ANNUAL REPORT 2022

cdp CDP Equity

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CDP Equity

CORPORATE BODIES

BOARD OF DIRECTORS

Chairman
Giovanni Gorno Tempini

Chief Executive Officer
Francesco Renato Mele

Director
Ilaria Bertizzolo

BOARD OF STATUTORY AUDITORS

Chairman
Cristiano Zanella

Standing Auditor
Stefano Podda
Francesca Busardò Armetta

Alternate Auditor
Paolo Russo
Daniela Frusone

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

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1 DIRECTORS' 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 pursuant to Article 5, par. 8-*bis* of Legislative Decree N. 269 of 2003 converted with Law N. 326 of 24 November 2003.

CDP Equity is an undertaking, which mainly carries out the business of acquiring equity investments in "companies of major national interest"[1] 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 operates both through direct investments in companies and indirect investments by underwriting funds.

1.2 SHAREHOLDING STRUCTURE OF CDP EQUITY

At 31 December 2022, 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 and a Board of Statutory Auditors as control body.

In 2022, the Company renewed the Board of Directors whose term had expired with the approval of the financial statements for the year ended 31 December 2021; on 16 May 2022, the CDP sole shareholder confirmed the appointment for the three-year period 2022-2024 as members of the Company's Board of Directors: (i) Dr. Giovanni Gorno Tempini as Chairman, (ii) Dr. Pierpaolo Di Stefano and (iii) Dr. Ilaria Bertizzolo. On the same date, the Board of Directors appointed Dr. Pierpaolo Di Stefano as Chief Executive Officer of the Company.

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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 defense, 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.

Following the resignations of Dr. Di Stefano, effective as of 19 September 2022, the General Shareholders' Meeting and the Board of Directors of CDP Equity held on 19 September 2022 resolved to appoint Dr. Francesco Renato Mele as a new member of the Board of Directors of CDP Equity in the capacity of Chief Executive Officer and General Manager of the Company.

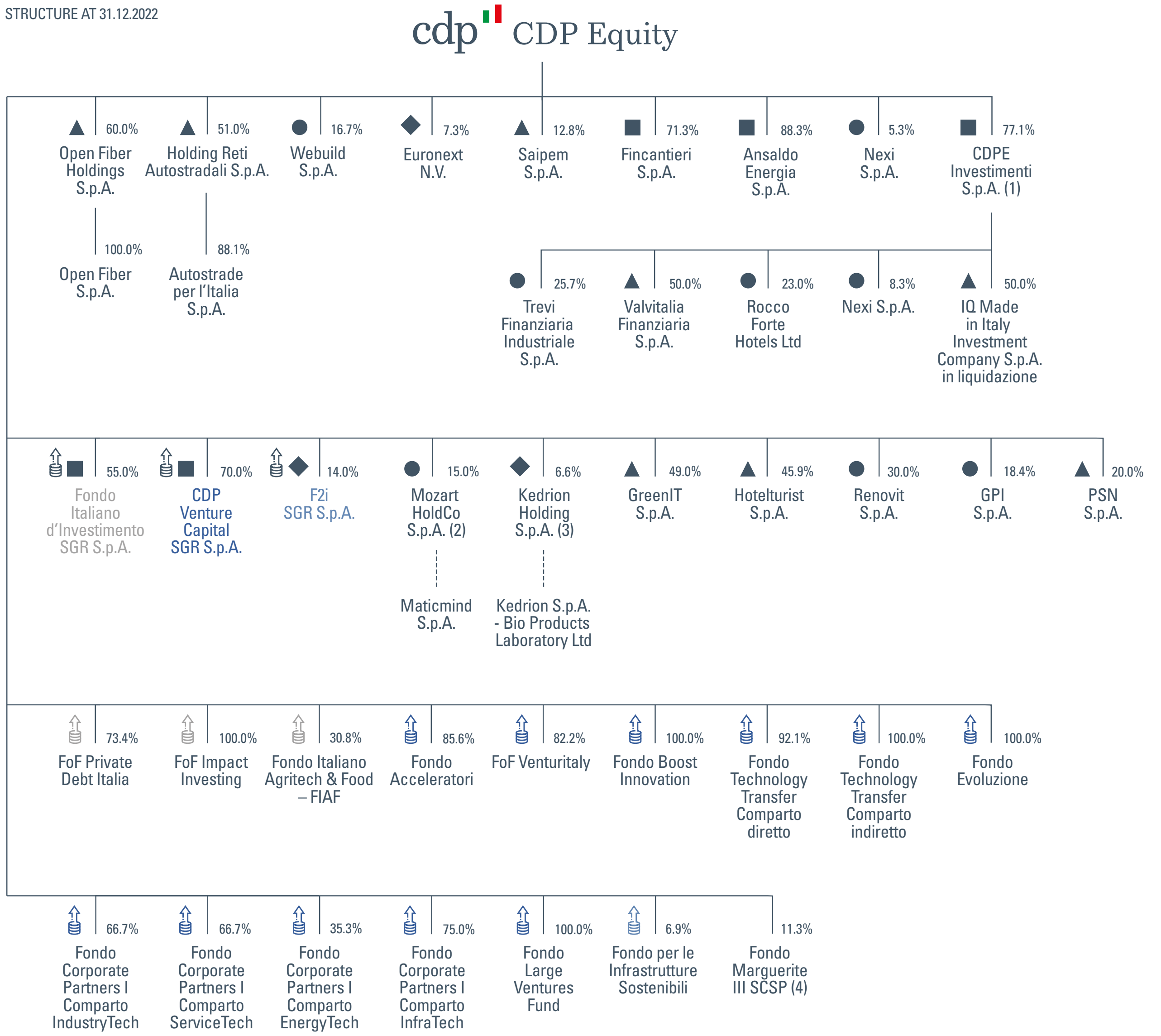
In 2022, the Supervisory Board terminated their office. Therefore, the Board meeting of 16 May 2022 assigned the functions of the Supervisory Board to the members of the Board of Statutory Auditors.

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 on 31 December 2023.

2. SUMMARY OF THE PORTFOLIO OF CDP EQUITY

The graph below shows CDP Equity corporate structure with the equity investments held at 31 December 2022.

STRUCTURE AT 31.12.2022



Key

■ Control ▲ Joint control

● Significant influence ◆ Financial assets measured at fair value with impact on comprehensive income

Fund relationship management

Managed by Fondo Italiano d'Investimento SGR S.p.A.

Managed by CDP Venture Capital SGR S.p.A.

Managed by F2i SGR S.p.A.

(1) CDPE Investimenti S.p.A. is subject to the management and coordination of CDP Equity S.p.A.
(2) Mozart HoldCo holds 100% of the vehicle Mozart BidCo S.p.A., which in turn owns 100% of the share capital of Maticmind S.p.A.
(3) Kedrion Holding S.p.A. holds 100% of the share capital of Kevlar S.p.A., which owns 100% of the share capital of Kedrion S.p.A., which is the parent company of the Paneuropean group created after the acquisition of Bio Products Laboratory Limited.
(4) Managed by Marguerite Investment Management S.A.

The table below shows the equity investments in detail held by CDP Equity also through vehicles, at 31 December 2022 (so-called "direct investments").

Investee	Description – Direct investments	Type of ownership	% of ownership
	Ansaldo Energia is an international leader in the field of power generation, a key player that provides the industry with an integrated model, from turnkey plants to single components (gas turbines, steam turbines, generators, and microturbines) up to the related service activities	Control	88.3%
	Autostrade per l'Italia core business is the management of toll highways under concession with approximately 3,000 km of network in Italy	Jointly controlled	88.1% [(a)]
	Euronext N.V. is the leading pan-European infrastructure offering listing, trading, clearing, custody and settlement services, technology solutions, live market services, corporate services, and other financial services related to trading and the Stock Exchange	Financial asset at fair value with impact on comprehensive income	7.3%
	Fincantieri -listed on Euronext Milan — is one of the world's most important shipbuilding organizations, a leading Italian group operating globally in the design and construction of cruise ships, a leading operator in all areas of high-tech naval engineering	Control	71.3%
	GPI — listed on Euronext Milan — is a key player among the leading groups operating in the digital health sector, where it holds a prominent position mainly in the areas of technology products and services, outsourced management and administrative services, and telemedicine projects	Significant influence	18.4%
	GreenIT is a joint venture between CDP Equity and ENI S.p.A. for the development, construction and operation of plants for energy generation from renewable sources in Italy	Jointly controlled	49.0%
	HotelTurist is one of the leading tourist operators in Italy with a successful leisure & hospitality model	Jointly controlled	45.9%
Kedrion S.p.A. and Bio Products Laboratory Limited	Kedrion S.p.A. & Bio Products Laboratory Limited represent two recently merged companies operating in the field of plasma-derived products, drugs developed from proteins extracted from human plasma and used for the treatment of coagulation diseases, infectious diseases, primary immunodeficiencies, neuropathies, and other therapeutic areas	Financial asset at fair value with impact on comprehensive income	6.6% [(b)]
	MaticMind is an Italian system integrator operating in the ICT sector that designs, integrates and manages innovative technology solutions by means of specialized skills in the areas of Networking, Cyber Security, Digital Workplace, Data Center, Cloud, and Enterprise Application and Automation	Significant influence	15.0% [(c)]
	Nexi — listed on Euronext Milan — is a European paytech company and a leader in Italy in the digital payment solutions market. Together with its partner banks, it provides a wide range of payment and acceptance services to consumers, merchants, businesses and public institutions	Significant influence	13.6% [(d)]
	Open Fiber is a company whose objective is to build a nationwide fiber-to-the-home optic network open to all sector operators	Jointly controlled	60.0% [(e)]
	PSN S.p.A. is a project company established to accompany public administrations in the adoption of cloud solutions that develop PA digitization and enable greater efficiency to offer innovative services to citizens and businesses, while rationalizing public spending and reducing the energy impact	Jointly controlled	20.0%
	Renovit focuses 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	Significant influence	30.0%

Investee	Description – Direct investments	Type of ownership	% of ownership
ROCCO FORTE HOTELS	The Rocco Forte Hotels Group is one of the world's largest operators of five-star hotels with a consolidated presence in Italy	Significant influence	23.0% (f)
SAIPEM	Saipem — listed on Euronext Milan — operates in the field of advanced engineering for the design, construction and operation of complex, safe and sustainable infrastructure and facilities	Jointly controlled	12.8%
TREVI	Trevi - listed on Euronext Milan - is a leading company 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	Significant influence	25.7% (f)
VALVITALIA	Valvitalia is one of the 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	Jointly controlled	50.0% (f)
webuild	Webuild is a listed company specialized in the construction of large complex infrastructure, including dams and hydroelectric plants, hydraulic works, railways and subways, airports and highways, civil and industrial construction infrastructure	Significant influence	16.7%

(a) Investment held through Holding Reti Autostradali S.p.A., a vehicle 51% owned by CDP Equity, which exercises joint control together with two other shareholders.
(b) CDP Equity holds a 6.6% stake in Kedrion Holding S.p.A, a vehicle that holds 100% of the share capital of Kevlar S.p.A., the vehicle that holds 100% of the share capital of Kedrion S.p.A., the lead company of the pan-European Group established through the acquisition of Bio Products Laboratory Limited.
(c) CDP Equity holds a 15% interest in the vehicle Mozart HoldCo S.p.A., which in turn holds 100% of the vehicle Mozart BidCo S.p.A. that holds 100% of the share capital of MaticMind S.p.A.
(d) CDP Equity holds a 5.3% direct shareholding and a 8.3% indirect interest through CDPE Investimenti.
(e) Equity interest held through Open Fiber Holdings S.p.A., a vehicle 60% owned by CDP Equity and over which it exercises joint control together with the other shareholder holding the remaining 40%.
(f) Equity interest held through CDPE Investimenti, in which CDP Equity holds a 77.1% interest.

The following tables show CDP Equity's investments in asset management companies ("SGRs") and portfolio of investment funds underwritten by CDP Equity at 31 December 2022 (so-called "indirect investments").

Investee SGR	Description	Type of ownership	% of ownership
cdp Fondo Nazionale Innovazione CDP Venture Capital Sgr	CDP VC SGR aims to make venture capital a cornerstone asset of Italy's economic development and innovation, creating the conditions for the overall and sustainable growth of the venture capital ecosystem	Control	70.0%
FONDO ITALIANO D'INVESTIMENTO	FII SGR promotes the competitiveness of the Italian industrial system, supporting the growth of Italian companies and contributing to the development of the country's real economy	Control	55.0%
F2i	F2i SGR promotes value creation for investors and the country by transforming the financial resources injected by domestic and foreign investors into real economy projects. Since 2021. alongside equity investments, F2i has been operating in the market with a debt fund to finance the development of industrial infrastructure projects	Financial asset at fair value with impact on comprehensive income	14.0%

Subscribed fund	Description	SGR	% of ownership
Fondo Boost Innovation	Fondo Boost Innovation supports Italian corporations in launching and establishing startups with a strong innovative impact for their business and development of the markets in which they operate or are about to enter	CDP Venture Capital SGR	100%
Fondo Large Ventures Fund	Fondo Large Ventures Fund accelerates the development of the Italian ecosystem in strategic sectors for the country, investing in the most ambitious entrepreneurs while supporting them in the exploration of new markets and category leaders	CDP Venture Capital SGR	100%
Fondo Evoluzione	Fondo Evoluzione directly invests in the best startups and innovative SMEs headed by talented and ambitious entrepreneurs	CDP Venture Capital SGR	100%
Fondo Technology Transfer - indirect sector	It enhances the market value of research results through the creation of integrated technology transfer platforms specializing in specific areas of scientific and technological research with a high potential for Italy's competitiveness and innovation	CDP Venture Capital SGR	100%
Fondo Technology Transfer - direct sector			92.1%
Fondo Acceleratori	It supports the development of a new generation of startups focused on disruptive technologies with a high growth potential starting from Italy's most relevant sectors and technologies	CDP Venture Capital SGR	85.6%
FOF VenturItaly	It invests in Venture Capital funds along their entire pipeline: from seed to late stage Venture Capital. With a specific focus on Italy, the goal is to generate returns for the investors while supporting the development of the domestic Venture Capital market	CDP Venture Capital SGR	82.2%
Fondo Corporate Partners I - InfraTech sector	It supports the development of the Italian ecosystem of innovative startups and SMEs operating in strategic sectors for Italy by investing and fostering collaboration among the largest Italian companies, assisting entrepreneurs with strategic and operational tools, leveraging the networking among companies participating in the Fund, and creating opportunities for growth and development for all the stakeholders	CDP Venture Capital SGR	75.0%
Fondo Corporate Partners I - ServiceTech sector			66.7%
Fondo Corporate Partners I - IndustryTech sector			66.7%
Fondo Corporate Partners I - EnergyTech sector			35.3%
FoF Impact Investing	It is the first fund of funds focused on the impact investing market in Italy. It is aimed at developing a sustainable investment strategy to generate positive social and environmental impact along with financial returns for the investor	Fondo Italiano d'Investimento SGR	100%
FoF Private Debt Italia	It supports financially Italian SME expansion projects and promotes the development of the Italian Private Debt market	Fondo Italiano d'Investimento SGR	73.4%
Fondo Italiano Agritech & Food	It promotes the aggregation of the Italian agri-food sector with a view to rationalizing and integrating the value chain, supporting expansion into international markets by means of investments and acquisitions, and contributing to sector modernization	Fondo Italiano d'Investimento SGR	30.8%
Fondo per le Infrastrutture Sostenibili	It identifies companies operating in the infrastructure sector that can combine industrial growth with ongoing improvement in environmental, social and governance (ESG) parameters	F2i SGR	6.9%
Fondo Marguerite III	It mainly carries out greenfield investments in infrastructure companies with a special focus on new technologies and new subsectors	Marguerite Investment Management S.A.	11.3%

3. RESULTS AND SIGNIFICANT EVENTS OCCURRED IN THE PERIOD

3.1 INVESTMENTS AND PORTFOLIO ORGANIZATION

3.1.1 ACQUISITION OF AUTOSTRADE PER L'ITALIA THROUGH HOLDING RETI AUTOSTRADALI

On 5 May 2022, Holding Reti Autostradali S.p.A. ("HRA"), a specially established investment vehicle in which CDP Equity holds a 51% shareholding[2], acquired 88.06% of Autostrade per l'Italia S.p.A. ("ASPI") from Atlantia S.p.A.

The transaction is consistent with the CDP Group's long-term investment strategy in the Italian infrastructure sector and responds, among other things, to the objectives of promoting the modernization of the national highway network by also favoring its digitalization and innovation while providing stability to the governance of a key infrastructure for Italy.

Pursuant to IFRS 11, this investment qualifies as a jointly controlled equity investment, as the rights due under existing agreements with HRA's shareholders allow them to exercise active governance in ASPI.

3.1.2 CHANGE OF CDPE INVESTIMENTI COMPANY NAME AND MERGER BY INCORPORATION OF FSIA INVESTIMENTI

It should be noted that the Shareholders' Meeting of 27 April 2022 resolved to change the company name from FSI Investimenti S.p.A to CDPE Investimenti S.p.A.; this change was deemed necessary to avoid confusion with other economic operators.

On 27 and 28 April 2022, the Shareholders' Meetings of CDPE Investimenti S.p.A. and FSIA Investimenti S.r.l. resolved to proceed with the merger by incorporation of FSIA Investimenti into CDPE Investimenti; the transaction was carried out in a simplified form pursuant to Article 2505 of the Italian Civil Code since the merged company was wholly owned by the acquiring company. The legal effective date of the transaction is 2 August 2022 with backdated accounting and tax effects to 1 January 2022.

3.1.3 INVESTMENT IN POLO STRATEGICO NAZIONALE

PSN S.p.A. is a project company established on 4 August 2022 together with Tim S.p.A., Leonardo S.p.A. and Sogei S.p.A. following the awarding of the contract for the development of the Polo Strategico Nazionale ("PSN"). PSN aims to accompany public administrations in the adoption of cloud solutions that develop the digitization of public administration and enable greater efficiency to offer innovative services to citizens and businesses, while rationalizing public spending and reducing the energy impact, and ensuring maximum security of the country's critical and strategic data and services in line with the provisions of the PNRR.

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[2] Blackstone Infrastructure Partners and the funds managed by Macquarie Asset Management hold 24.5% respectively of HRA.

On 24 August 2022, PSN signed an agreement for the concession for the design, implementation and management of the Polo Strategico Nazionale hub infrastructure with the Italian Department for Digital Transformation of the Prime Minister's Office. The concession will last 13 years and services will be provided to member administrations.

Specifically, PSN will host the critical and strategic data and services of Central Public Administrations, Local Health Authorities and other local public administrations, and gives them an opportunity to choose PSN also for the management of ordinary data.

CDP Equity holds 20% of PSN, which, based on the governance rights existing between the different shareholders, qualifies it as a jointly controlled investment in accordance with the currently applicable accounting standards.

3.1.4 DIVESTMENT OF KEDRION BY CDPE INVESTIMENTI AND ACQUISITION OF KEDRION HOLDING BY CDP EQUITY

As part of a broader transaction aimed at creating a new pan-European cluster active in the biopharmaceutical field promoted by the Permira investment fund, CDPE Investimenti, like the other shareholders of Kedrion S.p.A. ("Kedrion") received a proposal for the entire disposal of the company in order to integrate it with Bio Products Laboratory Limited ("BPL"), a company under British law active in the same sector as Kedrion. The integration between the two entities took place through the establishment of Kedrion Holding S.p.A. ("Kedrion Holding"), which owns 100% of the share capital of Kevlar S.p.A, a vehicle that holds 100% of the share capital of Kedrion S.p.A., the lead company of the group established with the acquisition of BPL. In this context, Permira offered Kedrion's shareholders to invest in the aforementioned holding company, obtaining, among other things, re-investment by CDP Equity in place of CDPE Investimenti.

