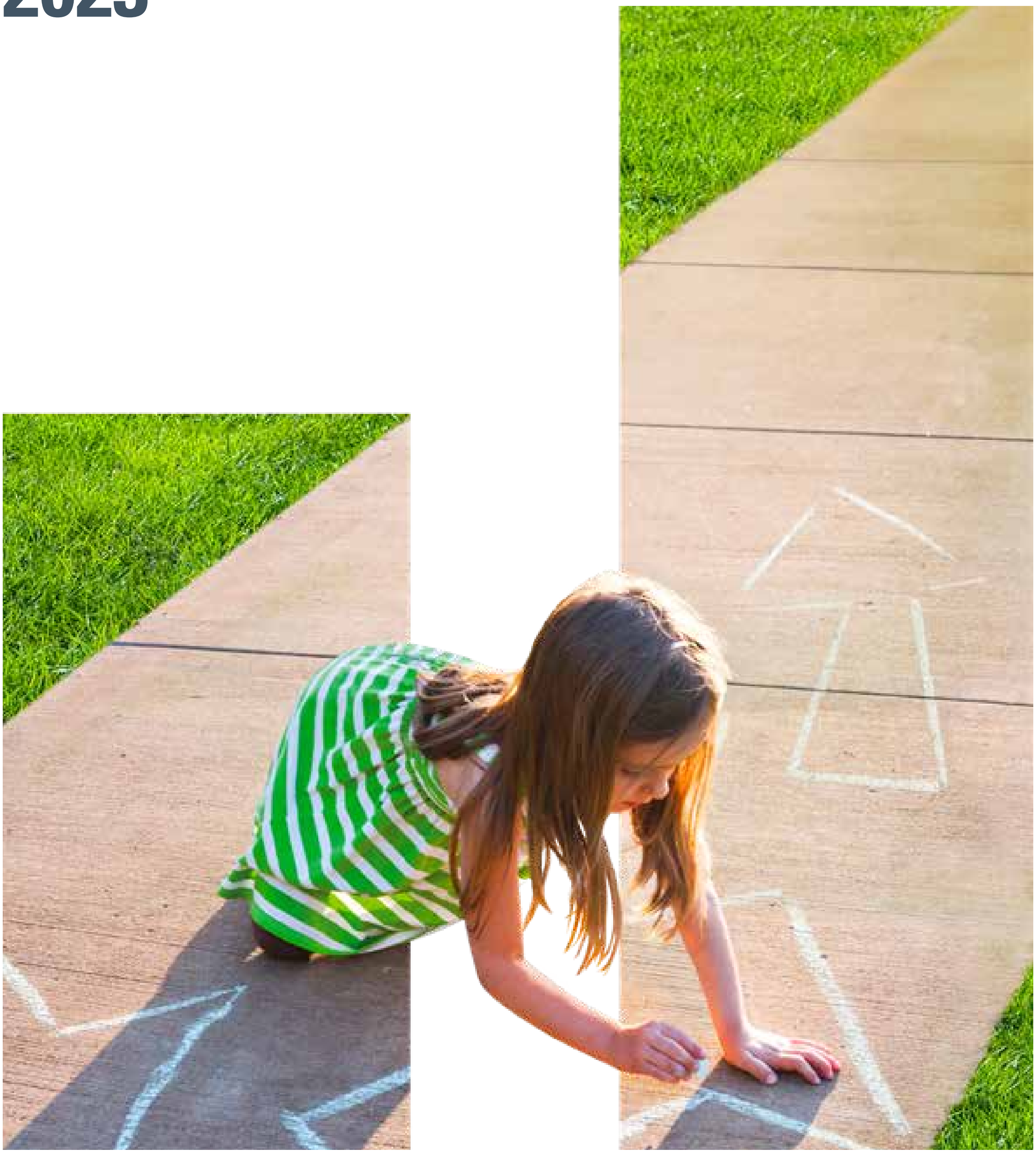
ANNUAL REPORT 2023



CDP Equity

cdp

ANNUAL REPORT 2023

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CORPORATE BODIES

BOARD OF DIRECTORS

Chairman
Giovanni Gorno Tempini

Chief Executive Officer
Francesco Renato Mele

Director
Simona Camerano[1]

BOARD OF STATUTORY AUDITORS

Chairman
Cristiano Zanella

Statutory Auditor
Stefano Podda
Francesca Busardò Armetta

Alternate Auditor
Paolo Russo
Daniela Frusone

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

[1] Ms Camerano was appointed by the Shareholders' Meeting on 2 October 2023.

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1 DIRECTORS' REPORT ON OPERATIONS

1. COMPANY PRESENTATION

1.1 ROLE AND MISSION OF CDP EQUITY

CDP Equity S.p.A. (hereafter, also the "Company" or "CDP Equity") is the company name adopted as of 31 March 2016 by Fondo Strategico Italiano S.p.A., an investment fund established on 2 August 2011 under paragraph 8-bis of Article 5 of Decree-Law 269 of 2003, converted into Law 326 of 24 November 2003.

CDP Equity is a company that mainly conducts the business of acquiring equity investments in "companies of major national interest"[2], characterised by a stable financial position and sound performance, adequate profit-generating prospects and significant growth prospects, able to generate value for investors, in accordance with the market economy investor principle.

CDP Equity invests both directly in companies and indirectly through the subscription of funds.

1.2 SHAREHOLDING STRUCTURE OF CDP EQUITY

At 31 December 2023, the share capital of CDP Equity was fully subscribed and paid up for an amount of 2,890,583,470 euro, 100%-owned by Cassa Depositi e Prestiti S.p.A. (hereinafter also "CDP") for a total of 289,058,347 ordinary shares.

1.3 CORPORATE BODIES AND GOVERNANCE OF CDP EQUITY

In line with the provisions of the Articles of Association, the Company is managed by a Board of Directors composed of three members, and has a Board of Statutory Auditors as a control body, which also performs the functions of Supervisory Body pursuant to Legislative Decree 231/2001.

The Board of Directors of the Company was appointed by the Shareholders' Meeting held on 16 May 2022, in which the sole shareholder CDP appointed the following for the three-year period 2022-2024, i.e. until the approval of the separate financial statements at 31 December 2024, as members of the Board of Directors of the Company: (i) Giovanni Gorno Tempini, as Chairman, (ii) Pierpaolo Di Stefano and (iii) Ilaria Bertizzolo. On the same date, the Board of Directors appointed Pierpaolo Di Stefano as Chief Executive Officer of the Company.

Following the resignation of Mr Di Stefano, with effect from 19 September 2022, the Shareholders' Meeting and the Board of Directors' meeting of CDP Equity held on 19 September 2022 respectively approved the appointment of Francesco Renato Mele as a new member of the Board of Directors of CDP Equity as well as Chief Executive Officer and General Manager of the Company.

[2] The following companies are considered to be of "major national interest" (as provided for in the Decrees of the Minister of Economy and Finance of 3 May 2011 and 2 July 2014, as well as by the Articles of Association):

I. companies operating in the sectors of defence, security, infrastructure, transport, communications, energy, insurance and financial intermediation, high-tech research and innovation, and public services, tourism-hotel, agribusiness and distribution, and management of cultural and artistic heritage; or
II. outside the aforementioned strategic sectors, companies which, cumulatively, have an annual net turnover of no less than 300 million euro and an average number of employees of no less than 250. The company size can be reduced to up to 240 million euro in turnover and 200 employees in the case of companies that carry out a significant activity in terms of inducements and benefits for the national economic-productive system, also in terms of production plants located in the local areas.

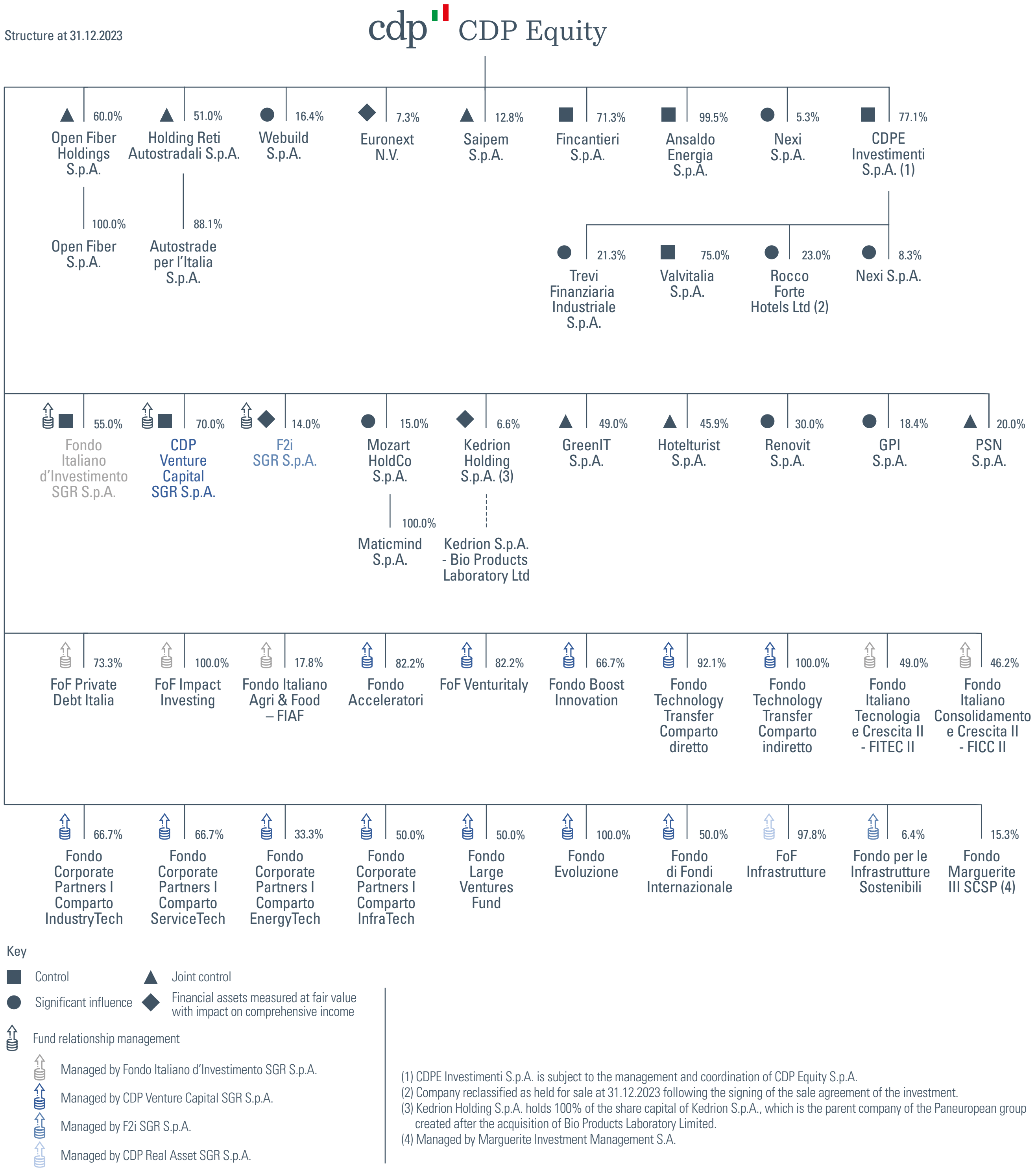
Companies that, although not incorporated in Italy, operate in the sectors mentioned in (i) and have subsidiaries or permanent establishments in Italy that meet the following cumulative requirements are also of significant national interest: (i) annual net turnover of no less than 50 million euro; (ii) average number of employees in the last financial year of no less than 250.

During 2023, Ms Ilaria Bertizzolo resigned as director, effective 6 June 2023, and the Board of Directors' meeting of the Company held on 8 June 2023 appointed Ms Simona Camerano by co-option, pursuant to Article 2386 of the Italian Civil Code and Article 19.3 of the Company's Articles of Association. At the Shareholders' Meeting of 2 October 2023, the sole shareholder CDP confirmed the appointment of Ms Camerano as a member of the Company's Board of Directors, with her term of office expiring on the same date as the other current members of the Board of Directors, i.e. until the approval of the separate financial statements at 31 December 2024.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 15 January 2021 and is composed of the Chairman, Cristiano Zanella, and the Standing Auditors, Stefano Podda and Francesca Busardò Armetta. The term of office of the Board of Statutory Auditors will expire with the approval of the financial statements for the year ended 31 December 2023. The Board of Statutory Auditors is also assigned the functions of Supervisory Body pursuant to Italian Legislative Decree 231/2001.

2. PORTFOLIO OF CDP EQUITY

The following chart shows the corporate structure of CDP Equity and its portfolio of investments at 31 December 2023.



(1) CDPE Investimenti S.p.A. is subject to the management and coordination of CDP Equity S.p.A.
(2) Company reclassified as held for sale at 31.12.2023 following the signing of the sale agreement of the investment.
(3) Kedrion Holding S.p.A. holds 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 following table shows the details of the investee companies, also through vehicles, of CDP Equity at 31 December 2023 ("direct investments").

Investee company	Description – Direct investments	Type of relationship	% ownership
ansaldo energia	Ansaldo Energia is an international player in the field of electricity generation, which provides the industry with an integrated model, from turnkey systems to components (gas turbines, steam turbines, generators and microturbines), as well as related servicing activities	Control	99.5%
autostrade per l'italia	Autostrade per l'Italia conducts concession management of toll motorways with about 3,000 km of network managed in Italy	Joint control	88.1% [a]
EURONEXT	Euronext N.V. is the leading pan-European infrastructure offering listing, trading, clearing, custody and settlement services, technology solutions, live market services, business services and other financial services related to trading and the stock exchange.	Financial assets measured at fair value through other comprehensive income	7.3%
FINCANTIERI	Fincantieri - listed on Euronext Milan - is one of the most important shipbuilding companies in the world, a leading global Italian group in designing and building cruise ships, a top-level operator in all sectors of high-tech marine engineering	Control	71.3%
Gpi	GPI - listed on Euronext Milan - is a leading player in the digital health sector, where it plays a primary role mainly in the field of technological products and services, outsourced management and administrative services and telemedicine projects	Significant influence	18.4%
GREENIT	GreenIT is a joint venture between CDP Equity and ENI S.p.A. to develop, build and manage of plants for the generation of electricity from renewable sources in Italy	Joint control	49.0%
TH	Hotelturist is one of the leading tour operators in Italy that adopts a successful leisure & hospitality model	Joint control	45.9%
Kedrion S.p.A. and Bio Products Laboratory Limited	Kedrion S.p.A. & Bio Products Laboratory Limited are two companies, recently aggregated, operating in the field of plasma derivatives, drugs developed from proteins extracted from human plasma and used to treat coagulation diseases, infectious diseases, primary immunodeficiencies, neuropathies, and in other treatment areas	Financial assets measured at fair value through other comprehensive income	6.6% [b]
MATICMIND	Maticmind is an Italian system integrator operating in the ICT sector which designs, integrates and manages innovative technological solutions through specialised skills in Networking, Cyber Security, Digital Workplace, Data Center, Cloud, Enterprise Application and Automation	Significant influence	15.0% [c]
nexi	Nexi S.p.A. - listed on Euronext Milan - is a European paytech company, leader in Italy in the market for digital payment solutions. Working with partner banks, it provides a wide range of payment and acceptance services to consumers, merchants, companies and public institutions.	Significant influence	13.6% [d]
open fiber	Open Fiber is a company whose aim is to create a nationwide "fibre-to-the-home" optical fibre network open to all operators in the sector.	Joint control	60.0% [e]
Polo Strategico Nazionale	PSN S.p.A. is a project company that was created to assist public administrations in adopting cloud solutions that expand the digitisation of public administrations and allow greater efficiency in offering innovative services to individuals and businesses, rationalising public spending and reducing energy impact	Joint control	20.0%
renovit	Renovit promotes the energy efficiency of condominiums, companies and public administrations for the sustainable development and energy transition of Italy. It positions itself as an enabler of further growth in the sector, contributing to the achievement of national 2030 energy efficiency targets and the decarbonisation of the economic system	Significant influence	30.0%

