted by the standard, to classify subsequent changes in the fair value of the instrument in the valuation reserve with an impact on comprehensive *income* (FVTOCI option[4]), was irrevocably exercised.

[4] Fair Value Through Other comprehensive Income option.

The initial recognition of this item occurs on the settlement date for debt securities and equity securities or on the disbursement date for loans.

The initial recognition of the financial assets for which the FVTOCI option is exercised is made at fair value, which generally corresponds to the transaction price, including any ancillary expenses and income attributable to the transaction.

In cases where this amount differs from the fair value at the time of initial recognition, the instrument is accounted for as follows:
- if the estimate of fair value uses only observable market data, then the difference is recognized in income statement;
- in all other cases, the difference is deferred as an adjustment to the carrying amount of the financial instrument.

The valuation subsequent to initial recognition, for financial instruments listed on active markets, is carried out at fair value determined on the basis of the official prices recorded at the reporting date. The fair value of financial instruments, including equity instruments, that are not listed on active markets is determined on the basis of valuation techniques and data available on the market, such as prices of similar instruments on active markets, discounted cash flows and values reported in recent comparable transactions. For equity securities not listed on an active market, the cost criterion is used as a fair value estimate only residually and limited to a few circumstances, i.e. in the case in which it is not possible to apply the valuation methods indicated above, or in the presence of a wide range of possible fair value measurements, where the cost represents the most accurate estimate.

Gains and losses arising from changes in the fair value of debt instruments and loans, with the exception of impairment gains and losses and foreign exchange gains and losses[5], are recognized in comprehensive income. Valuation reserves in shareholders' equity until the financial asset is derecognized.

If the financial assets in question are derecognized, the cumulative gain or loss previously recognized in other comprehensive income items is reclassified from equity to profit or loss for the period.

Interest on debt securities and receivables is recognized in income statement using the amortized cost method based on the effective interest rate, i.e. the rate that exactly discounts estimated future cash collections over the expected life of the financial instrument at the net book value of the financial asset.

These instruments are also subject to the impairment test envisaged by IFRS 9, with the consequent recognition of an adjustment value in income statement to cover expected losses. Specifically, instruments classified in stage 1 (i.e. financial assets at the origination date, if not impaired, and instruments for which there is no significant increased credit risk vs initial recognition) are subject to impairment test at the initial recognition date and at each subsequent reporting date with an expected impairment 12 months after the reporting date. Conversely, instruments classified in stage 2 (performing financial assets for which there is a significantly increased credit risk vs initial recognition) and in stage 3 (impaired exposures), an expected impairment is recognized over the entire residual life of the financial instrument.

The exercise of the option of *fair value through* OCI for equity instruments implies a different accounting with respect to debt securities, since:
- the values recognized in the valuation reserve are never reclassified in income statement, not even in case of derecognition;
- all exchange differences are recognized in the equity reserve and therefore recognized in comprehensive income;
- IFRS 9 impairment requirements do not apply to equity instruments.

Only dividends are recognized in income statement.

Reclassifications to other categories of financial assets are not permitted unless the business model is changed. In this case, all financial assets involved will be reclassified based on IFRS 9.

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5 Impairment gains and losses and foreign exchange gains and losses are recognized in profit or loss for the year.

Financial assets held to maturity, valued at fair value with an impact on comprehensive profitability, are derecognized from the Balance Sheet upon collection or when the contractual rights related to the financial flows have expired or in the event of assignments to third parties which transfer all the risks and rewards attached to the ownership of the transferred asset. On the other hand, if a relevant portion of the risks and rewards attached to the financial assets transferred has been retained, the asset will continue to be recognized in the financial statements, even though it has actually been legally transferred.

In the event that it is not possible to verify the substantial transfer of risks and benefits, financial assets are derecognized from the financial statements if no type of control has been retained over the same. Otherwise, any control, even if only partial, allows for the assets to be accounted for in the balance sheet to the extent of the residual involvement.

When financial assets are transferred, they are derecognized from the financial statements even if the contractual rights regarding the related cash inflows are retained in the presence of a simultaneous obligation to transfer these flows, and only them, without causing any significant delay to other third parties.

3) FINANCIAL ASSETS VALUED AT AMORTIZED COST

This item includes debt instruments and loans that meet both of the following conditions:

- the financial asset is held as part of a business model whose objective is to collect contractual cash flows;
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid.

The following financial assets are included:

- loans to banks (current accounts, guarantee deposits, debt securities, etc.). Operating loans are included that relate to the provision of financial activities and services. Furthermore, receivables towards Central Banks (e.g. mandatory reserve) are also included, other than demand deposits included under 'Cash and cash equivalents';
- loans to customers (loans, finance leases, factoring transactions, debt securities, etc.). This item also includes amounts due from Post Offices, variation margins with clearing agencies for transactions in derivative contracts and operating receivables related to the provision of financial services and activities.

"Financial assets valued at amortized cost" are initially recognized on the settlement date if they refer to debt or equity instruments or on the disbursement date if they refer to loans.

The initial recognition is made at fair value, which generally corresponds to the transaction price, including any ancillary expenses and income attributable to the transaction.

Subsequent to initial recognition, these assets are measured at amortized cost, equal to the value at which the financial asset is measured at the moment of the initial recognition less any capital repayments, plus or minus the cumulative amortization, according to the criterion of the effective interest of any difference between this initial amount and the amount at maturity, adjusted for any provision to cover losses. The effective interest rate is the rate that discounts the flow of estimated payments over the expected life of the financial asset, in order to obtain the exact net book value at the time of initial recognition, which includes both directly attributable transaction costs and fees paid or received between the contracting parties.

In some cases, the financial asset is considered impaired at the time of the initial recognition when the credit risk is very high and, in the case of purchase, is acquired with significant discounts. In this case, for impaired financial assets acquired or originating at the time of the initial recognition, an effective interest rate adjusted for credit risk is calculated, including the expected losses on initial receivables in the estimated cash flows.

Amortized cost is not applied to short-terms loans and receivables for which the effect of discounting is immaterial. The same measurement criterion is adopted for loans without a defined maturity or upon revocation.

Assets measured at amortized cost are subject to a provision to cover expected losses in accordance with IFRS 9 and the amount of such losses is recognized in income statement under item “Net adjustments for credit risk”. Specifically, instruments classified in stage 1 (i.e. financial assets at the origination date, if not impaired, and instruments for which there is no significant increased credit risk vs initial recognition) are subject to impairment test at the initial recognition date and at each subsequent reporting date with an expected 12 month impairment. Conversely, instruments classified in stage 2 (performing financial assets for which there is a significantly increased credit risk vs initial recognition) and in stage 3 (impaired exposures), an expected impairment is recognized over the entire residual life of the financial instrument.

For performing financial assets (stages 1 and 2), value adjustments are calculated based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD). If, in addition to a significant increase in credit risk, there is also objective evidence of impairment (stage 3), the amount of the loss is measured as the difference between the cash flows provided for in the contracts and all the cash flows expected to be received, discounted at the original effective interest rate.

The amount of the loss to be recorded in income statement is defined on the basis of an analytical evaluation process or by homogeneous categories and therefore analytically attributed to each position, and takes into account forward looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that are classified as non-performing, probable default or past due/overdue by more than ninety days according to Bank of Italy’s rules and consistently with IFRS regulations.

The expected cash flows take into account the expected recovery time and the estimated realizable value of any guarantees.

If the reasons for the loss in value are removed as a result of an event occurring after the initial recognition, the value is reinstated and recognized in income statement.

Financial assets valued at amortized cost are derecognized from the Balance Sheet upon collection or when the contractual rights related to the financial flows have expired or in the event of assignments to third parties which transfer all the risks and rewards attached to the ownership of the transferred asset. On the other hand, if a relevant portion of the risks and rewards attached to the financial assets transferred has been retained, the asset will continue to be recognized in the financial statements, even though it has actually been legally transferred.

In the event that it is not possible to verify the substantial transfer of risks and benefits, financial assets are derecognized from the financial statements if no type of control has been retained over the same. Otherwise, any control, even if only partial, allows for the assets to be accounted for in the balance sheet to the extent of the residual involvement.

When financial assets are transferred, they are derecognized from the financial statements even if the contractual rights regarding the related cash inflows are retained in the presence of a simultaneous obligation to transfer these flows, and only them, without causing any significant delay to other third parties.

It is , also possible that during the life of financial assets, and specifically for financial assets valued at amortized cost, their contractual terms may be subject to renegotiation. In this case, it is necessary to verify whether the contractual amendments give rise to the derecognition of the original instrument from the financial statements and the recognition of the new financial instrument or not.

In order to define which changes give rise to derecognition of the original contract and recognition of a new contract, it is necessary to carry out a case-by-case analysis, sometimes by introducing significant elements of judgment.

In general, changes to a financial asset lead to its derecognition and to the recognition of a new asset when they are of a substantial nature. However, in the absence of specific indications to refer to in the IFRS accounting standard, a list of the main changes that entail a substantial modification to the terms of any existing contract has been identified, introducing a different nature of the risks and, consequently, entailing derecognition.

Below is the list:

- modification of the counterparty;
- change in the reference currency;
- replacement of debt to equity;
- *Datio in solutum*, in which repayment depends on the fair value of an asset;
- other cases of substantial change in the nature of the contract, such as the introduction of contractual clauses exposing the debtor to new risk components;
- changes granted to performing customers, who do not have economic or financial difficulties (thus not including the so-called "forborne" exposures) and which provide for the use of market parameters for the recalculation of the financial conditions of the loan contract, with the aim of retaining the customer.

In the case of non-significant changes, the gross value is re-determined by calculating the present value of the cash flows resulting from the renegotiation, at the original rate of the exposure.

The difference between the gross value of the financial instrument before and after the renegotiation of the contractual conditions, adjusted to take into account the associated changes in the cumulative value adjustments, is recognized in income statement as a gain or loss from contractual changes without derecognition.

CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" are measured at fair value. Liquidity is made up of the cash available with banks and with CDP against the execution of a deposit agreement, with returns in line with market conditions.

The cash available is increased by the interest accrued on it, even though not yet paid.

CURRENT AND DEFERRED TAXES

The accounting items of current and deferred taxes include: i) current tax assets, represented by tax advances and receivables for withholding taxes; ii) current tax liabilities, represented by tax payables to be paid according to the tax rules in force; iii) deferred tax assets, consisting of the amounts of taxes recoverable in future years in consideration of deductible temporary differences; iv) deferred tax liabilities, consisting of payables for taxes to be paid in future periods in respect of taxable temporary differences.

Current taxes, represented by corporate income tax (IRES) and regional tax on production activities (IRAP), are recognized on the basis of a realistic estimate of the negative and positive components for the year and are determined on the basis of the respective current rates.

Deferred tax assets and liabilities are recognized at the tax rates that, on the basis of the legislation in force at the reporting date, are expected to apply to the year when the asset will be realized or when the liability will be settled, and are periodically reviewed in order to take account of any regulatory changes.

The term "deferred" tax refers, in particular, to the recognition, in terms of taxes, of the temporary differences between the value attributed to an asset or liability according to statutory criteria and the corresponding value assumed for tax purposes.

Deferred tax assets are recognized: i) under Tax assets if they refer to "deductible temporary differences", i.e. the differences between the statutory and tax values that will result in deductible amounts in future years, to the extent that there is probability of their recovery; ii) under Tax liabilities if they refer to "taxable temporary differences" representative of liabilities as related to accounting items that will become taxable in future tax periods.

"Deferred" taxation, if referred to transactions that affect the shareholders' equity, is recognized under equity.

PROVISIONS FOR RISKS AND CHARGES

A provision is recognized under "Provisions for risks and charges" only in the case of:

- a present (legal or implicit) obligation resulting from an event that occurred in the past;
- the probability/expectation that a cost will be required in order to fulfill such obligation, (i.e. the use of resources capable of producing economic benefits);
- the possibility of making a reliable estimate of the amount of the obligation.

The provision, when the financial effect related to the time factor is material and the payment dates of the obligations can be estimated reliably, is represented by the current value (at the interest rates applicable at the reporting date of the financial statements) of the costs that are expected to be incurred to discharge the obligation.

The provisions are used only against the charges for which they were originally recognized. Should the cost for fulfilling the obligation be no longer considered likely, the provision is reversed through the Income Statement.