On 19 January 2022, the Board of Directors of CDPE Investimenti resolved on the full divestment of the 25.06% shareholding in Kedrion and - likewise - CDP Equity approved the concurrent commitment to a new investment in the entity resulting from the aforementioned extraordinary transaction.

This transfer transaction is part of a broader plan to significantly increase the value and return on the investment for CDPE Investimenti, with a further development opportunity for CDP Equity and Kedrion on the relevant international markets.

At 31 December 2022, CDP Equity holds 6.6% of the share capital of Kedrion Holding and, given the nature of the interest and based on the provisions of the applicable international accounting standards, it qualifies as an investment in equity securities classified under non-current financial assets.

3.1.5 TRANSFER OF THE EQUITY INVESTMENT HELD IN INALCA AND CONCURRENT LIQUIDATION OF IQ MIIC

On 22 December 2014, IQ Made in Italy Investment Company S.p.A. ("IQ MIIC," a company equally owned by CDPE Investimenti (50%) and Qatar Holding LLC ("QH") (50%)) acquired 28.4% of Inalca S.p.A. share capital ("Inalca"). The remaining 71.6% was held by the Cremonini Group.

The Investment Agreement signed with the Cremonini Group, provided, among other sales mechanisms, for the exercise of a put option by IQ MIIC starting on the 7th anniversary of the investment at a price equal to the fair market value. Having achieved the main objectives of its investment in Inalca, IQ MIIC exercised the put option and the transaction for the transfer of the Inalca's shareholding was finalized on 21 October 2022 by IQ MIIC.

As a result of the transfer, IQ MIIC fulfilled its corporate purpose and, under the terms of the existing agreements between CDPE Investments and its shareholder QH, the company proceeded with the payout of the proceeds resulting from the transaction to the IQ MIIC shareholders.

Following up on the above events, on 15 December 2022, IQ MIIC Board of Directors confirmed the obtained fulfilment of the corporate purpose and the Shareholders' Meeting resolved to put IQ MIIC in liquidation and appoint Fintecna S.p.A., a CDP Group company specializing in liquidation procedures, as sole liquidator.

3.1.6 EQUITY COMMITMENT PAYMENT IN FAVOR OF ANSALDO ENERGIA

At 31 December 2022, CDP Equity held a 88.3% shareholding in Ansaldo Energia ("AEN"), up from the 87.6% stake held at 31 December 2021.

The increase in the shareholding derives from the partial payment to AEN, completed in two instalments - on 17 and 28 October 2022, respectively - of the equity commitment in line with the resolution adopted by the CDP Equity Board of Directors with regard to the capital increase transaction envisaged by CDP Equity in AEN in April 2020.

3.1.7 ACQUISITION OF MATICMIND

On 10 November 2022, CDP Equity completed the acquisition transaction in the share capital of MaticMind S.p.A. ("MaticMind") with the subscription of a stake corresponding to 15% of the shares of Mozart HoldCo S.p.A. ("Mozart HoldCo"), a holding company that holds 100% of the Mozart BidCo vehicle, which owns 100% of the share capital of MaticMind. The Mozart HoldCo vehicle is controlled, in addition to CDP Equity, by the international investment fund CVC Capital Partner and the company's industrial partner Carmine Saladino, holding respectively and indirectly 70% and 15% of MaticMind.

The transaction is consistent with the CDP Group 2022-2024 Strategic Plan, implementing its guidelines, which, for the digitalization pillar, identified the areas of interest represented by the development of the connectivity infrastructure, the support for the digitalization of the public administrations and businesses, and enhanced digital security.

At 31 December 2022, the equity investment held by CDP Equity in Mozart HoldCo qualifies as an associate equity investment pursuant to currently applicable accounting standards.

3.1.8 TRANSFER OF THE EQUITY INVESTMENT HELD IN BONIFICHE FERRARESI

On 13 April 2022, the Board of Directors of CDP Equity and CDP S.p.A. approved the disposal of the entire 17.5% stake held in the capital of B.F. S.p.A. ("B.F.").

The transaction is in line with the CDP Group 2022-2024 Strategic Plan and, in particular, with the principle of capital rotation, i.e., the evaluation of potential options aimed at rationalizing the existing equity investment portfolio after fulfilling the relevant equity objectives in order to support new initiatives with the available resources.

The acquisition by CDP Equity of a shareholding in B.F. in 2017 was aimed at promoting the spread of precision agriculture techniques and the consolidation of the sector through the establishment of an operator - starting from Bonifiche Ferraresi - that could play the role of aggregator in the supply chain. CDP Equity support made it possible to complete B.F.'s growth cycle with the fulfillment of its main strategic objectives.

Consequently, on 14 April 2022, CDP Equity transferred 5.5% of B.F. to ARUM S.p.A. and 6% of B.F. to Dompè Holdings S.r.l., two companies that already held an interest in B.F. In May 2022, ISMEA signed a purchase agreement for the remaining 6.04% and the transfer transaction was completed on 15 November 2022.

3.1.9 EQUITY INVESTMENT IN THE GPI DIGITAL HEALTH GROUP

On 22 June 2022, the Boards of Directors of CDP and CDP Equity approved the signing of an equity investment agreement of CDP Equity into the share capital of GPI S.p.A. ("GPI"), a group listed on the Euronext Milan (EXM) market managed by Borsa Italiana.

GPI is an Italian reference capital operator among the main players in the digital health sector, in which it occupies a prominent position mainly in the field of technological products and services (software and ICT), outsourced management and administrative services (CUP services, contact center, direct front-end and back-office management) and telemedicine projects (tele-visit, tele-consultation and tele-monitoring).

For the CDP Group, the investment is consistent both with the provisions of the 2022-2024 Strategic Plan in terms of supporting key sectors for the country's development, and with the objectives set out in the so-called Health Mission of the National Recovery and Resilience Plan ("PNRR"), which has earmarked around Euro eight billion for digital health.

The transaction was completed on 14 December 2022, and included, as part of the overall Euro 140 million increase in GPI's share capital, the subscription by CDP Equity of a Euro 70 million tranche.

At 31 December 2022, CDP Equity's shareholding in GPI amounts to 18.4% and, under current accounting standards, the shareholding qualifies as an associate.

3.1.10 TREVI GROUP CAPITAL STRENGTHENING TRANSACTION

Through its subsidiary CDPE Investimenti, CDP Equity participated in the Trevi Finanziaria Industriale ("Trevifin") financial plan that envisaged a capital strengthening and debt restructuring transaction of the Trevi Group to rebalance the group's financial and equity position for the ultimate goal of achieving the targets set out in the 2022-2026 business plan. In fact, the provision of financial resources made available from the plan will enable the group to significantly improve its consolidated financial ratios as early as fiscal year 2023, and obtain, within the time frame of the plan, a sustainable and restored financial situation.

The transaction, completed on 11 January 2023, included:

- a paid capital increase offered under option to shareholders pursuant to Article 2441, paragraph 1, of the Italian Civil Code, for a maximum total amount of Euro 25,106,155.28, indivisible up to the amount of Euro 24,999,999.90 and divisible for the remaining amount, inclusive of share premium; in this context, CDPE Investimenti, jointly with Polaris Capital Management LLC, signed a letter of commitment under which it undertook to subscribe the share of the capital increase under option, as well as any shares remaining unopted in proportion to its shareholding. As a result, CDPE Investimenti paid (i) on 20 December 2022 an amount of Euro 6,445,819.99 for the subscription of n. 20,333,817 shares, with the shares credited to the Monte Titoli account managed by CDP S.p.A. on behalf of CDPE Investimenti on 2 January 2023 and (ii) on 10 January 2023 an amount of Euro 2,331,170.13 for the subscription of n. 7,353,849 shares with concurrent crediting on the same day of the shares to the Monte Titoli account;
- a capital increase, with the exclusion of pre-emptive rights, indivisible and for cash, in the amount of Euro 26,137,571.21 with the issuance of n. 82,452,906 ordinary shares, reserved for a number of the Group's financial creditors, which was fully subscribed by means of conversion of financial receivables due from Trevifin in accordance with a receivable to capital conversion ratio of 1.25 to 1 as provided for in the Restructuring Agreement.

3.1.11 MERGER OF CDP INDUSTRIA IN CDP EQUITY WITH CONSEQUENT INTEGRATION OF FINCANTIERI AND SAIPEM IN CDP EQUITY PORTFOLIO

On 6 October 2022, the Board of Directors of CDP Equity, following the resolution made by the Board of Directors of CDP on 28 September 2022, approved the simplified merger by incorporation of CDP Industria S.p.A. ("CDP Industria"), a company fully owned by the parent company CDP, into CDP Equity.

As indicated above, the transaction envisaged the merger by incorporation into CDP Equity of CDP Industria, an investment holding company that held 71.32% of Fincantieri S.p.A. and 12.82% of Saipem S.p.A.

The transaction was meant to rationalize CDP Group structure in line with its 2022-2024 Strategic Plan, which, among other things in the equity investment area, provides for the evaluation of potential transactions to rationalize the existing equity portfolio and the controlling corporate structure.

In terms of execution, the transaction was carried out as a simplified merger pursuant to Article 2505 of the Italian Civil Code, since the two companies involved - the merged company CDP Industria and the merging company CDP Equity - were fully owned by the same parent company CDP.

The transaction became effective at 11:59 p.m. on 31 December 2022 along with the relevant accounting and tax effects.

The termination of CDP Industria involved CDP Equity taking over the legal relations pertaining to CDP Industria, including but not limited to, the ownership of the stakes in Fincantieri and Saipem.

The transaction was recognized in accordance with the principle of continuity of carrying values applied in so-called. "*business combinations under common control*" as it qualified as a reorganization transaction between companies belonging to the same group. Therefore, after the merger, the accounting items resulting from the CDP Industria financial position at 23:59 p.m. of 31 December 2022, including the book values referring to the equity investments held in Fincantieri and Saipem, were recognized in CDP Equity's separate financial statements on a going concern book value recognition basis.

From a fiscal perspective, the merger qualifies as a neutral transaction and as such it does not result in the realization or distribution of any capital gains and losses deriving from the assets of the merged companies.

At 31 December 2022, the equity investment held by CDP Equity in Fincantieri amounted to 71.32% and, in accordance with IAS 28, taking into account the analysis carried out with reference to IFRS 10, 11 and 12, this investment qualifies as a controlling interest.

At 31 December 2022, the equity investment held by CDP Equity in Saipem amounted to 12.82% and by reason of the covenants and the relevant investment agreement, and on the basis of the requirements identified in IAS 28 and IFRS 10, 11 and 12, it qualifies as a jointly controlled investment.

Below is a table showing the reconciliation of the accounting items downstream the merger transaction described above.

Balance Sheet

(Euro units) Assets	CDP Equity post merger 31/12/2022	CDP Industria 31/12/2022	CDP Equity ante merger 31/12/2022
Non-current assets			
Property, plants and machinery	2,778,588		2,778,588
Intangible assets	254,480		254,480
Equity investments	8,319,484,763	1,007,487,055	7,311,997,708
Non-current financial assets	942,833,780		942,833,780
Deferred tax assets	194,224,997	50,400	194,174,597
Other non-current assets	119,124		119,124
Total non-current assets	**9,459,695,732**	**1,007,537,455**	**8,452,158,277**
Current assets			
Receivables due from investees	7,535,674		7,535,674
Current financial assets	48,248,839		48,248,839
Assets held for sale			
Tax receivables	1,449,162	25,419	1,423,743
Other current assets	61,462,197	2,215,254	59,246,943
Cash and cash equivalents	568,339,600	4,009,296	564,330,304
Total current assets	**687,035,472**	**6,249,969**	**680,785,504**
TOTAL ASSETS	**10,146,731,204**	**1,013,787,424**	**9,132,943,781**

Balance Sheet

(Euro units) Liabilities and Shareholders' equity	CDP Equity post merger 31/12/2022	CDP Industria 31/12/2022	CDP Equity ante merger 31/12/2022
Shareholders' equity			
Share capital	2,890,583,470		2,890,583,470
Reserves	7,797,473,846	1,013,308,001	6,784,165,845
Profit (loss) carried forward	237,466,876		237,466,876
Profit (loss) for the year (+/-)	(795,595,718)		(795,595,718)
TOTAL SHAREHOLDERS' EQUITY	**10,129,928,473**	**1,013,308,001**	**9,116,620,472**
Non-current liabilities			
Provision for risks and charges	3,198,046		3,198,046
Staff severance	302,783		302,783
Lease payables	2,725,510		2,725,510
Other financial liabilities			
Deferred tax liabilities	2,865,469		2,865,469
Total non-current liabilities	**9,091,808**		**9,091,808**
Current liabilities			
Tax liabilities	1,555,587	42,584	1,513,003
Other current liabilities	6,155,335	436,839	5,718,497
– *Due to suppliers*	*2,471,732*	*90,258*	*2,381,474*
– *Due to social security institutions*	*281,528*	*1,200*	*280,328*
– *Due to parent companies*	*2,609,930*	*122,978*	*2,486,952*
– *Other liabilities*	*792,145*	*222,403*	*569,742*
Total current liabilities	**7,710,922**	**479,423**	**7,231,501**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,146,731,204**	**1,013,787,424**	**9,132,943,781**

3.1.12 SGR PORTFOLIO RATIONALIZATION

In 2022, CDP Equity continued to rationalize and simplify its presence in the capital of the SGRs, implementing the guidelines contained in the 2022-2024 Strategic Plan of CDP Group. Specifically,

- in March 2022, CDP Group transferred 13% of Fondo Italiano d'Investimento SGR ("FII SGR"), enabling new qualified investors to acquire interests in the SGR with a view to promoting further the development in Italy of strategic companies and supply chains, and assisting the growth and modernization of the private capital market. As a result of the transaction, CDP Equity holds 55% of FII SGR, thus retaining its control based on the exercisable governance rights;
- in July 2022, CDP Group transferred the entire shareholding held in FSI SGR, equal to 39%, through the purchase of treasury shares by the latter;
- in September 2022, CDP Group transferred the entire shareholding held in QuattroR SGR, equal to 40%, through the purchase of treasury shares by the latter.

3.1.13 SUBSCRIPTION OF INVESTMENT FUNDS

In 2022 CDP Equity, with reference to the investment activity in the investment fund portfolio, has:

- completed the transaction for the subscription of the Euro 50 million top-up in the Fondo Acceleratori managed by CDP Venture Capital SGR, increasing the total subscription to Euro 125 million;
- completed the closings, with Euro 30 million worth subscriptions in each sub-fund, namely in the ServiceTech, EnergyTech and InfraTech sub-funds of the Corporate Venture Capital Fund managed by CDP Venture Capital SGR;
- completed the transaction for the subscription of Euro 150 million in the Large Ventures Fund managed by CDP Venture Capital SGR;
- completed the transaction for the subscription of Euro 50 million in the FoF Impact Investing Fund and Euro 40 million in the Agritech & Food Fund, both managed by FII SGR;
- completed the transaction for the subscription of Euro 50 million in the Marguerite III Fund managed by Marguerite Investment Management S.A.

3.2 PERFORMANCE OF OPERATIONS

Within the limits of its shareholdings and commitments, the Company, as financial holding, is indirectly exposed to the business risks of its investees and the main uncertainties that have an impact on the relevant economic-financial performance and expected returns; for this reason, the Company constantly monitors the economic results obtained and expected by its investees, evaluating the proposals made by their management and taking into account the reference sector and market as well as the general political, economic and social context.

In addition, the current scenario is characterized by a combination of factors related to the effects of the Russian-Ukrainian conflict, the sudden rise in inflation and interest rates, the general deterioration of the macroeconomic context characterized by geopolitical risks and related uncertainties about future developments, and risks reflecting climate change. Therefore, in 2022, the Company integrated from time to time control and management activities considering also the additional critical issues and risk and volatility factors related to the scenario. In particular, the following factors received special attention: (i) perpetration of the Russia-Ukraine conflict: this led to significant changes in trade relations between the countries with significant repercussions on prices and consequent greater uncertainty on the future development of economic activities, (ii) central banks revised their monetary policies with higher interest rates as a result of the significant inflation rate, and (iii) issues and risks arising from climate change. In fact, the continuation of the conflict, together with the heavy sanctions imposed on Russia, triggered macroeconomic phenomena, including the increase in the cost of raw materials, energy, metals and agricultural goods, and delays in their supply, with direct inflationary consequences. In general terms, four main directions of conflict effects can be identified: (i) trade relations, (ii) oil and gas supplies, (iii) uncertainty in the financial markets, and (iv) geopolitical instability along with new balances resulting from evolving relations between states. With reference to the financial market situation, worth mentioning are the European Central Bank's ("ECB") monetary decisions regarding, in particular, the increase in benchmark interest rates to counter the rise in inflation.

Therefore, the Company paid special attention to the mechanisms and variables that characterize the current macroeconomic scenario monitoring the impacts on the financial markets and the international real economy, and factored in the effects of the aforementioned events in the valuation of the equity investment portfolio in line with the specifics of each individual investee.

Impairment tests on equity investments were carried out taking into account the uncertainty elements described above while acquiring updated financial information from the investees. Issues and risks related to climate change were also considered to the limited extent to which their effects could have an impact on the company’s performance. For details, reference should be made to the Equity Investments section of the Notes.

Overall, the investee portfolio proved to be resilient with critical situations mainly for those investees that, operating on a contract basis, suffered an increase in the cost of production factors, such as raw materials and fuel, with a consequent deterioration in margins, as well as for those companies operating in the energy sector, and specifically in the gas sector, that suffered a reduction in orders. However, ECB measures have mainly impacted on the valuations of companies operating in sectors with high growth rates, such as the digital sector.

As to the other financial assets held by the Company, the carrying value reflects their reasonably recoverable value. The current macroeconomic scenario characterized by the uncertainties described above, affected the Company’s exposure to liquidity risk and interest rate risk. Therefore, these risks and profiles have been constantly monitored for the possible implementation of corrective actions. For more details reference should be made to section “4.2 Activities carried out to monitor risks and compliance”. The reduction in fair value recorded on certain financial assets and the measurement of the expected credit loss reflect the uncertainties related to the macroeconomic scenario with an impact and/or possible future impact on the economy and economic activities, and factors in issues related to climate change.

Lastly, even in the face of possible adjustments to the carrying value of certain equity investments or the reduction in the fair value of financial assets, there are no assumptions that would put the Company’s ability to continue as a going concern in discussion.

The sections below provide an analysis of the accounting position at 31 December 2022 on the basis of the statements reclassified according to the applicable management criteria with the objective of reporting clearer results for the year. 2022 financial and economic data is compared to the corresponding values recorded as at 31 December 2021.

3.3 ECONOMIC PERFORMANCE

The economic performance for the period, reclassified for management purposes, is compared with the performance of the previous year. For the analytical composition of the individual items reference should be made to the Explanatory Notes.

Reclassified income statement

(Euro thousand)	31/12/2022	31/12/2021	Change (+/-)	Change (%)
Financial income (expenses)	844	(45)	888	n/s
Dividends and interests on SHLs	39,439	50,499	(11,060)	(22%)
IFRS 9 adjustments to financial assets	(144,742)	3,430	(148,172)	n/s
Capital gains on equity investments	35,322	325,105	(289,783)	(89%)
Impairment adjustments	(725,197)	-	(725,197)	n/s
Fair value funds	(25,245)	(16,639)	(8,605)	52%
Net change in financial instruments	(0.9)	19,416	(19,417)	n/s
Overhead and management costs	(23,086)	(26,907)	3,821	(14%)
Other operating expenses and income	7,941	6,749	1,192	18%
Pre-tax result	**(834,724)**	**361,608**	**(1,196,333)**	**n/s**
Income tax	39,129	5,469	33,660	n/s
PROFIT (LOSS) FOR THE YEAR	**(795,596)**	**367,077**	**(1,162,673)**	**n/s**

At 31 December 2022, the Company posted a loss of approximately Euro 795.6 million.