Investee company	Description – Direct investments	Type of relationship	% ownership
ROCCO FORTE HOTELS	Rocco Forte Hotels is one of the world's leading operators in the management of five-star hotels, with a significant presence in Italy.	Significant influence	23.0% [f]
SAIPEM	Saipem - listed on Euronext Milan - works in the field of advanced engineering to design, build and operate complex, safe and sustainable infrastructures and plants	Joint control	12.8%
TREVI	Trevi – listed on Euronext Milan - is a leader in underground engineering (special foundations, soil consolidation, manufacture and sale of specialised machinery and equipment for the sector). It also builds automated underground car parks.	Significant influence	21.3% [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. Its main sectors of operation are Oil & Gas, Railways and Shipbuilding.	Control	75.0% [f]
webuild	Webuild, a listed company, specializes in building large complex infrastructures and works in the construction of dams and hydroelectric plants, hydraulic works, railways and subways, airports and motorways and civil and industrial construction	Significant influence	16.4%

(a) Equity 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 has a 6.6% equity investment in the vehicle Kedrion Holding S.p.A., which owns 100% of the share capital of Kedrion S.p.A., the parent company of the homonymous group operating in plasma-derived medicines, which expanded in 2022 with the transformative acquisition of Bio Products Laboratory Ltd.
(c) CDP Equity owns a 15% equity investment in the vehicle Mozart HoldCo S.p.A., which in turn owns 100% of the share capital of Maticmind S.p.A.
(d) CDP Equity holds a direct equity investment of 5.3% and an indirect equity investment — through CDPE Investimenti — of 8.3%.
(e) Equity investment held through Open Fiber Holdings S.p.A., a vehicle 60%-owned by CDP Equity and over which CDP Equity exercises joint control together with the other partner who holds the remaining 40%.
(f) Equity investment held through CDPE Investimenti, of which CDP Equity is a 77.1% shareholder.

The following tables detail the equity investments held in asset management companies ("SGR") and the portfolio of investment funds subscribed by CDP Equity at 31 December 2023 ("indirect investments").

Investee SGRs	Description	Type of relationship:	% owned
cdp Fondo Nazionale Innovazione CDP Venture Capital Sgr	CDP VC SGR aims to make venture capital a strategic asset of Italy's economic development and innovation, creating the conditions for a comprehensive and sustainable growth of the venture capital ecosystem	Control	70.0%
FONDO ITALIANO D'INVESTIMENTO	FII SGR works to support 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 works to create value for investors and for the country, transforming financial resources of domestic and foreign investors into real economy projects. Since 2021, alongside equity investments, F2i has been operating on the market through a debt fund to finance the development of industrial infrastructure projects	Financial assets measured at fair value through other comprehensive income	14.0%

Subscribed fund	Description	SGR	Stake %
Fondo Boost Innovation	Supports Italian corporations in their start-up and funds startups with a strong innovative impact for their business and for the development of the markets in which they operate or are about to enter	CDP Venture Capital SGR	66.7%
Fondo Large Ventures Fund	Accelerates the development of the Italian ecosystem in strategic sectors for the country, investing in the most ambitious entrepreneurs and supporting them in the creation of new markets and category leaders	CDP Venture Capital SGR	50.0%
Fondo Evoluzione	Invests directly in the best innovative start ups and SMEs led by talented and ambitious entrepreneurs	CDP Venture Capital SGR	100.0%
Fondo Technology Transfer - comparto indiretto	Enhances the results of market research by creating integrated technology transfer platforms specialising in some areas of scientific and technological research, with high potential for the competitiveness and innovation of the Italian industrial system	CDP Venture Capital SGR	100.0%
Fondo Technology Transfer - comparto diretto			92.1%
Fondo Acceleratori	Supports the emergence and development of a new generation of disruptive-technology start-ups with high growth potential, in sectors and technologies of greatest impact for the country's industrial fabric	CDP Venture Capital SGR	82.2%
FoF VenturItaly	Invests in venture capital funds throughout their supply chain: from see capital to late stage venture capital. With a specific focus on Italy, the aim is to generate returns for investors and at the same time support the development of the national venture capital market	CDP Venture Capital SGR	82.2%
Fondo Corporate Partners I - comparto InfraTech	Supports the development of the Italian ecosystem of start ups and innovative SMEs in strategic sectors for Italy by making investments and collaborating with the largest Italian companies, providing entrepreneurs with strategic and operational support, leveraging the network of companies that invest in the Fund, and creating opportunities for growth and development for both	CDP Venture Capital SGR	50.0%
Fondo Corporate Partners I - comparto ServiceTech			66.7%
Fondo Corporate Partners I - comparto IndustryTech			66.7%
Fondo Corporate Partners I - comparto EnergyTech			33.3%
FoF Internazionale	The FOF is dedicated to investments in venture capital funds managed by international operators who are committed to allocating resources in Italian companies, specifically regarding those operating in the fields of technological innovation, from digital to life sciences, and to having a local presence. The investment strategy focuses on funds from established pan-European managers with proven experience in the relevant sector	CDP Venture Capital SGR	50.0%
FoF Impact Investing	This is the first fund of funds focused on the impact investing market in Italy. It is aimed at developing this sustainable investment strategy, which can generate a positive social and environmental impact, together with financial returns for the investor	Fondo Italiano di Investimento SGR	100.0%
FoF Private Debt Italia	Financially supports the growth projects of Italian SMEs and promotes the development of the Italian Private Debt market	Fondo Italiano di Investimento SGR	73.3%
Fondo Italiano Agritech & Food	Promotes the aggregation of the Italian agri-food sector, with a view to rationalising and integrating the value chain, supporting expansion into international markets through investments and acquisitions and contributing to the modernisation of the sector	Fondo Italiano di Investimento SGR	17.8%
Fondo Italiano Consolidamento e Crescita II	To promote the development of national champions and future players at a global level, in strategic and excellence sectors of the Italian industry, it invests in companies operating in top-end sectors and chains of Italian industry, with the possibility of expanding to other top-end sectors and chains, provided that there is the opportunity to pursue at least one of the investment purposes of the Fund in the companies invested, such as: consolidation design philosophy; international expansion; technological innovation; the digitisation of processes and business models or social and environmental sustainability	Fondo Italiano di Investimento SGR	46.2%

Subscribed fund	Description	SGR	Stake %
Fondo Italiano Tecnologia e Crescita II	Invests in excellent Italian high-tech companies that intend to start or consolidate expansion projects, favouring their innovation processes and strengthening their competitive positioning, with a particular focus therefore on the Information, Communication and Technology (ICT) and Industrial Innovation sectors	Fondo Italiano di Investimento SGR	49.0%
Fondo per le Infrastrutture Sostenibili	Identifies companies operating in the infrastructure sector that can combine industrial growth with continuous improvement in environmental, social and governance (ESG) parameters	F2i SGR	6.4%
FoF Infrastrutture	Aims to promote the development of projects with environmental and social purposes, in areas of action featuring significant needs for financial resources and with greater development potential. Its main reference sectors are energy and digital transition, the circular economy and renewable energies	CDP Real Asset SGR S.p.A.	97.8%
Fondo Marguerite III	Makes predominantly greenfield investments in infrastructure companies, with a growing focus on new technologies and new sub-sectors	Marguerite Investment Management S.A.	15.3%

3. MANAGEMENT PERFORMANCE AND SIGNIFICANT EVENTS DURING THE YEAR

3.1 INVESTMENT ACTIVITIES AND PORTFOLIO STRUCTURE

3.1.1 CAPITAL STRENGTHENING OF THE TREVI GROUP

Through its subsidiary CDPE Investimenti S.p.A. ("CDPE Investimenti" or "CDPEI"), CDPE Equity participated in the financial manoeuvre of Trevi Finanziaria Industriale S.p.A. ("TreviFin"), capital strengthening and debt restructuring of the Trevi Group, aimed at rebalancing its statement of financial position.

The overall manoeuvre, which ended on 11 January 2023, was organised as follows:

- a paid-up capital increase offered as an option to shareholders, pursuant to Article 2441, paragraph 1 of the Italian Civil Code, for a maximum total amount of 25,106,155.28 euro as a single act, up to the amount of 24,999,999.90 euro, divisible for the excess, including share premium. In this context, CDPE Investimenti, together with Polaris Capital Management LLC, signed a letter of commitment to subscribe the its share of the capital increase as an option, as well as any shares remaining unopted in proportion to the equity investment held. Consequently, CDPE Investimenti paid (i) on 20 December 2022 an amount of 6,445,819.99 euro to subscribe 20,333,817 shares, crediting those shares on 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, a further amount of 2,331,170.13 euro to subscribe 7,353,849 shares, simultaneously crediting the shares on the Monte Titoli account on the same day;
- a capital increase, excluding the option right, indivisible and against payment, amounting to 26,137,571.21 euro, with an issue of 82,452,906 ordinary shares, reserved for certain financial creditors of the Trevi Group, which was fully subscribed by converting financial receivables from those creditors due from TreviFin, according to a credit-to-equity conversion ratio of 1.25 to 1, as provided for in the reorganization agreement.

At 31 December 2023, the equity investment held by CDPE Investimenti in the capital of TreviFin was therefore 21.3%, down from 25.7% at 31 December 2022.

3.1.2 VALVITALIA GROUP MANOEUVRE

Operating through its subsidiary CDPE Investimenti, CDPE Equity took part in the financial and capital reinforcement initiative alongside the Valvitalia Group. The primary objective was to address the financial structure's imbalances.

The overall operation, concluded on 31 March 2023, provided for:

- the granting by CDPE Investimenti of loans for a total of 70 million euro to Valvitalia S.p.A., intended to (i) meet its cash needs, (ii) strengthen its capital structure and (iii) ensure the achievement of the objectives of the new business plan;
- the full conversion by CDPE Investimenti of the remainder of the Convertible Bond ("CB") issued by Valvitalia Finanziaria S.p.A.;
- the involvement of the lending credit institutions of Valvitalia S.p.A. by issuing cash and unsecured credit lines, as well as the Patrimonio Rilancio (established by CDP S.p.A. pursuant to Article 27 of Legislative Decree no. 34/2020, converted, with amendments, by Law no. 77/2020);
- the review of the governance of Valvitalia S.p.A. and Valvitalia Finanziaria S.p.A.

In addition to the following, respectively:

- the full conversion by CDPE Investimenti of the CB, completed on 31 March 2023, the equity investment of CDPE Investimenti in the share capital of Valvitalia Finanziaria S.p.A. increased from 50% to 75%, moving from a joint control structure to an exclusive control structure;

- the reverse merger of Valvitalia Finanziaria S.p.A. into Valvitalia S.p.A., with consequent striking off of Valvitalia Finanziaria S.p.A. from the Companies' Register on 3 October 2023, the equity investment of CDPE Investimenti referred to in the previous point is to be referred to Valvitalia S.p.A.

3.1.3 EQUITY COMMITMENT PAYMENT TO ANSALDO ENERGIA

At 31 December 2023, the equity investment held by CDP Equity amounted to 99.5% of the capital of Ansaldo Energia S.p.A. ("AEN" or "Ansaldo Energia"), an increase compared to the 88.3% equity investment held at 31 December 2022.

With regard to the subsidiary, the following is noted: (i) the transfer of the equity commitment share to AEN in two phases, one on 31 January 2023, and the other on 13 February 2023, in accordance with the decision previously taken by the Board of Directors of CDP Equity during the capital increase of CDP Equity in AEN in April 2020, and (ii) the distribution of additional equity commitments totalling 455 million euro, with 230 million euro disbursed on 1 June 2023, and 225 million euro disbursed on 28 June 2023, in line with the decision made by the Board of Directors of CDP Equity on 31 March 2023, regarding CDP Equity's contribution to the financial and capital strengthening of AEN.

Furthermore, as part of this strategy, the maturity date of the shareholder loan extended by CDP Equity to AEN in 2019, amounting to 200 million euro, was deferred from 30 June 2026, to 30 June 2029, with all other terms and conditions of the loan remaining unchanged.

3.1.4 INVESTEU GUARANTEE

CDP Equity signed a Guarantee Agreement with the European Commission in 2022 as part of the InvestEU programme relating to investments subscribed in venture capital funds managed by CDP Venture Capital SGR ("VC Guarantee") and in the new Marguerite III fund ("M III Guarantee").

The agreement provides for the following, *inter alia*:
- this instrument substantively represents a co-investment agreement with the European Commission that provides for a mechanism of pari passu sharing of 50% of the profits and losses related to the hedged funds;
- CDP Equity remains the owner of the units of the guaranteed funds, fully taking on funding the investment, providing for refund mechanisms for this purpose;
- qualifying investments must meet the eligibility conditions provided for by the InvestEU Regulation and included in the Guarantee Agreement.

Therefore, on 7 October 2022, CDP Equity and the EU, represented by the European Commission, signed:
- a framework guarantee agreement that allows CDP Equity to benefit from the VC Guarantee, up to a maximum of 312 million euro, as detailed below:
  - 260 million euro to cover 50% of the investment operations in line with the objectives of the InvestEU Programme for a total amount of up to 520 million euro;
  - 52 million euro as a buffer to cover borrowing costs and administrative expenses;
- an amendment to the aforementioned framework agreement allowing CDP Equity to benefit from the M III Guarantee, up to a maximum of 60 million euro, as detailed below:
  - 50 million euro to cover 50% of the investment operations in line with the objectives of the InvestEU Programme for a total amount of up to 100 million euro;
  - 10 million euro to cover borrowing costs and administrative expenses.

- During 2023, CDP Equity completed the Policy Check to verify the compliance requirements of the hedged funds, a preliminary step to the partial activation of the following guarantees on them:
  - VC Guarantee approved for a total of 147.5 million euro by the Investment Committee of the European Commission on 11 October 2023 on the following funds subject to investment:
  - Evolution Fund, guarantee activated for 50 million euro to cover investments of up to 100 million euro;
  - Corporate Partners Fund I - ServiceTech segment, guarantee activated for 15 million euro to cover investments of up to 30 million euro;
  - Corporate Partners Fund I - IndustryTech sector, guarantee activated for 15 million euro to cover investments of up to 30 million euro;
  - Corporate Partners Fund I - EnergyTech sector, guarantee activated for 15 million euro to cover investments of up to 30 million euro;
  - Corporate Partners Fund I - InfraTech segment, guarantee activated for 15 million euro to cover investments of up to 30 million euro;
  - Accelerator Fund, guarantee activated for 25 million euro to cover investments of up to 50 million euro;
  - Technology Transfer Fund - direct sub-fund, guarantee activated for 12.5 million euro to cover investments of up to 25 million euro;
- M III Guarantee approved for 50 million euro by the Investment Committee of the European Commission on 6 December 2023 on the Marguerite III fund, to cover investments of up to 100 million euro.

3.1.5 SALE OF ROCCO FORTE HOTELS

At the beginning of November 2023, the signing took place, through the subsidiary CDPE Investimenti, for the sale of the entire equity investment (equal to 23% of the share capital) held in Rocco Forte Hotels Ltd at a price of GBP 277 million. The sale was completed on 17 January 2024 at the time the conditions precedent to which the transaction was subject (issuance of antitrust authorisations) were met.