Provisions for risks and charges include liabilities relating to defined-benefit plans, other than for TFR (for example, recognition of seniority bonuses upon achievement of certain number of years of presence in the company or medical care after retirement), through which the Group undertakes to provide agreed benefits for current employees and former employees and incur the actuarial and investment risks associated with the plan. The cost of said plan is therefore not determined by the amount of contributions due for the year, but re-determined with reference to demographic and statistical assumptions and wage trends. The methodology applied is the "projected unit credit method".

STAFF SEVERANCE AND RETIREMENT

The employee termination indemnity (TFR, Trattamento di Fine Rapporto) covers the entire liability accrued in favour of employees at the end of the financial year, in compliance with the provisions of law (under Article 2120 of the Civil Code) and with applicable labour agreements. Pursuant to IAS 19, the TFR represents a "Defined employee benefit plan" and, thus, entails the recognition of such liability to employees through the current value of the accruing and accrued obligation (respectively the current value of future payments expected in relation to the benefits accrued in the current financial year and the current value of future payments resulting from the benefits accrued in previous financial years). Given the limited number of employees of the Company, the nominal value of the debt was considered as a reasonable approximation of the current value of the obligation.

FINANCIAL LIABILITIES AT FAIR VALUE

Such financial instruments are recognized on the subscription date or on the issue date, at a value equal to the cost corresponding to the fair value of the instrument, without considering any transaction costs or proceeds directly attributable to such instruments.

In particular, this category of liabilities includes the negative value of derivative trading contracts, as well as the negative value of the derivatives embedded in complex contracts, but not strictly connected thereto.

All liabilities held for trading are measured at fair value and the result of such valuation is recognized through the Income Statement.

Financial liabilities held for trading are cancelled from the Balance Sheet when the contractual rights to the related financial flows expire, or when the financial liability is disposed and all risks and rewards resulting from the ownership thereof are substantially transferred.

INTEREST INCOME AND EXPENSE

Interest income and expense are recognized through the Income Statement for all instruments based on the amortized cost, according to the effective interest rate method.

DIVIDENDS

Dividends are recognized through the Income Statement in the financial year when the resolution for their distribution is passed. Dividends from companies accounted for using the equity method are deducted from the value of investments.

TRANSACTIONS WITH RELATED PARTIES

The financial statements provide information concerning transactions with related parties identified according to the criteria defined pursuant to IAS 24.

PROCEDURES FOR DETERMINING FAIR VALUE CRITERIA

This section includes the *fair value* disclosure as required by IFRS 13.

The fair value represents the amount that could be received to sell an asset or paid to transfer a liability in a regular transaction between market counterparties, at the measurement date. It is assumed to refer to an ordinary transaction between unrelated parties with a reasonable degree of knowledge of market conditions and relevant facts connected to the subject matter of the trading. An essential factor for the definition of fair value is that the entity must be in regular operating conditions and must not have any urgency to liquidate a position or reduce it to a significant extent. The fair value of an instrument reflects, amongst other factors, the credit quality of the instrument itself since it incorporates the risk of default of the counterparty or of the issuer.

International accounting standards provide for the classification of the fair value of a financial instrument in three levels ("fair value hierarchy"); the level at which the measurement of fair value is attributed depends on the observability and significance of the inputs used in the valuation model.

For financial instruments listed on active markets, the fair value corresponds to the market price on the valuation date, or as close as possible to it (Level 1).

A market is considered as active when the prices are promptly and regularly available through regulated markets, organized trading systems, listing services, etc., and if such prices may reasonably be considered as representative of effective and regular market transactions carried out around the valuation date.

The fair value of unlisted financial instruments classified in level 2 or 3 depend on whether the inputs used in the valuation model are observable or not and their significance in the model.

Level 2 inputs are prices available on active markets or inputs based on observable market data such as interest rates, credit spreads or yield curves. If used in the pricing of an instrument, they must be available for the remaining life of the same. The fair value of a financial instrument measured with techniques that use level 2 inputs is classified at the same level for purposes of hierarchy.

Level 2 inputs may require adjustments for their use also in consideration of the characteristics of the financial instrument being valued. If the adjustment is made on the basis of parameters that are not observable on the market or is more or less impacted by modelling choices required to do so (through the use of statistical or "expert-based" techniques on the part of the person making the assessment), the fair value measurement is classified in level 3, in relation to the inputs that are not observable on the market or not directly apparent.

This category also includes the parameters estimated on the basis of owned models or historical data and used for the fair value measurement of unlisted financial instruments, classified in the same level.

In selecting the valuation models applied for the Level 2 valuations, the Company takes the following considerations into account:

- a simpler valuation model is preferred to a more complex one, all other conditions being equal and provided it represents all the main features of the product, allowing a reasonable alignment with the practices and results of other players in the sector;
- a valuation model is consistently applied in time to uniform categories of instruments, unless where there are objective reasons for its replacement;
- all other conditions being equal, priority is given to standard models whose mathematical structure and implementation procedures are well known in the literature.

The identification of the input market parameters for Level 2 valuations is made on the basis of non-arbitrage or comparability relations that define the fair value of the financial instrument being measured as the relative fair value compared to that of financial instruments listed on active markets.

In some cases, the determination of the fair value requests the use of valuation models that require parameters which cannot be inferred directly from quantities available on the market, statistical or “expert based” estimates by the person performing the valuation (Level 3).

Also in the case of Level 3 valuations, a valuation model is consistently applied over time to uniform categories of instruments, unless there are objective reasons for its replacement. Likewise, the parameters which cannot be directly inferred by quantities obtainable on the market are applied according to temporal continuity.

II. INFORMATION ON THE BALANCE SHEET

II.1 NON-CURRENT ASSETS

II.1.1 PROPERTY, PLANTS AND EQUIPMENT

The item includes the balance, net of accumulated depreciation, of tangible assets as of 31 December 2020 and includes Property, Plant and Equipment owned by the Company totalling Euro 216 thousand and assets used under finance leases totalling Euro 2,043 thousand.

Tangible assets with a functional use: composition of assets valued at cost

Assets/Values (Euro units)	31/12/2021	31/12/2020
1. Owned assets	**215,517**	**242,859**
c) furnitures	46,811	54,401
d) electronic systems	168,706	188,458
2. Assets under finance lease	**2,042,810**	**2,295,101**
b) buildings	2,042,810	2,295,101
TOTAL	**2,258,327**	**2,537,960**

As to Property, plants and equipment, compared to 31 December 2020 when the balance of this item was Euro 243 thousand, this item decreased by approximately Euro 27 thousand, including Euro 36 thousand of new fixed assets offset by depreciation for the period of Euro 63 thousand.

Property, plants and equipment: composition:

(Euro units)	31/12/2021	31/12/2020
a) electronic systems	168,706	188,458
b) furnitures	46,811	54,401
TOTAL	**215,517**	**242,859**

Assets under finance lease are properties used by the company based on a lease contract.

Financial lease assets: composition:

(Euro units)	31/12/2021	31/12/2020
a) buildings	2,042,810	2,295,101
TOTAL	**2,042,810**	**2,295,101**

Tangible assets: annual changes

(Euro units)	Buildings	Furnitures	Electronic systems	Total
A. Gross initial balance	**2,935,361**	**82,250**	**358,583**	**3,376,194**
A.1 Decrease in total net value	(640,260)	(27,849)	(170,125)	(838,234)
A.2 Net initial balance	**2,295,101**	**54,401**	**188,458**	**2,537,960**
B. Increases	**39,566**	**-**	**35,756**	**75,322**
B.1 Acquisitions	-	-	35,756	35,756
B.7 Other changes	39,566	-	-	39,566
C. Decreases	**291,857**	**7,590**	**55,508**	**354,955**
C.2 Amortisation and depreciation	291,857	7,590	55,508	354,955
D. NET FINAL BALANCE	**2,042,810**	**46,811**	**168,706**	**2,258,327**
D.1 Decrease in total net value	(932,117)	(35,439)	(225,633)	(1,193,189)
D.2 Gross final balance	**2,974,927**	**82,250**	**394,339**	**3,451,516**
E. Valuation at cost	-	-	-	-

II.1.2 INTANGIBLE ASSETS

This item includes the balance, net of related amortization, of software user licences, if any, and the capitalization of design costs for the implementation of the equity investment management programme.

At 31 December 2021 this item totalled Euro 117 thousand; therefore, compared to 31 December 2020, the item increased by approximately Euro 51 thousand as a result of the new capitalizations partially offset by period amortization.

Intangible assets composition:

(Euro units)	31/12/2021	31/12/2020
Other intangible assets	116,529	65,209
TOTAL	**116,529**	**65,209**

Intangible assets annual changes

(Euro units)	31/12/2021	31/12/2020
A. Gross initial balance	**203,128**	**184,219**
A.1 Decrease in total net value	(137,919)	(137,919)
A.2 Net initial balance	**65,209**	**46,300**
B. Increases	**81,655**	**55,851**
B.1 Acquisitions	30,335	36,942
C. Decreases	**30,335**	**36,942**
C.2 Value adjustments	30,335	36,942
- Amortisation	30,335	36,942
D. NET FINAL BALANCE	**116,529**	**65,209**
D.1 Decrease in total net value	**(107,584)**	**(137,919)**
D.2 Gross final balance	**224,113**	**203,128**
E. Valuation at cost	-	-

II.1.3 EQUITY INVESTMENTS

The item "Equity investments" includes shareholdings in other companies, whether represented or not by securities that give rise to a relationship of control or association or a joint venture according to the combined provisions of IAS 28 and IFRS 10,11 and 12.

It is recognized that in the case of the equity investments held by CDP Equity, the exemption envisaged under IAS 28 §17 was applied in relation to the application of the equity method. The initial and subsequent recognition is carried at cost, net of any impairments, in line with accounting standards.

The following is a breakdown of the investments held by CDP Equity at 31 December 2021.

Breakdown of equity investments

Company name	Location	Type of company	% of shareholding
Investee company			
1. FSI Investimenti S.p.A.	Milan	Subsidiary	77.1%
2. Holding Reti Industriali S.p.A.	Rome	Jointly controlled	51.0%
Industrial shareholdings			
1. Ansaldo Energia S.p.A.	Genoa	Subsidiary	87.6%
2. Renovit S.p.A.	San Donato Milanese	Subsidiary	30.0%
3. GreenIT S.p.A.	San Donato Milanese	Jointly controlled	49.0%
4. Hotelturist S.p.A.	Padua	Jointly controlled	45.9%
5. Webuild S.p.A.	Milan	Associate	18.7%
6. B.F. S.p.A.	Ferrara	Associate	18.8%
7. Open Fiber Holding S.p.A.	Rome	Jointly controlled	60.0%
8. NEXI S.p.A.	Milan	Associate	5.3%
Investments in SGRs			
1. Fondo Italiano di Investimento SGR S.p.A.	Rome	Subsidiary	68.0%
2. CDP Venture Capital SGR S.p.A.	Rome	Subsidiary	70.0%
3. FSI SGR S.p.A.	Milan	Associate	39.0%
4. QuattroR SGR S.p.A.	Milan	Associate	40.0%

Equity investments: composition:

(Euro units) Company name	31/12/2021	31/12/2020
1. Open Fiber Holdings S.p.A.	1,644,400,713	-
2. NEXI S.p.A.	970,926,174	-
3. Ansaldo Energia S.p.A.	595,878,795	595,878,795
4. FSI Investimenti S.p.A.	386,938,255	386,938,255
5. Webuild S.p.A.	249,999,999	249,999,999
6. B.F. S.p.A.	79,947,898	79,947,898
7. Renovit S.p.A.	32,474,505	-
8. Hotelturist S.p.A.	18,872,127	9,682,938
9. Fondo Italiano di Investimento SGR S.p.A.	10,298,000	10,298,000
10. Green IT S.p.A.	9,233,560	-
11. CDP Ventures Capital SGR S.p.A.	6,912,500	6,912,500
12. FSI SGR S.p.A.	1,170,000	1,170,000
13. QuattroR SGR S.p.A.	800,000	800,000
14. Holding Reti Autostradali S.p.A.	25,500	-
15. SIA S.p.A.	-	645,820,850
16. Open Fiber S.p.A.	-	674,895,645
TOTAL	**4,007,878,026**	**2,662,344,880**

Equity investments: annual changes

(Euro units)	31/12/2021	31/12/2020
A. Initial balance	**2,662,344,880**	**2,160,679,115**
B. Increases	**2,666,249,641**	**512,382,827**
B.1 Acquisitions	1,991,353,996	512,382,827
B.2 Value recovery	-	-
B.3 Revaluations	-	-
B.4 Other changes	674,895,645	-
C. Decreases	**1,320,716,495**	**10,717,062**
C.1 Disposals	645,820,850	-
C.2 Value adjustments	-	10,717,062
C.3 Other changes	674,895,645	-
D. FINAL BALANCE	**4,007,878,026**	**2,662,344,880**
E. Total revaluations	**-**	**-**
F. Total adjustments	**810,453,433**	**810,453,433**

In 2021, item "Equity investments" recorded increases of Euro 2,666 million and decreases of Euro 1,321 million, resulting in an overall increase in the item by Euro 1,345 million..