Item "Financial income and expenses," positive for Euro 0.8 million at 31 December 2022, includes interest accrued on the cash on deposit with leading banks and CDP. The increase in the item is attributed to the trend in interest rates, now showing positive fluctuations compared to 2021.

Item "Dividends and interest on SHLs" includes Euro 24.6 million of dividends collected from Euronext N.V., Webuild and B.F. (up from a total of Euro 21.2 million in 2021) and Euro 14.8 million in interest accrued on shareholder loans, of which Ansaldo Energia accounted for Euro 13.9 million and CDPE Investimenti for Euro 0.9 million (comprehensively Euro 29.3 million in 2021). This item in 2021 also included interest accrued on the loan granted to Open Fiber of Euro 14.9 million accrued until the contribution to Open Fiber Holding completed in December 2021 as part of the acquisition of a 10% shareholding in Open Fiber.

Item "IFRS 9 adjustments to financial assets" includes the IFRS 9 negative adjustment made to the Ansaldo Energia loan for approximately Euro 144.8 million following the transition from stage 1 to stage 2 of the instrument in view of the deterioration of the company's financial situation as of the valuation date. The item in 2021 included the IFRS 9 value restatement for Euro 4.1 million made on the Open Fiber loan following the reversal of the adjustment provision as part of the transaction described above.

Item "Capital gains on equity investments," amounting to Euro 35.3 million at 31 December 2022, benefits from the results of the divestment activity carried out in 2022. Specifically, this item includes (i) Euro 28.3 million resulting from the disposal of 17.5% of the capital of B.F., (ii) Euro 5.2 million resulting from the disposal of 39% of FSI SGR, (iii) Euro 0.9 million from the disposal of 40% of QuattroR SGR, and (iv) Euro 0.9 million from the partial transfer of 13% of FII SGR. The item in 2021, amounting to Euro 325.1 million, included the capital gain recorded as a result of the exchange of

SIA shares for Nexi shares as part of the merger by incorporation transaction of SIA into Nexi and generated by the difference between the book value of SIA shares and the stock market value of Nexi shares at closing on 30 December 2021.

Item “Impairment adjustments” includes negative adjustments made as a result of the impairment test on the equity investments held in Ansaldo Energia for Euro 631.5 million following the write-off of the relevant carrying value of the equity investment including the paid portions of the 2022 equity commitments and Nexi for Euro 93.7 million.

Item “Fair value funds” amounting to Euro 25.2 million at 31 December 2022, included the negative change in the fair value of investments in funds subscribed to adjust their carrying values based on an estimated fair value calculated at 31 December 2022; the increase in the capital loss of Euro 8.6 million compared to 2021 was attributed to the higher number of funds in the portfolio, which are still mainly in the investment phase and therefore in the first part of the so-called “J-curve.”

Item “Overhead and management costs” amounting to Euro 23.1 million at 31 December 2022, down Euro 3.8 million compared to 2021, included (i) cost for personnel of Euro 12.3 million, (ii) other administrative expenses of Euro 5.1 million, (iii) investment consulting expenses of Euro 5.1 million, and (iv) Euro 0.5 million for amortization and depreciation of tangible and intangible assets.

“Other operating expenses and income” consist mainly of Euro 7.9 million regarding income from service contracts between CDP Equity and CDPE Investimenti, as well as other minor items, and Euro 1.5 million regarding income from the recovery of project expenses inherent to the Polo Strategico Nazionale.

Item “Income Tax” shows a positive balance of Euro 39.1 million; this amount includes the recognition of positive components resulting from tax consolidation for Euro 43.9 million, deferred tax assets for Euro 52.5 million, and deferred taxes for Euro 1.1 million, partially offset by a charge of Euro 58.4 million incurred as substitute tax for exemption pursuant to Article 15, par. 10-*ter*, of Legislative Decree N. 185/2008 against the goodwill recorded in CDP’s consolidated financial statements attributable to the equity investment held in Open Fiber Holdings.

3.4 SHAREHOLDERS' EQUITY AND FINANCIAL POSITION

At 31 December 2022, the balance sheet includes the following aggregate items, the analytical composition of which is detailed in the Notes to the Financial Statements, to which reference should be made.

Reclassified balance sheet

(Euro thousand)

Assets	31/12/2022	31/12/2021	Change (+/-)	Change (%)
Cash and cash equivalents	568,340	705,363	(137,024)	(19%)
Equity investments	8,974,216	4,735,801	4,238,416	89%
Subscribed funds	192,985	58,746	134,239	n/s
Non-current financial assets	95,118	274,198	(179,080)	(65%)
Other assets	316,073	167,744	148,329	88%
TOTAL ASSETS	**10,146,731**	**5,941,851**	**4,204,880**	**71%**

At 31 December 2022, total assets amounted to Euro 10,147 million, up Euro 4,205 million against 31 December 2021.

Item "Cash and cash equivalents" shows the balance of demand deposits with leading banks and CDP at 31 December 2022; the reduction in the item by Euro 137 million is attributed to:

- cash generation from ordinary operations totaling Euro 25.5 million resulting from the collection of dividends from Euronext, Webuild and B.F. amounting to Euro 24.6 million, and interest on the intercompany loan with CDPE Investimenti, formerly FSIA, of Euro 0.9 million;
- net cash absorption for investment and divestment activities of Euro 4,262 million, including absorption of Euro 4,381 million for investment activities and generation of Euro 119 million from divestment activities;
- negative cash flow from operating activities of Euro 68.5 million mainly attributed to the payment of the substitute tax of Euro 58 million deriving from the exemption of goodwill regarding the investment held in Open Fiber Holdings;
- capital account payments collected from CDP and totaling Euro 4,314 million to cover the financial requirements for investment activities;
- dividend payouts of the 2021 operating profit to CDP S.p.A. for a total of Euro 150 million;
- recognition of Euro 4 million attributed to the cash and cash equivalents of CDP Industria and merged into CDP Equity as a result of the merger.

In detail, the increase of Euro 4,238 million in "Equity investments" was mainly attributable to the following events:

- the acquisition of ASPI through Holding Reti Autostradali ("HRA"), which resulted in the outlay of Euro 4,202 million, partially offset by the repayment of capital collected in August 2022 from HRA and amounting to Euro 306 million resulting from the distribution of the company's share premium reserve;
- the acquisition of the shareholdings in Fincantieri for Euro 654 million and Saipem for Euro 353 million as a result of the merger by incorporation of CDP Industria into CDP Equity;
- the re-investment transaction in Kedrion Holding for Euro 100 million;
- the investment transaction in GPI for Euro 70 million;
- the capitalization of GreenIT for Euro 61 million to support the subsidiary's development plans;
- the investment transaction in MaticMind for Euro 46.9 million through the vehicle Mozart HoldCo S.p.A;
- the payment of equity commitments in favor of Ansaldo Energia for Euro 35.6 million;

- the establishment of the newco and the subsequent capital account payment in favor of PSN for a total of Euro 2.4 million;
- the capitalization of Open Fiber Holdings for Euro 1.2 million to provide the necessary cash endowment for the vehicle;
- the completion of the disposal transaction of the 17.5% shareholding held in B.F. corresponding to a book value of Euro 80 million;
- the completion of the disposal transaction of the 13% shareholding held in FII SGR corresponding to a book value of Euro 2 million;
- the completion of the disposal transaction of the 39% shareholding held in FSI SGR corresponding to a book value of Euro 1.2 million;
- the completion of the disposal transaction of the 40% shareholding held in QuattroR SGR corresponding to a book value of Euro 0.8 million;

In addition to these events and their related effects, the changes in the equity investments derive also from the aforementioned impairment adjustments made to Ansaldo Energia for Euro 631.5 million and Nexi for Euro 93.7 million, as well as the fair value adjustment of the interest held in Euronext N.V., which negatively impacted for a total of Euro 173.2 million.

Item "Subscribed funds", equal to Euro 193 million, included the fair value of the units of the subscribed funds, up Euro 134 million compared to the previous year; the increase was attributable to payments in the period and the negative fair value adjustment of the investments in funds based on the valuation of 31 December 2022.

Item "Non-current financial assets", equal to Euro 95 million, included exclusively the loan granted to Ansaldo Energia. This exposure includes accrued interest and IFRS 9 adjustment. Compared to 31 December 2021, the item recorded a reduction of Euro 179 million resulting from the combined effect of (i) higher interest accrued in the period on the loan for a total of Euro 13.9 million, (ii) the negative adjustment made — in accordance with IFRS9 — on the loan for a total of approximately Euro 145 million as a result of the transition from stage 1 to stage 2 of the instrument in view of the company's situation at the valuation date, and (iii) the reclassification to current assets of the loan granted in favor of CDPE Investimenti, formerly FSIA Investimenti downstream its merger by incorporation into CDPE Investimenti for Euro 48.3 million as the contractual maturity of the relevant shareholders' loan is scheduled in September 2023.

Item "Other assets" amount to approximately Euro 316 million and include (i) Euro 194.2 million of deferred tax assets mainly related to the future economic benefits expected from the exemption of goodwill of SIA (now Nexi S.p.A.) and Open Fiber Holdings, (ii) Euro 50.3 million of receivables from CDP for tax consolidation, (iii) Euro 48.2 million related to the shareholders' loan to CDPE Investimenti reclassified as a current asset given its maturity in September 2023, including the IFRS9 adjustment, (iv) Euro 20.2 million from operating and tax receivables of which Euro 7,5 million of receivables from funds subscribed for equalization reimbursements accruing in fiscal year 2022 but collected in January 2023, and Euro 5 million referring to the receivable from investees for services provided under the service agreement to CDPE Investments, and (v) Euro 3.2 million of fixed assets and security deposits and leased assets.

Reclassified balance sheet

(Euro thousand)

Liabilities	31/12/2022	31/12/2021	Change (+/-)	Change (%)
Shareholders' equity	10,129,928	5,920,569	4,209,359	71%
Provisions for risks and charges and other non-current liabilities	6,366	9,935	(3,569)	(36%)
Tax payables and other current liabilities	10,436	11,347	(911)	(8%)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,146,731**	**5,941,851**	**4,204,880**	**71%**

At 31 December 2022, shareholders' equity amounted to Euro 10,130 million, up approximately Euro 4,209 million compared to 31 December 2021; this increase resulted mainly from the capital contributions granted by the parent company in the period totaling Euro 4,314 million, the recognition of the CDP Industria merger reserve for Euro 1,013 million, the recognition of the negative adjustment of approximately Euro 173.2 million to the fair value of the investments held in Euronext and F2i net of the related tax effect of Euro 1.1 million, the dividend payout of Euro 150 million to the Parent Company, and finally the recognition of the negative result for the period of Euro 795.6 million.

Item "Provisions for risks and charges and other non-current liabilities" amounted to Euro 6.4 million, of which: (i) Euro 2.9 million attributed to the provision for deferred taxes, (ii) Euro 2.8 million attributed to the provision for employee post-employment bonuses and severance pay, and (iii) approximately Euro 750 thousand related to the provision for employee post-employment benefits and the estimated future charge related to the establishment, similar to the parent company CDP, of a scholarship for children of deceased employees.

Item "Tax payables and other current liabilities" amounted to approximately Euro 10.4 million and consist of trade payables to third parties and operating payables due to CDP in relation to outsourced services provided in favor of CDP Equity, sundry costs charged in connection with seconded personnel as well as the debt related to the sublease agreement.

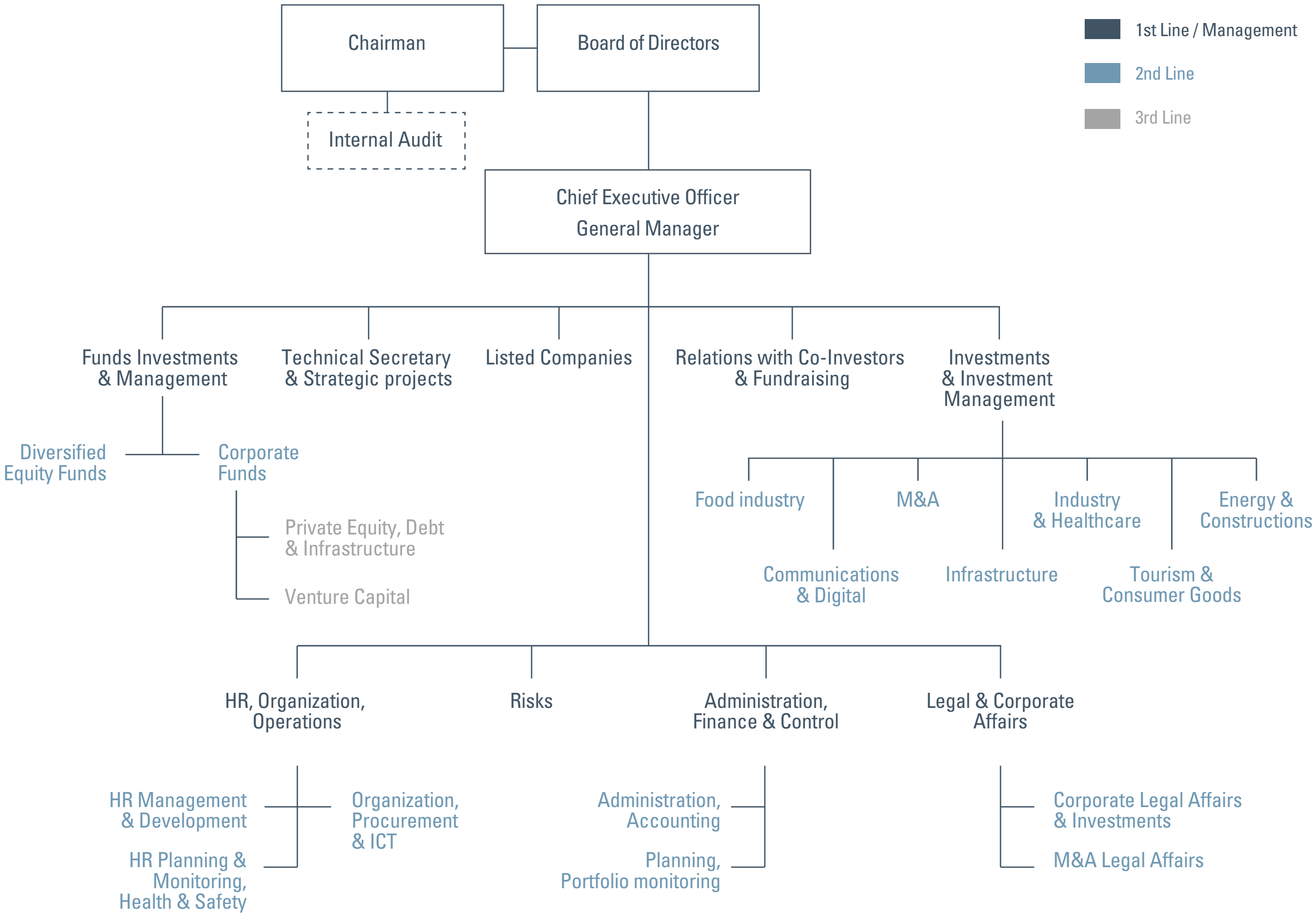
3.5 EQUITY TRANSACTIONS

No equity transactions were completed on CDP Equity share capital in 2022. In the period, the Company received Euro 4,314 million in capital account contributions from CDP for the necessary financial resources to support its investment activities.

4. ORGANIZATIONAL STRUCTURE AND OPERATION OF CDP EQUITY

4.1 ORGANIZATIONAL STRUCTURE OF CDP EQUITY

The organizational structure of CDP Equity at 31 December 2022 is shown in the diagram below



In 2022, with a view to concentrating the management with equity co-investors, CDP Equity carried out the following organizational changes:

- Establishment of the "Relations with Co-Investors and Fundraising" Function tasked with the definition, development and management of business relations with current and prospect equity co-investors both domestically and internationally in order to support the competent business areas and, where necessary, the Chief Executive Officer in the development of activities with them;
- the "Public Equities & Investment Partners" Function changed its name into "Listed Companies" as its responsibilities have been revised to provide support to the relevant business areas and business units on market and financial issues to facilitate transactions of investment and divestment in equity markets;

- the "Fundraising, Funds Investments & Management" Function changed its name into "Funds Investments & Management" as its responsibilities have been revised in order to eliminate fundraising and ensure the structuring of investment and divestment transactions in the shares of Investment Funds, other than diversified credit funds, and assets management companies, by evaluating and coordinating their implementation, and taking care of the related business activities.

The Company also changed the name of other functions and corporate areas even if they maintained their responsibilities; in addition, the Company also updated the relevant internal regulations along with the mapping of the most relevant business processes.

With reference to headcount, at 31 December 2022, CDP Equity had 79 employees including seconded personnel, 3 fewer resources than the 82 people recorded at the end of 2021. The Company adopts the National Collective Labor Agreements applicable to credit, financial and instrumental enterprises for both middle managers and professional area personnel.

The average age is 36 years, male employees account for 61% and female employees for 39%.

This organizational structure enables CDP Equity to fulfill its corporate mission fully, maximizing 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.

Upon completion of the Performance Management process and following meetings with all managers, in May 2022 a training plan focused on soft skills (professional and personal development) was defined for all employees and with the support of the Risk function the mandatory training courses to be completed by 31 December 2022 were identified.

Training courses for a total of 3,705 hours were provided divided between personal and technical development courses. Coaching courses were also offered to selected resources with a view to building and enhancing leadership and people management skills.

In the ICT area, in the first half of 2022, the Salesforce CRM implementation for origination-to-divestment management was completed and for the Multipartner Virtual Data Room the end-to-end encryption between user and platform was implemented based on the Enigma solution.

With regard to service contracts with the parent company CDP, a new contract was signed with Corporate Security and the ICT service was revised to include the transfer of first-level help-desk services in line with the measures adopted for other CDP Group companies.

In addition, the Smart Office tool for desk and meeting rooms reservation for the offices in Milan and Rome was rolled out.

Between the end of 2021 and the first months of 2022, with the support of the same external provider used by the Parent Company, CDP Equity proceeded with the drafting of the so-called Business Continuity Plan including process analysis and definition of the main impacts resulting from process discontinuance, the so-called "Business Impact Analysis"; this activity was completed in May 2022.

In March 2022, the implementation of Geomap, a portal for the management of the company's tangible assets, was completed.

In the second half of 2022, a security assessment was also carried out with the support of the Parent Company's Corporate Security function; the "asset management" procedure was issued along with the ICT outsourcing management regulation; this activity was completed in January 2023.

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 2022, the CDP Equity Risk Management function carried out activities in compliance with 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 2022, Risk Management expressed opinions on investment transactions regarding (i) direct investments, (ii) indirect investment in funds, as reported in the half-year report, and (iii) divestments, also partial, of investee companies and SGRs.

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.

Lastly, Risk Management carried out activities regarding the valuation of the ESG risks specifically targeting direct investments and funds.

COMPLIANCE

In 2022, 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.

In the period, the Compliance function reviewed and updated the controls regarding the management of conflicts of interest and market abuse risk and, in line with the contents of the Group's strategic plan, was involved in the development and definition of the ESG controls. In addition, in the second half of 2022, Compliance assisted the functions involved in the signing of the Guarantee Agreement with the European Commission under the InvestEU guarantee.

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

5. FORSEEABLE OUTLOOK

It is expected that in 2023 the Company will further develop ongoing investment projects, search for new investment opportunities, while managing, monitoring and enhancing the value of its equity investments.

In particular, with reference to the equity portfolio held directly by CDP Equity, it should be noted that: (i) at the reporting date, the equity investment held in Ansaldo Energia accounts for 88.6%, up from 88.3% held at 31 December 2022 as a result of the two-instalment payment - on 31 January 2023 and 13 February 2023, respectively - of the final portion of the equity commitment approved in April 2020 by CDP Equity's Board of Directors in the context of CDP Equity's capital increase in Ansaldo Energia, and (ii) two additional capital payments were made to GreenIT for a total of Euro 6.5 million, in support of the investee's development plans, in line with the resolutions made by the CDP Equity Board of Directors in December 2020.