3.1.6 IQ MIIC LIQUIDATION

Following the sale of its equity investment in Inalca S.p.A., the only equity investment held by IQ Made in Italy Investment Company S.p.A. ("IQ MIIC", a company that was 50%-owned by CDPE Investimenti and 50% by Qatar Holding LLC ("QH")), on 15 December 2022 the Board of Directors of IQ MIIC verified that the corporate purpose had been achieved, with the consequent resolution of liquidation by the Shareholders' Meeting of IQ MIIC, which also appointed, as sole liquidator, Fintecna S.p.A., a CDP Group company specialised in liquidation processes.

In 2023, the liquidator completed the liquidation, paying all existing liabilities, and paid the following to the shareholders:

- in April, an advance payment on the liquidation for a total of 166 million euro (83 million euro pro-rata CDPEI);
- in December, the residual assets according to the allocation plan approved by the Shareholders' Meeting of IQ MIIC on 29 December 2023, which entailed crediting to each Shareholder 1.8 million euro (net of withholdings made), against the withholding by the Liquidator of 5,000 euro (2,500 euro for each shareholder) as an Expense Fund, to be used to cover the expenses that will be incurred to execute the obligations following the winding up of the company.

Description	CDPEI	QH	Total
50% of the available liquidity net of the amounts intended for the settlement of residual debts	1,851,094	1,851,094	3,702,188
50% of the tax credit for IRES	14,057	14,057	28,114
50% of the tax credit for IRAP	53,727	53,727	107,453
Total	**1,918,877**	**1,918,877**	**3,837,754**
Amounts withheld by the Liquidator from the liquidity available as an Expense Fund	2,500	2,500	5,000

Following the disbursement of the aforementioned allocation plan, on 15 December 2023 the company was notified that it had been struck off of the companies' register.

3.1.7 WEBUILD: ANTI-DILUTION WARRANTS

In the context of the resolutions of the Extraordinary Shareholders' Meeting of Webuild S.p.A. ("WeBuild") of 30 April 2021 relating to the proportional partial spin-off of Astaldi S.p.A. ("Spin-off"), Webuild gave Astaldi's bondholders the option to convert their bonds into Webuild shares, a right that may be exercised until 2030.

The shareholders of Webuild, holders of ordinary shares on the trading date prior to the effective date of the Spin-off, are guaranteed by these new share issues through the *pro-rata* attribution in each issue of new shares to unforeseen creditors (as defined in the plan for proportional partial Spin-off of Astaldi S.p.A. to Webuild S.p.A.) and in line with the resolution of the Extraordinary Shareholders' Meeting of Webuild on 30 April 2021), by the attribution of anti-dilution warrants that establish the right to obtain Webuild shares free of charge in a number that keeps the percentage of equity investment in the capital of the issuer unchanged. The exchange rate between warrants and shares is one to one.

Pursuant to the anti-dilution warrants regulation, CDP Equity is the potential holder of a total of 15,082,739 anti-dilution warrants.

At 31 December 2023, CDP Equity: (i) exercised 193,931 anti-dilution warrants free of charge and holds a total of 166,787,570 Webuild shares, amounting to an equity investment of approximately 16.4% of the capital; (ii) received 695,548 warrants that, at 31 December 2023, had not yet been exercised and were converted in January 2024.

3.1.8 OPEN FIBER: UPDATE OF THE BUSINESS PLAN AND FINANCIAL STRUCTURE GUIDELINES

During 2023, Open Fiber recorded significant deviations from its commercial, operational and financial targets, which led the company to update the guidelines of its business plan and to enter into a negotiation, currently in progress, with the stakeholders involved (the government counterparties, the reference shareholders and the banking sector) to be able to (i) implement initiatives to mitigate the external factors underlying the company's underperformance and (ii) redefine the company's long-term financial structure.

3.1.9 SUBSCRIPTION OF INVESTMENT FUNDS

During 2023, CDP Equity:

- completed the subscription of 300 million euro in the Infrastructure FoF managed by CDP Real Asset SGR S.p.A.;
- completed the subscription of 150 million euro in the International FoF managed by CDP Venture Capital SGR S.p.A.;
- completed the subscription of a further 50 million euro in the Large Ventures Fund managed by CDP Venture Capital SGR, bringing the total subscription to 200 million euro;
- completed the subscription of a further 50 million euro in Marguerite III managed by Marguerite Investment Management S.A., bringing the total subscription to 100 million euro;
- completed the subscription of 150 million euro in the Italian Consolidation and Growth Fund II managed by Fondo Italiano di Investimento SGR;
- completed the subscription of 74.5 million euro in the Italian Technology and Growth Fund II managed by Fondo Italiano di Investimento SGR.

3.2 BUSINESS PERFORMANCE

Due to its nature as a financial holding company, the Company is indirectly exposed, in consideration of its investments and commitments, to the business risks of its investee companies and to the main elements of uncertainty that impact their income statement and balance sheet and expected returns. For this reason, the income statement results achieved and expected by its investee companies are constantly monitored, evaluating the proposals made by their management as part of operations, taking into account the sector and the reference market as well as the general political, economic and social context.

Specifically, 2023 began with expectations of a sharp slowdown in the global economy, on the back of the significant inflationary legacy of 2022, the expected tightening of monetary conditions in many countries and the uncertainty that characterized the geopolitical context. However, inflation decelerated faster than expected, while global growth did slow down (3.1% from 3.5% in 2022), but less than could have been expected in a scenario also aggravated by the explosion of new conflicts (Sudan and the Middle East, for example), extreme temperatures (highest in 150 years) and catastrophic events (floods, fires and earthquakes). The United States and China continued to drive the world economy: the US recorded surprising annual growth (+2.5% from 1.9% in 2022), disavowing fares of hard lending and despite the bank failures seen in March. Beijing, on the other hand, showed higher than expected growth (5.2%, from +3.0% in 2022, above the government target of 5%), even considering the difficulties in the real estate sector and the weakness of domestic demand. On the contrary, in the Eurozone, economic activity suffered a greater deterioration (growth of 0.5% after 3.4% in 2022), especially due to the recession in Germany (-0.3%), while the Italian economy ended the year with growth of 0.7%, slowing compared to 2022 (3.7%).

2024 was also marked by persistent uncertainty, mainly linked to geopolitical factors. Inflation will continue to be the main market mover, determining central banks' monetary policy strategies. Its process of normalisation is subject to great uncertainty due to numerous factors, above all the climate and, precisely, geopolitics, which at this stage are particularly affecting commercial sea routes. In recent months, the drought in the Panama Canal and attacks by Yemeni militants in the Red Sea have forced many ships to change their routes, resulting in significant increases in freight costs and journey times that, if prolonged over time, could curb world trade and revive inflation. In addition, geopolitical balances might be further impacted by the extremely numerous elections scheduled in 2024 (with as many as 76 countries called to the polls), with the risk that populism may advance and political polarisation may increase. Climate and geopolitics, together with misinformation related to Artificial Intelligence, the cost-of-living crisis and cyber attacks, are also the main challenges identified by the World Economic Forum in its Risk Map for 2024. In the complexity of this context, global growth could confirm its pace of 2023 (3.1%), although with high downside risks. The US and China would still record a positive trend, though decelerating compared to 2023, while the Eurozone could be brighter, benefiting from the progress in implementing the National Recovery and Resilience Plan (PNRR) and the slight recovery expected in Germany. Economic growth in Italy is expected to proceed at a rate similar to that observed in 2023 (0.7% also in 2024), with a recovery in the purchasing power of households and PNRR investments that would drive GDP higher than it would be curbed by lower investments in residential construction and weaker foreign demand.

The Company has therefore paid particular attention to the dynamics and variables that characterise the current macroeconomic scenario, due to the impacts on financial markets and the international real economy, factoring the effects of the aforementioned events in the valuation of the equity portfolio, breaking them down based on the specific characteristics of each investee company.

The impairment tests on the equity investments for which indicators of possible impairment emerged were thus carried out considering valuation parameters that comprised the elements of uncertainty described above, while simultaneously acquiring updated financial information from the investee companies. The issues and risks related to climate change have also been taken into account, to the extent that those risks can have significant impacts. For details, please refer to the Equity Investments section of the Explanatory Notes.

The book value of the other financial assets held by the Company reflects their reasonably recoverable value. The current macroeconomic environment, featuring the uncertainties mentioned above, has affected the Company's exposure to liquidity risk and interest rate risk. Therefore, these risks and profiles have been constantly monitored in order to implement corrective actions, if necessary. Please refer to section "4.2 Risk monitoring and compliance activities" for further details. The reduction in fair value recorded on certain financial assets and the measurement of the expected credit loss therefore reflect the uncertainties in the macroeconomic scenario that have impacted and/or may impact the economy and sectors of economic activity. These also factor in issues related to climate change.

Lastly, we conclude that, even in the face of value adjustments to the carrying amount of certain equity investments and the reduction in fair value of certain financial assets, there are no conditions that would call into question the Company operating as a going concern.

An analysis of the accounting situation at 31 December 2023 is provided in the following paragraphs, based on the statements reclassified according to operational criteria to provide a clearer understanding of the results for the year. The balance sheet and income statement data are compared with those at 31 December 2022.

3.3 INCOME STATEMENT

The income statement performance for the year, reclassified for management purposes, is compared with that recorded in the previous year, while reference is made to the Explanatory Notes for the detailed breakdown of the individual items shown.

Reclassified income statement

(Euro thousand)	31/12/2023	31/12/2022	Change	Change (%)
Financial income and (expenses)	8,708	844	7,864	>100%
Dividends and interest on SHL	569,539	39,439	530,100	>100%
IFRS 9 Financial Assets adjustments	(30,435)	(144,742)	114,307	(79%)
Gains on sales of equity investments	-	35,322	(35,322)	(100%)
Impairment	(650,493)	(725,197)	74,704	(10%)
Change in FV of Funds	(37,133)	(25,245)	(11,888)	47%
InvestEU income and expenses	16,666	-	16,666	0%
Net change in value of financial instruments	233	(1)	234	<100%
Overheads and management costs	(23,996)	(23,086)	(911)	4%
Other operating income (costs)	6,278	7,941	(1,663)	(21%)
Income before tax	**(140,635)**	**(834,724)**	**694,090**	**(83%)**
Income taxes	20,899	39,129	(18,230)	(47%)
NET PROFIT (LOSS)	**(119,736)**	**(795,596)**	**675,860**	**(85%)**

The year ended 31 December 2023 recorded a loss of 119.7 million euro.

The item “Financial income and expenses”, a positive 8.7 million euro at 31 December 2023, includes 12.6 million euro in interest income accrued on the liquidity deposited with primary credit institutions and with CDP and the interest for 4.7 million euro accrued on short-term debt securities issued by CDP (commercial paper). The item was partially offset for 8.5 million euro by the implicit charge deriving from the extension of the AEN shareholder loan. The overall increase in the item benefited from the performance of interest rates during the year.

The item “Dividends and interest on SHL” includes dividends from investee companies of 548.8 million euro, increasing by 524.2 million euro compared to 2022, due essentially to

- new dividends received from:
  - Holding Reti Autostradali S.p.A. (“HRA” or “Holding Reti Autostradali”) of 309.1 million euro;
  - CDPE Investimenti S.p.A. of 208.2 million euro;
  - GPI S.p.A. (“GPI”) of 2.7 million euro;
  - F2i SGR (“F2i”) of 1.9 million euro;

- higher dividends received from:
  - Euronext N.V. ("Euronext") of 2.3 million euro;
  - Webuild, in the amount of 0.3 million euro.

Lastly, the item includes interest income accrued on loans granted to investee companies (18.8 million euro to Ansaldo Energia and 1.8 million euro to CDPE Investimenti), an increase of 5.9 million euro due to the trend in interest rates during the year.

The item "IFRS 9 adjustments to financial assets" essentially includes the negative IFRS 9 adjustment made to the Ansaldo Energia loan for approximately 30.4 million euro, a reduction compared to the greater adjustment made during 2022 when the instrument was reclassified from Stage 1 to Stage 2 considering the deterioration of the subsidiary's financial situation.

The item "Impairment adjustments" includes the negative adjustments made as a result of impairment testing of the equity investments held in Open Fiber Holdings for 319.5 million euro, Nexi for 278.9 million euro and in Ansaldo Energia for 52.2 million euro.

The item "Change in the fair value of funds", a negative 37.1 million euro at 31 December 2023, includes the negative change in the fair value of investments in subscribed funds to adjust the respective book values to fair value at 31 December 2023. The increase in the loss of 11.9 million euro compared to 2022 is linked to the greater number of funds in the portfolio, which are still predominantly in the investment phase.

The value of the item "InvestEU income and expenses", equal to 16.7 million euro at 31 December 2023, consists of the activation of the InvestEU Guarantee during the year and includes the net income against this guarantee, divided into three components: equity leg (12.7 million euro), funding cost (2.3 million euro) and admin fee (1.6 million euro).

The item "Overheads and management costs", amounting to 24.0 million euro at 31 December 2023, and up by 0.9 million euro compared to 2022, consists of (i) staff costs of 13.3 million euro, (ii) other administrative expenses of 5.8 million euro, (iii) investment consultancy costs of 4.3 million euro and (iv) 0.6 million euro for amortisation and depreciation of property, plant and equipment and intangible assets.

Other operating expenses and income consist mainly of income from service contracts rendered by CDP Equity to CDPE Investimenti (4.8 million euro) and other investee companies (0.3 million euro).

Income tax recorded a positive balance of 20.9 million euro. This amount consists mainly of income from tax consolidation of 42.6 million euro, against the tax loss transferred to the consolidating company, from the reversal of deferred taxes to the income statement for 2.8 million euro, following the write-down of the equity investment in Nexi S.p.A., partially mitigated by the amortisation of 24.7 million euro of deferred tax assets due to tax relief goodwill.

3.4 BALANCE SHEET

At 31 December 2023, the balance sheet consisted of the following aggregated items, whose detailed breakdown is illustrates in the Explanatory Notes, to which reference is made:

Reclassified balance sheet

(Euro thousand)

Assets	31/12/2023	31/12/2022	Change	Change (%)
Cash and cash equivalents	597,735	568,340	29,396	5%
Equity investments, equity securities and debt securities	8,661,329	8,974,216	(312,888)	(3%)
Subscribed funds	387,532	192,985	194,548	>100%
InvestEU Derivative	15,086	-	15,086	0%
Non-current financial assets	75,056	95,118	(20,061)	(21%)
Current financial assets	246,893	-	246,893	0%
Other assets	229,965	316,073	(86,108)	(27%)
TOTAL ASSETS	**10,213,596**	**10,146,731**	**66,865**	**1%**

At 31 December 2023, the total balance sheet assets amounted to 10,214 million euro, recording an increase of 66.9 million euro compared to 31 December 2022.