In detail, the transactions that led to a change in item "Equity investments" mainly refer to: (i) support for Open Fiber's investment plan by means of capital contributions and the subsequent acquisition of a further 10% of the company's capital as part of a broader shareholder reorganization transaction following the transfer by Enel of its shareholding and the concurrent acquisition by Macquarie Asset Management, (ii) the acquisition of a 5.3% shareholding of NEXI for Euro 971 million following the merger of SIA into NEXI, (iii) the acquisition from the industrial partner Snam of 30% of the company Renovit for a total investment of approximately

Euro 32.5 million, (iv) the establishment, together with the industrial partner ENI, of GreenIT for an investment in the period of approximately Euro 9 million, (v) the capital increase in favour of Hotelturist for Euro 9 million, and (vi) the establishment of Holding reti Autostradali with capital paid in by CDP Equity amounting to approximately Euro 25 thousand.

Conversely, the reductions relate entirely to the transactions involving SIA and Open Fiber, already described in the preceding paragraphs.

It should be noted that the investment portfolio held by CDP Equity was subject to an analysis in order to verify whether there were any indicators of impairment, in accordance with the requirements of IAS 36. For the purposes of carrying out the impairment test, the company has also adopted an internal Regulation, recalling the provisions of IAS 36, listing some indicators that must be considered. At 31 December 2021, considering the final results and the Covid-19 pandemic scenario, the Company activated impairment triggers on the main equity investments held in the portfolio. In particular, impairment indicators were identified for GreenIT, Webuild, Open Fiber and FSI Investimenti. An impairment test was therefore carried out on these equity investments, which confirmed the recoverability of the relevant carrying amount. With regard to the equity investments held in Ansaldo Energia and Hotelturist, already adjusted in previous years in line with the provisions of IAS 36, the recoverable value was recalculated without identifying further impairments.

With reference to the estimated recoverable value of Equity, considered as the greater between the fair value net of sales costs and value in use, CDP has adopted an internal Policy that includes a series of key principles that have been used in the impairment test exercise.

The exercise to calculate the recoverable value confirmed the carrying value for all investments subject to impairment.

Moreover, CDP Equity carried out sensitivity analyses on each equity investment with respect to the main variables determining the value of the investment.

The table below summarizes the valuation method applied to each equity investment that showed impairment indicators.

Investment	Recoverable value	Method
1. GreenIT S.p.A.	Fair value	Cost
2. Webuild S.p.A.	Fair value	Stock Exchange price
3. Open Fiber Holdings S.p.A.	Fair value	Fair value (*)
4. FSI Investimenti S.p.A.	Fair value	NAV
5. Hotelturist S.p.A.	Fair value	DDM
6. Ansaldo Energia S.p.A.	Fair value	DDM

(*) Calculated by taking into account the price paid by Macquarie to Enel for the acquisition of the 40% of Open Fiber S.p.A.

II.1.4 NON-CURRENT FINANCIAL ASSETS

“Non-current financial assets” included:

- the financial receivable from Ansaldo Energia S.p.A. arising from the shareholders’ loan signed on 13 May 2019 for a total amount of Euro 200 million at a variable six-monthly rate equal to the six-month Euribor, with floor at zero, plus a margin of 675 basis points per year, corresponding, for the current period, to 6.75%; this loan is subordinated, also in the interest component, to the bank loans;
- the financial receivable due from FSIA Investimenti equal to Euro 48 million at a floating rate equal to the six-month Euribor plus a margin of 195 basis points per annum. The principal is due to be repaid in September 2023;
- the value of the equity investment in Euronext N.V. classified as a financial asset measured at fair value through OCI;

- the value of the interest in the capital of F2i SGR S.p.A. which, following the transfer of the asset management business from CDP to CDP Equity, was classified as a financial asset measured at fair value through OCI;.
- the value of the investments in funds subscribed by CDP Equity, measured at fair value with an offsetting entry in income statement.

Compared to 31 December 2020, following the transaction that resulted in CDP Equity holding 60% of the capital of Open Fiber (through Open Fiber Holdings), the financial receivable due to Open Fiber was not recognized at 31 December 2021 as CDP Equity acquired an additional 10% of the capital of Open Fiber from Enel, including the pro-rata share of the shareholders' loan and interest accrued. Concurrently, Macquarie Asset Management completed the acquisition from Enel of the remaining 40% of Open Fiber (including the pro-rata share of shareholders' loans and interest accrued). Concurrently with the closing of the transaction, both CDP Equity and Macquarie Asset Management contributed their respective shareholdings in Open Fiber (including their pro-rata share of shareholders' loan and accrued interest) to a newco, Open Fiber Holdings.

Financial receivables due from Ansaldo Energia and FSIA Investimenti are recognised at amortized cost, as required by IFRS 9.

(Euro units)	31/12/2021	31/12/2020
a) Equity securities	727,922,578	6,911,894
b) Receivable due from Ansaldo Energia S.p.A.	225,966,157	212,956,741
c) Investments in funds	58,745,869	21,126,994
d) Receivable due from FSIA Investimenti S.r.l.	48,231,532	48,231,255
e) Receivable due from Open Fiber S.p.A.	-	291,582,085
TOTAL	**1,060,866,136**	**580,808,969**

II.1.5 DEFERRED TAX ASSETS

The balance of "Deferred tax assets" refers to deferred tax assets relating to taxes calculated on temporary differences between statutory and tax values, which will be fiscally deductible in the financial years following that of their recognition in the financial statements. Deferred tax assets have been fully recognized in Income Statement and do not relate to any changes against an entry under equity.

Deferred tax assets: composition

(Euro units)	31/12/2021	31/12/2020
Deferred tax assets	141,666,266	141,919,556
TOTAL	**141,666,266**	**141,919,556**

Changes in prepaid tax (with offsetting item to income statement)

(Euro units)	31/12/2021	31/12/2020
1. Initial balance	**141,919,556**	**2,355,964**
Changes in opening balance		
2. Increases	**1,402,100**	**139,949,565**
2.1 Prepaid tax in the period:	1,402,100	139,949,565
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) value adjustments	-	-
d) other	1,402,100	139,949,565
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1,655,390**	**385,973**
3.1 Prepaid taxes cancelled during the year:	1,655,390	385,973
a) transfers	1,655,390	385,973
b) impairment due to irrecoverability	-	-
c) due to changes in accounting criteria	-	-
3.2 Reduction of tax rates	-	-
3.3 Other decreases	-	-
4. FINAL BALANCE	**141,666,266**	**141,919,556**

Changes in deferred tax (with offsetting item to income statement)

(Euro units)	31/12/2021	31/12/2020
1. Initial balance	**-**	**3,325**
Changes in opening balance	-	-
2. Increases	**3,901,264**	**-**
2.1 Deferred tax in the period:	-	-
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	3,901,264	-
3. Decreases	**-**	**3,325**
3.1 Deferred taxes cancelled during the year:	-	-
a) transfers	-	-
b) due to changes in accounting criteria	-	-
d) other	-	-
3.2 Reduction of tax rates	-	-
3.3 Other decreases	-	3,325
4. FINAL BALANCE	**3,901,264**	**-**

II.1.6 OTHER NON-CURRENT ASSETS

"Other non-current assets" refer to the security deposit paid in favour of the lessor, i.e. in favour of the parent company CDP, in relation to the lease agreement relative to the Company's offices and, to a lesser extent, security deposits paid in accordance with the lease agreements for private homes used by certain employees as benefits. The item amounted to Euro 119 thousand , essentially in line with the amount recognized at 31 December 2020.

Other non-current assets: composition

(Euro units)	31/12/2021	31/12/2020
a) Deposits and advance payments due from third parties	17,289	21,211
b) Deposits and advance payments due to parent companies	101,835	97,920
TOTAL	**119,124**	**119,131**

II.2 CURRENT ASSETS

II.2.1 RECEIVABLES FROM INVESTEE COMPANIES

(Euro units)	31/12/2021	31/12/2020
Receivables from investee companies	5,724,374	5,753,967
TOTAL	**5,724,374**	**5,753,967**

Receivables from investee companies, equal to approximately Euro 5,724 thousand, included:

- Euro 5,069 thousand in fees accrued by CDP Equity and not collected at 31 December 2021 in connection with: (i) services provided in favour of FSI Investimenti, based on the terms of the investment agreement signed between CDP Equity and KIA, and (ii) services provided in favour of IQ and FSIA in relation to business, budget, planning and control, corporate secretary services and basic IT services;
- Euro 335 thousand in receivables for commissions on guarantees provided to Ansaldo Energia by Leonardo S.p.A. and governed by a specific agreement arising from the settlement signed between CDP Equity and Leonardo S.p.A. at the end of 2016.
- Euro 320 thousand as compensation for the participation of a number of CDP Equity employees in the Boards of Directors of the investee companies and related receivables for the charging back of out-of-pocket expenses to the investee companies and receivables for seconded personnel in the investee companies;

This item is essentially in line with the value reported at 31 December 2020.

Receivables due from investee companies: details

(Euro units)	31/12/2021	31/12/2020
a) Receivable due from FSI Investimenti	5,000,000	5,000,000
b) Receivable due from Ansaldo	335,028	373,110
c) Receivable due from other investees	319,925	311,085
d) Receivable due from IQ	39,421	39,772
e) Receivable due from FSIA Investimenti	30,000	30,000
TOTAL	**5,724,374**	**5,753,967**

II.2.2 TAX RECEIVABLES

The balance of “Tax receivables” included current tax assets, as better detailed in the table below. The change compared to 31 December 2020, when the balance amounted to Euro 1,161 thousand, was mainly attributable to the decrease in advance payments for IRAP and IRES of Euro 163 thousand and other tax receivables of Euro 112 thousand, only partly offset by the increase in VAT payment of Euro 56 thousand.

Tax receivables: composition

(Euro units)	31/12/2021	31/12/2020
a) Advance payments t/w the Revenue Office for IRAP/IRES	793,005	955,734
b) VAT advance	150,068	93,876
c) Receivables due from the Revenue Office for TFR withholdings	-	477
d) Other tax receivables	-	111,114
TOTAL	**943,073**	**1,161,201**

II.2.3 OTHER CURRENT ASSETS

“Other current assets” amounted to Euro 16,916 thousand and included receivables due from CDP for tax consolidation, totalling Euro 14,336 thousand, accrued income and prepaid expenses on operating costs for a total of Euro 809 thousand and other advances and minor receivables of Euro 1,772 thousand. The change was primarily due to the increase in the receivable due from CDP resulting from the tax consolidation, which at 31 December 2020 amounted to Euro 8,864 thousand.

Other current assets: composition

(Euro units)	31/12/2021	31/12/2020
a) Receivable due from CDP for tax consolidation	14,335,633	8,864,143
b) Sundry receivables	1,512,655	111,496
c) Accrued income and prepaid expenses	809,130	410,215
d) Sundry advances	256,811	596
e) Other receivables due from social security institutions	2,079	6,882
TOTAL	**16,916,308**	**9,393,332**

II.2.4 CASH AND CASH EQUIVALENTS

“Cash and cash equivalents” of CDP Equity included deposits with CDP and major credit institutes.

The table below summarizes the “Cash and cash equivalents” of CDP Equity at 31 December 2021 net of adjusting funds and receivables on interest accrued, compared to the amount at 31 December 2020; the variation shows an increase by Euro 244,388 thousand. In detail, the Company has:

- raised Euro 1,387,163 thousand in resources, including Euro 1,334,528 thousand in direct investments and Euro 52,635 thousand in indirect investments in funds, net of reimbursements;
- collected dividends of Euro 21,184 thousand from the investees Webuild, B.F. and Euronext N.V., and interest of Euro 702 thousand;
- liquidated operating expenses, net of revenues of the same nature, of Euro 16,558 thousand;
- received capital contributions of Euro 1,626,221 thousand.