With reference to the investment activity in the investment fund portfolio, CDP Equity completed the subscription for Euro 300 million in the "FoF Infrastrutture" fund managed by CDP Real Asset SGR S.p.A.

With reference to the shareholding in Trevi Finanziaria Industriale held through CDPE Investimenti, it should be noted that, at the reporting date, the stake in the company's capital accounts for 21.3%, down from 25.7% held at 31 December 2022.

This reduction derives from the completion of the capital increase transaction, which was carried out as part of the broader plan of capital strengthening and restructuring of the financial debt of the Trevi Group. For more details reference should be made to section "3.1.10 Capital Strengthening Transaction of Trevi Group".

It should also be noted that, as of the date of reporting, the Company has been working on a financial plan for Valvitalia through its subsidiary CDPE Investimenti; this plan is necessary to support its development and rebalance its financial structure.

With reference to the organizational structure of CDP Equity, it should be noted that in order to better support the activities envisaged in the 2022-2024 Strategic Plan, the organizational structure was further revised as follows:

- the Digital segment, the Telecommunications segment and the Infrastructure segments were reallocated within "Investments and Equity Management"; the "Agribusiness" Area was eliminated;
- "Mergers and Acquisitions" were reallocated to report directly to the Chief Executive Officer;
- "Investment and Fund Management" comes with an enhanced mission on "Enterprise and Infrastructure Investment Funds" in line with the increased opportunities in the area of Infrastructure Funds, through the creation of an additional unit dedicated to Infrastructure Funds; greater focus and specialization has been guaranteed through the three split organizational units "Infrastructure Funds", "Private Equity Funds" and "Venture Capital Funds";
- the "Listed Companies" area was canceled as the relevant activity was conveyed into the corresponding sector areas;

- the "Business Equity Development and Governance" function was established with responsibility for the definition of selected "strategic projects" in support of relevant business activities and functional activities to promote the implementation of the Strategic Plan, as well as for the management of asset portfolio governance activities;
- the "Technical secretariat" activity was relocated within "Relations with Co-investors and Fundraising".

With reference to staff functions, the following areas were established, reporting directly to Risk Department:
- the "Fund Risks" Area tasked with the identification, assessment and management of the risks to which the Company is exposed, with particular reference to the risks associated with investments in funds and SGRs through the implementation of controls aimed at guaranteeing Level II controls in coordination with and in accordance with the Group guidelines;
- the "Equity Investment Risks" Area tasked with the identification, assessment and management of the risks to which the Company is exposed, with particular reference to non-financial risks and risks related to investments in equity Investments, through the implementation of controls aimed at guaranteeing Level II controls in coordination with and in accordance with the Group guidelines;
- the "Compliance" Area tasked with the management of the risk of non-compliance with regulations and reputational risk according to a risk-based approach and with reference to the company organization, as well as providing advisory support based on its competence.

After 31 December 2022, no significant events occurred that would have required additional disclosures.

Considerations regarding the possible development on CDP Equity of the effects arising from the current situation, including the uncertainty about the future course of the Russia-Ukraine conflict, the potential effects of the macroeconomic scenario characterized by rising inflation and interest rates, and climate risk issues, are detailed in section 3.2 "Results and significant events occurred in the period".

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

With reference to the additional information required by article 2428 of the 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 in the period 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, 24 March 2023

The Chief Executive Officer

Francesco Renato Mele

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2 FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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FORM AND CONTENT OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2022

The financial statements at 31 December 2022 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

Section "Annexes to the financial statements", which forms an integral part of these annual financial statements at 31 December 2022, includes the separate financial statements at 31 December 2021 of the parent company Cassa depositi e prestiti S.p.A.

CONTENTS

FINANCIAL STATEMENTS AT 31 DECEMBER 2022

BALANCE SHEET

(Euro units) Assets	31/12/2022	31/12/2021	Note
Non-current assets			
Property, plants and machinery	2,778,588	2,258,327	II.1.1
Intangible assets	254,480	116,529	II.1.2.
Equity investments	8,319,484,763	4,007,878,026	II.1.3.
Non-current financial assets	942,833,780	1,060,866,136	II.1.4
Deferred tax assets	194,224,997	141,666,266	II.1.5
Other non-current assets	119,124	119,124	II.1.6
Total non-current assets	**9,459,695,732**	**5,212,904,408**	
Current assets			
Receivables due from investees	7,535,674	5,724,374	II.2.1
Current financial assets	48,248,839	-	II.2.2
Tax receivables	1,449,162	943,073	II.2.3
Other current assets	61,462,197	16,916,308	II.2.4
Cash and cash equivalents	568,339,600	705,363,186	II.2.5
Total current assets	**687,035,472**	**728,946,941**	
TOTAL ASSETS	**10,146,731,204**	**5,941,851,349**	

(Euro units)

Liabilities and Shareholders' equity	31/12/2022	31/12/2021	Note
Shareholders' equity			
Share capital	2,890,583,470	2,890,583,470	II.3.1
Reserves	7,797,473,846	2,624,165,136	II.3.2.
Profit (loss) carried forward	237,466,876	38,743,411	
Profit (loss) for the year (+/-)	(795,595,718)	367,077,332	
Total Shareholders' equity	**10,129,928,473**	**5,920,569,349**	
Non-current liabilities			
Provision for risks and charges	3,198,046	4,591,725	II.4.1
Staff severance	302,783	265,339	II.4.2
Lease payables	2,725,510	2,133,376	II.4.3
Deferred tax liabilities	2,865,469	5,077,989	II.4.4
Total non-current liabilities	**9,091,808**	**12,068,429**	
Current liabilities			
Tax liabilities	1,555,587	1,150,368	II.5.1
Other current liabilities	6,155,335	8,063,203	II.5.2
– *Due to suppliers*	*2,471,732*	*4,201,580*	
– *Due to social security institutions*	*281,528*	*280,881*	
– *Due to parent companies*	*2,609,930*	*2,918,797*	
– *Other liabilities*	*792,145*	*661,945*	
Total current liabilities	**7,710,922**	**9,213,571**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,146,731,204**	**5,941,851,349**	

Income statement

(Euro units) Items	2022	2021	Note
Revenue from ordinary operations			
Dividends	24,643,536	21,183,654	III.1.1
Interest on loans to investee companies	14,795,385	29,314,911	III.1.2
Capital gain on equity investments	35,321,920	325,105,333	III.1.3
Reversals of non-current assets	-	4,113,318	III.1.4
Reversals of current assets	17,307	-	III.1.4
Positive changes in financial instruments	1,209	19,416,285	III.1.5
Total revenue from ordinary operations	**74,779,357**	**399,133,501**	
Costs from ordinary operations			
Expenses on equity investments	(5,086,919)	(9,809,397)	III.1.6
Impairment of non-current assets	(144,766,083)	(678,084)	III.1.7
Capital loss on equity investments	(725,196,729)	-	III.1.8
Negative changes in financial instruments	(26,698,007)	(15,188,031)	III.1.9
Total costs from ordinary operations	**(901,747,738)**	**(25,675,512)**	
Result from ordinary operations	**(826,968,381)**	**373,457,989**	
Financial income	905,612	15,077	III.2.1
Financial expenses	(62,100)	(59,900)	III.2.2
Administrative expenses:	(17,450,101)	(16,704,932)	III.2.3
– *Staff costs*	*(12,311,741)*	*(13,444,236)*	
– *Other administrative expenses*	*(5,138,360)*	*(3,260,696)*	
Amortization and depreciation of tangible and intangible assets	(534,569)	(385,290)	III.2.4
Impairment and value reversal of current assets	6,554	(5,539)	III.2.5
Result from ordinary operations	**(17,134,604)**	**(17,140,584)**	
Other income/charges:	9,378,529	5,290,897	III.3
– *Other income*	*9,541,237*	*6,749,488*	
– *Other charges*	*(162,708)*	*(1,458,591)*	
Pre-tax result	**(834,724,457)**	**361,608,302**	
Income tax, current taxes and deferred taxes	39,128,739	5,469,030	III.4
PROFIT (LOSS) FOR THE YEAR	**(795,595,718)**	**367,077,332**	

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

Items	2022	2021
Profit (loss) for the year	**(795,595,718)**	**367,077,332**
Other comprehensive income net of tax not transferred to income statement	**(172,102,658)**	**95,134,702**
Tangible assets	-	-
Defined benefit plans	-	-
Equity securities designated at fair value through other comprehensive income	(173,190,875)	96,290,184
Tax effect	1,088,217	(1,155,482)
Other comprehensive income net of taxes transferred to income statement	**-**	**-**
Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
Financial hedging	-	-
Total other comprehensive income net of tax	**(172,102,658)**	**95,134,702**
COMPREHENSIVE INCOME	**(967,698,376)**	**462,212,034**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2022

(Euro units)	Balance at 31/12/2021	Change in initial balance	Balance at 01/01/2022
Share capital:			
– ordinary subscribed shares and paid-up	2,890,583,470	-	2,890,583,470
Reserves:			
a) profit	27,601,207	-	27,601,207
b) other	2,538,423,657	-	2,538,423,657
Valuation reserve:			
a) financial assets at fair value with impact on comprehensive income	96,883,683	-	96,883,683
b) financial hedging	-	-	-
c) other reserves	-	-	-
Equity instruments	-	-	-
Treasury shares	-	-	-
Profit (loss) for the year	367,077,332	-	367,077,332
SHAREHOLDERS' EQUITY	**5,920,569,349**	**-**	**5,920,569,349**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2021

(Euro units)	Balance at 31/12/2020	Change in initial balance	Balance at 01/01/2021
Share capital:			
– ordinary subscribed shares and paid-up	2,890,583,470	-	2,890,583,470
Reserves:			
a) profit	25,555,282	-	25,555,282
b) other	873,330,584	-	873,330,584
Valuation reserve:			
a) financial assets at fair value with impact on comprehensive income	1,748,981	-	1,748,981
b) financial hedging	-	-	-
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**

Allocation of profit from previous year		Changes in the period		
Reserves	Dividends and other allocations	Change in share capital and reserves	Comprehensive income at 31/12/2022	Shareholders' equity at 31/12/2022
-	-	-	-	2,890,583,470
18,353,866	-	-	-	45,955,073
198,723,466		5,327,057,501	-	8,064,204,624
-	-	-	(172,102,658)	(75,218,975)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(217,077,332)	(150,000,000)	-	(795,595,718)	(795,595,718)
-	**(150,000,000)**	**5,327,057,501**	**(967,698,376)**	**10,129,928,473**

Allocation of profit from previous year		Changes in the period		
Reserves	Dividends and other allocations	Change in share capital and reserves	Comprehensive income at 31/12/2021	Shareholders' 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**

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Euro units)	31/12/2022	31/12/2021
A. OPERATING ACTIVITIES		
1. Assets	**(44,034,174)**	**19,536,899**
- profit for the year (+/-)	(795,595,718)	367,077,332
- capital gain/loss on financial assets/liabilities at fair value (-/+)	26,696,798	(4,228,254)
- capital gain/loss on hedging assets (-/+)	-	-
- net impairment adjustments/reversals (+/-)	144,742,222	(3,429,695)
- net impairment adjustments/reversals on tangible and intangible assets (+/-)	534,569	385,290
- impairment adjustments/reversals on equity investments (+/-)	689,874,808	(325,105,333)
- net provisions for risks and charges and other income/costs (+/-)	1,104,983	3,994,089
- unliquidated taxes and fees (+)	(97,514,339)	(5,469,030)
- other adjustments (+/-)	(13,877,499)	(13,687,500)
2. Liquidity generated/absorbed from financial assets	**(92,420,157)**	**512,495,624**
- receivables due from parent company and banks - current	(4,367,135)	-
- receivables due from parent company and banks - non-current	-	-
- receivables due from investees - current	(1,811,300)	29,593
- receivables due from investees - non-current	(130,831,276)	17,122,734
- financial assets at fair value with impact on comprehensive income	(172,102,658)	95,134,702
- financial assets designated at fair value	252,313,506	(15,188,031)
- other current assets	(38,795,455)	517,590,892
- other non-current assets	3,174,161	(102,194,266)
3. Liquidity generated/absorbed from financial liabilities	**(5,912,513)**	**(823,685)**
- payables due to parent company and banks - current	-	-
- payables due to parent company and banks - non-current	-	-
- payables due to investees	-	-
- other financial liabilities	-	-
- other current liabilities	(1,982,069)	1,215,015
- other non-current liabilities	(3,930,443)	(2,038,700)
Net liquidity generated/absorbed from operations	**(142,366,844)**	**531,208,838**
B. Investments		
1. Liquidity generated from	**115,994,388**	**645,820,850**
- disposals of equity investments	115,994,388	645,820,850
- disposals of tangible assets	-	-
- disposals of intangible assets	-	-
- disposals of business units	-	-
2. Liquidity absorbed from	**(4,274,400,630)**	**(2,044,228,968)**
- acquisitions of equity investments	(4,113,203,952)	(1,991,353,996)
- investments in funds	(160,977,040)	(52,757,561)
- acquisitions of tangible assets	(13,365)	(35,756)
- acquisitions of intangible assets	(206,273)	(81,655)
Net liquidity generated/absorbed from investments	**(4,158,406,242)**	**(1,398,408,118)**
C. Financing		
- issues/acquisitions of equity instruments (payment/repayment of share capital and reserves)	4,313,749,500	1,111,587,321
- distribution of dividends and other purposes	(150,000,000)	-
Net liquidity generated/absorbed from financing	**4,163,749,500**	**1,111,587,321**
NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**(137,023,586)**	**244,388,041**

RECONCILIATION

Items	31/12/2022	31/12/2021
Cash and cash equivalents - initial balance	**705,363,186**	**460,975,144**
Total net liquidity generated/absorbed in the year	(137,023,586)	244,388,041
CASH AND CASH EQUIVALENTS - FINAL BALANCE	**568,339,600**	**705,363,186**

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 OF THE ANNUAL FINANCIAL STATEMENT

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 Article 2435-bis of the Civil Code (Legislative Decree 38/2005, Article 4, paragraph 6).

The annual 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 period. The annual financial statements are consistent with the Company's accounting records, which fully reflect the transactions that were implemented in the period.

These financial statements provide information about the fiscal year 2022 and include comparative information related to the most recently approved financial statements at 31 December 2021.

All the schedules included in the annual financial statements and the tables in the Explanatory Notes have been prepared in Euro. In Income Statement, revenues are shown without a sign, while expenses are shown in parentheses. 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 to be necessary to give a true and fair view of the Company's situation.

AUDIT OF ACCOUNTS

The annual 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.

DIRECTION 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 and later updated by Resolution of the Chief Executive Officer of CDP N.19 of 4 October 2022. 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 OF 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.

BUSINESS COMBINATION TRANSACTIONS

At 11:59 p.m. on 31 December 2022, the merger by incorporation of CDP Industria S.p.A. into CDP Equity became effective. The transaction was not recognized in accordance with IFRS 3 Business Combinations but in compliance with the principle of continuity of carrying values applied in the so-called "business combinations under common control" as the transaction qualified as a reorganization operation between companies belonging to the same group. Therefore, after the merger, the accounting items resulting from the CDP Industria financial position at 23:59 p.m. of 31 December 2022, including, in particular, the book values referring to the equity investments held in Fincantieri and Saipem, were recognized in CDP Equity's separate financial statements on a going concern book value recognition basis.

The Explanatory Notes to the Financial Statements include, where the balances referring to CDP Industria are significant, comments on the respective items in the 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

These financial statements have been prepared in accordance with the International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, applicable at the reporting date and endorsed by the European Commission as established by EU Regulation N. 1606 of 19 July 2002, published in the Official Gazette L. 243 on 11 September 2002.

For interpretation and application purposes, the following documents, although not yet endorsed by the European Commission, have been taken into account:
- Conceptual framework for Financial Reporting;
- Implementation Guidance e Basis for Conclusions;
- SIC/IFRIC interpretation documents;
- Interpretations on the application of the IFRS in Italy, prepared by the Italian Accounting Board (Organismo Italiano di Contabilità, OIC);
- Documents issued by ESMA and Consob in relation to the application of specific IFRS standards;
- Documents issued by ESMA, IOSCO, and Consob regarding the planned assessment and disclosure on the impacts arising from: (i) the COVID-19 pandemic, (ii) climate change issues, (iii) Russia's invasion of Ukraine, and (iv) issues related to the macroeconomic scenario.

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 Group 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 Russian-Ukrainian conflict, raised inflation and interest rates and the general deterioration of the macro-economic scenario. 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 2022

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 2022:
- 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.

New accounting principles and interpretations already issued and approved by the European Union, but not yet in force (effective for the financial years starting from 1 January 2023).

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 2022:

- 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.
- Regulation (EU) 2022/357 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 as regards International Accounting Standard (IAS) 1 and 8;
- Regulation (EU) 2022/1392 of 11 August 2022 amending Regulation (EC) No. 1126/2008 as regards International Accounting Standard (IAS) 12;
- Regulation (EU) 2022/1491 of 8 September 2022 amending Regulation (EC) No. 1126/2008 as regards International Financial Reporting Standard 17.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION AT 31 DECEMBER 2022

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); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) and Non-current Liabilities with Covenants (issued on 31 October 2022).
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

The full list of international accounting standards and amendments published by the IASB, including whether or not they have been adopted by the European Union, is available on the EFRAG website at www.efrag.org/Endorsement.

I.1.2 EVENTS AFTER THE REPORTING DATE

After 31 December 2022 there have been no significant events other than those already reported in the financial statements or events that would result in an adjustment to the financial statement figures or such that would require a change in the financial information provided.

For considerations regarding subsequent non-adjusting events at the reporting date, reference should be made to Section 5. For considerations regarding the continued uncertainties concerning the macroeconomic context, 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 are 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 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 risks and charges, 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.

The performance of the impairment 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.

For the purpose of preparing these financial statements, the best possible estimates have been developed based on the latest available information, reflecting the macroeconomic environment and scenario in which the Company operates.

The description below of the policies applied in the valuation of the main items in the annual financial statements provides the details necessary to identify the assumptions and valuations used in the preparation of the annual financial statements.

I.1.3.2 PROPOSED ALLOCATION OF THE PERIOD RESULT

In 2022, CDP Equity posted a loss of Euro 795,595,717.88. The Board of Directors submits to the Shareholders' Meeting the proposal to cover it by using part of the capital contribution reserve. The Company's shareholders' equity includes significant retained earnings and other distributable reserves and the sole shareholder is called to resolve on a possible distribution using said reserves.

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;
- 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

This item includes interests held in subsidiaries (under IFRS 10), associates (under IAS 28) and jointly controlled entities (under IFRS 11).

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). 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.

Jointly controlled companies are those companies for which, on a contractual basis, control is shared between the company and one or more parties, or when the unanimous consent of all parties with control is required for decisions on relevant activities.

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").

Any excess of the investee company's share of equity over the cost of the investment is recognized as income. For the purpose of applying the equity method, treasury shares held by the investee company are also taken into account.

At each annual reporting date, or with interim reports, the impairment of equity investments is tested.

Any impairment identified as such based on the availability of qualitative and quantitative indicators as outlined below and detailed in internal policies, is differentiated between listed and unlisted entities. In case of identification of the aforementioned indicators, an impairment test is carried out according to the provisions set out in IAS 36 aimed at estimating the recoverable value of the equity investment and comparing it with the book value of the same in order to determine the possible recognition of value adjustments.

With reference to listed entities, it should be noted that the assessment of objective impairment indicators carried out for the purposes of preparation of the separate financial statements is supplemented by verifying that the market price is at least 40% lower than the carrying value of the equity investment reported in the consolidated financial statements. In the separate financial statements, the availability of specific qualitative and quantitative indicators is assessed.