"Cash and cash equivalents" show the balance of demand deposits with leading credit institutions and CDP at 31 December 2023. The increase in cash and cash equivalents of 29.4 million euro was the result of:

- characteristic cash flow generation for 550.7 million euro, from the collection of dividends discussed in the preceding paragraph for a total of 548.8 million euro, and interest on the intercompany loan with CDPE Investimenti, former FSIA, for 1.8 million euro;
- net cash absorption for investment and divestment activities amounting to 465.8 million euro, substantially due to investments in the investee companies referred to in the paragraph 3.1, net of HRA's capital repayments;
- subscription of commercial papers issued by CDP for a total net outlay of 241.1 million euro;
- distributions of dividends to CDP for 200.0 million euro;
- negative operating cash flow of 5.4 million euro due to the payment and collection of liabilities (25.5 million euro, e.g. suppliers, staff and tax obligations) and assets (9.5 million euro, e.g. income from corporate positions held in investee companies, services provided to investee companies and charge backs for seconded staff) arising from the operation of the company, net of interest income collected on balances of 10.6 million euro;
- capital injections received by CDP for a total of 294.8 million euro to cover the financial requirements for investing;
- collection of the intercompany loan with CDPE Investimenti, former FSIA, for 48.3 million euro, at its natural maturity;
- collection of the receivable from tax consolidation for 46.4 million euro.

In detail, the reduction in the item "Equity investments, equity securities and debt securities" of 313.9 million euro is mainly attributable to the following operating events:

- payment of equity to Ansaldo Energia for 469.4 million euro;
- capitalisation of Open Fiber Holdings for 39.0 million euro to provide the necessary cash supply to the vehicle;
- capitalisation of GreenIT S.p.A. ("GreenIT") for 16.0 million euro to support the development plans of the investee;
- capital injection to PSN S.p.A. ("PSN") for 8.4 million euro to support the development plans of the investee;
- capital repayments received from HRA in April and December 2023 totalling 290.4 million euro;
- allocation to CDP Equity of 694,548 Webuild warrants on 22 December 2023[3], recognising a financial asset in return for reducing the book value of the equity investment by 1.0 million euro.

[3] These warrants were exercised, free of charge, on 10 January 2024, with an increase in the book value of the equity investment for the value of the warrants on that date.

In addition to these events, and the related effects, the change in the stock of equity investments was also caused by the aforementioned impairment adjustments carried out on Open Fiber Holdings for 319.5 million euro, on Nexi for 278.9 million euro and on Ansaldo Energia for 52.2 million euro, as well as by the adjustment of the fair value of the interests in Euronext N.V., Kedrion Holding S.p.A. and F2i SGR, which had a positive impact totalling 96.5 million euro.

The item "Subscribed funds", equal to 387.5 million euro, consists of the fair value of the shares of the subscribed funds, up 195 million euro compared to 31 December 2022 due to the payments for the period and the negative fair value adjustment based on the valuation at 31 December 2023.

The "InvestEU Derivative" item equal to 15.1 million euro at 31 December 2023 following the activation of the InvestEU Guarantee during the year, is accounted for as a Total Return Equity Swap and is divided into two components:

- equity leg (12.7 million euro) which represents the attribution of the share of the capital net losses accrued on the guaranteed funds to the European Commission;
- funding cost (2.3 million euro) which includes the remuneration component of the funds committed on behalf of the European Commission as part of the guarantee it granted.

The item "Non-current financial assets", amounting to 75.1 million euro, consists mainly of the loan provided to Ansaldo Energia. This exposure includes the interest rate and the IFRS 9 adjustment. Compared to 31 December 2022, there was a decrease of 20.1 million euro due to the combined effect of (i) the higher interest accreted in the period on the loan for 20.4 million euro, which is expected to be paid together with the principal at the maturity of the loan, and (ii) the negative adjustments (valuation, modification and amortised cost) made to the loan in accordance with IFRS 9 for a total of 40.5 million euro.

The item "Current financial assets" consists essentially of commercial papers maturing on 3 June 2024 issued by CDP and subscribed by CDP Equity on 1 December 2023. The transaction resulted in a total disbursement of 244.9 million euro below par, against a nominal value of the instrument of 250 million euro, with an annualised zero coupon bond yield of 4.04%.

"Other assets" amounted to approximately 230.0 million euro and mainly consisted of (i) 169.5 million euro of deferred tax assets mainly related to the future economic benefits expected from the tax relief on goodwill of SIA (now Nexi S.p.A.) and Open Fiber Holdings, (ii) 47.2 million euro of receivables from CDP for tax consolidation and (iii) 13.3 million euro of operating and tax receivables, of which 4.8 million euro refers to receivables from investee companies for services rendered as part of the service agreement with CDPE Investimenti.

Reclassified balance sheet

(Euro thousand)

Liabilities	31/12/2023	31/12/2022	Change	Change (%)
Equity	(10,201,224)	(10,129,928)	(71,295)	1%
Provisions for risks and charges and other non-current liabilities	(4,700)	(6,366)	1,666	(26%)
Tax payables and other liabilities	(7,672)	(10,436)	2,765	(26%)
TOTAL LIABILITIES AND EQUITY	**(10,213,596)**	**(10,146,731)**	**(66,865)**	**1%**

At 31 December 2023, equity amounted to 10,201 million euro and recorded an increase of 71.3 million euro compared to 31 December 2022. This increase derives mainly from the capital injections granted by the parent company during the period for 294.8 million euro, the recording of the overall net positive adjustment of 96.2 million euro to the fair value of Kedrion Holding, Euronext and F2i, the distribution of the dividend of 200 million euro to the Parent Company and, lastly, the recognition of the loss for the year of 119.8 million euro.

"Provisions for risks and charges and other non-current liabilities" amounted to 4.7 million euro, of which: (i) 2.7 million euro against the provision of the variable portion of employee remuneration, (ii) 1.0 million euro relating to the provision for staff severance pay and other provisions related to accruals to personnel, and (iii) 0.6 million euro of the non-current component of deferred income on administrative fees paid by the European Commission as part of the InvestEU Guarantee and (iv) 0.3 million euro of the provision for deferred taxes.

“Tax payables and other current liabilities” amounted to approximately 7.7 million euro and consisted of trade payables to third parties and operating payables to CDP related to the provision of outsources services and accruals related to seconded personnel.

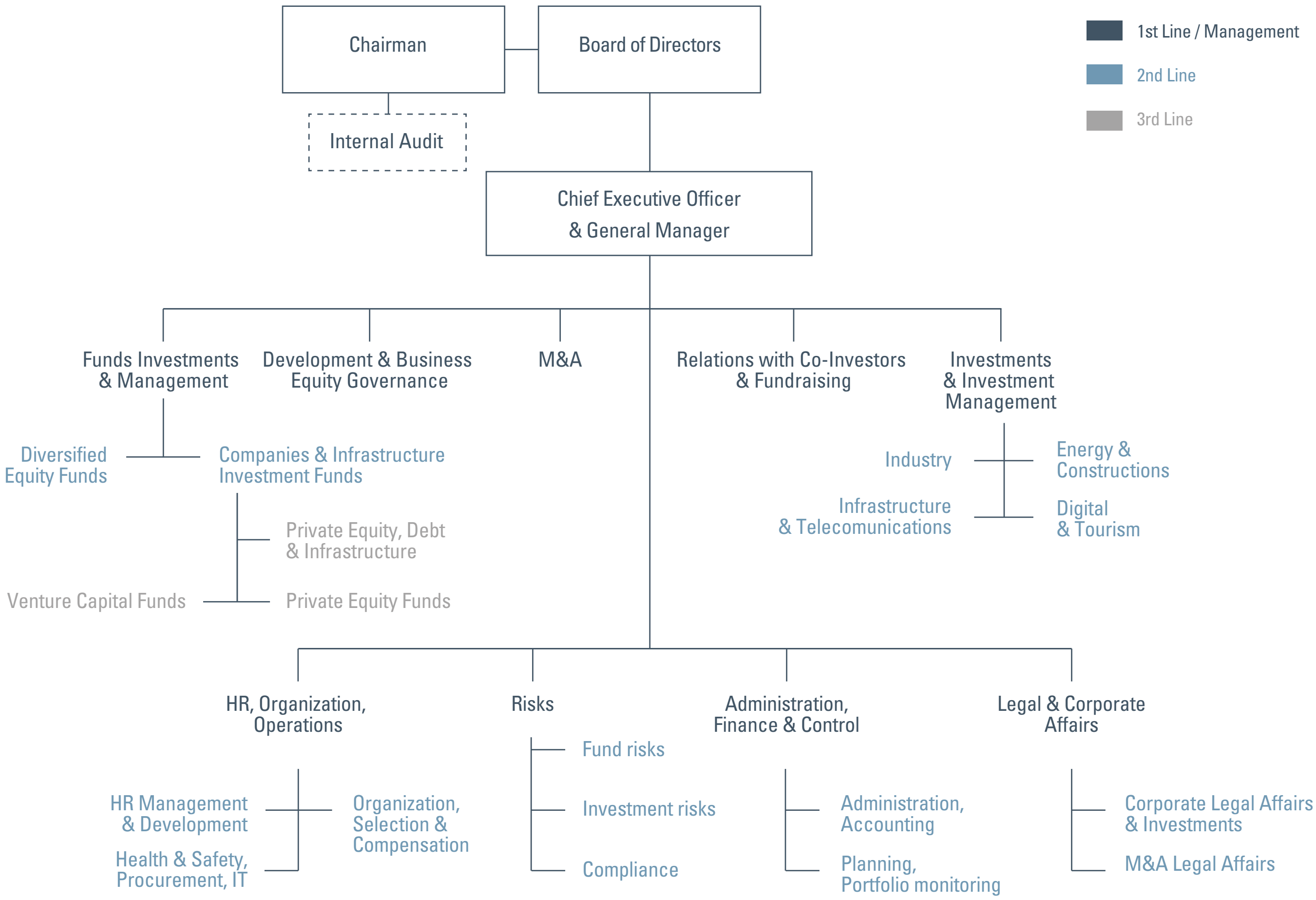
3.5 EQUITY TRANSACTIONS

During 2023 there were no operations on the share capital of CDP Equity. During the year, the Company received 294.8 million euro from CDP as a capital injection to provide it with the financial resources necessary for investment activities.

4. ORGANIZATIONAL STRUCTURE AND OPERATIONS OF CDP EQUITY

4.1 ORGANIZATIONAL STRUCTURE OF CDP EQUITY

The organizational structure of CDP Equity at 31 December 2023 is shown in the following diagram:



During 2023, in order to best support the activities envisaged in the 2022-24 Strategic Plan and the need to manage the equity investment portfolio, through a more sound participation of CDP Equity in the companies and investee funds, it was necessary to review the organizational structure of the Company as follows:

- the "Business Equity Development and Governance" Department was established, with the mission of ensuring the management of relevant strategic projects in the equity field, assisting the Chief Executive Officer and General Manager in implementing the Company's Business Plan and in managing asset portfolio governance activities;
- activities relating to the "CEO-Staff" were separated from the "Relations with Co-Investors and Fundraising Department", to (i) optimise the mission of the same, such as defining, developing and managing business relationships, both nationally and internationally, with current and potential equity co-investors, (ii) support the competent Business Areas and, where necessary, the Chief Executive Officer in developing activities with the latter;
- within the "Investments and Fund Management" Department, a new Unit called "Infrastructure Funds" was established, directly reporting to the Infrastructure Business Investment Funds Area;

- the following Areas were established, reporting directly to the Risk Department:
  - the “Fund Risks” Area with the mission of ensuring 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 asset management companies, through safeguards aimed at guaranteeing second level controls, in coordination and in accordance with the Group guidelines;
  - the “Equity Investment Risks” Area with the mission of ensuring the identification, assessment and management of the risks to which the Company is exposed, with particular reference to non-financial risks and the risks associated with Equity Investments, through safeguards aimed at guaranteeing second level controls, in coordination and in accordance with the Group guidelines;
  - the “Compliance” Area with the mission of ensuring, according to a risk-based approach and with reference to the company organisation, the management of compliance risk and reputational risk of operations as well as providing consultancy support to the extent of its responsibilities;
- the “Listed Companies” Department and the “Agri-food” Area were eliminated.

We have also renamed company departments and areas whose missions have remained unchanged and updated the relevant internal regulations and the mapping of the most relevant company processes.

With reference to the size of the workforce, CDP Equity had 88 total resources at 31 December 2023, including secondments, i.e. 9 more resources than the 79 at the end of 2022. The Company has adopted National Collective Bargaining Agreements applicable to credit, financial and operating companies both for middle managers and personnel in professional areas and for executives.

The average age of personnel is 35.6 years. Men comprise 57% and women 43%.

This organizational structure allows CDP Equity to fully fulfil its corporate mission, maximising operational synergies with the sole shareholder. In this context, CDP Equity and CDP work in close coordination with regard to the main staff and support business functions.

At the end of the Performance Management process and following meetings with all managers, in May 2023 a soft skills training plan (professional and personal development courses) was defined for the entire company population and the mandatory training courses (e.g. Conflicts of Interest, Anti-Corruption, Anti-Trust and State Aid and Golden Power) to be completed by 31 December 2023 were identified with the support of the Compliance structure.

Training courses were provided for 5,572 hours, divided into personal and technical development courses. Coaching courses were also designed for selected people to develop and strengthen leadership and people management aspects.

In the ICT area, during the first half of 2023, the implementation of the Salesforce CRM was completed, to manage investments from origination to possible divestment, and end-to-end encryption between users and the platform was implemented for the Multipartner Virtual Data Room, using the Enigma solution.

With regard to the service contracts with the Parent Company CDP, a new contract was signed with Corporate Security and the service with ICT was revised, including the sale of first-level helpdesk services in line with that occurring for other companies in the CDP Group.

4.2 RISK MONITORING AND COMPLIANCE ACTIVITIES

CDP Equity’s risk management activity is based on the Risk Management Regulation approved by the Board of Directors, which defines the basic operating principles and the related guidelines to identify, assess and manage the various types of risk to which CDP Equity is subject in conducting its activities. These principles define, among other things, limits to CDP Equity’s risk appetite even during the investment approval phase.

RISK MONITORING ACTIVITIES

During 2023, the Risk Department at CDP Equity conducted its operations in adherence to the risk management principles outlined in internal regulations, following three main guidelines: (i) assessing risk during investment and divestment decisions, (ii) monitoring the risk profile of the equity portfolio, and (iii) issuing quarterly update reports on risk management activities for the Board of Directors.

In particular, in the period indicated, the Risk Department expressed its opinion on (i) direct investment transactions, (ii) indirect investment in the funds, as reported in the Half-yearly report on operations, and (iii) partial and full divestment of investee companies.

In addition, in the same period, the Risk Department worked with the business functions to analyse the operations being defined and/or assessed on a case-by-case basis.

In relation to monitoring the portfolio's risk profile, the Risk Department conducted ongoing monitoring, utilising both periodic reports submitted by companies and managers, as well as publicly available information. Additionally, the management has undertaken detailed examinations of investee companies, taking into account their operating environment (such as assessing investee companies' exposure to interest rate risk) as well as reviewing subscribed funds. Specifically, the Risk Department conducted a customised ESG risk assessment for direct investments and funds. The analyses conducted have enabled the updating of the risk profile associated with portfolio investments.

Then, as part of its quarterly reporting, the Risk Department monitored CDP Equity's exposure to liquidity and interest rate risk profiles. In this context, it should be noted that CDP Equity's liquidity profile is solid, also considering that it is a part of the CDP Group. The Company has no financial debts and the available liquidity is also substantial with respect to the financial commitments assumed. The main findings of the monitoring were brought to the attention of the Board of Directors through the quarterly reports.

Lastly, during the period and in compliance with the existing risk policy, the Risk Department carried out the impairment testing of the equity investment as well as on the accounting valuations of the optional components related to investments in the portfolio. The valuations of these optional components were carried out, with a view to fair value, with the support of an independent expert.

COMPLIANCE ACTIVITIES

During 2023, the Compliance function continued the activities under its responsibility, specifically regarding the execution of the second level audits provided for in the annual plan and the reputational risk analysis related to direct and indirect investment operations involving CDP Equity.