Cash and cash equivalents: composition

(Euro units)	31/12/2021	31/12/2020
a) Banks	515,618,285	400,419,777
b) Free deposits with CDP	189,743,638	60,554,026
c) Cash	1,263	1,341
TOTAL	**705,363,186**	**460,975,144**

II.3 SHAREHOLDERS' EQUITY

II.3.1 SHARE CAPITAL

Share capital composition:

(Euro units)	31/12/2021	31/12/2020
Share capital underwritten and paid-up	2,890,583,470	2,890,583,470
TOTAL	**2,890,583,470**	**2,890,583,470**

CDP holds 289,058,347 ordinary shares, representing 100% of the share capital and voting rights of CDP Equity. No equity transactions were completed on CDP share capital in the period.

Share capital details

(Euro units) Items/Type	Ordinary	Privileged	%
A. Share capital	**2,890,583,470**	**-**	**100.00%**
CDP S.p.A.	2,890,583,470	-	100.00%
B. Paid-up capital	**2,890,583,470**	**-**	**100.00%**
C. Capital increases/decreases in the year		-	
D. Capital to be paid-up in the year	-	-	

At 31 December 2021, the Company did not hold any treasury shares, either directly or through third parties.

In 2019, the Company did not pay out dividends to its shareholders.

Capital - number of shares: changes

Items/Type	Ordinary	Other
A. Shares existing at the beginning of the year	**289,058,347**	**-**
– fully paid-up	289,058,347	-
A.2 Outstanding shares: initial balance	**289,058,347**	**-**
B. Increases	-	-
C. Decreases	-	-
D. Outstanding shares: final balance	**289,058,347**	**-**
D.2 Outstanding shares at the beginning of the year	289,058,347	-
– fully paid-up	289,058,347	-

II.3.2 RESERVES

At 31 December 2021, the Company showed the following amounts under "Reserves":

Reserves: other information

(Euro units) Items/Type	31/12/2021	31/12/2020
PROFIT RESERVES:	**27,601,207**	**25,555,282**
Legal reserve	27,601,207	25,555,282
OTHER RESERVES:	**2,499,680,246**	**1,390,138,850**
Reserves for payments in capital contributions	2,477,712,233	1,368,299,999
Share premium reserve	21,978,820	21,978,820
Other reserves	(10,807)	(139,969)
VALUATION RESERVES:	**96,883,683**	**1,748,981**
Valuation reserves of securities through FVOCI	96,883,683	1,748,981
PROFIT (LOSS) FROM PAST YEARS	**38,743,411**	**(516,808,266)**

Revenue reserves comprised the legal reserve of Euro 27,601 thousand.

Other reserves include:

- the capital contribution received from CDP totalling Euro 2,477,712 thousand, including Euro 1,626,221 thousand received in the period;
- the share premium reserve that arose following the contribution of the SGR by the Parent Company, amounting to Euro 21,979 thousand;
- the reserve for the effects of the First Time Adoption of IFRS 9 amounting to Euro 11 thousand; this amount reflects the value adjustment made to the balance of cash and cash equivalents and the term deposit at 1 January 2018 to reflect the counterparty risk;
- the reserve for the revaluation of equity securities included in the FVOCI category of financial assets (Euronext and F2i SGR), net of the related tax effect, amounting to Euro 96,883 thousand;
- income brought forward totalling Euro 38,743 thousand.

Below is the information required by Article 2427, point 7-*bis*, of the Italian Civil Code in relation to the analytical breakdown of equity items, specifying their origin, their possible use and distribution and their use in previous periods:

(Euro units) Items/Values	Balance at 31/12/2021	Possible use (*)	Available share
SHARE CAPITAL	**2,890,583,470**		
RESERVES	**2,527,281,453**		**2,505,313,440**
Legal reserve	27,601,207	B	27,601,207
Reserves for payments in capital contributions	2,477,712,233	A. B	2,477,712,233
Share premium reserve	21,978,820	(**)	
Other reserves	(10,807)		
VALUATION RESERVE	**96,883,683**		
Reserve on financial assets valued at fair value through other comprehensive income	96,883,683		
Profit (loss) from past years	38,743,411		
TOTAL	**5,553,492,017**		**2,505,313,440**

(*) A = for capital increases; B = for loss coverage; C = for distribution to shareholders.
(**) Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve cannot be distributed until the legal reserve has reached one-fifth of the share capital (cap established by art. 2430 of the Italian Civil Code).

II.4 NON-CURRENT LIABILITIES

II.4.1 PROVISIONS FOR RISKS AND CHARGES

"Provisions for risks and charges" at 31 December 2021 amounted to Euro 4,592 thousand and included Euro 1,451 thousand regarding provisions for costs to adjust payment commitments for new provisions, provisions for staff bonuses of Euro 2,390 thousand and provisions of Euro 750 thousand to cover the estimated future cost of setting up the "Chessa" scholarship for the children of deceased employees, in line with the provisions of the Parent Company CDP. The provision reflects the maximum possible future liability that the Company could probably face based on the basis of actual cases.

Provisions for risks and charges: composition

(Euro units)	31/12/2021	31/12/2020
1. Fund for payment commitments	**1,451,287**	**-**
2. Other provisions for risks and charges	**3,140,438**	**3,000,000**
2.1 Litigations	-	-
2.2 Charges for personnel and directors	2,390,438	2,250,000
2.3 Other	750,000	750,000
TOTAL	**4,591,725**	**3,000,000**

Changes in the provisions for risks and charges in the period are shown below:

Provisions for risks and charges: changes in the period

(Euro units)	31/12/2021	31/12/2020
A. Initial balance	**3,000,000**	**3,000,000**
B. Increases	**2,390,438**	**2,390,438**
B.1 Provisions for the year	2,390,438	2,390,438
C. Decreases	**2,250,000**	**2,250,000**
C.1 Utilisation for the year	1,552,520	1,552,520
C.3 Other changes	697,480	697,480
D. FINAL BALANCE	**3,140,438**	**3,140,438**

It should be noted that in 2021 the Company, with regard to legal disputes arising from previous managements, assessed, also with the support of external legal advisors, the possible risk of losing the cases as only likely; therefore, in compliance with the provisions of IAS 37 with reference to potential liabilities, no provision was made in the financial statements..

II.4.2 STAFF SEVERANCE AND RETIREMENT

For companies with less than 50 employees, as there is no provision for the payment of accrued termination benefits to the Treasury Fund managed by INPS, termination benefits (TFR) are subject to actuarial valuation in accordance with paragraphs 64-66 of IAS 19, i.e. using the "accrued benefits" method using the "Projected Unit Credit" (PUC) criterion. However, considering that the effect of applying IAS 19 is not significant for the purposes of preparing the financial statements as at 31 December 2021, the valuation of the provision was calculated in simplified manner in accordance with Italian law.

"Employee severance benefits" increased compared to 31 December 2020 as a result of provisions made in the year and lower settlements made in 2021 compared to 2020.

Staff severance and retirement

(Euro units)	31/12/2021	31/12/2020
Staff severance and retirement	265,339	143,708
TOTAL	**265,339**	**143,708**

Staff severance and retirement: annual changes

(Euro units)	31/12/2021	31/12/2020
A. Initial balance	**143,708**	**146,773**
B. Increases	**145,059**	**97,848**
B.1 Provisions for the year	145,059	97,848
C. Decreases	**23,428**	**100,913**
C.1 Indemnities paid during the year	22,112	100,646
C.3 Other changes (decreases)	1,316	267
D. FINAL BALANCE	**265,339**	**143,708**

II.4.3 OTHER FINANCIAL LIABILITIES

At 31 December 2021, "Other financial liabilities" amounted to Euro 2,134 and included lease liabilities of Euro 2,134 thousand, recognized in accordance with IFRS 16. At 31 December 2020, the item also included the fair value of the liability resulting from the earn-out related to the investment in Open Fiber for Euro 19,416 thousand, a recognition that is not present today as a result of the transaction described above.

Other financial liabilities

(Euro units)	31/12/2021	31/12/2020
Open Fiber earn out option	-	19,416,285
Payables on leases	2,133,376	2,362,742
TOTAL	**2,133,376**	**21,779,027**

II.4.4 DEFERRED TAX LIABILITIES

The balance of "Deferred tax liabilities" refers to taxes calculated on temporary differences between book and tax values, which in future years will result in taxable amounts.

Deferred tax liabilities: composition:

(Euro units)	31/12/2021	31/12/2020
Deferred tax liabilities with an impact to income statement	5,077,989	21,243
TOTAL	**5,077,989**	**21,243**

Changes in deferred taxes (with offsetting item to income statement)

(Euro units)	31/12/2021	31/12/2020
1. Initial balance	**-**	**3,325**
2. Increases	**3,901,264**	**-**
2.1 Deferred tax in the period:	-	-
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	3,901,264	-
3. Decreases	**-**	**3,325**
3.1 Deferred taxes cancelled during the year:	-	3,325
3.2 Reduction of tax rates	-	-
3.3 Other decreases	-	
4. FINAL BALANCE	**3,901,264**	**-**

Changes in deferred taxes (with offsetting item to Shareholders' equity)

(Euro units)	31/12/2021	31/12/2020
1. Initial balance	**21,243**	**-**
2. Increases	**1,155,482**	**21,243**
2.1 Deferred tax in the period:	1,155,482	21,243
3. Decreases	**-**	**-**
4. FINAL BALANCE	**1,176,725**	**21,243**

II.5 CURRENT LIABILITIES

II.5.1 TAX PAYABLES

Item "Tax payables" refers to payables accrued at 31 December 2021 due to tax authorities and included VAT and withholding tax liabilities to be paid in the following month (January 2022). Other payables due to tax authorities include payables for withholdings on severance indemnities (TFR).

(Euro units)	31/12/2021	31/12/2020
a) Payables for IRAP	644,517	793,005
b) Withholdings on employment income	247,948	327,595
c) Payables for VAT	153,079	170,531
d) Withholdings on self-employed personnel	103,969	67,763
e) Other payables due to the Revenue Office	855	192
TOTAL	**1,150,368**	**1,359,086**

II.5.2 OTHER CURRENT LIABILITIES

"Other current liabilities" refer to short-term payables other than "Tax payables", still to be paid at year-end, details of which are given in the tables below.

Other current liabilities: composition

(Euro units)	31/12/2021	31/12/2020
a) Payables due to suppliers	4,201,580	3,225,937
b) Payables due to social security institutions	280,881	238,577
c) Payables due to parent company	2,918,797	2,660,531
d) Other payables	661,945	514,425
TOTAL	**8,063,203**	**6,639,470**

Specifically:

Payables to suppliers: composition

(Euro units)	31/12/2021	31/12/2020
b) Payables due to suppliers for invoices to collect	3,262,484	2,892,311
a) Payables due to suppliers	939,096	333,626
TOTAL	**4,201,580**	**3,225,937**

Payables to social security institutions: composition

(Euro units)	31/12/2021	31/12/2020
a) Payables due to social security institutions	183,425	157,605
b) Payables due to INPS for holidays accrued and not used	81,420	65,624
c) Payables due to INPS for solidarity contribution	16,036	15,348
TOTAL	**280,881**	**238,577**

Payables due to parent company: composition

(Euro units)	31/12/2021	31/12/2020
Payables due to CDP	2,918,797	2,660,531
TOTAL	**2,918,797**	**2,660,531**

The balance at 31 December 2021 relates to operating liabilities associated with the provision of outsourced services by CDP in favour of CDP Equity, sundry costs charged back in relation to seconded staff and employees performing corporate functions, and the payable on a sublease agreement for 2021.

Other payables: composition

(Euro units)	31/12/2021	31/12/2020
a) Payables due to employees	414,973	303,222
b) Payables due to funds	139,376	90,032
c) Payables due to supplementary pension fund	93,407	84,811
d) Payables due to corporate bodies	13,913	6,537
e) Other payables	276	29,823
TOTAL	**661,945**	**514,425**

The balance relates mainly to amounts accrued at the reporting date and not yet paid to employees and other corporate bodies.

The item showed an increase by Euro 148 thousand compared to the value of Euro 514 thousand registered at 31 December 2020. In fact, following the increase in the headcount analysed previously, an increase equal to Euro 120 thousand was recognized for payables to employees and related social security liabilities and the recognition of payables related to commissions due to funds subscribed and not yet settled, equal to Euro 49 thousand.