In this case, taking into account the characteristics of the investment portfolio, as well as the role of a long-term investor, at least the following indicators are considered indicators of impairment/objective evidence of impairment:

- the generation of negative economic results[3] or in any case a significant variation 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 in the potential performance of an impairment test;
- 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 investee in the separate financial statements greater than the book value in the consolidated financial statements, of the net assets of the investee (including any goodwill);
- the distribution of a dividend by the investee companies greater than the profit for the period posted in the statement of comprehensive income (or comprehensive income for financial companies)[4] in the year in which it is recognized.

The following impairment indicators are also considered with reference to listed equity investments:

- a reduction in the market price with respect to the book value of reference of more than 40% or for longer than 24 months;
- downgrade of the rating by at least four notches since the acquisition of the equity investment if assessed relevant in conjunction with other available information;
- a book value of the net assets in the consolidated financial statements that is higher than the market price of the equity investment.

If the recoverable amount is lower than the carrying amount, the difference is charged to the income statement. If the reasons for the impairment loss cease to apply, the respective value reversals are made, which must be recognized in the income statement up to the amount of the previous impairment loss. Therefore, the reduction of the previously recorded loss against the reinstatement of the value of the equity investment cannot exceed the book value that would have been there if no loss had been recorded previously. Both impairments and reversals are recognized in income statement under item “Gains (losses) on equity investments.”

The recoverable amount identified with the impairment test at the level of the separate financial statements of subsidiaries is used for the purpose of assessing any impairment of net assets belonging to the cash-generating units (CGUs) corresponding to those equity investments. This assessment is made in accordance with the provisions of paragraphs 104 and 105 of IAS 36.

The investor’s share of any losses of the investee, in excess of the carrying value of the equity investment, is recognized in a special provision to the extent that the investor is committed to fulfilling legal or implicit obligations of the investee, or otherwise covering its losses.

Equity investments are derecognized from the balance sheet when contractual rights to the cash flows arising from such assets expire or when these are transferred along with all the related risks and benefits.

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[5];

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3 The identification of negative economic results may not be considered relevant if it is in line with the budget objectives and/or business plan of the investee (e.g., recently made equity investments); on the contrary, negative results attributable to cases provided for in the Civil Code (e.g., Articles 2446, 2447) are always considered relevant.

4 The indicator considers the distribution of a dividend greater than the result of comprehensive income (or comprehensive income for financial companies) for the period in which the dividend is recognized (e.g., dividends recognized in 2017, representing the distribution of net income for fiscal year 2016, greater than the total comprehensive income for fiscal year 2017). For the purpose of the impairment test at the reporting date of the half-year financial statements, as comparable data were lacking, this indicator was tested based on the previous year’s data.

5 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.

- 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, 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[6]), was irrevocably exercised.

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[7], are recognized in comprehensive income. Valuation reserves in shareholders' equity until the financial asset is derecognized.

6 Fair Value Through Other comprehensive Income option.
7 Impairment gains and losses and foreign exchange gains and losses are recognized in profit or loss for the year.

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.

Financial assets held to maturity, valued at fair value with an impact on comprehensive income, 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 AT AMORTIZED COST

"Financial assets valued at amortized cost" includes debt securities 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 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.

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.

The analysis required to assess which changes give rise to derecognition rather than modification can sometimes involve significant 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(derecognition).

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 (modification). The difference between the gross value of the financial instrument before and after the renegotiation of the contractual conditions (modification) 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

Tax assets and tax liabilities are recognized in the balance sheet of the financial statements under consolidated assets “Tax assets” and consolidated liabilities “Tax liabilities,” respectively.

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 as a result 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

This item includes provisions intended to cover liabilities of a definite nature, considered certain or a provision is recognized under "Provisions for liabilities and charges" only in the following cases:

- 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 at 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 Civil 2120 of the Civil Code) and with applicable labor 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 VALUED 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.

DIVIDENDS

Dividends certified by a subsidiary, associate or joint venture, accounted for under the cost method, are charged to the income statement in the year in which the distribution is resolved.

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.

TRANSACTIONS WITH RELATED PARTIES

Disclosure is given of transactions with related parties identified using the criteria defined in accordance with 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 modeling 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 MACHINERY

The item includes the balance, net of accumulated depreciation, of tangible assets at 31 December 2022 and includes property, plants and equipment owned by the Company totaling Euro 163 thousand and assets used under finance leases totaling Euro 2,616 thousand.

Tangible assets for functional use: composition of assets measured at cost

Assets/values (Euro units)	31/12/2022	31/12/2021
1. Proprietary assets	**162,663**	**215,517**
a) land	-	-
b) buildings	-	-
c) furniture	39,379	46,811
d) electronic equipment	123,284	168,706
e) other	-	-
2. Assets acquired under finance lease	**2,615,925**	**2,042,810**
a) land	-	-
b) buildings	2,615,925	2,042,810
TOTAL	**2,778,588**	**2,258,327**

As to Property, plants and equipment, compared to 31 December 2022 when the balance of this item was Euro 216 thousand, this item decreased by approximately Euro 53 thousand, as a result of the combined effect of new assets for Euro 13 thousand, mainly relating to office hardware materials and depreciation for the period of Euro 66 thousand.

Property, plants and machinery: composition

(Euro units)	31/12/2022	31/12/2021
a) electronic equipment	123,284	168,706
b) furniture	39,379	46,811
TOTAL	**162,663**	**215,517**

Financial lease assets: composition

(Euro units)	31/12/2022	31/12/2021
a) buildings	2,615,925	2,042,810
TOTAL	**2,615,925**	**2,042,810**

Assets acquired under lease relate to instrumental buildings used by the Company on the basis of a lease agreement. The increase in the item of Euro 573 thousand compared to the amount recorded at 31 December 2021 is attributable to an integration included in the April 2022 lease agreement.

Tangible assets: changes in the period

(Euro units)	Buildings	Furniture	Electronic equipment	Total
A. Initial balance - gross	**2,974,927**	**82,250**	**394,339**	**3,451,516**
A.1 Total net impairment	(932,117)	(35,439)	(225,633)	(1,193,189)
A.2 Initial balance - net	**2,042,810**	**46,811**	**168,706**	**2,258,327**
B. Increases	**991,830**	**-**	**13,365**	**1,005,195**
B.1 Purchases	-	-	13,365	13,365
B.2 Expenses for capitalized improvements	-	-	-	-
B.3 Value reversals	-	-	-	-
B.4 Positive changes in fair value:	-	-	-	-
a) Shareholders' equity	-	-	-	-
b) Income statement	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-
B.6 Transfers from properties held for investment purposes	-	-	-	-
B.7 Other changes	991,830	-	-	991,830
C. Decreases	**418,715**	**7,432**	**58,787**	**484,934**
C.1 Disposals	-	-	-	-
C.2 Amortization and depreciation	400,028	7,432	58,787	466,247
C.3 Impairment adjustments	-	-	-	-
C.4 Negative changes in fair value	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-
C.6 Transfers	-	-	-	-
C.7 Other changes	18,687	-	-	18,687
D. FINAL BALANCE - NET	**2,615,925**	**39,379**	**123,284**	**2,778,588**
D.1 Total net impairment	(1,332,145)	(42,871)	(284,420)	(1,659,436)
D.2 Final balance - gross	**3,948,070**	**82,250**	**407,704**	**4,438,024**
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 program.

At 31 December 2022, this item totaled Euro 254 thousand; therefore, compared to 31 December 2021, the item increased by approximately Euro 138 thousand as a result of the new capitalizations partially offset by period amortization.

Intangible assets: composition

(Euro units)	31/12/2022	31/12/2021
Other intangible assets	254,480	116,529
TOTAL	**254,480**	**116,529**

Intangible assets: changes in the period

(Euro units)	31/12/2022	31/12/2021
A. Initial balance	**224,113**	**203,128**
A.1 Total net impairment	(107,584)	(137,919)
A.2 Initial balance - net	**116,529**	**65,209**
B. Increases	**206,273**	**81,655**
B.1 Purchases	206,273	81,655
B.2 Increases in internal intangible assets	-	-
B.3 Value reversals	-	-
B.4 Positive changes in fair value:	-	-
- Shareholders' equity	-	-
- Income statement	-	-
B.5 Positive exchange rate differences	-	-
B.6 Other changes	-	-
C. Decreases	**68,322**	**30,335**
C.1 Disposals	-	-
C.2 Impairment adjustments	68,322	30,335
- Amortization and depreciation	68,322	30,335
- Impairments:	-	-
C.3 Negative changes in fair value	-	-
C.4 Transfers of non-current assets held for sale	-	-
C.5 Negative exchange rate differences	-	-
C.6 Other changes	-	-
D. FINAL BALANCE - NET	**254,480**	**116,529**
D.1 Total net impairment adjustments	(39,262)	(107,584)
E. Final balance - gross	**293,742**	**224,113**
F. Valuation at cost	**-**	**-**

II.1.3 EQUITY INVESTMENTS

The item “Equity investments” includes shareholdings in other companies, whether represented or not by securities and that give rise to a relationship of control or association or a joint venture in accordance with 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 therefore carried at cost, net of any impairments, in line with accounting standards.

The following is the breakdown of the investments held by CDP Equity at 31 December 2022.

Breakdown of equity investments

Company name	Type of ownership	% of ownership (%)
Investment companies		
1. CDPE Investimenti S.p.A.	Subsidiary company	77.1%
2. Holding Reti Industriali S.p.A.	Joint control	51.0%
3. Mozart HoldCo S.p.A.	Associated company	15.0%
4. Open Fiber Holdings S.p.A.	Joint control	60.0%
Industrial holdings		
1. Ansaldo Energia S.p.A.	Subsidiary company	88.3%
2. Fincantieri S.p.A.	Subsidiary company	71.3%
3. GPI S.p.A	Associated company	18.4%
4. GreenIT S.p.A.	Joint control	49.0%
5. Hotelturist S.p.A.	Joint control	45.9%
6. Nexi S.p.A.	Associated company	5.3%
7. PSN S.p.A.	Joint control	20.0%
8. Renovit S.p.A.	Associated company	30.0%
9. Saipem S.p.A.	Joint control	12.8%
10. Webuild S.p.A.	Associated company	18.7%
Shareholdings in SGRs		
1. CDP Venture Capital SGR S.p.A.	Subsidiary company	70.0%
2. Fondo Italiano d’Investimento SGR S.p.A.	Subsidiary company	55.0%

Equity investments: composition

(Euro units)

Company name	31/12/2022	31/12/2021
Holding Reti Autostradali S.p.A.	3,896,400,000	25,500
Open Fiber Holdings S.p.A.	1,645,600,713	1,644,400,713
Nexi S.p.A.	877,234,240	970,926,174
Fincantieri S.p.A.	654,053,681	-
CDPE Investimenti S.p.A.	386,938,256	386,938,255
Saipem S.p.A.	353,433,374	-
Webuild S.p.A.	249,999,090	249,999,999
GPI S.p.A.	69,999,988	-
GreenIT S.p.A.	69,902,024	9,233,560
Mozart HoldCo S.p.A.	46,935,000	-
Renovit S.p.A.	32,474,505	32,474,505
Hotelturist S.p.A.	18,872,127	18,872,127
Fondo Italiano d'Investimento SGR S.p.A.	8,329,265	10,298,000
CDP Ventures Capital SGR S.p.A.	6,912,500	6,912,500
Polo Strategico Nazionale S.p.A.	2,400,000	-
Ansaldo Energia S.p.A.	-	595,878,795
B.F. S.p.A.	-	79,947,898
FSI SGR S.p.A.	-	1,170,000
QuattroR SGR S.p.A.	-	800,000
TOTAL	**8,319,484,763**	**4,007,878,026**

Equity investments: changes in the period

(Euro units)	31/12/2022	31/12/2021
A. Initial balance	**4,007,878,026**	**2,662,344,880**
B. Increases	**5,152,798,762**	**2,666,249,641**
B.1 Purchases	5,120,691,007	1,991,353,996
- purchases	4,113,203,952	-
- business combination transactions	1,007,487,055	-
B.2 Value reversals	-	-
B.3 Revaluations	-	-
B.4 Other changes	32,107,755	674,895,645
C. Decreases	**841,192,026**	**1,320,716,495**
C.1 Disposals	115,994,388	645,820,850
C.2 Impairment adjustments	725,196,729	-
C.3 Other changes	909	674,895,645
D. FINAL BALANCE	**8,319,484,763**	**4,007,878,026**
E. Total revaluations	**-**	**-**
F. Total adjustments	**1,535,650,162**	**810,453,433**

In the period, item "Equity investments" increased by Euro 4,312 million compared to the value recorded at 31 December 2021.

In detail, changes in the item can be attributed to the following events:

- the acquisition of ASPI through Holding Reti Autostradali ("HRA") for Euro 4,202 million net of the repayment of capital collected in August 2022 from HRA and amounting to Euro 306 million resulting from the distribution of the company's share premium reserve;
- the contribution, as a result of the merger by incorporation of CDP Industria into CDP Equity, of the equity investment held in Fincantieri in the amount of Euro 654 million and the equity investment in Saipem in the amount of Euro 353 million; for more details and on the reconciliation statements of the accounting items, following the effectiveness of the merger, see section 3.1.11 in the Directors' Report on Operations;
- the equity investment transaction in GPI for Euro 70 million;
- the capitalization of GreenIT for Euro 61 million to support the subsidiary's development plans;
- the equity investment transaction in MaticMind, through vehicle Mozart HoldCo, for Euro 46.9 million;
- the payment of equity in favor of Ansaldo Energia for Euro 35.6 million;
- the establishment of the newco and the subsequent capital account payment in favor of PSN for a total of Euro 2.4 million;
- the capitalization of Open Fiber Holdings for Euro 1.2 million to provide the necessary cash endowment for the vehicle;
- the completion of the disposal transaction of the 17.5% shareholding held in B.F. corresponding to a book value of Euro 80 million;
- the completion of the disposal transaction of the 13% shareholding held in FII SGR corresponding to a book value of Euro 2 million;
- the completion of the disposal transaction of the 39% shareholding held in FSI SGR corresponding to a book value of Euro 1.2 million;
- the completion of the disposal transaction of the 40% shareholding held in QuattroR SGR corresponding to a book value of Euro 0.8 million;

In addition to these events and their effects, the change in the stock of equity investments is also reflected in the value adjustments resulting from the impairment test carried out on Ansaldo Energia for Euro 631,505 thousand and Nexi for Euro 93,692 thousand.

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. Among other things, the company for the purpose of carrying out the impairment test process has adopted an Internal Regulation which, recalling the provisions of IAS 36, lists some indicators that must be considered.

At 31 December 2022, considering the current reference context characterized by a combination of factors related to the effects of the Russian-Ukrainian conflict, rising inflation and interest rates, the general deterioration of the macroeconomic scenario marked by geopolitical risks and related uncertainties about future developments, and risks reflecting climate change and the economic and financial results from time to time reported by the investees in the portfolio, impairment triggers were identified for Open Fiber Holdings, Webuild, Nexi, Fondo Italiano d'Investimento and CDPE Investimenti.

As required by IAS 36, an impairment test was carried out on the aforementioned investments, which confirmed the recoverability of their carrying value, except for Nexi for which the recoverable value determined was lower than the carrying value and an adjustment of Euro 93,692 thousand was recognized.

With regard to the equity investments already adjusted in previous years, including Ansaldo Energia, in line with the provisions of IAS 36, the recoverable value was restated without identifying further impairment losses, except for Ansaldo Energia, for which as a result of the impairment test the carrying value was fully adjusted for Euro 631,505 thousand.

With regard to the investments in Fincantieri and Saipem, held in CDP Equity as a result of the merger by incorporation of CDP Industria into CDP Equity, which took effect at 11:59 p.m. on 31 December 2022, the equity investments were recorded on a continuity of carrying value basis, having CDP Industria verified their recoverability.

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

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 methodology applied for each of the investments tested for impairment and the details of the value adjustment as a result of the impairment test on the investments in Ansaldo Energia and Nexi.

Equity investment	Recoverable value	Method
1. Webuild S.p.A.	Value of use	DDM
2. Open Fiber Holdings S.p.A.	Value of use	NAV (*)
3. Nexi S.p.A.	Value of use	DCF
4. Ansaldo Energia S.p.A.	Value of use	DDM
5. Fondo Italiano d'Investimento SGR	Value of use	DDM excess capital
6. CDPE Investimenti S.p.A.	Fair value	NAV

(*) Calculated using the value in use of Open Fiber S.p.A. through a DDM methodology.

Equity investment	Carrying amount before impairment test (M€)	Method	Reasons behind event triggers	Impairment (M€)	Recoverable amount (M€)	Activity sector of the company
Ansaldo Energia S.p.A.	194	DDM	CDPE is required to calculate the recoverable amount after having written down the investment on previous reporting dates	(194)	-	Energy
Nexi S.p.A.	971	DCF	Fair value of the equity investment lower than book value by more than 40%; book value of net assets of equity investment in CDP consolidation greater than market capitalization	(94)	877	Digital payments

II.1.4 NON-CURRENT FINANCIAL ASSETS

"Non-current financial assets" comprise:

- the financial receivable due from Ansaldo Energia S.p.A. recognized on account of the shareholder loan signed on 13 May 2019 for a total amount of Euro 200 million at a six-month floating rate equal to the six-month Euribor, with floor at zero, plus a margin of 675 basis points per year, corresponding, for the period, to 6.75%; this loan is subordinated and deferred, also in the interest component, to bank loans and for this reason its maturity has been postponed to June 2026 in line with 2020 financial plan;
- the value of the equity investment in Euronext N.V., classified as a financial asset measured at fair value through OCI;
- the value of equity investment in Kedrion Holding S.p.A., classified as a financial asset measured at fair value through OCI;
- the value of the equity investment in F2i SGR S.p.A., classified as a financial asset measured at fair value through OCI;
- the value of the investments in investment funds subscribed by CDP Equity, measured at fair value through profit and loss.

The decrease by Euro 118,032 thousand compared to Euro 1,060,866 thousand recognized at 31 December 2021 was mainly due to (i) the reclassification from non-current financial assets to current financial assets of the financial receivable due from CDPE Investimenti of the former FSIA Investimenti loan due on the maturity date in September 2023, (ii) the negative fair value adjustment of the investment held in Euronext and F2i totaling Euro 173,191 thousand, of which Euro 173,186 is attributable to Euronext, (iii) the decrease of Euro 130,849 thousand in the receivable due from Ansaldo Energia due to the combined effect of the higher interest accrued on the loan to Ansaldo Energia for Euro 13,918 thousand and the negative adjustment under IFRS9 for approximately Euro 144,766 thousand, made as a result of the transition of the instrument from stage 1 to stage 2, in view of the company's complex financial situation at the valuation date. These components were offset by the positive effects of the recognition of the investment in Kedrion Holding in the amount of Euro 100,000 thousand and the recognition of the payments for the period in favor of the funds subscribed, net of fair value changes for the period totaling Euro 134,239 thousand.

The financial receivable due from Ansaldo Energia is recognized at amortized cost as required by IFRS 9.