In addition, during the reporting period, the Compliance function initiated and completed the project of updating the organizational model for the processing of personal data and supported the relevant structures in their reporting activities as part of the InvestEU Project. Also in the reference period, the department held specific in-person courses for the organisation related to conflicts of interest.

The results of this activity are brought to the attention of the Corporate Bodies through periodic reporting activities.

5. BUSINESS OUTLOOK

It is expected that in 2024 the Company will continue to develop ongoing investment projects, search for new investment opportunities and manage, monitor and enhance investments in the portfolio.

For considerations on the possible development of the impacts on CDP Equity deriving from the phenomena that characterise the current context, such as the continuing uncertainty on the future development of the Russia-Ukraine conflict, potential effects of the macroeconomic scenario featuring an increase in inflation and interest rates and climate risk, please refer to that reported in section 3.2 "Business performance".

6. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

With reference to the equity portfolio held directly by CDP Equity, it is noted that, after the reporting date:

- the sale of the entire equity investment held by CDPE Investimenti in Rocco Forte Hotels Ltd was completed on 17 January 2024;
- a new commercial paper issued by CDP, maturing on 3 June 2024, with a nominal value of 150 million euro was signed on 25 January 2024;
- further capital injections were made in February 2024 in support of GreenIT and PSN's development plans;
- on 8 March 2024, CDP Equity made an additional investment in Euronext's capital by acquiring 535,531 shares previously owned by Euroclear;
- on 28 March 2024 a further equity commitment of 58.7 million euro was granted to Ansaldo Energia, in line with the resolution of the Board of Directors of CDP Equity of 31 March 2023.

7. EVENTS SUBSEQUENT TO THE REPORTING DATE

No events requiring changes to the figures approved occurred from the reporting date of these financial statements to the date of their approval by the Board of Directors, which took place on 29 March 2024.

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

With reference to the additional information required by art. 2428 of the Civil Code, it should be noted that: (i) the Company has not carried out research and development activities during the year; (ii) the Company's transactions, relating to the reference year, with subsidiaries, associates, parent companies and companies subject to their control are reported in section V of the Explanatory Notes, to which reference is made; (iii) the Company does not hold, nor did it acquire or sell during the reference year, treasury shares or shares of its parent company either directly or through a trust company or intermediary; and (iv) the Company has a branch in Via Goito no. 4, Rome, Italy, at the offices of the Parent Company.

Milan, 29 March 2024

For the Board of Directors

Francesco Renato Mele

2 FINANCIAL STATEMENTS AT 31 DECEMBER 2023

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FORM AND CONTENT OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2023

The financial statements at 31 December 2023 have been prepared in accordance with applicable regulations and consist of:

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

The Explanatory Notes consist of:

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

The section “Annexes”, which forms an integral part of these financial statements, includes the separate financial statements at 31 December 2022 of the parent company Cassa Depositi e Prestiti S.p.A.

CONTENTS

FINANCIAL STATEMENTS AT 31 DECEMBER 2023

BALANCE SHEET

(Euro units)

Assets	31/12/2023	31/12/2022	Notes
Non-current assets			
Property, plant and equipment (PP&E)	192,377	2,778,588	II.1.1
Intangible assets	262,685	254,480	II.1.2
Equity investments	7,910,143,532	8,319,484,763	II.1.3
Non-current financial assets	1,228,859,090	942,833,780	II.1.4
Deferred tax assets	169,539,444	194,224,997	II.1.5
Other non-current assets	109,968	119,124	II.1.6
Other non-current assets	**9,309,107,097**	**9,459,695,732**	
Current assets			
Receivables from investee companies	5,840,775	7,535,674	II.2.1
Current financial assets	246,893,249	48,248,839	II.2.2
Tax receivables	519,335	1,449,162	II.2.3
Other current assets	53,500,242	61,462,197	II.2.4
Cash and cash equivalents	597,735,252	568,339,600	II.2.5
Total current assets	**904,488,853**	**687,035,472**	
TOTAL ASSETS	**10,213,595,950**	**10,146,731,204**	

(Euro units)

Equity and liabilities	31/12/2023	31/12/2022	Notes
Equity			
Share capital	2,890,583,470	2,890,583,470	II.3.1
Reserves	7,371,939,903	7,872,692,821	II.3.2
Valuation reserves	20,969,867	(75,218,975)	
Retained earnings (losses carried forward)	37,466,876	237,466,876	
Net income (loss) for the year (+/-)	(119,736,202)	(795,595,718)	
Total Equity	**10,201,223,913**	**10,129,928,473**	
Non-current liabilities			
Provisions for risks and charges	3,341,759	3,198,046	II.4.1
Staff severance pay	363,713	302,783	II.4.2
Lease payables	-	2,725,510	II.4.3
Deferred tax liabilities	353,131	2,865,469	II.4.4
Other non-current liabilities	641,538	-	II.4.5
Total non-current liabilities	**4,700,141**	**9,091,808**	
Current liabilities			
Tax payables	532,301	1,555,587	II.5.1
Deferred income	91,648	-	II.5.2
Other current liabilities	7,047,946	6,155,335	II.5.3
– *Payables to suppliers*	*2,348,883*	*2,471,732*	
– *Payables to social security institutions*	*367,216*	*281,528*	
– *Payables to parent companies*	*3,664,256*	*2,609,930*	
– *Other payables*	*667,591*	*792,145*	
Total current liabilities	**7,671,896**	**7,710,922**	
TOTAL EQUITY AND LIABILITIES	**10,213,595,950**	**10,146,731,204**	

INCOME STATEMENT

(Euro units)

Items	2023	2022	Note
Revenues from core business			
Dividends	548,844,940	24,643,536	III.1.1
Interest on financial instruments	20,693,611	14,795,385	III.1.2
Gains on equity investments	63	35,321,920	III.1.3
Increases in value of financial instruments	17,905,240	1,209	III.1.4
Total revenues from core business	**587,443,854**	**74,762,050**	
Costs from core business			
Investment expenses	(4,306,893)	(5,086,919)	III.1.5
Charges on financial instruments	(8,531,340)	-	III.1.6
Write-downs of non-current assets	(30,374,890)	(144,766,083)	III.1.7
Losses on equity investments	(650,493,023)	(725,196,729)	III.1.8
Decreases in value of financial instruments	(39,720,167)	(26,698,007)	III.1.9
Total costs from core business	**(733,426,313)**	**(901,747,738)**	
Income (loss) on core business	**(145,982,459)**	**(826,985,688)**	
Financial income	17,303,739	905,612	III.2.1
Financial expenses	(64,669)	(62,100)	III.2.1
Administrative expenses:	(19,112,140)	(17,450,101)	III.2.2
– *Staff costs*	*(13,286,022)*	*(12,311,741)*	
– *Other administrative expenses*	*(5,826,118)*	*(5,138,360)*	
Depreciation, amortisation and write-downs of property, plant and equipment and intangible fixed assets	(577,233)	(534,569)	III.2.3
Recoveries and write-downs of current assets	(60,044)	23,861	III.2.4
Income (loss) on core business	**(2,510,347)**	**(17,117,297)**	
Other operating income/costs:	7,858,002	9,378,529	III.3
– *Other income*	*8,076,413*	*9,541,237*	
– *Other expenses*	*(218,411)*	*(162,708)*	
Income before tax	**(140,634,803)**	**(834,724,457)**	
Income taxes, current and deferred taxes	20,898,601	39,128,739	III.4
NET INCOME (LOSS) FOR THE YEAR	**(119,736,202)**	**(795,595,718)**	

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

Items	2023	2022
Net income (loss) for the year	**(119,736,202)**	**(795,595,718)**
Other comprehensive income net of taxes not transferred to income statement	**96,188,842**	**(172,102,658)**
Property, plant and equipment	-	-
Defined benefit plans	-	-
Equity securities measured at fair value through other comprehensive income	96,453,464	(173,190,875)
Tax effect	(264,622)	1,088,217
Other comprehensive income net of taxes transferred to income statement	**-**	**-**
Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
Cash flow hedges	-	-
Total other comprehensive income net of taxes	**96,188,842**	**(172,102,658)**
COMPREHENSIVE INCOME	**(23,547,361)**	**(967,698,376)**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2023

(Euro units)	Balance at 31/12/2022	Changes in opening balance	Balance at 01/01/2023
Share capital	2,890,583,470	-	2,890,583,470
Share premium reserve	21,978,820	-	21,978,820
Reserves:			
a) income	45,955,073	-	45,955,073
b) other	8,042,225,803	-	8,042,225,803
Valuation reserves:			
a) financial assets measured at fair value through other comprehensive income	(75,218,975)	-	(75,218,975)
Net income (loss) for the year	(795,595,718)	-	(795,595,718)
EQUITY	**10,129,928,473**	**-**	**10,129,928,473**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2022

(Euro units)	Balance at 31/12/2021	Changes in opening balance	Balance at 01/01/2022
Share capital	2,890,583,470	-	2,890,583,470
Share premium reserve	21,978,820	-	21,978,820
Reserves:			
a) income	27,601,207	-	27,601,207
b) other	2,516,444,837	-	2,516,444,837
Valuation reserves:			
a) financial assets measured at fair value through other comprehensive income	96,883,683	-	96,883,683
Net income (loss) for the year	367,077,332	-	367,077,332
EQUITY	**5,920,569,349**	**-**	**5,920,569,349**

Allocation of net income (loss) for previous year	Changes for the period			
		Equity transactions		
Reserves	Change in share capital and reserves	Special dividend distribution	Comprehensive income at 31/12/2023	Equity at 31/12/2023
-	-	-	-	2,890,583,470
-	-	-	-	21,978,820
-	-	-	-	45,955,073
(795,595,718)	294,842,800	(200,000,000)	-	7,341,472,885
-	-	-	96,188,842	20,969,867
795,595,718	-	-	(119,736,202)	(119,736,202)
-	**294,842,800**	**(200,000,000)**	**(23,547,360)**	**10,201,223,913**

Allocation of net income (loss) for previous year	Changes for the period			
		Equity transactions		
Reserves	Change in share capital and reserves	Special dividend distribution	Comprehensive income at 31/12/2022	Equity at 31/12/2022
-	-	-	-	2,890,583,470
-	-	-	-	21,978,820
18,353,866	-	-	-	45,955,073
198,723,466		5,327,057,500	-	8,042,225,803
-	-	-	(172,102,658)	(75,218,975)
(217,077,332)	(150,000,000)	-	(795,595,718)	(795,595,718)
-	**(150,000,000)**	**5,327,057,500**	**(967,698,376)**	**10,129,928,473**

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Euro units)	31/12/2023	31/12/2022
A. OPERATING ACTIVITIES		
1. Operations	**550,370,337**	**(44,034,174)**
- income (loss) for the year (+/-)	(119,736,202)	(795,595,718)
- gains/losses on financial assets/liabilities measured at fair value (-/+)	21,814,928	26,696,798
- net impairment losses/recoveries (+/-)	-	-
- Net adjustments/recoveries for credit risk (+/-)	30,323,729	144,742,222
- Net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	577,233	534,569
- net impairment losses/recoveries on equity investments (+/-)	650,493,023	689,874,808
- net provisions and other costs/revenues (+/-)	2,573,934	1,104,983
- unpaid taxes (+)	(20,703,028)	(97,514,339)
- other adjustments (+/-)	(14,973,280)	(13,877,499)
2. Cash generated by/used in financial assets	**(235,813,663)**	**(92,420,157)**
- current receivables from parent company and banks	-	(4,367,135)
- current receivables from subsidiaries	(196,949,511)	(1,811,300)
- non-current receivables from subsidiaries	-	(130,831,276)
- financial assets measured at fair value through other comprehensive income	-	(172,102,658)
- financial assets designated at fair value	-	252,313,506
- other current assets	14,820,515	(38,795,455)
- other non-current assets	(53,684,667)	3,174,161
3. Cash generated by/used in financial liabilities	**94,577,100**	**(5,912,513)**
- non-current payables to parent company and banks	-	-
- other current liabilities	(39,026)	(1,982,070)
- other non-current liabilities	94,616,126	(3,930,443)
Cash generated by/used in operating activities	**409,133,774**	**(142,366,844)**
B. INVESTING ACTIVITIES		
1. Cash generated by	**290,544,822**	**115,994,388**
- sales of equity investments	290,544,822	115,994,388
- sale of property, plant and equipment	-	-
- sale of intangible assets	-	-
2. Cash used in	**(765,125,744)**	**(4,274,400,630)**
- purchases of equity investments	(532,732,911)	(4,113,203,952)
- investments in funds	(231,777,681)	(160,977,040)
- purchases of property, plant and equipment	(101,685)	(13,365)
- purchases of intangible assets	(513,467)	(206,273)
Cash generated by/used in investing activities	**(474,580,922)**	**(4,158,406,242)**
C. FINANCING ACTIVITIES		
- issue/purchase of equity instruments (payment/repayment of share capital and reserves)	294,842,800	4,313,749,500
- dividend distribution and other allocations	(200,000,000)	(150,000,000)
Cash generated by/used in financing activities	**94,842,800**	**4,163,749,500**
CASH GENERATED/USED DURING THE YEAR	**29,395,652**	**(137,023,586)**

RECONCILIATION

Items	31/12/2023	31/12/2022
Cash and cash equivalents at beginning of year	**568,339,600**	**705,363,186**
Total cash generated/used during the year	29,395,652	(137,023,586)
CLOSING CASH AND CASH EQUIVALENTS	**597,735,252**	**568,339,600**

EXPLANATORY NOTES

INTRODUCTION

INFORMATION ABOUT THE COMPANY

For information about the Company please refer to the Report on Operations.

FORM AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

The separate financial statements of CDP Equity were prepared in accordance with the international accounting standards IFRS, applying the option set out in Legislative Decree 38 of 28 February 2005, as amended by Decree Law 91/2014 ("Competitivity Decree"), which extended the possibility to prepare financial statements in accordance with the international accounting standards ("IFRS") to all companies, other than those that must prepare their financial statements in accordance with the /IFRS or are permitted to prepare condensed financial statements pursuant to Article 2435-bis of the Italian Civil Code (Article 4, paragraph 6 of Legislative Decree 38/2005).

The separate 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 these Explanatory notes, and are accompanied by the Report on Operations.

The separate financial statements clearly present, and give a true and fair view of, the Group's financial performance and results of operations for the year. The financial statements correspond with the company's accounting records and fully reflect the transactions that occurred during the financial year.

The financial statement tables provide the accounting data at 31 December 2023 as well as the comparative information relating to the last financial statements approved at 31 December 2022. In order to improve the understanding of the comparison data and to ensure effective comparability with the data referring to 2023, where necessary and in some specific cases, the exposure in some of the tables reported in the information notes has been modified.

The separate financial statements are expressed in euro, as are the tables in the Explanatory Notes. In the income statement, revenues are indicated without a sign, while costs are shown in brackets. The rounded amounts for the various items are the sum of the rounded balances of sub-items.

As detailed below, the Explanatory notes provide all information required by the /IFRS, as well as any supplemental information deemed necessary in order to give a true and fair view of the company's financial performance and standing.

AUDITING OF THE FINANCIAL STATEMENTS

The separate financial statements of CDP Equity are subject to statutory audit by the independent auditors Deloitte & Touche S.p.A. ("Deloitte"), in execution of the resolution of the Shareholders' Meeting of 26 April 2023, which awarded the audit engagement for the 2023 – 2025 period.