II.6 INFORMATION RELEVANT FOR IAS/IFRS PURPOSES ON FINANCIAL INSTRUMENTS

Assets and liabilities at fair value on recurring basis: breakdown by fair value levels

(Euro units)	31/12/2021			31/12/2020		
Financial assets/liabilities at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current financial assets	**715,400,000**	**-**	**71,268,447**	**-**	**-**	**28,038,887**
Non-current financial assets	715,400,000	-	71,268,447	-	-	28,038,887
Current financial assets	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**715,400,000**	**-**	**71,268,447**	**-**	**-**	**28,038,887**
Non-current financial liabilities	**-**	**-**	**-**	**-**	**-**	**19,416,285**
Other financial liabilities	-	-	-	-	-	19,416,285
Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**-**	**-**	**-**	**-**	**-**	**19,416,285**

Annual changes in financial assets valued at fair value (level 3)

(Euro units)	Non-current financial assets
1. Initial balance	**28,038,887**
2. Increases	**58,417,590**
2.1 Purchases	52,629,342
2.2 Profits attributed to:	-
2.2.1 Income statement	-
– *of which: capital gains*	-
2.2.2 Shareholders' equity	5,610,684
2.3 Transfer from other levels	-
2.4 Other increases	177,564
3. Decreases	**15,188,031**
3.1 Sales	-
3.2 Repayments	-
3.3 Losses attributed to:	15,188,031
3.3.1 Income statement	15,188,031
– *of which: capital losses*	*15,188,031*
3.3.2 Shareholders' equity	-
3.4 Transfer from other levels	-
3.5 Other decreases	-
4. FINAL BALANCE	71,268,446

Annual changes in financial assets valued at fair value on recurring basis (level 3)

(Euro units)	Non-current financial liabilities
1. Initial balance	**19,416,285**
2. Increases	**-**
3. Decreases	**19,416,285**
3.3 Profits attributed to:	19,416,285
3.3.1 Income statement	19,416,285
– *of which: capital gains*	*19,416,285*
4. FINAL BALANCE	-

Assets and liabilities not valued at fair value or valued at fair value on a non-recurring basis: breakdown by fair value levels

(Euro units)

Assets and liabilities not valued at fair value or valued at fair value on a non-recurring basis: breakdown by fair value levels	31/12/2021				31/12/2020			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
Non-current assets	**274,316,813**	**-**	**-**	**274,316,813**	**552,889,212**	**-**	**-**	**552,889,212**
Non-current financial assets	-	-	-	-	-	-	-	-
Other non-current assets	274,316,813	-	-	274,316,813	552,889,212	-	-	552,889,212
Current assets	**705,361,923**	**-**	**-**	**705,361,923**	**460,973,803**	**-**	**-**	**460,973,803**
Current financial assets	-	-	-	-	-	-	-	-
Cash and cash equivalents	705,361,923	-	-	705,361,923	460,973,803	-	-	460,973,803
TOTAL	**979,678,736**	**-**	**-**	**979,678,736**	**1,013,863,015**	**-**	**-**	**1,013,863,015**
Non-current liabilities	-	-	-	-	-	-	-	-
Current liabilities	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

FAIR VALUE MEASUREMENT OF OPTIONAL COMPONENTS OF EQUITY INVESTMENTS

At 31 December 2021, the Company measured the earn-out related to its investment in Renovit at fair value, showing a zero value at the reporting date.

According to IFRS13, fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date:

a) in the main market of the asset or liability; or
b) in the absence of a main market, in the most advantageous market for the asset or liability.

All assets and liabilities for which the fair value is measured or recorded in the financial statements, are categorized according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than the quoted prices included in Level 1, directly or indirectly observable for the asset or liability;
- Level 3 - valuation techniques for which the input data is not observable for the asset or liability.

The fair value is entirely classified in the same level of the fair value hierarchy in which the input of the lowest level of hierarchy used for the valuation is classified.

According to the fair value hierarchy, the valuations of said instrument fall within the Level 3 category.

In order to estimate the fair value of the Renovit earn-out, the Company applied a Montecarlo-type valuation model using (i) the financial projections to 2022-2023 of TEP S.p.A. (an investee company of Renovit), (ii) a discount rate for the pay-offs associated with the occurrence of the simulated scenarios, determined on a risk-adjusted basis and (iii) a parameter for the volatility of TEP S.p.A. results obtained from the stock market prices of comparable companies.

Therefore, a sensitivity analysis of the earn-out was carried out in relation to an increase/decrease by 100 basis points in the pay-off discount rate associated with the occurrence of the assumed probabilistic scenarios:

RENOVIT Earn-out Sensitivity: +/- 1% discount rate variation	Discount rate/ change -1%	Discount rate/ change -0.5%	Discount rate: base	Discount rate/ change +0.5%	Discount rate/ change +1%
	-	-	-	-	-

RENOVIT Earn-out Sensitivity: +/-1% volatility parameter	Discount rate/ change -1%	Discount rate/ change -0.5%	Discount rate: base	Discount rate/ change +0.5%	Discount rate/ change +1%
	-	-	-	-	-

II.7 OTHER INFORMATION

II.7.1 GUARANTEES ISSUED AND COMMITMENTS

As to the guarantees and commitments issued by the company, it should be noted that CDP Equity pledged its shares in Open Fiber in favour of the lending banks. The pool of lending banks includes BNP Paribas, Société Générale and UniCredit, as Underwriters, Global Coordinators, Global Bookrunners and Initial Mandated Lead Arrangers, Cassa Depositi e Prestiti, the European Investment Bank, as well as - among Italian institutions - Banca IMI, Banco BPM, MPS Capital Services and UBI Banca, and - among international institutions - Crédit Agricole, ING, Caixa Bank, MUFG Bank, Natwest and Banco Santander, as Lenders. UniCredit also acts as Agent.

CDP Equity also resolved:

- the signing of an equity commitments of Euro 542 million in favour of the investee companies Ansaldo Energia, Open Fiber Holdings, Renovit and GreenIT;
- the signing of commitments to subscribed funds for a maximum of Euro 1,082 million;
- the signing of a binding commitment to set up a technology development company dedicated to the development of plants for the production of biofuels and water, for industrial and irrigation reuse, through the use of urban organic waste with ENI with a maximum equity commitment of Euro 39 million from CDP Equity;
- the signing of a binding commitment for the acquisition, through Holding Reti Autostradali, of Autostrade per l'Italia for a total of Euro 4,458 million;
- on 28 September 2021, CDP Equity, Leonardo, Sogei and TIM jointly presented, as promoting party, to the Italian Minister for Technological Innovation and Digital Transition (MITD) a Public-Private Partnership Proposal for the establishment of the Polo Strategico Nazionale (PSN). With regard to the current phase of the project (the first phase including the submission of the proposal), the shareholders have committed pro-rata to guarantee the amount of the provisional deposit issued by the insurer. The commitment made by CDP Equity at this stage (considering its 20% investment) totaled Euro 18.3 million.

III. INFORMATION ON INCOME STATEMENT

In 2021, the "Result from ordinary operations" was positive for Euro 373,458 thousand and included (i) the capital gain arising from the exchange of SIA shares for newly issued NEXI shares as part of the SIA-NEXI merger transaction and generated by the difference between the book value of the SIA shares and the spot market value of the NEXI shares at closing on 30 December 2021[6], (ii) dividends received from the investee companies and interest accrued on loans to investee companies, net of IFRS 9 adjustments made to the aforementioned loans (iii) the IFRS 9 value recovery made on the Open Fiber loan following the reversal of the adjustment provision as a result of the transaction described above, (iv) the change in the fair value of the financial instruments in the portfolio determined primarily by the positive change resulting from the cancellation of the Enel earn-out on Open Fiber partially offset by (v) the valuation of the funds in the portfolio, and (vi) the investment advisory expenses.

III.1 RESULT FROM OPERATIONS

III.1.1 DIVIDENDS

This item comprises the dividends paid out by Webuild , BF and Euronext N.V. in the period. The table below details the dividends received in the period. The increase in the period is due to the dividends received from the investee company Euronext, obtained against the equity investment acquired in the period, and the substantial increase in dividends received from the investee companies Webuild and BF compared to the amounts paid in the previous year.

Dividends: composition

(Euro units)	2021	2020
Euronext N.V.	11,524,800	-
Webuild S.p.A.	9,166,667	5,000,000
B.F. S.p.A.	492,187	98,437
TOTAL	**21,183,654**	**5,098,437**

III.1.2 INTEREST ON LOANS TO INVESTEES

Interest on loans to investees comprises the amount accrued in 2021 on loans granted to Ansaldo Energia, Open Fiber and FSIA Investimenti. The table below details interest income accrued in the period.

Interest on loans to investees: composition

(Euro units)	2021	2020
Open Fiber	14,925,400	12,742,536
Ansaldo Energia	13,687,500	13,725,000
FSIA Investimenti	702,011	413,763
TOTAL	**29,314,911**	**26,881,299**

6 Last day of listing available as 31 December 2021 was the closing date of the stock exchange in Milan.

III.1.3 CAPITAL GAIN ON INVESTMENTS

"Capital gain on equity investments" includes the positive component arising from the exchange of SIA shares for newly issued NEXI shares as part of the SIA-NEXI merger transaction and generated by the difference between the book value of SIA shares and the spot market value of NEXI shares at closing on 30 December 2021. The table below details the capital gain generated in the period.

Capital gain on investments: composition

(Euro units)	2021	2020
Capital gain on investments	325,105,333	-
TOTAL	**325,105,333**	**-**

(Euro units)	2021	2020
Income		
1. Revaluation	-	-
2. Profit from disposal	325,105,333	-
3. Value reversals	-	-
4. Other income	-	-
TOTAL	**325,105,333**	**-**

III.1.4 REVERSAL OF NON-CURRENT ASSETS

"Reversal of non-current assets" includes the reversal of Euro 4,113 thousand of the adjustment provision for the Open Fiber loan as part of the transaction described above.

(Euro units)	2021	2020
Reversal of non-current assets	4,113,318	-
TOTAL	**4,113,318**	**-**

III.1.5 POSITIVE CHANGES IN THE VALUE OF FINANCIAL INSTRUMENTS

This item includes the change in fair value resulting from the Open Fiber earn-out. This item amounted to Euro 5,785 thousand at 30 June 2021 and at 31 December 2021, the item includes Euro 13,632 thousand for lapse of the Enel earn-out on Open Fiber as part of the previously described transaction. At 31 December 2021, this item totaled Euro 19,416 thousand.

	2021			2020		
(Euro units)	Capital gain	Gain from negociation	Net result	Capital gain	Gain from negociation	Net result
Equity securities AFS	-	-	-	-	-	-
Financial derivatives:						
a) on debt securities	-	-	-	-	-	-
b) on stock securities	19,416,285	-	19,416,285	-	-	-
c) other	-	-	-	-	-	-
TOTAL	**19,416,285**	**-**	**19,416,285**	**-**	**-**	**-**

III.1.6 INVESTMENT COSTS

Investment costs composition

(Euro units)	2021	2020
a) Due diligence and consultancy for investments	8,585,289	6,253,247
b) Tobin tax	943,287	-
c) Other investment costs	280,821	441,601
TOTAL	**9,809,397**	**6,694,848**

In 2021, capital expenditure totalled Euro 9,809 thousand of which: (i) Euro 8,585 thousand from *due diligence* and advisory activities regarding investment transactions, (ii) Euro 943 thousand related to the payment of the Tobin Tax on the acquisition of 10% of Open Fiber capital from Enel and (iii) Euro 281 thousand of other ancillary expenses on investment activities. Compared to fiscal year 2020, when these expenses amounted to Euro 6,695 thousand, there was an increase of Euro 3,115 thousand due to the increased development of investment initiatives launched in the period and the management and enhancement of the equity portfolio.

III.1.7 IMPAIRMENT OF NON-CURRENT ASSETS

This item included the effects of equity investment valuations and impairments on receivables due from investee companies in accordance with IFRS 9.

Impairments of non-current assets: composition

(Euro units)	2021	2020
Impairment of equity investments	-	10,717,062
Value adjustments on financial loans	678,084	4,917,807
TOTAL	**678,084**	**15,634,869**

At 31 December 2021, the Company carried out an analysis of its portfolio to check for impairment indicators in accordance with the provisions of the applicable international accounting standards and, in case of occurrence, performed an impairment test. As a result of these analyses, there was no need to adjust the value of the equity investments. At 31 December 2020, again as a result of the impairment test carried out on the investee companies in the portfolio, an impairment of Euro 10,717 thousand was recognized for the equity investment in Hotelturist.