(Euro units)	31/12/2022	31/12/2021
a) Equity securities	654,731,703	727,922,578
b) Investments in funds	192,984,503	58,745,869
c) Receivable due from Ansaldo Energia S.p.A.	95,117,574	225,966,157
d) Receivable due from FSIA Investimenti S.r.l.	-	48,231,532
TOTAL	**942,833,780**	**1,060,866,136**

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)	31/12/2022	31/12/2021
Deferred tax assets	194,224,997	141,666,266
TOTAL	**194,224,997**	**141,666,266**

Changes in deferred tax assets (through income statement)

(Euro units)	31/12/2022	31/12/2021
1. Initial balance	**141,666,266**	**141,919,556**
2. Increases	**88,353,188**	**1,402,100**
2.1 Prepaid tax in the period:	88,302,788	1,402,100
a) regarding previous years	-	-
b) due to changes in the accounting principles	-	-
c) value adjustments	-	-
d) other	88,302,788	1,402,100
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	50,400	-
3. Decreases	**35,794,457**	**1,655,390**
3.1 Deferred taxes cancelled during the year:	35,794,457	1,655,390
a) reversals	35,794,457	1,655,390
b) impairments due to non-recoverability	-	-
c) due to changes in the accounting principles	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. FINAL BALANCE	**194,224,997**	**141,666,266**

Changes in deferred tax assets (through income statement)

(Euro units)	31/12/2022	31/12/2021
1. Initial balance	**3,901,264**	**-**
Changes in initial balance	-	-
2. Increases	**-**	**3,901,264**
2.1 Deferred taxes in the period:	-	-
a) regarding previous years	-	-
b) due to changes in the accounting principles	-	-
d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	3,901,264
3. Decreases	**1,124,303**	**-**
3.1 Deferred taxes cancelled in the period:	-	-
a) reversals	-	-
b) due to changes in the accounting principles	-	-
d) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	1,124,303	-
4. FINAL BALANCE	**2,776,961**	**3,901,264**

II.1.6 OTHER NON-CURRENT ASSETS

"Other non-current assets" refer to the security deposit paid in favor of the lessor, i.e. in favor 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 2021.

Other non-current assets: composition

(Euro units)	31/12/2022	31/12/2021
a) Deposits and capitalized security deposits vs parent companies	101,835	101,835
b) Deposits and capitalized security deposits vs third parties	17,289	17,289
TOTAL	**119,124**	**119,124**

II.2 CURRENT ASSETS

II.2.1 RECEIVABLES FROM INVESTEE COMPANIES

(Euro units)	31/12/2022	31/12/2021
Receivables due from investees	7,535,674	5,724,374
TOTAL	**7,535,674**	**5,724,374**

Receivables due from investees, totaling approximately Euro 7,536 thousand, refer to:

- Euro 5,018 thousand of fees, accrued by CDP Equity and not collected at 31 December 2022 in connection with: (i) services rendered in favor of CDPE Investimenti based on the terms of the investment agreement entered into between CDP Equity and KIA and (ii) services rendered in favor of IQ MIIC in liquidation with respect to business, budgeting, planning and control, corporate secretarial and basic IT services;
- Euro 1,756 thousand of receivables due from PSN S.p.A. for the repayment of costs related to the "Polo Strategico Nazionale" project;
- Euro 367 thousand of receivables for fees on guarantees provided to Ansaldo Energia by Leonardo S.p.A. and regulated by a specific agreement resulting from the transaction signed between CDP Equity and Leonardo S.p.A. at the end of 2016;
- Euro 356 thousand of compensation for the participation of some CDP Equity employees in the Boards of Directors of investee companies and related receivables for the reimbursement of out-of-pocket expenses to the investees in addition to receivables for employees seconded to the investees.

Receivables from investee companies: composition

(Euro units)		31/12/2022	31/12/2021
a)	Receivable due from CDPE Investimenti S.p.A.	5,017,500	5,000,000
b)	Receivable due from Polo Strategico Nazionale S.p.A.	1,755,875	-
c)	Receivable due from Ansaldo Energia S.p.A.	366,712	335,028
d)	Receivable due from other investments	356,166	319,925
e)	Receivable due from IQ MIIC in Liquidazione	39,421	39,421
f)	Receivable due from FSIA Investimenti S.r.l.	-	30,000
TOTAL		**7,535,674**	**5,724,374**

II.2.2 CURRENT FINANCIAL ASSETS

(Euro units)	31/12/2022	31/12/2021
Receivable due from CDPE Investimenti S.p.A. ("formerly FSIA Investimenti S.r.l.")	48,248,839	-
TOTAL	**48,248,839**	**-**

The balance of "Current financial assets" consists exclusively of the financial receivable due from CDPE Investimenti "formerly FSIA Investimenti" following the merger by incorporation of FSIA Investimenti into its wholly owned parent CDPE Investimenti, amounting to Euro 48 million, on which interest accrues at a variable rate equal to the six-month Euribor plus a margin of 195 basis points per year. Compared to 31 December 2021, this item was reclassified to "current" because the principal is scheduled to be repaid in September 2023.

The financial receivable due from CDPE Investments is recognized at amortized cost as required by IFRS 9.

II.2.3 TAX RECEIVABLES

The balance of "Tax receivables" included current tax assets, as better detailed in the table below. The change compared to 31 December 2021, when the balance amounted to Euro 943 thousand, was mainly attributable to the increase in advance payments for IRAP and IRES of Euro 496 thousand and the increase in VAT payment of Euro 10 thousand.

Tax receivables: composition

(Euro units)	31/12/2022	31/12/2021
a) Advances due to Revenue Office for IRAP/IRES	1,289,034	793,005
b) VAT advance payment	160,128	150,068
TOTAL	**1,449,162**	**943,073**

II.2.4 OTHER-CURRENT ASSETS

"Other current assets" amounted to Euro 61,462 thousand and included receivables due from CDP for tax consolidation, totaling Euro 50,255 thousand; receivables from funds of Euro 7,555 thousand for equalization refunds collected in January 2023; accrued income and prepaid expenses on operating costs for a total of Euro 745 thousand and other advances and minor receivables of Euro 2,907 thousand. The change was primarily due to the increase in the receivable due from CDP resulting from tax consolidation, which at 31 December 2021, amounted to Euro 14,336 thousand.

Other current assets: composition

(Euro units)	31/12/2022	31/12/2021
a) Receivables due from CDP for tax consolidation	50,255,421	14,335,633
b) Receivable due from funds	7,554,669	-
c) Other receivables	2,822,413	1,512,655
d) Accrued income and prepaid expenses	745,451	809,130
e) Other advances	81,453	256,811
f) Other receivables due to social security institutions	2,790	2,079
TOTAL	**61,462,197**	**16,916,308**

II.2.5 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 2022 net of adjusting funds and receivables on interest accrued, compared to the amount at 31 December 2021; the variation shows a decrease by Euro 137,024 thousand. In detail, the Company has:

- committed resources totaling Euro 4,688,603 thousand, net of capital repayments received and other flows of Euro 307,463 thousand, of which Euro 306,000 thousand collected from Holding Reti Autostradali;
- collected dividends of Euro 24,644 thousand from the investees Euronext, Webuild, and B.F. and interest on the shareholder loan granted to CDPE Investimenti totaling Euro 878 thousand;
- collected Euro 119,188 thousand as a result of the divestment activity regarding the equity investments in the portfolio completed in the period;
- settled operating expenses, net of revenues of the same nature, of Euro 68,493 thousand, including withholding tax equal to Euro 58,386 thousand related to the exemption of Open Fiber Holdings goodwill;
- collected capital contributions of Euro 4,313,750 thousand;
- paid out dividends to CDP S.p.A. totaling 150,000 thousand;

- collected Euro 4,009 thousand from the transfer of CDP Industria's cash and cash equivalents downstream the completion of its merger.

Cash and cash equivalents: composition

(Euro units)	31/12/2022	31/12/2021
a) Free deposits held with CDP	329,932,621	189,743,638
a) Banks and financial institutes	238,406,145	515,618,285
c) Cash	834	1,263
TOTAL	**568,339,600**	**705,363,186**

II.3 SHAREHOLDERS' EQUITY

II.3.1 SHARE CAPITAL

Share capital composition

(Euro units)	31/12/2022	31/12/2021
Share capital subscribed 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: composition

(Euro units) Items/Types	Ordinary	Privileged	%
A. Share capital	**2,890,583,470**	**-**	**100.00%**
- CDP S.p.A.	2,890,583,470	-	100.00%
B. Share capital paid-up	**2,890,583,470**	**-**	**100.00%**
C. Increases/Decreases in the share capital in the period	-	-	
D. Share capital to pay in at year end	-	-	

At 31 December 2022, the Company does not hold any treasury shares, either directly or through third parties.

Share capital - number of shares: changes

Items/Types	Ordinary	other
A. Initial balance - Shares	**289,058,347**	**-**
- fully paid-up shares	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 Final balance - Shares	289,058,347	-
- fully paid-up shares	289,058,347	-

II.3.2 RESERVES

At 31 December 2022, the Company showed the following amounts under "Reserves":

Reserves: other information

(Euro units) Items/Types	31/12/2022	31/12/2021
RESERVE FOR PROFIT	**45,955,073**	**27,601,207**
Legal reserve	45,955,073	27,601,207
OTHER RESERVES	**7,826,737,747**	**2,499,680,246**
Reserve for capital contribution payments	6,791,461,733	2,477,712,233
CDP Industria merger surplus reserve	1,013,308,001	-
Share premium reserve	21,978,820	21,978,820
Other reserves	(10,807)	(10,807)
VALUATION RESERVES	**(75,218,975)**	**96,883,683**
Reserve on financial assets measured at fair value with impact on comprehensive income	(75,218,975)	96,883,683
PROFIT (LOSS) FROM PREVIOUS YEARS	**237,466,876**	**38,743,411**

Revenue reserves comprised the legal reserve of Euro 45,955 thousand.

Other reserves include:

- the capital contribution received from CDP totaling Euro 6,791,462 thousand, including Euro 4,313,750 thousand received in the period;
- the reserve allocated downstream the merger by incorporation of CDP Industria, totaling Euro 1,013,308 thousand; for more information and for the reconciliation schedules of the accounting items downstream the merger reference should be made to section 3.1.11 in the Directors' Report on Operations;
- the share premium reserve allocated after the contribution of the SGRs 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, F2i SGR and Kedrion Holding), negative for Euro 75,219 thousand;
- income carried forward totaling Euro 237,467 thousand.

It should be noted that in the period the Company distributed a Euro 150,000,000 dividend to the sole shareholder CDP S.p.A. and ordered its liquidation on 24 May 2022.

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 possible use in previous periods.

(Euro units) Items/Values	Balance at 31/12/2022	Possible utilization (*)	Of which: available share	Of which: distributable share
Shareholders' equity	**2,890,583,470**			
Reserves	**7,872,692,820**			
Legal reserve	45,955,073	B	45,955,073	
Reserve for capital contribution payments (**)	6,791,461,733	A, B, C	6,259,300,112	6,259,300,112
Reserve from CDP Industria merger	1,013,308,001	A, B, C	1,013,308,001	1,013,308,001
Share premium reserve	21,978,820	(***)		
Other reserves for profit	(10,807)			
Valuation reserve	**(75,218,975)**			
Reserve on financial assets at fair value with impact on comprehensive income	(75,218,975)			
Profit (loss) from previous years	237,466,876	A, B, C	237,466,876	237,466,876
Loss for the period	**(795,595,718)**			
TOTAL	**10,129,928,473**			

(*) A = for share capital increase; B = for coverage of losses; C = for distribution to the shareholders.
(**) The capital contribution reserve is to be considered available and distributable except for the amount required for the legal reserve to reach one-fifth of the share capital.
(***) Pursuant to Article 2431 of the Civil Code, the share premium reserve cannot be distributed until the legal reserve has reached one-fifth of Share capital (limit set by Article 2430 of the Civil Code).

II.4 NON-CURRENT LIABILITIES

II.4.1 PROVISIONS FOR RISKS AND CHARGES

“Provisions for risks and charges” at 31 December 2022 amounted to Euro 3,198 thousand and included Euro 2,448 thousand regarding provisions for staff bonuses 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. It should also be noted that at 31 December 2022 this item included the release of Euro 1,451 thousand regarding the provision of costs to adjust commitments to pay in new funds.

Provision for risks and charges: composition

(Euro units)	31/12/2022	31/12/2021
1. Provision on commitments	**-**	**1,451,287**
2. Other provision for risks and charges	**3,198,046**	**3,140,438**
2.1 Legal disputes	-	-
2.2 Costs for personnel and directors	2,448,046	2,390,438
2.3 Other	750,000	750,000
TOTAL	**3,198,046**	**4,591,725**

Below are the changes in the period for the provision for risks and charges.

Provision for risks and charges: changes

(Euro units)	Other funds	Total
A. Initial balance	**3,140,438**	**3,140,438**
B. Increases	**2,448,046**	**2,448,046**
B.1 Provisions for the year	2,448,046	2,448,046
C. Decreases	**2,390,438**	**2,390,438**
C.1 Utilization in the year	2,233,237	2,233,237
C.2 Changes due to variation in the discount rate	-	-
C.3 Other changes	157,201	157,201
D. FINAL BALANCE	**3,198,046**	**3,198,046**

It should be noted that in 2022 the Company, with regard to legal disputes arising from previous periods of management, 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 EMPLOYEE SEVERANCE AND RETIREMENT

Employee severance should be subject to actuarial valuation in accordance with the provisions of paragraphs 64-66 of IAS 19, i.e., on the basis of the “accrued benefits” methodology using the “Projected Unit Credit” (PUC) criterion. CDP Equity has a limited number of employees and an overall irrelevant severance indemnity liability, therefore, by virtue of the limited effects resulting from the adoption of IAS 19, the liability was calculated on the basis of the applicable law provisions (Article 2120 of the Civil Code).

Item “Employee severance and retirement” increased by Euro 37,444 thousand compared to 31 December 2021 as a result of provisions made in the period.

Employee severance and retirement

(Euro units)	31/12/2022	31/12/2021
Staff severance	302,783	265,339
TOTAL	**302,783**	**265,339**

Employee severance and retirement: changes in the period

(Euro units)	31/12/2022	31/12/2021
A. Initial balance	**265,339**	**143,708**
B. Increases	**122,196**	**145,059**
B.1 Provisions in the year	122,196	145,059
B.2 Other increases		
C. Decreases	**84,752**	**23,428**
C.1 Payments made	80,784	22,112
C.2 Other decreases	3,968	1,316
D. FINAL BALANCE	**302,783**	**265,339**

II.4.3 OTHER FINANCIAL LIABILITIES

At 31 December 2022, "Other financial liabilities" amounted to Euro 2,726 and only included lease liabilities recognized in accordance with IFRS 16.

Other financial liabilities

(Euro units)	31/12/2022	31/12/2021
Lease payables	2,725,510	2,133,376
TOTAL	**2,725,510**	**2,133,376**

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 taxes for the period were recognized in the statement of comprehensive income for changes with a balancing entry in shareholders' equity: the balance at 31 December 2022 refers, in particular, to the cumulative valuation of the holdings in Euronext and F2i at fair value, considered under the participation exemption regime, included in the FVOCI financial assets category.

Deferred tax liabilities: composition

(Euro units)	31/12/2022	31/12/2021
Deferred taxes with impact on comprehensive income	2,865,469	5,077,989
TOTAL	**2,865,469**	**5,077,989**

Changes in deferred tax assets (through income statement)

(Euro units)	31/12/2022	31/12/2021
1. Initial balance	**3,901,264**	**-**
2. Increases	**-**	**3,901,264**
2.1 Deferred taxes in the period:	-	-
a) regarding previous years	-	-
b) due to changes in accounting principles	-	-
d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	3,901,264
3. Decreases	**1,124,303**	**-**
3.1 Deferred taxes cancelled in the period	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	1,124,303	-
4. FINAL BALANCE	**2,776,961**	**3,901,264**

Changes in deferred tax assets (through shareholders' equity)

(Euro units)	31/12/2022	31/12/2021
1. Initial balance	**1,176,725**	**21,243**
2. Increases	**-**	**1,155,482**
2.1 Deferred taxes in the period	-	1,155,482
3. Decreases	**1,088,217**	**-**
3.1 Deferred taxes cancelled in the period	1,088,217	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. FINAL BALANCE	**88,508**	**1,176,725**

II.5 CURRENT LIABILITIES

II.5.1 TAX PAYABLES

Item "Tax payables" refers to payables accrued at 31 December 2022 due to tax authorities and included VAT and withholding tax liabilities to be paid in the following month (January 2023). Other payables due to tax authorities include payables for withholdings on severance indemnities (TFR).

(Euro units)	31/12/2022	31/12/2021
a) Payables for IRAP	644,517	644,517
b) Payables for VAT	590,153	153,079
c) Withholding taxes on income from employment	276,675	247,948
d) Withholding taxes for self-employed workers	40,128	103,969
e) Other liabilities vs Revenue Office	4,114	855
TOTAL	**1,555,587**	**1,150,368**

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)	31/12/2022	31/12/2021
a) Due to parent companies	2,609,930	2,918,797
b) Due to suppliers	2,471,732	4,201,580
c) Other	792,145	661,945
d) Due to social security institutions	281,528	280,881
TOTAL	**6,155,335**	**8,063,203**

Specifically:

Payables to suppliers: composition

(Euro units)	31/12/2022	31/12/2021
a) Due to suppliers for invoices to receive	1,411,271	3,262,484
b) Due to suppliers	1,060,461	939,096
TOTAL	**2,471,732**	**4,201,580**

Payables due to social security institutions: composition

(Euro units)	31/12/2022	31/12/2021
a) Due to social security institutions	199,345	183,425
b) Due to INPS for accrued and unused vacation	69,417	81,420
c) Due to INPS for solidarity contributions	12,766	16,036
TOTAL	**281,528**	**280,881**

Payables due to parent company: composition

(Euro units)	31/12/2022	31/12/2021
Due to CDP S.p.A.	2,609,930	2,918,797
TOTAL	**2,609,930**	**2,918,797**

The balance at 31 December 2022 refers to operating payables relating to the provision of outsourcing services provided by CDP in favor of CDP Equity, other costs charged back in relation to seconded staff and employees covering corporate offices as well as the debt related to the sublease agreement of Via San Marco 21/A in Milan for 2022.

Other payables: composition

(Euro units)	31/12/2022	31/12/2021
a) Due to employees	222,265	13,913
b) Due to corporate bodies	367,972	414,973
c) Due to supplementary pension funds	98,373	93,407
d) Due to funds	96,860	139,376
e) Other	6,675	276
TOTAL	**792,145**	**661,945**

The balance mainly refers to accrued fees at the reporting date that have not yet been paid to employees and other corporate bodies.

Compared to 31 December 2021, when the balance amounted to Euro 662 thousand, the item increased by approximately Euro 130 thousand. The increase in the item was mainly due to increased payables to corporate bodies by Euro 208 thousand resulting from the merger by incorporation of CDP Industria into CDP Equity, and the increase by about Euro 11 thousand in other payables. These effects were partially offset by a decrease equal to Euro 47 thousand in payables due to employees and a decrease by Euro 43 thousand in payables due for fees on the funds subscribed and not yet settled.

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)	31/12/2022			31/12/2021		
Financial assets/Liabilities measured at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current financial assets	**542,214,400**	**-**	**305,501,806**	**715,400,000**	**-**	**71,268,447**
Non-current financial assets	542,214,400	-	305,501,806	715,400,000	-	71,268,447
Current financial assets	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**542,214,400**	**-**	**305,501,806**	**715,400,000**	**-**	**71,268,447**
Non-current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Other financial liabilities	-	-	-	-	-	-
Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**

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

(Euro units)	Non-current financial assets
1. Initial balance	**71,268,447**
2. Increases	**261,352,142**
2.1 Purchases	261,352,142
2.2 Income attributable to:	-
2.2.1 Income statement	-
– *of which: capital gains*	-
2.2.2 Shareholders' equity	-
2.3 Transfers from other levels	-
2.4 Other increases	-
3. Decreases	**27,118,783**
3.1 Disposals	-
3.2 Repayments	-
3.3 Losses attributable to:	26,695,890
3.3.1 Income statement	26,695,890
– *of which: capital loss*	*26,695,890*
3.3.2 Shareholders' equity	5,275
3.4 Transfers from other levels	-
3.5 Other decreases	417,618
4. FINAL BALANCE	305,501,806

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/liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown on fair value levels	31/12/2022				31/12/2021			
	BV	L1	L2	L3	BV	L1	L2	L3
Non-current assets	**143,366,413**	**-**	**-**	**143,366,413**	**274,316,813**	**-**	**-**	**274,316,813**
Non-current financial assets	-	-	-	-	-	-	-	-
Other non-current assets	143,366,413	-	-	143,366,413	274,316,813	-	-	274,316,813
Current assets	**568,338,766**	**-**	**-**	**568,338,766**	**705,361,923**	**-**	**-**	**705,361,923**
Current financial assets	-	-	-	-	-	-	-	-
Cash and cash equivalents	568,338,766	-	-	568,338,766	705,361,923	-	-	705,361,923
Total	**711,705,179**	**-**	**-**	**711,705,179**	**979,678,736**	**-**	**-**	**979,678,736**
Non-current liabilities	-	-	-	-	-	-	-	-
Current liabilities	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

FAIR VALUE MEASUREMENT OF OPTIONAL COMPONENTS OF EQUITY INVESTMENTS

At 31 December 2022, 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, the 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 in the main market of the asset or liability or 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 - listed 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 listed 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.