MANAGEMENT AND COORDINATION BY CDP

CDP Equity is 100% directly controlled by CDP and is subject to the management and coordination of the sole shareholder CDP. The General Principles on the exercise of management and coordination activities currently in force were approved by CDP's Board of Directors at its meeting of 3 August 2020 and subsequently updated by CDP's Chief Executive Officer's Service Order No. 19 of 4 October 2022. These principles on the exercise of the management and coordination activity identify and circumscribe the purpose and methods by which CDP exercises its management and coordination activity, aimed at coordinating the acts and activities carried out by the Company and CDP with a view to the Group's interest. In any case, the management and coordination activity is 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 No. 2001/C 235/03, on "State aid and risk capital".

EXEMPTION FROM DRAFTING CONSOLIDATED FINANCIAL STATEMENTS

The Company does not prepare consolidated financial statements in accordance with IFRS 10, falling within one of the cases of exemption referred to in paragraph 4 of IFRS 10. CDP Equity is controlled by CDP, which prepares the consolidated financial statements and, therefore, offers CDP Equity an exemption from the obligation to prepare consolidated financial statements.

I. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

I.1 GENERAL INFORMATION

I.1.1 GENERAL BASIS OF PRESENTATION AND 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 interpretations, in force at the reporting date of the financial statements and endorsed by the European Commission, as provided by Regulation (EC) n. 1606 of 19 July 2002, published in the Official Journal Law 243 on 11 September 2002.

For the purposes of interpretation and to provide support in applying the financial reporting standards, the following documents have also been considered, although they have not been endorsed by the European Commission:
- Conceptual framework for financial reporting;
- Implementation Guidance and Basis for Conclusions;
- SIC/IFRIC interpretations;
- Interpretation documents concerning the application of the IFRS in Italy, prepared by the Organismo Italiano di Contabilità (Italian Accounting Board, OIC);
- Documents issued by ESMA and Consob concerning the application of specific IFRS rules;
- Documents issued by ESMA, IOSCO and Consob with regard to assessments and disclosures required in respect of the impacts arising from: (i) the COVID-19 outbreak, (ii) climate-related matters, (iii) Russia's invasion of Ukraine, (iv) issues related to the macroeconomic environment.

Where the information required by the IFRS is deemed to be inadequate in presenting the financial standing in a true and fair manner, the Notes to the Report also provide supplemental information for that purpose.

The separate financial statements have been prepared on an accrual and going-concern basis. The general principles of the materiality and significance of information and the prevalence of substance over form have also been taken into account.

In terms of disclosure on the business as a going concern, and in compliance with the requirements on the same issue set out in IAS 1 revised, CDP Equity assessed the ability to continue operating as a functioning entity, taking into account all available information over a medium-term scenario, as well as appropriately appreciating some factors of instability deriving from the impacts of the Russian-Ukrainian conflict, the increases in inflation and interest rates and the general deterioration of the macroeconomic scenario. Based on an analysis of the information and the results achieved in previous financial years, CDP Equity deems appropriate to prepare its financial statements on a going concern basis.

No assets have been offset against liabilities, nor income against expenses, unless expressly required or allowed by an accounting standard or a related interpretation.

IFRS ENDORSED AT 31 DECEMBER 2023 AND IN FORCE SINCE 2023

As required by IAS 8 - "Accounting policies, changes in accounting estimates and errors", details of the new international financial reporting standards, or amendments to standards already in force, whose application became mandatory from 1 January 2023, are provided below:
- Commission Regulation (EU) 2021/2036 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 of the Council as regards International Financial Reporting Standard 17;
- Commission Regulation (EU) 2022/357 of 2 March 2022 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 International Accounting Standards 1 and 8;

- Commission Regulation (EU) 2022/1392 of 11 August 2022 amending Regulation (EC) no. 1126/2008 as regards International Accounting Standard 12;
- Commission Regulation (EU) 2022/1491 of 8 September 2022 amending Regulation (EC) no. 1126/2008 as regards International Financial Reporting Standard 17.
- Commission Regulation (EU) 2023/2468 of 8 November 2023 amending Regulation (EC) no. 2023/1803 as regards International Accounting Standard 12.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED AND ENDORSED BY THE EUROPEAN UNION, BUT NOT YET EFFECTIVE (EFFECTIVE FOR THE FINANCIAL YEARS BEGINNING FROM 1 JANUARY 2024)

Listed below are the new standards and related interpretations already issued and endorsed, but not yet effective and therefore not applicable to the preparation of the financial statements at 31 December 2023:
- Commission Regulation (EU) 2023/2579 of 20 November 2023 amending Regulation (EC) no. 2023/1803 as regards International Financial Reporting Standard 16;
- Commission Regulation (EU) 2023/2822 of 19 November 2023 amending Regulation (EC) no. 2023/1803 as regards International Financial Reporting Standard 1.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AT THE REPORTING DATE OF 31 DECEMBER 2023

Certain accounting standards, interpretations and amendments had been issued by the IASB but not yet endorsed by the European Union at the date of preparation of this annex:
- Amendment to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments - Disclosures: Supplier Finance Arrangements” (issued on 25 May 2023);
- Amendment to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability” (issued on 15 August 2023).

A complete list of the international accounting standards and the related amendments published by the IASB (adopted and not yet adopted by the EU) is available on the EFRAG website: http://www.efrag.org/Endorsement.

I.1.3 OTHER ASPECTS

I.1.3.1 EVENTS SUBSEQUENT TO THE REPORTING DATE

After 31 December 2023, there were no significant events other than those already reported in the financial statements or events that involve a correction of the financial statements or which would require a change to the financial reporting provided.

For considerations regarding non-adjusting subsequent events after the reporting date, please refer to that reported in paragraphs 6 and 7 of the Report on Operations. For considerations regarding the continuing conditions of uncertainty that characterise the current macroeconomic scenario, please refer to that reported in paragraph 3.2 of the Report on Operations.

I.1.3.2 USE OF ESTIMATES

The application of International Financial Reporting Standards in preparing the separate financial statements requires the Company to make accounting estimates for certain balance sheet items that are considered reasonable and realistic according to the information available at the time they are made. Such estimates impact the carrying amount of the assets and liabilities, and the disclosures on contingent assets and liabilities at the reporting date, as well as the amounts reported for revenues and costs for the reporting period. Changes in the conditions underlying the judgements, assumptions and estimates used could also have an impact on future earnings results.

The items subject to estimation at the date of these separate financial statements are those relating to current and deferred taxes, financial assets and liabilities, the determination of the provision for risks and charges, as well as the recoverable amount of the investments recorded at cost to verify whether the value of equity investments may be impaired.

Conducting impairment testing involves using estimates that depend on factors that may change over time, with consequent effects that are also significant compared to the assessments of the items tested in previous years.

For the purposes of preparing these financial statements, the best possible estimates have been developed on the basis of the latest available information, which reflects the macroeconomic context and scenario in which the Company operates.

The following description of the policies used for the valuation of the main separate financial statement items provides details on the assumptions and assessments used in preparing the separate financial statements.

I.1.3.3 PILLAR II

The Directive no. 2022/2523 - on the basis of the paper "Tax Challenges Arising from the Digitalisation of the Economy- Global Anti-Base Erosion Model Rules (Pillar Two)" issued by the OECD on 14 December 2021 - introduced a minimum effective tax regime for national and multinational groups in the amount of 15% for each jurisdiction in which they are located, providing for the application of a supplementary tax in cases where the effective tax rate per country, with the adjustments provided for by the application rules, is lower than the minimum tax rate of 15%. This legislation was transposed into domestic law with Legislative Decree no. 209 of 27 December 2023 ("Pillar II" or "global minimum tax") with effect from the 2024 tax period. Note that this legislation is not autonomously applicable to CDP Equity S.p.A.

On 23 May 2023, the IASB published an amendment called "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules". The document, whose process of adoption by the EU ended on 8 November 2023, introduces a temporary exception to the recognition and reporting obligations of deferred tax assets and liabilities relating to the Pillar Two Model Rules and provides for specific reporting obligations for the entities subject to the related International Tax Reform. In particular, the document provides for the immediate application of the temporary exception, while the disclosure obligations will only be applicable to annual financial statements starting on or after 1 January 2023.

In this regard, during 2023, CDP started a project at Group level with the support of a leading advisor which involved: i) mapping the significant entities for the purposes of Pillar II; ii) collecting the information necessary to determine the Transitional Country-by-Country safe harbor; iii) collecting the information relevant to calculate the GloBE Income and Adjusted Covered Taxes, necessary to calculate the minimum rate of 15%; and iv) preparing the Gap Analysis. This activity was carried out with reference to the tax year 2022.

As a result of the work carried out so far in relation to the year 2022, based on the information currently available, the mapping involved about 390 entities located in about 60 jurisdictions whose effective tax rate is generally greater than 15%. Among these, about 20 smaller entities are resident in 5 countries with an effective tax rate of less than 15% and an estimated supplementary tax at CDP Group level that is insignificant.

In any case, in order to determine the overall impacts that may arise from the application of the global minimum tax, we must take into account: i) closing the technical and process gaps, as well as interpreting and applying legislation, ii) the corporate perimeter at 31 December 2024, and iii) any regulatory changes and development of interpretations, at international and domestic level.

The project to adapt to the Pillar II provisions in the CDP Group will continue during 2024 with the aim of filling the gaps that have emerged by implementing management model to (i) collect relevant information, (ii) calculate the global minimum tax and (iii) fulfil the tax return obligations provided for by the legislation, also through a specific technological platform.

I.1.3.4 PROPOSED ALLOCATION OF THE INCOME FOR THE YEAR

CDP Equity closed the 2023 financial year with a loss of 119,736,202.46 euro, and which it is proposed that the Shareholders' Meeting cover using part of the reserve for capital contributions. It is also proposed to allocate the amount of 453,831.65 euro to non-distributable reserve pursuant to Article 6, paragraph 2 of Legislative Decree No. 38/05, already net of tax effects. In view of the fact that the Company's equity comprises distributable reserves, any distribution of these reserves is left to the will of the Sole Shareholder.

I.1.3.5 CONSOLIDATED FINANCIAL STATEMENTS OF THE CDP GROUP

The consolidated financial statements of the smallest group of companies to which CDP Equity belongs as a subsidiary are drawn up by Cassa Depositi e Prestiti S.p.A., with registered office in Via Goito no. 4, Rome, Italy. The consolidated financial statements are available at the headquarters of the Parent Company as well as on its institutional website.

I.2 THE MAIN FINANCIAL STATEMENT ITEMS

The following pages provide a description of the accounting policies adopted in preparing these separate financial statements.

An asset or liability is classified as "current" when its trading, realisation or settlement are expected within twelve months from the reporting date or within the normal business cycle, if after twelve months; all other assets and liabilities are classified as "non-current".

PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment" include both property, plant and equipment and other tangible assets for functional use, governed by IAS 16, and real estate investments (land and buildings) governed by IAS 40, as well as tangible assets used in finance leases governed by IFRS 16 (for which reference is made to the specific section of this note). The item also includes the leasehold improvement costs, which can be separated from the assets and have their own functionality and utility.

Property, plant and equipment are recognised at purchase cost including incidental expenses, non-deductible VAT and costs for bringing the asset to working condition, increased by revaluations carried out under the provisions of specific laws. Maintenance and repair costs, incurred after initial recognition, which result in an increase in the future economic benefits, are recognised as an addition to the value of the assets. In the absence of future economic benefits, these costs are recognised in the income statement.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that qualifies for capitalisation pursuant to IAS 23 are capitalised on the asset as part of its cost.

The amount recognised in the financial statements expresses the carrying value of the fixed assets net of depreciation, which is calculated using the rates that are deemed to reflect the remaining useful economic lives of each asset.

Newly acquired assets are depreciated as from the period in which they enter service and are, therefore, ready for use.

Each item of property, plant and equipment that has a significant value compared to the overall value of the asset it belongs to is recognised and depreciated separately.

Land and buildings were considered to be separable assets; therefore, they were treated as separate assets for accounting purposes, even if purchased together. Land is considered to have an indefinite life and, as such, is not depreciated.

Assets whose use or nature classifies them as capital equipment are depreciated on a straight-line basis over their remaining useful lives.

In the event that, regardless of depreciation, the asset is impaired, the fixed asset is written down, with subsequent restoration of the original value, if the conditions for the write-down are no longer met.

The carrying value of an operating item of property, plant and equipment is eliminated from the balance sheet upon disposal or when no future economic benefits are expected from its use or disposal.

The item "property, plant and equipment" includes the "Tangible assets used in finance leases" which reflect the value of the right-of-use assets for which the Company has a long-term contract in place, recorded in accordance with the provisions of IFRS 16. The scope of this standard includes all lease agreements without distinguishing between operating and finance leases, with the exception of the following cases, which already fall within the scope of application of other Standards:
- leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources (IFRS 6 - Exploration for and Evaluation of Mineral Resources);
- leases of biological assets held by lessees (IAS 41 - Agriculture);
- service concession agreements (IFRIC 12 - Service Concession Arrangements);
- intellectual property licences granted by the lessor (IFRS 15 - Revenue from Contracts with Customers);
- rights held by the lessee under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents and copyrights (IAS 38 - Intangible Assets).

Under IFRS 16, a lease is defined as a contract that conveys to the ultimate lessee the right to use an identified asset for a specified period of time in exchange for consideration and, therefore, assumes a criterion based on the control of an asset as a discriminant to distinguish lease contracts from contracts for the provision of services. Furthermore, to determine whether the right of use of an asset is conveyed, the following specific conditions must be met or be present:
- there is an identified asset;
- the right to substantially obtain all the economic benefits arising from the use of the identified asset;
- the right to decide how the asset is to be used.

The assessment of whether a contract is, or contains, a lease is made at the start of the contract and must be updated when there is a change in the terms and conditions of the contract.

The accounting model defined by IFRS 16 requires that an asset relating to the right of use (right of use asset) of the leased asset be recognised as an asset in the balance sheet and that a liability for lease payments still due to the lessor be recognised as a liability (lease liability) be recognised as an asset in the balance sheet. The income statement recognises the expenses relating to the amortisation of the right of use and the interest payable on the lease liability. Upon payment, the lease payments are accounted for by decreasing the lease liabilities.

The Group adopts some of the practical expedients and recognition exemptions provided for in IFRS 16. In particular, the following are excluded from the accounting model defined by IFRS 16:
- leases with a total or remaining lease term of 12 months or less;
- contracts with a low value of the underlying asset at the date of purchase (e.g. less than or equal to 5,000 USD dollars);

- initial direct costs incurred to measure the right-of-use asset at the date of initial application;
- leases of intangible assets (IFRS 16.4).

The lease term considered for the determination of the value of the right of use and the lease payable is given by the "non-cancellable" period together with the effects of any extension or early termination clauses whose exercise has been deemed reasonably certain. Assets used in finance leases are amortised considering a useful life equal to the lease term thus determined.

With regard to the discount rate, it has been decided to adopt an incremental borrowing rate which represents the rate of interest that a lessee "would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment". The incremental borrowing rate was established following an analysis of the leases identified, for which no implicit interest rate could be determined. Given its characteristics and the requirements of the standard, the BTP curve was used to determine the discount rate.

INTANGIBLE ASSETS

"Intangible assets", pursuant to IAS 38, are non-monetary assets that are identifiable and do not have physical substance. They consist mainly of concessions, licenses and trademarks, contractual relationships with customers, research and development costs and industrial patent and intellectual property rights. Intangible assets include goodwill, regulated by IFRS 3 and defined as the difference between the price paid for a transaction related to a business combination and the fair value of identifiable net assets acquired.