At 31 December 2021 the Company subjected its credit positions to a recoverability risk analysis. Following these analyses, in compliance with the provisions of IFRS 9, an adjustment was made to receivables from Ansaldo Energia for Euro 678 thousand.

III.1.8 DECREASES IN THE VALUE OF FINANCIAL INSTRUMENTS

This item reflects the negative variation in the fair value of the investments in the subscribed funds for a total of Euro 15,188 thousand. At 31 December 2020 the negative change amounted to Euro 11,477 thousand and referred to the change in the fair value of the Open Fiber earn-out for Euro 7,315 thousand and the negative change in the fair value of the funds subscribed in the period for Euro 4,162 thousand.

Decreases in the value of financial instruments

(Euro units)	2021 Capital loss	2021 Loss from negociation	2021 Net result	2020 Capital loss	2020 Loss from negociation	2020 Net result
Financial derivatives:						
a) on debt securities	-	-	-	-	-	-
b) on stock securities	-	-	-	7,314,837	-	7,314,837
c) other	15,188,031	-	15,188,031	4,162,405	-	4,162,405
TOTAL	**15,188,031**	**-**	**15,188,031**	**11,477,242**	**-**	**11,477,242**

III.2 RESULT FROM OPERATIONS

III.2.1 FINANCIAL INCOME

Financial income: composition

(Euro units)	2021	2020
a) interest accrued on bank current accounts	15,077	3,754
TOTAL	**15,077**	**3,754**

Financial income refers to interest income accrued on the cash held in the company's current account. In 2021 this item amounted to Euro 15 thousand.

III.2.2 FINANCIAL EXPENSES

Financial expenses: composition

(Euro units)	2021	2020
a) Other interest due	2	1
b) Interest due on payables on leases	59,898	66,012
TOTAL	**59,900**	**66,013**

This item includes financial expenses related to operations and interest expense accrued on the lease liability, as required by IFRS 16, totalling Euro 60 thousand.

III.2.3 ADMINISTRATIVE COSTS

Administrative costs: composition

(Euro units)	2021	2020
Administrative costs		
a) Personnel costs	13,444,236	11,226,816
b) Other administrative expenses	3,260,696	2,587,550
TOTAL	**16,704,932**	**13,814,366**

"Personnel costs" amounted to Euro 13,444 thousand and included costs for salaries and services provided to employees, seconded staff and other operating staff for a total of Euro 13,091 thousand and remuneration paid to directors and statutory auditors amounting to Euro 352 thousand. The increase by Euro 2,217 thousand recorded over the previous year, when personnel costs totalled Euro 11,227 thousand, was mainly due to the increase in headcount that had characterized 2020 and continued in 2021.

Costs of personnel: composition

(Euro units)

Types of costs/values	2021	2020
1) Employees	**11,185,687**	**8,816,396**
a) Salaries and wages	8,318,444	6,933,428
b) Social charges	48,396	43,836
c) Staff severance	-	-
d) Social security contributions	1,283,533	939,995
e) Provision for staff severance	145,059	97,848
f) Provision for retirement and similar obligations:	-	-
– *defined contribution*	-	-
– *defined benefits*	-	-
g) Payments to external supplementary pension funds:	518,730	322,866
– *defined contribution*	*518,730*	*322,866*
– *defined benefits*	-	-
h) Costs deriving from payment agreements based on own financial instruments	-	-
i) Other employee benefits	707,389	332,157
j) Travel costs, boarding and accommodation for seconded personnel	164,136	146,266
2) Other personnel in operation	**443,418**	**297,678**
3) Directors and Statutory Auditors	**352,809**	**346,064**
4) Laid-off personnel	**-**	**-**
5) Cost recovery for personnel seconded to other companies	**(361,554)**	**(81,831)**
6) Cost recovery for third party personnel seconded to the Company	**1,823,876**	**1,848,509**
TOTAL	**13,444,236**	**11,226,816**

Number of employees and other workforce by category: composition

As the Company has a limited number of employees in line with the requirements linked to its operations, it was deemed more representative to show the number of employees at 31 December 2021 comparing the number with the corresponding headcount of the previous year, rather than comparing the average values.

Number of employees by category

Types of costs/values	2021	2020
Employees:		
a) Executive managers	13	13
b) Total middle managers	25	19
– *of which: 3rd and 4th level*	*12*	*8*
c) Other employees	31	19
TOTAL	**69**	**51**
Other personnel	**13**	**17**

"Other administrative expenses" amounted to Euro 3,261 thousand, up against the previous year when the balance was Euro 2,588 and mainly included professional and financial services, outsourced administrative services and general and insurance services.

Other administrative costs: composition

(Euro units) Types of costs/values	2021	2020
a) Professional and financial services	1,400,313	1,240,866
b) CDP outsourcing	413,340	301,001
c) IT resources and database	249,629	149,623
d) Advertising and marketing costs	1,099	43,533
e) Information services	257,074	141,655
f) General services and insurances	594,111	304,342
g) Utilities, taxes and other costs	292,068	355,632
h) Costs for other corporate bodies	53,062	50,898
TOTAL	**3,260,696**	**2,587,550**

The table below shows the fees paid to the independent auditors Deloitte & Touche S.p.A. as required by specific provisions of the Italian Civil Code. It should be noted that the aforementioned amount includes also the contribution due to Consob and VAT.

(Euro units)	Service provider	Fees paid in the period
Auditing and financial statements	Deloitte & Touche S.p.A.	118,819
TOTAL		**118,819**

III.2.4 AMORTIZATION AND DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

This item mainly included depreciation and amortization of tangible and intangible fixed assets. The decrease in value between the two financial years was essentially due to charges related to the amortization of the right of use of lease contracts recognized following the application of IFRS16.

Amortization and depreciation and impairment of intangible and tangible assets: composition

(Euro units)	2021	2020
a) Depreciation of tangible assets	354,955	344,730
b) Amortization and impairment of intangible	30,335	36,942
TOTAL	**385,290**	**381,672**

Amortization and depreciation of intangible and tangible assets: composition

(Euro units) Assets/Income components	Amortization and depreciation (A)	Adjustments for impairments (B)	Value reversal (C)	Net result (A + B + C)
A. Tangible assets	**354,955**	**-**	**-**	**354,955**
A.1 Functional use:				
– owned	63,098	-	-	63,098
– rights of use acquired through leases	291,857	-	-	291,857
B. Intangible assets	**30,335**	**-**	**-**	**30,335**
B.1 Owned:				
– generated by the Company	30,335	-	-	30,335
TOTAL	**385,290**	**-**	**-**	**385,290**

III.2.5 IMPAIRMENT AND VALUE REVERSALS OF CURRENT ASSETS

This item included value adjustments made following the adoption of IFRS 9 and relating to current financial assets recognized in the balance sheet and shown net of these adjustments. At 31 December 2021, this item included the effect of the adjustment of the balance of cash and cash equivalents and the revaluation of deposits with CDP for a total negative effect of Euro 5.5 thousand.

Amortization, depreciation and impairment of non-current assets: composition

	Value adjustments			Value reversal			
		Third level					
(Euro units) Transactions/income components	First and second level	Write-off	Other	First and second level	Third level	2021	2020
A. Receivables due from banks	**(3,628)**	**-**	**-**	**-**	**-**	**(3,628)**	**(12,306)**
Loans	(3,628)	-	-	-	-	(3,628)	(12,306)
Debt securities	-	-	-	-	-	-	-
B. Receivables due from customers	**(1,911)**	**-**	**-**	**-**	**-**	**(1,911)**	**598**
Loans	(1,911)	-	-	-	-	(1,911)	598
Debt securities	-	-	-	-	-	-	-
TOTAL	**(5,539)**					**(5,539)**	**(11,708)**

III.3 OTHER OPERATING INCOME/EXPENSES

"Other operating income and expenses" were positive for Euro 5,291 thousand and included mainly income from service contracts between CDP Equity and FSI Investimenti, FSIA Investimenti and IQ MIIC for Euro 5,062 thousand, other income for Euro 1,687 thousand, partially offset by a provision of approximately Euro 1,459 thousand regarding the commitment to disburse funds; the value of this aggregate item was slightly down by approximately Euro 225 thousand against 31 December 2020.

Other operating income/expenses: details

(Euro units)	2021	2020
a) Income for services provided to investee companies	5,062,312	5,062,600
b) Other income	1,500,912	330,988
c) Income for corporate offices recognised to employees	186,264	150,355
d) Other charges	(1,458,591)	(27,646)
TOTAL	**5,290,897**	**5,516,297**

III.4 INCOME TAXES FOR THE YEAR

The estimated tax burden for 2021, which contributed positively to the year's result, amounted to Euro 5,469 thousand and is detailed in the following table:

Income tax: composition

(Euro units)	2021	2020
1. Current taxes (-)	9,623,745	(88,060,630)
of which:		
- *IRAP for the period*	*(644,517)*	*(793,005)*
- *income/charges resulting from tax consolidation*	*10,268,262*	*4,799,716*
- *of which substitute tax for tax relief*	*-*	*(92,067,341)*
2. Variations in current taxes of previous years (+/-)	(160)	(6,858)
3. Reduction in current taxes in the period (+)	-	-
4. Variation of anticipated taxes (+/-)	(253,291)	139,563,592
5. Variation of deferred taxes	(3,901,264)	3,325
6. INCOME TAX FOR THE PERIOD (-) (- 1 +/- 2 + 3 +/- 4 +/- 5)	**5,469,030**	**51,499,429**

"Current taxes", amounting to a positive amount of Euro 9,624 thousand, primarily included IRES (corporate income tax) income of Euro 10,268 thousand deriving from tax consolidation, deferred taxes with a negative impact of Euro 3,901 thousand, IRAP (regional tax on production activities) of Euro 645 thousand, and deferred tax assets of Euro 253 thousand.

The following tables show the reconciliation between the actual and theoretical tax charge for IRES and IRAP:

(Euro units)	2021	Tax rate
Profit (loss) before taxes	**361,608,302**	
IRES theoretical tax charge (24%)	**(86,785,992)**	**-24.00%**
Increases		
– temporary variations	(1,087,272)	-0.20%
– permanent variations	(883,379)	-0.24%
Tax decreases		
– other changes	84,216,327	23.20%
– ACE benefit	9,978,705	2.75%
IRES tax and actual budget charge	**10,268,262**	**2.84%**

(Euro units)	2021	Tax rate
Difference between value and cost of production	**(9,249,834)**	
IRAP (5.57%)	**515,216**	**-5.57%**
Tax increases	(1,806,194)	19.53%
Tax decreases	646,462	-6.99%
IRAP tax and actual budget charge	**(644,517)**	**6.97%**

IV. INFORMATION ON RISKS AND HEDGING POLICIES

CDP Equity risk management is based on the Risk Management Policy approved by the Board of Directors. The document defines the basic principles of operation and related guidelines, in order to identify, measure and manage the various types of risk CDP Equity may be subject to in carrying out its activities. These principles define, among other things, limits to risk-taking for CDP Equity also in the process of approval of the investments.

RISK MANAGEMENT

In 2021, the CDP Equity Risk Management carried out activities in compliance with the of the principles of risk management established in the company's internal policy, summarized along three lines: (i) assessment of the risks in the process of approval of the investments and divestments; (ii) monitoring of company risk profiles of the investments portfolio; (iii) preparation of quarterly update notes on risk management activities to be submitted to the Board of Directors.

In particular, in 2020, Risk Management expressed opinions on certain investment transactions regarding (i) companies already held in the company's direct investment portfolio, (ii) new investments in joint ventures and (iii) investment funds, as reported in the interim report.

In the period, Risk Management also collaborated with the business functions with regard to the analysis of transactions in the process of being defined and approved.

In addition to the periodic reporting submitted by the companies included in the portfolio, equity investments are monitored also through specific in-depth analyses in order to update and verify company risk profiles. The main findings were brought to the attention of the Board of Directors through the quarterly reports.

CDP Equity's liquidity profile is solid, also because it is part of the CDP Group. The company has no borrowings and the available liquidity is substantial even with respect to its financial commitments.

In the period and in compliance with the existing risk policy Risk Management also conducted audits on the impairment tests carried out on the investees as well as accounting valuations of the optional components associated with portfolio investments. The valuations of said optional components were carried out, in the fair value perspective, with the support of an independent expert consultant.