Scenario analysis: +/-1% change of Earn out discount rate

	Discount rate: change -1.00%	Discount rate: change -0.5%	Discount rate: base	Discount rate: change +0.5%	Discount rate: change +1.00%
FV Earn Out (EUR)	-	-	-	-	-

Scenario analysis: +/-5% change of Earn out volatility parameter

	Volatility change -5.00%	Volatility change -2.00%	Volatility change 0%	Volatility change +2.00%	Volatility change +5.00%
FV Earn Out (EUR)	-	-	-	-	-

II.7 OTHER INFORMATION

II.7.1 GUARANTEES ISSUED AND COMMITMENTS

With reference to the guarantees and commitments issued by the Company, CDP Equity at 31 December 2022 has commitments of Euro 1,867 million, of up to Euro 557 million related to direct investments and Euro 1,310 million related to indirect investments.

II.7.2 TREASURY SECURITIES DEPOSITED WITH THIRD PARTIES

The Company holds at the Monte Titoli account managed by CDP in favor of CDP Equity:

- Fincantieri S.p.A. shares equal to no. 1,212,163,614;
- Saipem S.p.A. shares equal to no. 255,841,728;
- Webuild S.p.A. shares equal to no. 166,860,597;
- Nexi S.p.A. shares equal to no. 69,401,443;
- Webuild S.p.A. warrants equal to no. 14,888,808;
- Euronext N.V. shares equal to no. 7,840,000;
- GPI S.p.A. shares equal to no. 5,323,193.

III. INFORMATION ON THE INCOME STATEMENT

III.1 RESULT FROM ORDINARY OPERATIONS

III.1.1 DIVIDENDS

This item comprises the dividends paid out by Euronext, Webuild and B.F. in the period. The table below details the dividends received in the period. The increase in the period, equal to Euro 3,460 thousand, is mainly due to greater dividends received from the investee company Euronext for Euro 3,606 thousand and Webuild for Euro 7 thousand, partially offset by lower dividends received from B.F. for Euro 153 thousand.

Dividends: composition

(Euro units)	2022	2021
Euronext N.V.	15,131,200	11,524,800
Webuild S.p.A.	9,173,316	9,166,667
B.F. S.p.A.	339,020	492,187
TOTAL	**24,643,536**	**21,183,654**

III.1.2 INTEREST ON LOANS TO INVESTEES

Interest on loans to investee companies includes the amount accrued in 2022 on loans granted to the investee companies Ansaldo Energia and CDPE Investimenti. The latter loan was transferred from FSIA Investimenti to CDPE Investimenti as a result of the merger of FSIA Investimenti into its wholly owned parent company CDPE Investimenti. The following table shows the details of interest accrued in the period.

The decrease of approximately Euro 14,520 thousand is mainly due to the non-recognition of interest on the Open Fiber loan, which was contributed to Open Fiber Holdings in December 2021 as part of the acquisition of an additional 10% stake in Open Fiber.

Interest on loans to investees: composition

(Euro units)	2022	2021
Ansaldo Energia S.p.A.	13,917,500	13,687,500
CDPE Investimenti S.p.A.	877,885	702,011
Open Fiber S.p.A.	-	14,925,400
TOTAL	**14,795,385**	**29,314,911**

III.1.3 CAPITAL GAIN ON EQUITY INVESTMENTS

Item “Capital gain on equity investments” includes (i) the transfer of 13% of the shares of Fondo Italiano d’Investimento SGR (“FII”), (ii) the entire disposal of 39% of the shares of Fondo Strategico Italiano SGR (“FSI SGR”), (iii) the entire disposal of 40% of the shares of QuattroR SGR, and finally (iv) the entire disposal of 17.5% of the capital of B.F.

For the transfer of FII SGR, a consideration of Euro 2,869 thousand was recognized which, against a book value of Euro 1,969 thousand, resulted in a capital gain of Euro 891 thousand; for the entire disposal of FSI SGR, a consideration of Euro 6,348 thousand was recognized which, against a book value of Euro 1,170 thousand, resulted in a capital gain of Euro 5,178 thousand; for the entire disposal of QuattroR SGR a consideration of Euro 1,719 thousand was recognized which, against a book value of Euro 800 thousand, resulted in a capital gain of Euro 919 thousand; finally, for the entire disposal of B.F. a consideration of Euro 108,281 thousand was recognized which, against a book value of Euro 79,948 thousand, resulted in a capital gain of Euro 28,333 thousand.

At 31 December 2021 this item included the positive component deriving 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 actual stock market value of Nexi shares at 30 December 2021 (the effective date of the transaction).

The following tables show the details of the capital gain accrued in 2022.

Capital gain on equity investments: composition

(Euro units)	2022	2021
Capital gain on equity investments	35,321,920	325,105,333
TOTAL	**35,321,920**	**325,105,333**

(Euro units)	31/12/2022	31/12/2021
Income		
1. Revaluations	-	-
2. Profit from transfer	35,321,920	325,105,333
3. Value reversals	-	-
4. Other income	-	-
TOTAL	**35,321,920**	**325,105,333**

III.1.4 REVERSAL OF CURRENT AND NON-CURRENT ASSETS

Reversal of non-current assets: composition

(Euro units)	2022	2021
Non-current asset recovery	-	4,113,318
TOTAL	**-**	**4,113,318**

“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.

Reversal of current assets: composition

(Euro units)	2022	2021
Current asset recovery	17,307	-
TOTAL	**17,307**	**-**

At 31 December 2022, “Reversal of non-current assets” shows a balance of Euro 17 thousand related to the reversal of value on the intercompany loan to CDPE Investimenti, reclassified from non-current assets at 31 December 2021 to current assets at 31 December 2022 due to the repayment of capital scheduled in September 2023.

III.1.5 POSITIVE CHANGES IN THE VALUE OF FINANCIAL INSTRUMENTS

This item includes Euro 1 thousand regarding the positive change resulting from the difference between the fair value of the warrants identified as the price of one Webuild share on the date of assignment at 31 March 2022 and the corresponding value updated upon conversion at 11 May 2022. At 31 December 2021, the item included the change in fair value of the Open Fiber earn-out, which was canceled due to forfeiture after the acquisition of an additional 10% stake in Open Fiber on 3 December 2021.

	2022			2021		
(Euro units)	Capital gain	Profit from trading	Net result	Capital gain	Profit from trading	Net result
Financial derivatives						
a) debt securities	1,209	-	1,209	-	-	-
b) equity securities	-	-	-	19,416,285	-	19,416,285
c) other	-	-	-	-	-	-
Total	**1,209**	**-**	**1,209**	**19,416,285**	**-**	**19,416,285**

III.1.6 INVESTMENT COSTS

Investment costs: composition

(Euro units)	2022	2021
a) Due-diligence and consultancy on investments	4,764,080	8,585,289
b) Other expenses on equity investments	322,839	280,821
c) Tobin Tax	-	943,287
TOTAL	**5,086,919**	**9,809,397**

In 2022, investment costs totaled Euro 5,087 thousand, of which Euro 4,764 thousand concerning due diligence and consultancy services for investment transactions and Euro 323 thousand for other accessory expenses on investment activities. Compared to 2021, when these expenses amounted to Euro 9,809 thousand, this item decreased by Euro 4,722 thousand due mainly to expenses related to the investment in Autostrade per l'Italia largely sustained in the second half of 2021. The amount of Euro 943 thousand in 2021 for Tobin Tax was related to the tax accrued on the acquisition of a 10% stake in Open Fiber from Enel.

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.

Impairment of non-current assets: composition

(Euro units)	2022	2021
Value adjustments on financial receivables	144,766,083	678,084
TOTAL	**144,766,083**	**678,084**

At 31 December 2022, the Company subjected its credit positions to a recoverability risk analysis. As a result of these analyses, in accordance with the provisions of IFRS 9, an impairment of Euro 144,766,000 was made to receivables due from Ansaldo Energia for the transition of the instrument from stage 1 to stage 2 under IFRS9 in view of the complex financial conditions of the company at the reporting date.

Impairment of non-current assets: composition

(Euro units) Transactions/income items	Value adjustments First and second stage	Value adjustments Third stage Write-off	Value adjustments Third stage Other	Value reversal First and second stage	Value reversal Third stage	2022	2021
A. Receivable due from banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
B. Receivable due from customers	**(144,766,083)**	**-**	**-**	**17,307**	**-**	**(144,748,776)**	**3,435,234**
Loans	(144,766,083)	-	-	17,307	-	(144,748,776)	3,435,234
Debt securities	-	-	-	-	-	-	-
TOTAL	**(144,766,083)**					**(144,748,776)**	**3,435,234**

III.1.8 CAPITAL LOSSES ON EQUITY INVESTMENTS

This item includes the economic effects of the valuation of equity investments.

Capital losses on equity investments: composition

(Euro units)	2022	2021
Impairment of equity investment - impairment adjustment on Ansaldo Energia S.p.A.	631,504,795	-
Impairment of equity investment - impairment adjustment on Nexi S.p.A.	93,691,934	-
Total	**725,196,729**	**-**

The Company carried out an analysis of the portfolio at 31 December 2022 to verify, in accordance with the provisions of the international accounting standards, the existence of impairment indicators and, if applicable, performed an impairment test. The analysis revealed that it was necessary to make a full adjustment to the value of the equity investment in Ansaldo Energia amounting to Euro 631,505 thousand and a partial adjustment to the carrying value of the equity investment in Nexi amounting to Euro 93,692 thousand. For more information reference should be made to section II.1.3. Equity investments.

III.1.9 NEGATIVE CHANGES IN THE VALUE OF FINANCIAL INSTRUMENTS

This item includes Euro 26,696 thousand regarding the negative change resulting from the difference between the fair values of the investments in the funds subscribed and the negative change deriving from the difference between the fair value of the warrants identified as the price of one Webuild share on the date of assignment at 30 June 2022 and the corresponding value updated upon conversion at 28 July 2022.

Negative changes in the value of financial instruments

(Euro units)	2022 Capital loss	2022 Loss from trading	2022 Net result	2021 Capital loss	2021 Loss from trading	2021 Net result
Financial derivatives						
a) debt securities	2,118	-	2,118	-	-	-
b) equity securities	-	-	-	-	-	-
c) other	26,695,890	-	26,695,890	15,188,031	-	15,188,031
Total	**26,698,008**	**-**	**26,698,008**	**15,188,031**	**-**	**15,188,031**

III.2 RESULT FROM OPERATIONS

III.2.1 FINANCIAL INCOME

Financial income: composition

(Euro units)	2022	2021
a) Interest income on deposits	711,981	-
b) Interest income on bank current accounts	193,631	15,077
TOTAL	**905,612**	**15,077**

Financial income refers to interest income accrued on the cash held in the company's current accounts and the deposit account held with the Parent Company. In 2021 this item amounted to Euro 15 thousand, the increase was mainly attributable to growing interest rates in 2002 and greater cash deposits.

III.2.2 FINANCIAL EXPENSES

Financial expenses: composition

(Euro units)	2022	2021
a) Interest due on lease payables	62,100	59,898
b) Other interest due	-	2
TOTAL	**62,100**	**59,900**

This item includes financial expenses related to operations and interest expense accrued on the lease liability, as required by IFRS 16, totaling Euro 62 thousand.

III.2.3 ADMINISTRATIVE EXPENSES

Administrative expenses: composition

(Euro units)	2022	2021
Administrative expenses:		
a) staff costs	12,311,741	13,444,236
b) other administrative costs	5,138,360	3,260,696
TOTAL	**17,450,101**	**16,704,932**

"Personnel costs" amounted to Euro 12,311 thousand and included costs for salaries and services provided to employees, seconded staff and other operating staff for a total of Euro 11,949 thousand and remuneration paid to directors and statutory auditors amounting to Euro 363 thousand. The decrease equal to Euro 1,132 thousand recorded over the previous year, is attributable to greater employee expenses amounting to Euro 65 thousand and greater expenses paid for Directors and Statutory Auditors amounting to Euro 10 thousand. These effects were mainly offset by higher expense recoveries for seconded staff to other companies for a total of Euro 876 thousand, lower fees related to other operating staff for a total of Euro 204 thousand, and lower expense reimbursements for third-party employees seconded to the Company for a total of Euro 128 thousand.

Personnel costs: composition

(Euro units)

Type of expense/Values	2022	2021
1) Employees	**11,251,045**	**11,185,687**
a) Wages and salaries	8,157,579	8,318,444
b) Social security charges	33,527	48,396
c) Employee severance	-	-
d) Social security costs	1,286,736	1,283,533
e) Provision for staff severance	122,196	145,059
f) Provision for retirement benefits and similar obligations:	-	-
- *defined contribution*	-	-
- *defined benefits*	-	-
g) Payments to external supplementary pension funds:	625,168	518,730
- *defined contribution*	*625,168*	*518,730*
- *defined benefits*	-	-
h) Costs arising from payment arrangements based on own equity instruments	-	-
i) Other employee benefits	794,911	707,389
j) Expenses for travel, food and lodging for traveling staff	230,928	164,136
2) Other staff	**239,687**	**443,418**
3) Directors and Statutory Auditors	**362,717**	**352,809**
4) Retired personnel	**-**	**-**
5) Expense recoveries for employees seconded to other companies	**(1,237,255)**	**(361,554)**
6) Reimbursement of expenses for third-party employees seconded to the Company	**1,695,547**	**1,823,876**
TOTAL	**12,311,741**	**13,444,236**

Number of employees and other workforce by category: composition

The Company has a limited number of employees in line with the requirements linked to its operations; therefore, it was deemed more representative to show the number of employees at 31 December 2022 comparing the number with the corresponding headcount of the previous year, rather than comparing the average values.

	2022	2021
Employees:		
a) executive managers	10	13
b) total middle managers	23	25
– *of which: 3rd and 4th level*	*12*	*12*
c) other employees	32	31
TOTAL	**65**	**69**
Other staff	**14**	**13**

“Other administrative expenses” amounted to Euro 5,138 thousand, up against the previous year when the balance was Euro 3,261 and mainly included professional and financial services, outsourced administrative services and general and insurance services.

Other administrative expenses: composition

(Euro units) Type of expense/Values	2022	2021
a) Professional and financial services	2,225,402	1,400,313
b) Outsourcing CDP	1,592,113	594,111
c) IT resources and data banks	567,117	413,340
d) Expenses for advertising and marketing	390,235	292,068
e) IT services	290,846	249,629
f) General and insurance services	42,505	53,062
g) Utilities, taxes and other expenses	21,947	1,099
h) Expenses for other corporate bodies	8,195	257,074
TOTAL	**5,138,360**	**3,260,696**

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)	Provider	Service fee paid in the period
Auditing and budgeting	Deloitte & Touche S.p.A.	141,411
TOTAL		**141,411**

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 recognized in the balance sheet. 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)	2022	2021
a) Amortization and depreciation of tangible assets	466,247	354,955
b) Amortization and depreciation of intangible assets	68,322	30,335
TOTAL	**534,569**	**385,290**

Amortization and depreciation intangible and tangible assets: composition

(Euro units) Assets/income items	Amortization, depreciation (A)	Impairment adjustments (B)	Value reversals (C)	Net result (A + B + C)
A. Tangible assets	**466,247**	**-**	**-**	**466,247**
A.1 Functional use	466,247	-	-	466,247
– Proprietary	66,219	-	-	66,219
– Rights of use, lease purchases	400,028	-	-	400,028
B. Intangible assets	**68,322**	**-**	**-**	**68,322**
B.1 Proprietary				
– Internally generated	68,322	-	-	68,322
TOTAL	**534,569**	**-**	**-**	**534,569**

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 2022, 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 positive effect of Euro 6.6 thousand.

Impairment and value reversals of current assets: composition

(Euro units)	Impairment adjustments			Value reversals			
	First and second stage	Third stage		First and second stage			
Transactions/Income items		Write-off	Other		Third stage	2022	2021
A. Receivables due from banks	**-**	**-**	**-**	**8,590**	**-**	**8,590**	**(3,628)**
Loans	-	-	-	8,590	-	8,590	(3,628)
Debt securities	-	-	-	-	-	-	-
B. Receivable due from customers	**(2,036)**	**-**	**-**	**-**	**-**	**(2,036)**	**(1,911)**
Loans	(2,036)	-	-	-	-	(2,036)	(1,911)
Debt securities	-	-	-	-	-	-	-
TOTAL	**(2,036)**					**6,554**	**(5,539)**

III.3 OTHER OPERATING INCOME AND EXPENSES

"Other operating income and expenses" were positive for Euro 9,379 thousand and included mainly income from service contracts between CDP Equity and CDPE Investimenti, and IQ MIIC for Euro 5,055 thousand, and other income for Euro 4,214 thousand. The latter value included income of Euro 1,451 thousand from the release of the provision on the commitment to disburse funds and Euro 1,439 thousand from the recovery of expenses from PSN for project charges.

Other income/expenses: composition

(Euro units)	2022	2021
a) Income for services rendered to investees	5,055,201	5,062,312
b) Other income	4,213,767	1,500,912
c) Income from corporate offices to employees	272,269	186,264
d) Other charges	(162,708)	(1,458,591)
TOTAL	**9,378,529**	**5,290,897**

III.4 INCOME TAX

The estimated tax burden for 2022, which contributed positively to the year's result, amounted to Euro 39,129 thousand and is detailed in the following table:

Income tax: composition

(Euro units)	2022	2021
1. Current taxes (-)	(14,485,945)	9,623,745
of which:		
– *IRAP in the period*	*-*	*(644,517)*
– *income/(costs) from tax consolidation*	*43,899,655*	*10,268,262*
– *withholdings from exemption*	*(58,385,600)*	*-*
2. Changes in current taxes vs previous years (+/-)	(17,951)	(160)
3. Decreases in current taxes in the period (+)	-	-
4. Changes in tax assets (+/-)	52,508,332	(253,291)
5. Changes in deferred tax assets (+/-)	1,124,303	(3,901,264)
6. Taxes in the period (-) (-1+/-2+3+/-4+/-5)	**39,128,739**	**5,469,030**

The tax line shows a positive balance of Euro 39,129 thousand; this amount consists of the recognition of deferred tax assets in the amount of Euro 52,508 thousand and tax consolidation income totaling Euro 43,900 thousand, partially offset by a charge of Euro 58,386 thousand for the recognition of the substitute tax for the exemption under Article 15, paragraph 10-*ter*, of Legislative Decree no. 185/2008 of the goodwill recorded in CDP's consolidated financial statements referring to the equity investment in Open Fiber Holdings.

Accrued taxes also reflect the partial recapture of the exemption related to the goodwill recorded in the consolidated financial statements on the SIA/NEXI equity investment downstream the transfer of the former SIA business unit by the combined entity in 2022.