An intangible asset is recognised if the following conditions are satisfied:
- the asset is identifiable, i.e. it is separable from the rest of the enterprise;
- the asset is controlled, i.e. it is subject to the control of the enterprise;
- the asset generates future economic benefits.

The amortisation of any development costs recognised under intangible assets begins as from the date on which the result of the project is ready for sale and is carried out on a straight-line basis.

Intangible assets are recognised at purchase or development cost including incidental expenses and are amortised over their estimated useful lives, which, at the end of each financial year, is subject to impairment testing in order to verify the appropriateness of the estimates.

An intangible asset is only recognised in the asset section of the balance sheet under the following conditions:
- future economic benefits from the asset are expected to flow to the entity;
- the cost of the asset can be measured reliably.

In the event that, regardless of amortisation, the asset is impaired, the fixed asset is written down, with subsequent restoration of the original value, if the conditions for the write-down are no longer met.

EQUITY INVESTMENTS

"Equity investments" includes investments in subsidiaries (according to IFRS 10), in associates (according to IAS 28) and in joint ventures (according to IFRS 11).

Subsidiaries are entities, including structured entities, which are directly or indirectly controlled by CDPE. Control over an entity is shown by CDPE's capacity to exercise powers in order to influence variable returns to which the Company is exposed as a result of its relationship with the aforementioned entity.

In order to verify the existence of control, CDPE considers the following factors:

- the purpose and structure of the investee, in order to identify the entity's objectives, the activities that generate its revenues and how such activities are governed;
- power, in order to understand whether CDPE has contractual rights enabling it to govern relevant activities. To this end, only substantial rights that confer effective governance are considered;
- the exposure to the investee, in order to assess whether CDPE has business relationships with the investee whose returns vary as a result of changes in the investee's performance;
- the existence of potential principal-agent relationships.

Where significant activities are governed through voting rights, the following factors show evidence of control:

- direct or indirect ownership — through a subsidiary — of over fifty per cent of voting rights of an entity, unless it can be demonstrated — in exceptional cases — that such ownership does not constitute control;
- ownership of fifty per cent or less of the votes that can be exercised in the Shareholders' Meeting and unilateral ability to govern the main activities through:
  - control of over half of voting rights by virtue of an agreement with other investors;
  - power to determine the financial and operational policies of the entity by virtue of a clause of the Articles of Association or an agreement;
  - power to appoint or remove the majority of the members of the Board of Directors or the equivalent governing body, where management of the business falls under the remit of the aforementioned Board of Directors or body;
  - power to exercise the majority of voting rights in the meetings of the Board of Directors or those of the equivalent governing body, where management of the business falls under the remit of the aforementioned Board of Directors or body.

The presence and the effect of potential voting rights, where substantial, are taken into account when assessing whether the power of governing another entity's financial and operational policies exists.

Subsidiaries may include any "structured entities" in which voting rights are not significant with respect to control assessment, including special purpose entities and investment funds.

Structured entities are considered as subsidiaries where:

- CDPE has power through contractual rights that enable governance of relevant activities;
- CDPE is exposed to variable returns resulting from the aforementioned activities.

A joint arrangement is a contractual agreement in which two or more counterparties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement in which the parties have rights on the net assets of the agreement.

An associate is a company over which the owner exercises a significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed when the owner:

- owns, directly or indirectly, at least 20% of another company's share capital; or
- can, inter alia through shareholders' agreements, exercise significant influence through:
  - representation in the company's management body;
  - participation in the policy-making process, including in decision-making on dividends or other allocations;
  - existence of significant transactions;
  - exchange of managerial personnel;
  - provision of key know-how.

In accordance with the provisions of IAS 27 paragraph 10, equity investments are initially recognised and subsequently measured at cost, on the settlement date (understood, in the presence of extraordinary operations, as the effective date thereof), including the costs or income directly attributable to the transaction.

The equity investments are tested for impairment at every annual or interim reporting date.

Evidence of impairment, based on the existence of qualitative and quantitative indicators, as illustrated hereunder differs where these involve equity investments in companies whose shares are or are not listed on active markets. An impairment test is performed when the aforementioned indicators exist, in accordance with the provisions of IAS 36. This test is aimed at estimating the recoverable amount of the equity investment and comparing it with its carrying value to determine the recognition of any impairment losses.

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

- the recognition of losses[4] or significantly lower results than budgeted (or forecast in multi-year plans), if, after specific analyses, they are relevant due to their effects on the estimate of expected future cash flows in any impairment test preparation;
- significant financial difficulty of the investee company;
- probability that the investee company will declare bankruptcy or enter into other financial reorganisation procedures;
- a carrying value of the equity investment in the separate financial statements that exceeds the carrying value, in CDP's consolidated financial statements, of the net assets of the investment (including any goodwill);
- the distribution of a higher dividend by the investee company than the income in the comprehensive income (or statement of comprehensive income for financial companies)[5] in the year when it is declared.

With reference to listed equity investments, the following are also considered indicators of impairment:

- a reduction in the market price exceeding the carrying value by over 40% or for more than 24 months;
- a downgrade of the rating of at least four notches from the time when the investment in the equity investment was made, if assessed as relevant together with other available information.

If the recoverable amount is lower than the carrying amount, the difference is recognised through profit or loss. If the reasons causing the impairment cease to exist, the impairment losses are reversed. These reversals have to be recognised through profit or loss up to the amount of the previous impairment. Consequently, the reduction in the previously recognised impairment loss upon write-back of the value of the equity investment may not exceed the carrying value that would have existed if no impairment had been previously recognised.

CDPE's interest in any losses of the investee that exceed the carrying value of the equity investment is recognised in a specific provision, to the extent that CDPE is committed to meeting the legal or constructive obligations of the investee, or otherwise cover its losses.

Equity investments are derecognised when the contractual rights to the cash flows deriving from ownership of the equity investments expire or when they are sold, substantially transferring all risks and rewards connected with them.

[4] The recognition of losses may not be considered relevant if in line with the budget and/or business plan objectives of the equity investment (e.g. investments recently made); on the contrary, losses attributable to cases provided for by the Italian Civil Code (e.g. Articles 2446, 2447) are always considered relevant.

[5] The indicator takes into consideration the distribution of a higher dividend than the income in the comprehensive income (or statement of comprehensive income for financial companies) for the year when the dividend is declared (i.e. dividends declared in 2022, representing the distribution of the net income for 2021, larger than the total comprehensive income for 2022). In order to conduct the impairment test for the reporting date of the half-yearly financial statements, in the absence of homogeneous comparison data, the indicator is verified by referring to the data relating to the previous year.

FINANCIAL ASSETS

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

The following items are recognised:
- financial assets held for trading[6];
- assets measured at fair value with evaluation results entered through profit or loss on the basis of the right accorded to companies by IFRS 9 (fair value option), which allows a financial asset to be measured irrevocably at fair value through profit or loss if, and only if, this will eliminate a measurement inconsistency;
- other financial assets mandatorily measured at fair value, i.e. those assets other than those measured at fair value through profit or loss, which do not meet the requirements for classification at amortised cost, at fair value through other comprehensive income or which are not held for trading. They are substantially represented by those financial assets whose contractual terms provide for periodic cash flows that are not represented by solely payments of principal and interests (thus characterised by the failure to pass the SPPI test), or those assets that do not comply with the business model terms of the portfolio measured at amortised cost or at fair value through other comprehensive income.

With regard to derivatives, it should be noted that they are classified as financial assets held for trading if their fair value is positive. Otherwise, they are recognised as financial liabilities held for trading. The item also includes derivatives embedded in complex financial contracts, whose host contract is represented by a financial liability, which have been recognised separately because:
- the financial characteristics and risks are not closely related to the characteristics of the underlying contract;
- the embedded instruments, even when separated, meet the definition of derivative;
- the hybrid instruments that they belong to are not measured at fair value through profit or loss.

It should be noted that, for the purposes of the accounting classification, the InvestEU guarantee has been treated as equivalent to a Total Return Equity Swap (TRES), therefore a trading derivative, which provides for the payment to (in the case of capital gains instruments)/from (in the case of capital losses instruments) the European Commission of the differential, on the share guaranteed by it, between the subscription value of the units of guaranteed UCIs and their fair value, inclusive of the component represented by the estimate of the cost of funding used to subscribe the Commission’s share.

Financial assets measured at fair value through profit or loss are initially recognised on the execution date for derivative contracts, at the settlement date for debt securities, equities, and units of collective investment undertakings, and the disbursement date for loans. An exception is represented by those securities whose delivery is not governed by conventions on the market concerned, for which initial recognition is at the subscription date.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, which generally equals the transaction price, “increases/decreases in value of financial instruments” that are immediately recognised through profit or loss.

Subsequent measurement is at fair value, with recognition of the measurement results in the item “Profits (losses) on trading activities” in the income statement. The fair value is determined based on the official prices as of the reporting date if the financial instruments are listed on active markets. For financial instruments, including equity securities, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, option pricing models and values registered in recent similar transactions.

[6] A financial asset is classified as held for trading if: (i) it is purchased principally with the intention of being sold in the short term; (ii) it is part of a portfolio of financial instruments that are managed together and for which there is a strategy aimed at short-term profit-taking; (iii) it is a derivative contract not designated under hedging transactions, including derivatives with positive fair value embedded in financial liabilities other than those measured at fair value with income effects recognised through profit or loss.

For equity securities and related derivative instruments not listed in an active market, the cost method is used as an estimate of fair value only in a residual manner and limited to a few circumstances, i.e. in case of non-applicability of all the afore-mentioned measurement methods, or in the presence of a wide range of possible measurements of fair value, within which the cost is the most significant estimate.

If the fair value of a financial asset becomes negative, it is recognised in the item “Liabilities” in the balance sheet.

Reclassifications to other categories of financial assets are not permitted, unless, as regards financial assets held for trading, the business model is changed. In this case, all affected financial assets will be reclassified, according to the rules provided for in IFRS 9.

Financial assets measured at fair value through profit or loss are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay to other third parties.

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

This category includes all financial assets (debt securities, equity securities and loans) classified in the portfolio measured at fair value through other comprehensive income.

Specifically, this portfolio contains debt instruments and loans that meet both of the following conditions:
- the financial asset is held within a Business Model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition under this item is also extended to equity instruments not held for trading and not representing a potential compensation acknowledged by a buyer in a business combination to which IFRS 3 is applied, for which the option, granted by the standard, of classifying the subsequent changes in the fair value of the instrument within the revaluation reserves was irrevocably exercised, with recognition through other comprehensive income (FVTOCI option[7]).

Initial recognition of the item under examination occurs on the settlement date for debt securities and equities, or on the disbursement date for loans.

[7] Fair Value Through Other Comprehensive Income option.

Financial assets measured at fair value through other comprehensive income are initially recognised at fair value, which generally corresponds to the transaction price, including any expenses and income attributable to the transaction.

In cases where this price is different from the fair value at initial recognition, the instrument is recorded in the accounts as follows:
- if the fair value estimate only uses data that can be observed in the market, then the difference is recognised through profit or loss;
- In all other cases, the difference is remitted as an adjustment of the carrying value of the financial instrument.

Subsequent to the initial recognition, financial instruments traded in active markets are measured at their fair value determined on the basis of official prices on the reporting date. For financial instruments, including equity securities, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, and values recorded in recent similar transactions. For equity securities not listed in an active market, the cost method is used, if necessary, as an estimate of fair value only in a residual manner and limited to a few circumstances, i.e. in case of non-applicability of all the afore-mentioned measurement methods, or in the presence of a wide range of possible measurements of fair value, within which the cost is the most significant estimate.

Gains and losses arising from changes in the fair value of debt instruments and loans, with the exception of profits/losses due to impairment and foreign exchange gains/losses[8], are recognized in the statement of comprehensive income.

If these financial assets are eliminated from the accounts, the accumulated gain or loss previously recognised in the other components of comprehensive is reclassified from equity to profit or loss for the period.

These instruments are also subject to tests on the significant increase in credit risk (impairment) under IFRS 9, with consequent recognition in profit or loss of an impairment loss to cover the expected losses. In particular, an expected loss for the 12 months following the reporting date is recognised on initial recognition and at each subsequent reporting date, on instruments classified in stage 1 (i.e. on non credit-impaired financial assets at the time of their origination, and on instruments which do not show a significant increase in credit risk compared to initial recognition). Conversely, an expected loss is recorded throughout the residual maturity of the financial instrument on those instruments classified in stage 2 (performing financial assets for which there has been a significant increase in credit risk compared to initial recognition) and in stage 3 (impaired exposures).

On the other hand, the exercise of the fair value option through OCI for equity instruments involves a different form of accounting compared to debt securities, because:
- the amounts recognised in the valuation reserve are never reclassified through profit or loss, even when they are derecognised;
- all exchange rate differences are recognised in the equity reserve and are therefore charged to other comprehensive income;
- the impairment requirements of IFRS 9 are not applicable to equity instruments.

Only dividends are recorded in the income statement.

No reclassifications to other categories of financial assets are allowed, unless the business model is changed. In this case, all affected financial assets will be reclassified, according to the rules provided for in IFRS 9.

Financial assets measured at fair value through other comprehensive income are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

[8] Gains and losses due to impairment and gains and losses on foreign exchange are recognised in the profit/loss for the period.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay attributable to other third parties.

3) FINANCIAL ASSETS MEASURED AT AMORTISED COST

The financial assets measured at amortised cost refer to debt securities and loans that meet both of the following conditions:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Specifically, the balances of bank current accounts, debt securities and loans granted to investee companies are recognised.

These assets are initially recognised on the settlement date as regards debt securities or on the disbursement date as regards loans.

Initial recognition is at fair value, which generally equals the transaction price, including any expenses and income attributable to the transaction.

After initial recognition, these assets are measured at amortised cost, equal to the value that the financial asset was measured at on initial recognition minus any principal repayments, plus or minus the accumulated amortisation, according to the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The effective interest rate is the rate that discounts the estimated future payment flows for the expected duration of the financial asset, in order to obtain the precise net carrying amount upon initial recognition, which includes directly attributable transaction costs, as well as the fees paid or received by the contracting parties.

In some cases, the financial asset is considered impaired at initial recognition as the credit risk is very high and, if it is purchased, this is done with significant discounts. In that case, for purchased or originated financial assets that are credit-impaired at initial recognition, a credit-adjusted effective interest rate is calculated for the credit risk, including the expected losses on initial loans within the financial flow estimates.

The amortised cost method is not used for loans whose short-term duration means that discounting is considered to have a negligible effect. This measurement rule is also used for loans without a specific expiration date or demand loans.

Financial assets measured at amortised cost are subject to the calculation of an expected credit loss allowance under IFRS 9 rules and the amount of such losses, where present, is recognised in the income statement items relating to “Recoveries (Impairment) of current/non-current assets”. In particular, an expected loss at one year is recognised on initial recognition and at each subsequent reporting date, on instruments classified in stage 1 (i.e. on non credit-impaired financial assets at the time of their origination, and on instruments which do not show a significant increase in credit risk compared to initial recognition). Conversely, an expected loss throughout the remaining life of the financial instrument is recorded on those instruments classified in stage 2 (performing financial assets for which there has been a significant increase in credit risk compared to initial recognition) and in stage 3 (impaired loans).

For financial assets that are performing (stages 1 and 2), impairment is 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 an impairment loss (stage 3), the amount of the loss is measured as the difference between the contractual cash flows that are provided for contractually and all the cash flows that one would expect to receive, discounted at the original effective interest rate.