COMPLIANCE

In 2021, Compliance continued to implement the activities falling under its competence, relating, in particular, to the performance of second-level audits envisaged in the annual plan and the analysis of the reputational risk associated with direct and indirect investment transactions involving CDP Equity.

Moreover, Compliance was - and still is - involved in the adjustment and integration of corporate processes with a view to managing the risk of non-conformities resulting from the expansion of CDP Equity operations. In this context, Compliance is called upon to contribute to the definition of new processes and the integration of existing ones.

The findings of these activities are brought to the attention of the Corporate Bodies through periodic reporting.

COVID-19 HEALTH CRISIS

The activities aimed at developing the Company's portfolio continued despite a national economic scenario that reflected the effects of the persisting health emergency, the health restrictions, and the economic and social policies introduced by the Italian government. Despite a massive vaccination campaign, the emergence of new variants of the virus imposed the maintenance of the restrictive and prudential measures, especially during the winter months. In this context, CDP Investimenti carefully monitored the economic and financial performance of its investee companies in order to assess any impact on business arising from external factors such as, namely, the regulations issued from time to time by the authorities to limit the spread of Covid-19.

On the economic level, the Company sustained its operations thanks to the dividends distributed by the investee companies as well as interest accrued on shareholders' loans granted to some of them; the financial profile is to be considered solid, given that the Company's financial resources are sufficient to meet its short-term requirements and guarantee room for action even in the event of adverse scenarios. The Company's activities are always geared to managing risks with a prudent risk management approach.

The investments in the portfolio, consisting of equity investments in companies of major national interest, shares in investment funds and investments in prospective companies operating in the renewable energy, digital and social sectors, proved to be, comprehensively, substantially resilient.

As matter of fact, the impairment tests carried out during the preparation process of these financial statements for the year ended at 31 December 2021 on the investments for which trigger events had been identified or which had been subject to impairment in previous years, confirmed the recoverable value of the investments recognised, without the need for making any value adjustments. This exercise was carried out on the basis of the latest information available, which reflects, where appropriate, the effects that the Covid-19 health crisis has had and may have on the economy and the sectors in which the companies included in the portfolio operate, even if a persisting situation of uncertainty regarding the future development of the pandemic results naturally in a lower degree of reliability of the estimates.

With regard to the other financial assets held by the Company, the value posted in the financial statements reflects their reasonably recoverable value. The valuation of assets measured at fair value already reflects, where appropriate, the effects that the Covid-19 health crisis has had and may have on the economy and the sectors in which the companies included in the portfolio operate and also factors in the impact relating to climate change.

The Company continued to implement a series of actions aimed at guaranteeing the health and safety of its employees and collaborators by promptly putting in place safety and control preventive measures that are even more stringent than the ones issued by the national and regional authorities. In this way, the company intends to limit possible contagion and at the same time promote the continuity of company operations.

In consideration of the above, the Company assessed the applicability of the going concern assumption in the preparation of these financial statements and came to the conclusion that, despite the persisting situation of uncertainty on the future performance of the investments included in the portfolio, caused by the health crisis, there are no doubts on the going concern assumption.

V. TRANSACTIONS WITH RELATED PARTIES

V.1 INFORMATION ON THE FEES DUE TO EXECUTIVES HOLDING STRATEGIC RESPONSIBILITIES

Compensation to directors and statutory auditors

(Euro units)	2021	2020
a) Directors	273,038	259,134
b) Statutory auditors	79,771	86,930
TOTAL	**352,809**	**346,064**

Compensation to other executive managers holding strategic responsibilities

(Euro units)	2021
a) Short-term benefits	5,156,256
b) Benefits after the termination of the employment relationship	350,269
TOTAL	**5,506,525**

Compensation to directors and statutory auditors

(Euro units) Name and surname	Office	Office period	Office expiry (*)	Emoluments for the office and bonuses paid	Note
Directors					
Giovanni Gorno Tempini	Chairman	01/01/2021 -31/12/2021	2021	40,000	
Pier Paolo Di Stefano	CEO	01/01/2021 -31/12/2021	2021	150,000	
Pier Paolo Di Stefano	Directors	01/01/2021 -31/12/2021	2021	35,000	(**)
Ilaria Bertizzolo	Directors	01/01/2021 -31/12/2021	2021	35,000	(**)
Statutory auditors					
Cristiano Zanella	Chairman	15/01/2021- 31/12/2023	2023	27,000	(***)
Stefano Podda	Standing Auditor	15/01/2021- 31/12/2023	2023	20,000	(***)
Francesca Busardò Armetta	Standing Auditor	15/01/2021- 31/12/2023	2023	20,000	(***)
Statutory auditors no longer in charge					
Roberto Capone	Chairman	01/01/2020 - 31/12/2020	(****)	1,125	
Paolo Golia	Standing Auditor	01/01/2020 - 31/12/2020	(****)	833	
Ines Gandini	Standing Auditor	01/01/2020 - 31/12/2020	(****)	833	

(*) Date of reference of the last financial statements approved.
(**) Compensation paid to Cassa Depositi e Prestiti S.p.A.
(***) Appointed by the Shareholders' Meeting on 15 January 2021.
(****) In prorogatio regime until 15 January 2021.

V.2 INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

The Company is wholly owned by CDP and, as of the reporting date, the Chief Executive Officer is the Chief Investment Officer of CDP and the President is also the President of CDP.

It should be noted that no atypical or unusual transactions were carried out with related parties, which, due to their significance, could impact the financial and economic position of the Company. All transactions carried out with related parties, in fact, are implemented at arm's length and fall within the scope of CDP Equity core operations.

TRANSACTIONS WITH PARENT COMPANY

Transactions with CDP

In 2021, transactions with CDP mainly concerned:

- the irregular deposit agreement;
- the securities deposit agreement;
- directors' fees to be charged to CDP;
- costs for outsourced services provided by CDP to CDP Equity;
- the tax consolidation agreement with CDP;
- costs and security deposits related to the sublease of the company's headquarters;
- agreements for the partial secondment of CDP personnel to CDP Equity;
- agreements for the partial secondment of CDP Equity staff to CDP.

The transactions, on an arm's length basis, at 31 December 2021 and the related effects on the balance sheet and income statement (including VAT where applicable) are summarized below:

Transactions with CDP

(Euro units) Financial data	31/12/2021	31/12/2020
NON-CURRENT ASSETS	**101,835**	**97,920**
Other non-current assets	101,835	97,920
NON-CURRENT LIABILITIES	**2,692,904**	**2,306,794**
Other non-current liabilities	2,692,904	2,306,794
CURRENT ASSETS	**204,079,271**	**69,418,169**
Cash and cash equivalents	189,743,638	60,554,026
Receivables for tax consolidation	14,335,633	8,864,143
CURRENT LIABILITIES	**(2,918,797)**	**(2,660,533)**
Other current liabilities	(2,918,797)	(2,660,533)

(Euro units) Economic data	31/12/2021	31/12/2020
Income (charges) resulting from tax consolidation	10,268,262	4,799,716
Service agreement with CDP	(399,572)	(292,883)
Rebilling of seconded personnel costs	(1,823,876)	(1,860,205)
Compensation for company offices rebilled to CDP	(85,000)	(85,000)
Other income and charges for personnel	(308,999)	(119,392)
Other charges for investments	(41,381)	-

TRANSACTIONS WITH SUBSIDIARY COMPANIES

(Euro units) Financial data	FSI Investimenti S.p.A.	FSIA Investimenti S.p.A.	SIA S.p.A. (*)	Ansaldo Energia S.p.A.	Total
Non-current assets	**-**	**48,300,000**	**-**	**235,587,500**	**283,887,500**
Financial receivable due from subsidiaries	-	48,300,000	-	235,587,500	283,887,500
Current assets	**5,000,000**	**30,000**	**47,091**	**333,937**	**5,411,028**
Receivable for services provided to subsidiaries	5,000,000	30,000	-	-	5,030,000
Other receivables	-	-	47,091	333,937	381,028
TOTAL	**5,000,000**	**48,330,000**	**47,091**	**235,921,437**	**289,298,528**

(Euro units) Economic data	FSI Investimenti S.p.A.	FSIA Investimenti S.p.A.	SIA S.p.A. (*)	Ansaldo Energia S.p.A.	Total
Financial income	**-**	**702,011**	**-**	**13,687,500**	**14,389,511**
Interest on financial receivables	-	702,011	-	13,687,500	14,389,511
Other expenses/ income	**5,000,000**	**30,000**	**76,915**	**277,241**	**5,384,156**
Income for Service Agreement	5,000,000	30,000	-	-	5,030,000
Other income	-	-	76,915	277,241	354,156
TOTAL	**5,000,000**	**732,011**	**76,915**	**13,964,741**	**19,773,667**

(*) At 23.59 of the 31 December SIA has been merged into NEXI.

TRANSACTIONS WITH OTHER RELATED PARTIES

The following table summarizes the transactions with other related parties outstanding at 31 December 2019 and related valuation. Data included any impairments pursuant to IFRS 9.

	Balance sheet				
	Non-current assets	Current assets			Current liabilities
		Receivables due from investee companies			
Legal entity	Non-current financial assets	Receivables for activities relative to service agreements	Receivables for income resulting from corporate offices	Other receivables	Current liabilities
IQ MIIC	-	39,421	-	-	-
FSI Investimenti	-	5,000,000	-	-	-
FSIA Investimenti	48,300,000	30,000	-	-	-
QuattroR SGR	-	-	-	-	-
Renovit S.p.A.	-	-	12,038	-	-
Kedrion	-	-	18,342	-	-
Kedrion BioPharma	-	-	10,000	-	-
Valvitalia Finanziaria	-	-	1,551	-	-
Ansaldo Energia	235,587,500	-	71,696	262,241	-
Trevi	-	-	143,500	-	-
Inalca	-	-	55	-	-
SIA (*)	-	-	-	47,091	-
Open Fiber	-	-	75,199	-	-
Bonifiche Ferraresi S.p.A.	-	-	21,588	-	-
Webuild	-	-	-	-	-
Euronext S.p.A.	-	-	-	-	-
CDP Reti S.p.A.		11,002		34,049	
GreenIT S.p.A.	-	-	32,770	-	-
Holding Reti Autostradali S.p.A.	-	-	1,091	-	-
CDP Industria S.p.A.	-	22,264	-	-	-
TOTAL	**283,887,500**	**5,102,687**	**387,829**	**343,380**	**-**

(*) At 23.59 of the 31 December SIA has been merged into NEXI.

	Income statement					
	Dividends	Financial income	Income from corporate offices	Other income	Income from Service Agreement	Costs for services
	-	-	-	-	32,312	-
	-	-	-	-	5,000,000	-
	-	702,011	-	-	30,000	-
	-	-	25,000			
	-	-	12,038	-	-	-
	-	-	39,863	-	-	-
	-	-	-	-	-	-
	-	-	20,000	-	-	-
	-	13,687,500	15,000	262,241	-	-
	-	-	-	-	-	-
	-	-	20,055	-	-	-
	-	-	-	76,915	-	-
	-	14,925,400	27,699	-	-	-
	492,187	-	5,151	-	-	-
	9,166,667	-	-	-	-	-
	11,524,800	-	-	-	-	-
				34,049	11,002	-
	-	-	-	-	54,497	-
	-	-	-	-	1,091	-
	-	-	-	-	53,000	-
-	**21,183,654**	**29,314,911**	**164,805**	**373,205**	**5,181,902**	**-**

VI. INFORMATION ON PUBLIC FUNDING

In compliance with the provisions of Article 1, paragraph 125, of Italian Law No. 124 of 4 August 2017, we inform you that during the 2021 financial year the Company did not receive any amounts by way of grants, contributions, paid assignments and in any case economic advantages of any kind received from public administrations and other subjects specified in Article 1, paragraph 125 of the aforementioned law.

ANNEXES TO THE FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2020 OF CASSA DEPOSITI E PRESTITI S.P.A.