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

(Euro units)	2022	Tax rate
Pre-tax profit (loss)	**(834,724,457)**	
IRES Theoretical fiscal charge (24%)	**200,333,870**	**-24.00%**
Increases		
– temporary changes	(588,032)	0.07%
– permanent changes	(209,011,445)	25.04%
Decreases in taxes		
– dividends	5,618,726	-0.67%
– capital gain on equity investments	8,053,398	-0.96%
– amortization of goodwill	26,419,267	-3.17%
– other changes	931,679	-0.11%
– ACE benefit	8,139,074	-0.98%
– withholding taxes DL 185/2008	4,003,119	-0.48%
IRES fiscal and actual charge	**43,899,655**	**-5.26%**

(Euro units)	2022	Tax rate
Difference between production value and production cost	**(4,430,403)**	
IRAP Theoretical fiscal charge (5.57%)	**246,773**	**-5.57%**
Increases in taxes	(982,983)	n.s.
Decreases in taxes	6,677,790	n.s.
IRAP fiscal and actual charge	**-**	**0%**

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 2022, the CDP Equity Risk Management function carried out activities in compliance with 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 2022, Risk Management expressed opinions on investment transactions regarding (i) direct investments, (ii) indirect investment in funds, as reported in the half-year report, and (iii) divestments, also partial, of investee companies and SGRs.

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.

Lastly, Risk Management carried out activities regarding the valuation of the ESG risks specifically targeting direct investments and funds.

COMPLIANCE

In 2022, 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.

In the period, the Compliance function reviewed and updated the controls regarding the management of conflicts of interest and market abuse risk and, in line with the contents of the Group's strategic plan, was involved in the development and definition of the ESG controls. In addition, in the second half of 2022, Compliance assisted the functions involved in the signing of the Guarantee Agreement with the European Commission under the InvestEU guarantee. The findings of these activities are brought to the attention of the Corporate Bodies through periodic reporting.

V. TRANSACTIONS WITH RELATED PARTIES

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

Compensation to Directors and Statutory Auditors

(Euro units)	2022	2021
a) Directors	279,984	273,038
b) Statutory auditors	82,733	79,771
TOTAL	**362,717**	**352,809**

Compensation to other executive managers with strategic responsibilities

(Euro units)	2022	2021
a) Short-term benefits	3,520,381	5,156,256
b) Post-employment benefits	270,395	350,269
TOTAL	**3,790,776**	**5,506,525**

Compensation to Directors and Statutory Auditors

(Euro units) Name and surname	Office	Period (*)	Expiry (**)	Emoluments and bonuses	Notes
Directors					
Giovanni Gorno Tempini	Chairman	16/05/2022 - 31/12/2024	2024	40,000	
Francesco Renato Mele	Chief Executive Officer	19/09/2022 - 31/12/2024	2024	42,500	
Francesco Renato Mele	Director	19/09/2022 - 31/12/2024	2024	9,901	(***)
Ilaria Bertizzolo	Director	16/05/2022 - 31/12/2024	2024	35,000	(***)
Board of Statutory Auditors					
Cristiano Zanella	Chief Statutory Auditor	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	
Directors no longer holding office					
Pier Paolo Di Stefano	Chief Executive Officer	16/05/2022 - 19/09/2022	2022	107,500	
Pier Paolo Di Stefano	Director	16/05/2022 - 19/09/2022	2022	25,155	(***)

(*) Period in office from the date of appointment by the Assembly.
(**) Reference date of the last financial statements subject to approval.
(***) Compensation paid to Cassa Depositi e Prestiti S.p.A.

V.2 INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

The Company is wholly owned by CDP and, at 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 the transactions carried out with related parties are implemented at arm's length and fall within the scope of the ordinary operations of CDP Equity.

TRANSACTIONS WITH THE PARENT COMPANY

Transactions with CDP

In 2022, transactions with CDP mainly concerned:

- the irregular deposit agreement;
- the securities deposit agreement;
- directors' fees to be paid 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 personnel to CDP.

The transactions, on an arm's length basis, at 31 December 2022 and the related effects on the balance sheet and income statement (including VAT where applicable) are summarized below:

Relations with CDP

(Euro units)

Balance sheet data	31/12/2022	31/12/2021
Non-current assets	**101,835**	**101,835**
Other non-current assets	101,835	101,835
Non-current liabilities	**(2,842,381)**	**2,692,904**
Other non-current liabilities	(2,842,381)	(2,692,904)
Current assets	**380,192,880**	**204,079,271**
Cash and cash equivalents	329,937,458	189,743,638
Receivables from tax consolidation	50,255,421	14,335,633
Other current assets	1,165,612	-
Current liabilities	**(2,842,381)**	**(2,918,797)**
Other current liabilities	(2,842,381)	(2,918,797)

(Euro units)

Income statement data	31/12/2022	31/12/2021
Income (costs) from tax consolidation	43,899,655	10,268,262
Financial income	711,981	-
Other staff charges and income	1,094,294	(308,999)
CDP Service agreement	(548,197)	(399,572)
Charge back of costs for seconded staff	(1,695,547)	(1,823,876)
Compensation for corporate offices reversed to CDP	(75,723)	(85,000)
Other expenses on equity investments	(93,733)	(41,381)

TRANSACTIONS WITH SUBSIDIARY COMPANIES

(Euro units) Balance Sheet	CDPE Investimenti S.p.A.	Renovit S.p.A.	CDP Reti S.p.A.	Ansaldo Energia S.p.A.	Fondo Italiano d'Investimento SGR	CDP Venture Capital SGR	Total
Non-current assets	**-**	**-**	**-**	**249,505,000**	**-**	**-**	**249,505,000**
Financial receivables due from subsidiaries	-	-	-	249,505,000	-	-	249,505,000
Current assets	**5,017,500**	**71,350**	**94,765**	**267,750**	**-**	**13,643**	**5,465,007**
Receivables from services rendered to subsidiaries	5,017,500	-	10,152	-	-	-	5,027,652
Other receivables	-	71,350	84,612	267,750	-	13,643	437,355
Total	**5,017,500**	**71,350**	**94,765**	**249,772,750**	**-**	**13,643**	**254,970,007**

(Euro units) Income Statement	CDPE Investimenti S.p.A.	Renovit S.p.A.	CDP Reti S.p.A.	Ansaldo Energia S.p.A.	Fondo Italiano d'Investimento SGR	CDP Venture Capital S.p.A.	Total
Financial income	**-**	**-**	**-**	**13,917,500**	**-**	**-**	**13,917,500**
Interest on financial receivables	-	-	-	13,917,500	-	-	13,917,500
Other charges/income	**5,022,083**	**84,351**	**105,787**	**123,305**	**19,998**	**13,643**	**5,369,168**
Income from SA service agreement	5,022,083	13,001	21,175	-	-	-	5,056,260
Other income	-	71,350	84,612	123,305	19,998	13,643	312,909
Total	**5,022,083**	**84,351**	**105,787**	**14,040,805**	**19,998**	**13,643**	**19,286,668**

TRANSACTIONS WITH OTHER RELATED PARTIES

The following table summarizes the transactions with other related parties outstanding at 31 December 2022 and related valuation. Data included any impairments pursuant to IFRS 9.

	Balance Sheet						
	Non-current assets	Current assets				Non-current liabilities	Current liabilities
	Receivables due from investees						
(Euro units) Company	Non-current financial assets	Receivables for SA service agreement	Receivables for income from corporate offices	Other receivables	Receivables from expense reimbursement	Financial non-current liabilities	Current liabilities
IQ MIIC in liquidazione S.p.A.	-	39,421	-	-	-	-	-
CDPE Investimenti S.p.A.	-	5,017,500	-	-	-	-	-
QuattroR SGR	-	-	-	-	-	-	-
Kedrion S.p.A.	-	-	-	-	-	-	-
Valvitalia Finanziaria S.p.A.	-	-	4,998	-	-	-	-
Ansaldo Energia S.p.A.	249,505,000	-	5,507	262,243	-	-	-
Hotelturist S.p.A.	-	-	-	-	-	-	-
Trevi Finanziaria Industriale S.p.A.	-	-	15,671	-	-	-	-
Inalca S.p.A.	-	-	1,108	-	-	-	-
Open Fiber S.p.A.	-	-	29,999	-	-	-	-
Bonifiche Ferraresi S.p.A.	-	-	6,575	-	-	-	-
Webuild S.p.A.	-	-	-	-	-	-	-
Euronext N.V.	-	-	-	-	-	-	-
CDP Reti S.p.A.	-	10,152	-	84,612	-		-
Renovit S.p.A.	-	-	13,001	58,349	-	-	-
GreenIT S.p.A.	-	25,026	-	-	-	-	-
Polo Strategico Nazionale S.p.A.	-	-	-	1,755,875	-	-	-
GPI S.p.A.	-	-	986	-	-	-	-
CDP Ventures SGR	-	-	13,643	-	-	-	-
Fondo Italiano Investimenti SGR	-	-	-	-	-	-	-
Holding Reti Autostradali S.p.A.	-	-	8,822	-	-	-	-
TOTAL	**249,505,000**	**5,092,099**	**100,311**	**2,161,079**	**-**	**-**	**-**

Income Statement								
Dividends	Positive (negative) changes in financial instruments	Financial income	Compen-sation to directors	Staff costs	Income from corporate offices	Other income	Income from service agreement	Costs for services
-	-	-	-	-	-	-	32,312	-
-	-	-	-	-	-	-	5,022,083	-
-	-	-	-	-	18,561	-	-	-
-	-	-	-	-	19,972	-	-	-
-	-	-	-	-	19,998	-	-	-
-	-	13,917,500	-	-	24,343	98,963	-	-
-	-	-	-	-	19,998	-	-	-
-	-	-	-	-	15,671	-	-	-
-	-	-	-	-	16,108	-	-	-
-	-	-	-	-	29,999	-	-	-
339,019	-	-	-	-	6,575	-	-	-
9,173,316	-	-	-	-	-	-	-	-
15,131,200	-	-	-	-	-	-	-	-
-	-	-	-	-	-	84,612	21,175	-
-	-	-	-	-	13,001	58,349	13,001	-
-	-	-	-	-	-	-	65,005	-
-	-	-	-	-	-	1,439,242	-	-
-	-	-	-	-	986	-	-	-
-	-	-	-	-	13,643	-	-	
-	-	-	-	-	19,998	-	-	-
-	-	-	-	-	53,414	-	805	-
24,643,536	**-**	**13,917,500**	**-**	**-**	**272,269**	**1,681,166**	**5,154,382**	**-**

VI. INFORMATION ON PUBLIC FUNDING

In compliance with the provisions of Article 1, par. 125, of Law n.124 of 4 August 2017, it should be noted that in 2022, the Company did not receive any amounts by way of grants, contributions, paid assignments and in any case economic advantages of any kind from public administrations and other subjects specified in Article 1, par. 125 of the aforementioned law.

ANNEXES TO THE FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 OF CASSA DEPOSITI E PRESTITI S.P.A.

- Balance sheet
- Income statement
- Statement of comprehensive income

BALANCE SHEET

(Euro units)

Assets	31/12/2021	31/12/2020
10. Cash and cash equivalents	263,478,003	290,991,411
20. Financial assets measured at fair value through profit or loss:	3,708,759,781	3,374,567,520
a) financial assets held for trading	232,358,795	238,759,810
c) other financial assets mandatorily measured at fair value	3,476,400,986	3,135,807,710
30. Financial assets measured at fair value through other comprehensive income	14,244,059,928	13,064,270,807
40. Financial assets measured at amortized cost:	358,102,654,371	357,590,992,604
a) loans to banks	37,801,217,320	38,935,461,220
b) loans to customers	320,301,437,051	318,655,531,384
50. Hedging derivatives	276,053,250	444,687,053
60. Fair value change of financial assets in hedged portfolios (+/-)	1,267,985,029	2,531,833,125
70. Equity investments	28,981,649,274	31,892,214,338
80. Tangible assets	371,494,657	373,384,458
90. Intangible assets	59,327,896	42,583,786
100. Tax assets:	653,835,762	461,763,488
a) current tax assets	115,772,602	23,944,203
b) deferred tax assets	538,063,160	437,819,285
110. Non-current assets and disposal groups held for sale	4,251,174,320	-
120. Other assets	778,954,611	278,875,476
TOTAL ASSETS	**412,959,426,882**	**410,346,164,066**

(Euro units)

Liabilities and Shareholders' equity	31/12/2021	31/12/2020
10. Financial liabilities measured at amortized cost:	382,558,801,228	378,819,556,956
a) due to banks	34,913,216,675	45,259,543,320
b) due to customers	325,974,035,731	312,007,319,904
c) securities issued	21,671,548,822	21,552,693,732
20. Financial liabilities held for trading	251,005,952	209,820,434
40. Hedging derivatives	3,073,677,795	4,320,965,184
50. Adjustment of financial liabilities in hedged portfolios (+/-)	2,067,089	10,352,100
60. Tax liabilities:	177,059,232	208,176,217
a) current tax liabilities	1,450,814	19,823,143
b) deferred tax liabilities	175,608,418	188,353,074
80. Other liabilities	994,215,254	803,194,183
90. Staff severance	1,045,053	1,017,134
100. Provision for risks and charges:	592,480,846	475,625,125
a) guarantees issued and commitments	450,819,483	328,619,764
c) other provisions for risks and charges	141,661,363	147,005,361
110. Valuation reserve	315,148,441	653,173,211
140. Reserves	16,519,104,447	15,962,320,645
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)	(322,220,116)
180. Net income (loss) for the year (+/-)	2,367,381,153	2,774,522,485
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**412,959,426,882**	**410,346,164,066**

INCOME STATEMENT

(Euro units)

Items		2021	2020
10.	Interest income and similar income	7,598,560,597	7,719,754,617
	– *of which: interest income calculated using the effective interest rate method*	*7,885,064,371*	*7,994,809,421*
20.	Interest expense and similar expense	(4,757,470,080)	(4,565,186,464)
30.	**Net interest income**	**2,841,090,517**	**3,154,568,153**
40.	Commission income	378,781,927	409,655,062
50.	Commission expense	(1,335,465,205)	(1,408,788,670)
60.	**Net commission income (expense)**	**(956,683,278)**	**(999,133,608)**
70.	Dividends and similar revenues	1,233,649,159	1,019,038,325
80.	Profits (losses) on trading activities	(23,440,561)	(21,084,673)
90.	Fair value adjustments in hedge accounting	160,905	23,920,623
100.	Gains (losses) on disposal or repurchase of:	481,842,195	873,666,735
	a) financial assets measured at amortised cost	355,072,776	736,876,810
	b) financial assets measured at fair value through other comprehensive income	126,769,419	136,789,925
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss:	161,820,908	(100,426,355)
	b) other financial assets mandatorily measured at fair value	161,820,908	(100,426,355)
120.	**Gross income**	**3,738,439,845**	**3,950,549,200**
130.	Net adjustments/recoveries for credit risk relating to:	(33,540,895)	(151,277,092)
	a) financial assets measured at amortised cost	(34,958,153)	(151,001,121)
	b) financial assets at fair value through other comprehensive income	1,417,258	(275,971)
140.	Gains/losses from changes in contracts without derecognition	(377,214)	(15,223)
150.	**Financial income (expense), net**	**3,704,521,736**	**3,799,256,885**
160.	Administrative expenses:	(209,456,888)	(190,416,437)
	a) staff costs	(141,103,991)	(123,068,383)
	b) other administrative expenses	(68,352,897)	(67,348,054)
170.	Net accruals to the provisions for risks and charges:	16,044,305	(66,911,478)
	a) guarantees issued and commitments	16,106,525	(92,017,421)
	b) other net accruals	(62,220)	25,105,943
180.	Net adjustments to/recoveries on property, plant and equipment	(15,644,780)	(13,144,005)
190.	Net adjustments to/recoveries on intangible assets	(12,861,862)	(8,900,816)
200.	Other operating income (costs)	19,140,539	7,704,767
210.	**Operating costs**	**(202,778,686)**	**(271,667,969)**
220.	Gains (losses) on equity investments	(348,652,244)	
250.	Gains (losses) on disposal of investments	(135,938)	(48,432)
260.	**Income (loss) before tax from continuing operations**	**3,152,954,868**	**3,527,540,484**
270.	Income tax for the year on continuing operations	(785,573,715)	(820,105,999)
280.	**Income (loss) after tax on continuing operations**	**2,367,381,153**	**2,707,434,485**
290.	Income (loss) after tax on discontinued operations	-	67,088,000
300.	**NET INCOME (LOSS) FOR THE YEAR**	**2,367,381,153**	**2,774,522,485**

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

	Items	2021	2020
10.	**Net income (loss) for the year**	**2,367,381,153**	**2,774,522,485**
	Other comprehensive income net of tax not transferred to income statement	**87,637,169**	**(241,923,764)**
20.	Equity securities designated at fair value through other comprehensive income	87,637,169	(241,923,764)
	Other comprehensive income net of taxes transferred to income statement	**(425,661,939)**	**(6,976,750)**
120.	Cash flow hedges	(270,029,299)	(67,229,211)
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(155,632,640)	60,252,461
170.	**Total other comprehensive income net of tax**	**(338,024,770)**	**(248,900,514)**
180.	**COMPREHENSIVE INCOME (ITEMS 10 + 170)**	**2,029,356,383**	**2,525,621,971**

2020 values have been restated as indicated in the section on accounting policies, Section “Other Aspects,” of the Separate Financial Statements 2021 of Cassa Depositi e Prestiti S.p.A.

INDEPENDENT AUDITORS' REPORT

Deloitte.

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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, 2022, 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, 2022, 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.

Deloitte.

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.

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.

Deloitte.

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, 2022, 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, 2022 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, 2022 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
April 5, 2023

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

BOARD OF STATUTORY AUDITORS' REPORT

PURSUANT TO ARTICLE 2429, PAR. 2 OF THE ITALIAN CIVIL CODE FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2022

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 published in 2020 and effective as of 1 January 2021. 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 31 December 2022, prepared in accordance with Italian regulations governing their preparation, showed a loss for the period of Euro 795,595,718. 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 5 April 2022 containing their unmodified opinion.

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.

The Board of Statutory Auditors attended the Shareholders' Meetings and the meetings of the Board of Directors, in relation to which, on the basis of available information, it did not detect violations of the law and the By-Laws, nor operations 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 corporate transactions 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 has emerged that would need to be reported.

We have had meetings with the main corporate internal control functions and no relevant data or information has emerged that would need to be reported.

We have received information also from the Supervisory Board until 16 May 2022, when the Board of Directors assigned the powers of the Supervisory Board to the Board of Auditors currently in office.

We therefore confirm that the interim reports did not show any critical issues with respect 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 independent auditors and through the examination of the company documents, and in this regard we have no observations to report.

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

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.

In the period, opinions were issued in accordance with Article 21.1 of the By-Laws and Article 2389, paragraph 3, of the Italian Civil Code regarding the remuneration of directors holding special offices issued at the Board of Directors' meetings held on 4 March 2022 and 31 March 2022, and opinions in accordance with Article 21.1 of the By-Laws regarding the appointment of the Chief Executive Officer and allocation of related powers at the Board of Directors' meeting held on 16 May 2022. On 19 September 2022, a favorable opinion was issued pursuant to Article 19.3 of the By-Laws and Article 2389, paragraph 1, of the Civil Code in relation to the co-option of Director Dr. Francesco Mele.

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 31 December 2022, 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.

We have examined the draft financial statements for the year ended on 31 December 2022, submitted to us in accordance with Article 2429 of the Italian Civil Code , which posted a loss of Euro 795,595,718 and shareholders' equity at Euro 10,129,928,473 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 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 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 at 31 December 2022, as prepared by the Directors.

Milan, 5 April 2023

The Board of Statutory Auditors

Cristiano Zanella
Dr. Francesca Busardò Armetta
Dr. Stefano Podda

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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 Economic Administrative Register (REA) no. 1965330
Share capital of Euro 2,890,583,470.00 - fully paid up
Tax Code and VAT no. 07532930968

Company subject to direction and coordination by
Cassa Depositi e Prestiti S.p.A.
Via Goito 4 - 00185 Rome
Share capital of Euro 4,051,143,264.00 - fully paid up
Registered with the Rome Chamber of Commerce (CCIAA)
under Economic Administrative Register (REA) no. 1053767
Tax Code and registration with the Rome Register
of Companies No. 80199230584
VAT ID no. 07756511007

cdp CDP Equity