- Balance sheet
- Income statement
- Statement of comprehensive income

BALANCE SHEET

(Euro units)

Assets	31/12/2020	31/12/2019
10. Cash and cash equivalents	1,319	2,945
20. Financial assets measured at fair value through profit or loss:	3,374,567,520	2,877,621,143
a) financial assets held for trading	238,759,810	132,354,188
c) other financial assets mandatorily measured at fair value	3,135,807,710	2,745,266,955
30. Financial assets measured at fair value through other comprehensive income	13,064,270,807	12,132,370,946
40. Financial assets measured at amortised cost:	357,881,982,696	337,105,174,693
a) loans to banks	39,226,451,312	27,030,998,423
b) loans to customers	318,655,531,384	310,074,176,270
50. Hedging derivatives	444,687,053	381,346,407
70. Equity investments	31,892,214,338	30,708,619,338
80. Property, plant and equipment	373,384,458	352,570,349
90. Intangible assets	42,583,786	30,778,670
100. Tax assets:	461,763,488	470,532,581
a) current tax assets	23,944,203	78,805,161
b) deferred tax assets	437,819,285	391,727,420
120. Other assets	278,875,476	325,097,376
TOTAL ASSETS	**410,346,164,066**	**385,851,457,116**

(Euro units)

Liabilities and equity	31/12/2020	31/12/2019
10. Financial liabilities measured at amortised cost:	378,819,556,956	356,166,295,137
a) due to banks	45,259,543,320	30,219,811,671
b) due to customers	312,007,319,904	305,895,813,522
c) securities issued	21,552,693,732	20,050,669,944
20. Financial liabilities held for trading	209,820,434	128,929,516
30. Financial liabilities designated at fair value		-
40. Hedging derivatives	4,320,965,184	2,682,554,691
60. Tax liabilities:	208,176,217	285,024,331
a) current tax liabilities	19,823,143	105,092,507
b) deferred tax liabilities	188,353,074	179,931,824
80. Other liabilities	803,194,183	789,434,298
90. Staff severance pay	1,017,134	962,548
100. Provisions for risks and charges:	475,625,125	828,826,174
a) guarantees issued and commitments	328,619,764	219,382,082
c) other provisions	147,005,361	609,444,092
110. Valuation reserves	653,173,211	902,073,725
140. Reserves	15,962,320,645	15,371,824,233
150. Share premium reserve	2,378,517,244	2,378,517,244
160. Share capital	4,051,143,264	4,051,143,264
170. Treasury shares (-)	(322,220,116)	(489,110,970)
180. Net income (loss) for the year (+/-)	2,774,522,485	**2,736,284,081**
TOTAL LIABILITIES AND EQUITY	**410,346,164,066**	**385,851,457,116**

INCOME STATEMENT

(Euro units)

Items		2020	2019
10.	Interest income and similar income	7,719,754,617	6,988,054,591
	– *of which: interest income calculated using the effective interest rate method*	*7,994,809,421*	*7,242,285,057*
20.	Interest expense and similar expense	(4,565,186,464)	(4,462,007,713)
30.	**Net interest income**	**3,154,568,153**	**2,526,046,878**
40.	Commission income	409,655,062	391,782,321
50.	Commission expense	(1,408,788,670)	(1,483,724,319)
60.	**Net commission income (expense)**	**(999,133,608)**	**(1,091,941,998)**
70.	Dividends and similar revenues	1,089,038,325	1,423,995,543
80.	Profits (losses) on trading activities	(21,084,673)	(22,386,973)
90.	Fair value adjustments in hedge accounting	23,920,623	(31,274,015)
100.	Gains (losses) on disposal or repurchase of:	873,666,735	743,604,178
	a) financial assets measured at amortised cost	736,876,810	632,736,830
	b) financial assets measured at fair value through other comprehensive income	136,789,925	110,867,348
	c) financial liabilities	-	-
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(100,426,355)	(7,804,414)
	a) financial assets and liabilities designated at fair value	-	23,869
	b) other financial assets mandatorily measured at fair value	(100,426,355)	(7,828,283)
120.	**Gross income**	**4,020,549,200**	**3,540,239,199**
130.	Net adjustments/recoveries for credit risk relating to:	(151,277,092)	76,749,381
	a) financial assets measured at amortised cost	(151,001,121)	80,839,149
	b) financial assets at fair value through other comprehensive income	(275,971)	(4,089,768)
140.	Gains/losses from changes in contracts without derecognition	(15,223)	(496,967)
150.	**Financial income (expense), net**	**3,869,256,885**	**3,616,491,613**
160.	Administrative expenses:	(190,416,437)	(177,078,353)
	a) staff costs	(123,068,383)	(110,968,473)
	b) other administrative expenses	(67,348,054)	(66,109,880)
170.	Net accruals to the provisions for risks and charges:	(66,911,478)	(60,517,547)
	a) guarantees issued and commitments	(92,017,421)	(10,304,725)
	b) other net accruals	25,105,943	(50,212,822)
180.	Net adjustments to/recoveries on property, plant and equipment	(13,144,005)	(9,057,661)
190.	Net adjustments to/recoveries on intangible assets	(8,900,816)	(5,678,147)
200.	Other operating income (costs)	7,704,767	13,329,498
210.	**Operating costs**	**(271,667,969)**	**(239,002,210)**
220.	Gains (losses) on equity investments	-	61,346,965
250.	Gains (losses) on disposal of investments	(48,432)	(43,487)
260.	**Income (loss) before tax from continuing operations**	**3,597,540,484**	**3,438,792,881**
270.	Income tax for the year on continuing operations	(823,017,999)	(702,508,800)
280.	**Income (loss) after tax on continuing operations**	**2,774,522,485**	**2,736,284,081**
300.	**NET INCOME (LOSS) FOR THE YEAR**	**2,774,522,485**	**2,736,284,081**

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

Items		2020	2019
10.	**Net income (loss) for the year**	**2,774,522,485**	**2,736,284,081**
	Other comprehensive income net of tax not transferred to income statement	**(241,923,764)**	**61,837,532**
20.	Equity securities designated at fair value through other comprehensive income	(241,923,764)	61,837,532
	Other comprehensive income net of taxes transferred to income statement	**(6,976,750)**	**300,381,496**
120.	Cash flow hedges	(67,229,211)	(8,951,269)
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	60,252,461	309,332,765
170.	**Total other comprehensive income net of tax**	**(248,900,514)**	**362,219,028**
180.	**COMPREHENSIVE INCOME (ITEMS 10 + 170)**	**2,525,621,971**	**3,098,503,109**

INDEPENDENT AUDITORS' REPORT

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

To the Sole Shareholder of
CDP Equity S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CDP Equity S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of CDP Equity S.p.A. are responsible for the preparation of the report on operations of CDP Equity S.p.A. as at December 31, 2021, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of CDP Equity S.p.A. as at December 31, 2021 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of CDP Equity S.p.A. as at December 31, 2021 and is prepared in accordance with the law.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Milan, Italy
March 30, 2022

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

BOARD OF STATUTORY AUDITORS' REPORT

Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 2429, par. 2 of the Italian Civil Code for the financial year ended at 31 December 2021

To the Shareholders of CDP Equity S.p.A.

Our activity was inspired by the provisions of law and the Code of Conduct for Boards of Statutory Auditors issued by the National Council of Certified Accountants. This report is meant to provide an understanding of said activities and the results achieved.

The financial statements of Company CDP Equity S.p.A. for the year ended on December 31, 2021, prepared in accordance with Italian regulations governing their preparation, have been submitted for your examination, showing a result for the year of Euro 367,077,332.00. The Financial Statements have been made available to us within the terms of the law.

The independent statutory auditors Deloitte & Touche S.p.A. delivered to us their report dated March 30, 2022, with an unmodified opinion.

The independent auditors' report confirmed that the Financial Statements at December 31, 2021, give a true and fair view of the Company's financial position, results of operations, and cash flows, and have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

SUPERVISORY ACTIVITIES PURSUANT TO ARTICLE 2403 ET SEQ. OF THE ITALIAN CIVIL CODE.

The Board of Statutory Auditors monitored compliance with the law and the By-Laws and compliance with the principles of proper management and, in particular, the adequacy of organizational structures, the administrative and accounting system and operation.

We have attended the Shareholders' Meetings and the meetings of the Board of Directors, in relation to which, based on the available information, we did not find any breaches of the law or the By-Laws, nor any transactions that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets.

During the meetings held, the Board of Auditors obtained information from the Directors on the social operations and general performance of operations and foreseeable evolution, as well as on the most significant transactions, by size or characteristics, carried out by the company and its subsidiaries and, based on the information obtained, we have no observations to report.

We have had meetings with the Independent Auditors Deloitte & Touche S.p.A., who have not been entrusted with any additional duties with respect to the auditing of the Company's accounts and, based on their information, no relevant data and information have emerged that would need to be reported here.

We have had meetings with the main corporate internal control functions, in particular Internal Auditing, Compliance and Risk Management, and no relevant data or information have emerged that would need to be reported here.

We have had meetings with the Supervisory Board and reviewed the half-year reports; no critical issues were identified in relation to the proper implementation of the organizational model.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the Company's organizational structure, also by collecting information from the heads of departments, and in this regard we have no observations to report.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the administrative and accounting system, its reliability in correctly representing management events, by obtaining information from the heads of functions, from the subject in charge of legal auditing and examining company documents, and in this regard we have no observations to report.

It should be noted that the Company has implemented a "whistleblowing" procedure, which consists of appropriate information procedures designed to ensure the receipt, analysis and processing of reports from Company employees concerning any conduct that is or may be unlawful. In this respect, it should be noted that the Company did not receive any reports.

No complaints were received from the shareholders pursuant to Article 2408 of the Italian Civil Code, nor from third parties.

In the period, the Board of Statutory Auditors did not issue an opinion, except for the opinion envisaged pursuant to Article 21.1 of the By-Laws and Article 2389, paragraph 3 of the Italian Civil Code concerning the remuneration of directors holding specific offices.

During the supervisory activities, as described above, no other significant events have emerged that would need to be reported.

FINANCIAL STATEMENTS

The independent auditors' report confirmed that the Financial Statements at December 31, 2021, give a true and fair view of the Companys financial position, results of operations, and cash flows, and have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

We have examined the draft financial statements for the year ended on December 31, 2021, submitted to us in accordance with Article 2429 of the Italian Civil Code , which posted a profit of Euro 367,077,332.00 and shareholders' equity at Euro 5,920,569,349.00 and we report the following:

As we are not responsible for the legal auditing of the financial statements, we have supervised the general layout and compliance with the law as regards the form and structure and have no observations to report.

We have verified compliance with the legal provisions relating to the preparation of the directors' report on operations and have no observations to report.

To the best of our knowledge, the Directors, in preparing the financial statements, have not made exceptions from the law pursuant to Article 2423, paragraph 4, of the Italian Civil Code.

CONSOLIDATED FINANCIAL STATEMENTS

The Company is not required to prepare consolidated financial statements pursuant to IFRS 10, as it qualifies for one of the exemptions envisaged in IFRS 10, paragraph 4. It should be noted that CDP Equity S.p.A. is a subsidiary of Cassa Depositi e Prestiti S.p.A., which prepares the Group's consolidated financial statements.

OBSERVATIONS AND PROPOSALS REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS

With reference to the continuing situation of uncertainty regarding the COVID-19 health crisis and its duration, the Board of Auditors will continue to monitor, in agreement with the Board of Directors, the possible repercussions on workers' health and safety and on the Company's activities.

With reference to the situation related to the Russian-Ukrainian conflict and its potential impacts on the Company's activities, the Board of Auditors shall monitor, in agreement with the Board of Directors and the Company's management, its development and any direct or indirect reverberations with particular attention to IT security and portfolio activities that could potentially be affected.

Considering also the findings resulting from the auditing activity carried out by the independent auditors, contained in the relevant report on the financial statements, the Board of Statutory Auditors submits to the Shareholders' Meeting the proposal to approve the financial statements for the year ended at December 31, 2021, as prepared by the Directors.

Milan, April 8, 2022

Board of Statutory Auditors

Cristiano Zanella
Francesca Busardò Armetta
Stefano Podda

CDP Equity S.p.A.

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Milan Register of Companies
Registered with the Milan Register of Companies under no. 07532930968
Registered with the Milan Chamber of Commerce (CCIAA)
under REA (Repertorio Economico Amministrativo, Economic Administrative Register) no. 1965330
Share capital of Euro 2,890,583,470.00-entirely paid up
Fiscal Code and VAT no. 07532930968

Company subject to the management and coordination
of Cassa Depositi e Prestiti S.p.A.
Via Goito No.1126 4 - 00185 Rome
Share capital of Euro 4,051,143,264.00-entirely paid up
Registered with the Rome Chamber of Commerce (CCIAA)
under REA (Repertorio Economico Amministrativo, Economic Administrative Register) no. 1053767
Tax code and registration with the
Rome Register of Companies under n. 80199230584
VAT no. 07756511007

CDP Equity