The amount of the loss to be recognised through profit or loss is calculated based on an analytical assessment process or for categories of the same kind and thus attributed analytically to each position and takes account of forward-looking information and possible alternative recovery scenarios.

The expected cash flows take account of estimated recovery times and the expected realisable value of any guarantees.

If the reasons for the impairment no longer apply following an event after initial recognition, then impairment reversals are charged through profit or loss.

Financial assets measured at amortised cost are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers to a third party all the risks and rewards connected with ownership of the transferred asset. Conversely, when a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay attributable to other third parties.

It is also possible, over the maturity of financial assets, and specifically for financial assets measured at amortised cost, that they are subject to renegotiation of the contract terms. In that case, it is necessary to check whether or not the intervening contractual changes give rise to derecognition of the original instrument and the recognition of a new financial instrument.

The analysis required to assess which changes give rise to derecognition rather than modification may sometimes entail significant elements of valuation.

In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are of a substantial nature.

In the event of changes not deemed significant, the gross value is re-determined through the calculation of the current value of the cash flows resulting from the renegotiation, at the original exposure rate (modification). The difference between the gross value of the financial instrument before and after the renegotiation of contract terms (modification), is recognised through profit or loss.

CASH AND CASH EQUIVALENTS

“Cash and cash equivalents” are measured at fair value. Liquidity is represented by the balance of current accounts opened with banks and by the deposit contract with CDP, with returns aligned with market conditions.

The amount of the item is increased by the interest accrued on cash and cash equivalents, even if not yet settled.

CURRENT AND DEFERRED TAXES

Tax assets and liabilities are recognised in the balance sheet respectively under assets Item “Deferred tax assets” and liabilities Item “Deferred tax liabilities”.

The accounting entries related to current and deferred taxes include: i) tax receivables, which include any taxes paid in advance and receivables for withholding taxes incurred; ii) tax payables, consisting of tax payables to be settled according to applicable tax regulations; iii) deferred tax assets, consisting of the amounts of tax recoverable in future years in view of deductible temporary differences; and iv) deferred tax liabilities, consisting of payables for tax to be paid in future periods as a result of taxable temporary differences.

Current taxes, consisting of corporate income tax (IRES) and regional tax on business activities (IRAP), are recognised on an accruals basis using a realistic estimate of the negative and positive tax components for the year. They are calculated on the basis of applicable tax rates.

Deferred tax assets and liabilities are recognised according to the tax rate that, under the legislation in force at the reporting date, is expected to apply in the year when the asset is realised or the liability is settled, and are periodically reviewed to take account of any changes in legislation.

The term “deferred” tax refers, in particular, to the recognition, in terms of tax, of the temporary differences between the value assigned to an asset or liability for statutory accounting purposes and the corresponding value for tax purposes.

Deferred taxes are recognised: i) under Deferred tax assets, if they relate to “deductible temporary differences”, which means the differences between statutory and tax values that will give rise to deductible amounts in future financial years, to the extent that they are likely to be recovered; and ii) under Deferred tax liabilities, if they relate to “taxable temporary differences” representing liabilities because they are related to accounting entries that will become taxable in future tax periods.

If the deferred tax items regard transactions that directly affected equity, they are recognised in equity.

PROVISIONS FOR RISKS AND CHARGES

This item consists of the provision set aside to cover specific types of liabilities whose existence is certain or probable, but whose amount or accrual date were uncertain at the reporting date.

A provision is recognised among the “Provisions for risks and charges” exclusively in the presence of:
- there is a present (legal or constructive) obligation resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

When the time value is significant and the dates of payment of the obligation are estimated reliably, the allowance is measured as the present value (at market rates as of the reporting date) of the charges that are expected to be incurred in order to settle the obligation.

The provisions are used only to cover the costs for which they were originally recognised. When the charges for fulfilling the obligation are considered no longer probable, the provision is reversed by reallocation to the income statement.

STAFF SEVERANCE PAY

Staff severance pay (TFR) covers the entire entitlement accrued by employees at the end of the financial year, as provided by law (Article 2120 of the Italian Civil Code) and applicable employment agreements. In accordance with IAS 19, the staff severance pay is a "Defined benefit plan" and, therefore, entails representing that liability to employees through the present value of the obligation accruing and accrued (respectively the present value of expected future payments for the benefits accrued in the current year, and the present value of future payments deriving from the amounts accrued in previous years). Given the small number of employees of the Company, the nominal value of the accrued debt was considered a reasonable approximation of the present value of the obligation.

FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

These financial instruments are initially recognised at the date of signing or at the date of issue at a value equal to the cost corresponding to the fair value of the instrument, without considering any transaction costs or income directly attributable to the instruments. In particular, this category of liabilities includes the negative value of trading derivatives as well as the negative value of any derivatives embedded in complex contracts but not closely related to them. All trading liabilities held for trading are measured at fair value with valuation differences being recognised through profit or loss. Financial liabilities held for trading are derecognised when the contractual rights to the cash flows expire or a sale transfers all the risks and rewards of ownership to a third party.

DIVIDENDS

The dividends resolved by a subsidiary, associate or joint venture, accounted for by using the cost method, are recognised in the income statement in the year in which the distribution is approved.

INTEREST INCOME AND EXPENSE

Interest income and expense is through profit or loss for all instruments based on amortised cost using the effective interest rate method.

TRANSACTIONS WITH RELATED PARTIES

Information is provided on transactions with related parties identified with the criteria defined in accordance with IAS 24.

METHOD OF DETERMINING FAIR VALUE CRITERIA

This section contains the disclosures on fair value measurement in accordance with the requirements of IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assumption is that this refers to an ordinary transaction between independent counterparties that have a reasonable degree of knowledge of market conditions and the relevant facts related to the item being traded. In the definition of fair value, a key assumption is that an entity is fully operational and does not have the urgent need to liquidate or significantly reduce a position. Among other factors, the fair value of an instrument reflects its credit quality as it incorporates the default risk associated with the counterparty or the issuer.

The international accounting standards have established three levels of classification for a financial instrument (known as the "hierarchy of fair value"); the level of fair value measurement assigned depends on the observability and significance of the inputs used in the valuation model.

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

A market is considered active if prices are readily and regularly available on regulated markets, organised trading facilities, pricing services, etc. and if those prices can reasonably be considered to be representative of actual and regular market transactions executed close to the valuation date.

The fair value of unlisted financial instruments is classified under Level 2 or 3 according to whether or not the inputs used in the valuation model are observable and their significance within that model.

The 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 they are used in the pricing of an instrument, they must be available for the entire residual life of the instrument. The fair value of a financial instrument measured with techniques that use Level 2 inputs is classified in the same level for the fair value hierarchy.

The Level 2 inputs may need to be adjusted to enable their use, also in view of the characteristics of the financial instrument being measured. If the adjustment is made on the basis of parameters that cannot be observed in the market or is impacted to a greater or a lesser extent by the modelling choices needed to make it (through the use of statistical or "expert-based" techniques by the valuer), the fair value measurement is classified under Level 3, if the inputs are not observable in the market or not directly inferable.

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

The Company takes the following into consideration when selecting the Level 2 valuation models:
- simpler valuation techniques are preferred to more complex techniques, all other conditions being equal and as long as they represent all of the relevant characteristics of the product, ensuring that they are reasonably in line with the practices and results of other sector operators;
- valuation techniques are applied consistently over time to consistent categories of instruments, unless objective grounds for replacement emerge;
- all other conditions being equal, preference is given to standard models whose mathematical structure and implementing procedures are familiar to practitioners;

The market parameters used as inputs for Level 2 valuations are selected on the basis of non-arbitrage relationships or comparative relationships that define the fair value of the financial instrument being measured as the relative fair value compared with that of financial instruments listed on active markets.

In some cases, in determining the fair value it is necessary to have recourse to valuation techniques that call for inputs that cannot be drawn directly from observable market variables, statistical or "expert-based" estimates by those carrying out the valuation (Level 3).

Level 3 valuation techniques are also applied consistently over time to consistent categories of instruments, unless objective grounds for replacement emerge. Similarly, parameters that cannot be drawn directly from observable market variables are applied consistently over time.

II. INFORMATION ON THE BALANCE SHEET

II.1 NON-CURRENT ASSETS

II.1.1 PROPERTY, PLANT AND EQUIPMENT

The item includes the balance, net of accumulated depreciation, of property, plant and equipment at 31 December 2023 and furniture and electronic equipment owned for 192 thousand euro.

Property, plant and equipment: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Electronic equipment	134,872	123,284
b) Furniture	57,505	39,379
TOTAL	**192,377**	**162,663**

Assets used in finance leases: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Buildings	-	2,615,925
TOTAL	**-**	**2,615,925**

Electronic equipment and furniture recorded an increase in 2023 compared to the previous year of 30 thousand euro (at 31 December 2022, the balance was 163 thousand euro), due to the combined effect of new fixed assets of 102 thousand euro, mainly relating to office hardware, and depreciation for the period of 72 thousand euro.

Leased assets related to instrumental buildings used by the Company on the basis of a lease agreement. The zeroing of the item was due to the termination of this lease as of 30 September 2023. From 1 October 2023 this supply was part of a service contract with CDP.

Property, plant and equipment: changes for the year

(Euro units)	Buildings	Furniture	Electronic equipment	Total
A. Gross opening balance	**3,889,318**	**82,250**	**403,998**	**4,375,567**
A.1 Total net write-downs	(1,273,394)	(42,871)	(280,714)	(1,596,979)
A.2 Net opening balance	**2,615,925**	**39,379**	**123,284**	**2,778,588**
B. Increases	**-**	**26,716**	**74,969**	**101,685**
B.1 Purchases	-	26,716	74,969	101,685
C. Decreases	**2,615,925**	**8,590**	**63,381**	**2,687,896**
C.1 Sales	-	-	-	-
C.2 Depreciation	-	8,590	63,381	71,971
C.7 Other changes	2,615,925	-	-	2,615,925
D. NET CLOSING BALANCE	**-**	**57,505**	**134,872**	**192,377**
D.1 Total net write-downs	-	(51,461)	(344,096)	(395,557)
D.2 Gross closing balance	**-**	**108,966**	**478,968**	**587, 934**
E. Measurement at cost	**-**	**-**	**-**	**-**

II.1.2 INTANGIBLE ASSETS

The item includes the balance, net of related amortisation, of software user licenses and the capitalisation of project costs for the implementation of the equity investment management program.

The balance of this item at 31 December 2023 came to 263 thousand euro. Therefore, compared to 31 December 2022, there was an increase of approximately 8 thousand euro attributable to the value of the new capitalisations, partially offset by the amortisation for the year.

Intangible assets: changes for the year

(Euro units)	31/12/2023
A. Opening balance	**641,984**
A.1 Total net write-downs	(387,504)
A.2 Net opening balance	**254,480**
B. Increases	**81,284**
B.1 Purchases	81,284
C. Decreases	**73,078**
C.1 Sales	-
C.2 Impairment	73,078
- Amortisation	73,078
- Write-downs:	-
D. NET CLOSING BALANCE	**262,685**
D.1 Total net write-downs	(460,582)
E. Gross closing balance	**723,267**

II.1.3 EQUITY INVESTMENTS

The item “Equity investments” includes equity investments represented by securities or otherwise, which 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.

In the case of investments held by CDP Equity, the exemption relating to the application of the equity method provided for in IAS 28 § 17 applies. Initial and subsequent valuations are carried out at recognition cost, net of any impairment.

The following is a summary of the equity investments held by CDP Equity at 31 December 2023:

Company name	Type of relationship	% Equity Investment
Investment Company		
CDPE Investimenti S.p.A.	Subsidiary	77.1%
Holding Reti Autostradali S.p.A.	Joint control	51.0%
Mozart HoldCo S.p.A.	Associate	15.0%
Open Fiber Holdings S.p.A.	Joint control	60.0%
Industrial Equity investments		
Ansaldo Energia S.p.A.	Subsidiary	99.5%
Fincantieri S.p.A.	Subsidiary	71.3%
GPI S.p.A.	Associate	18.4%
GreenIT S.p.A.	Joint control	49.0%
Hotelturist S.p.A.	Joint control	45.9%
Nexi S.p.A.	Associate	5.3%
PSN S.p.A.	Joint control	20.0%
Renovit S.p.A.	Associate	30.0%
Saipem S.p.A.	Joint control	12.8%
Webuild S.p.A.	Associate	16.4%
Equity investments in Asset Management Companies (SGR)		
CDP Venture Capital SGR S.p.A.	Subsidiary	70.0%
Fondo Italiano di Investimento SGR S.p.A.	Subsidiary	55.0%

Equity investments: breakdown

(Euro units) Company name	31/12/2023	31/12/2022
Holding Reti Autostradali S.p.A.	3,605,990,351	3,896,400,000
Open Fiber Holdings S.p.A.	1,365,092,272	1,645,600,713
Fincantieri S.p.A.	654,053,681	654,053,681
Nexi S.p.A.	598,386,182	877,234,240
Ansaldo Energia S.p.A.	417,200,277	-
CDPE Investimenti S.p.A.	386,938,256	386,938,256
Saipem S.p.A.	353,433,374	353,433,374
Webuild S.p.A.	248,962,793	249,999,090
Green IT S.p.A.	85,898,135	69,902,024
GPI S.p.A.	69,999,988	69,999,988
Mozart HoldCo S.p.A.	46,799,827	46,935,000
Renovit S.p.A.	32,474,505	32,474,505
Hotelturist S.p.A.	18,872,127	18,872,127
Polo Strategico Nazionale S.p.A.	10,800,000	2,400,000
Fondo Italiano di Investimento SGR S.p.A.	8,329,265	8,329,265
CDP Ventures Capital SGR S.p.A.	6,912,500	6,912,500
TOTAL	**7,910,143,532**	**8,319,484,763**

Equity investments: changes for the year

(Euro units)	31/12/2023	31/12/2022
A. Opening balance	**8,319,484,763**	**4,007,878,026**
B. Increases	**532,732,911**	**5,152,798,762**
B.1 Purchases	532,732,911	5,120,691,007
- purchases	532,732,911	4,113,203,952
- business combinations	-	1,007,487,055
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	32,107,755
C. Decreases	**942,074,142**	**841,192,026**
C.1 Sales	135,172	115,994,388
C.2 Write-downs	650,493,023	725,196,729
C.3 Other changes	291,445,947	909
D. CLOSING BALANCE	**7,910,143,532**	**8,319,484,763**
E. Total revaluations	-	-
F. Total adjustments	**2,186,143,184**	**1,535,650,162**

During the year, the item "Equity investments" decreased compared to the figure at 31 December 2022, by 409.3 million euro.

In detail, the change in this item is attributable to the following operational events:
- B.1 Purchases, in the amount of 532.7 million euro.
  - payment of equity to Ansaldo Energia for 469.4 million euro;
  - capitalisation of Open Fiber Holdings for 39.0 million euro to provide the necessary cash supply to the vehicle;
  - capitalisation of GreenIT for 16.0 million euro to support the development plans of the investee;
  - capital injection to PSN for 8.4 million euro to support the development plans of the investee;
- C.1 Sales of 135.2 thousand euro:
  - sale of shares of Mozart HoldCo S.p.A. to the management, in execution of agreements already provided for in the purchase and sale contracts signed on investing in the investee, for a total of 135.2 thousand euro;
- C.2 Impairment of 650.5 million euro:
  - on Open Fiber Holdings in the amount of 319.5 million euro;
  - on Nexi, in the amount of 278.9 million euro;
  - on Ansaldo Energia, in the amount of 52.2 million euro;
- C.3 Other changes, in the amount of 291.4 million euro:
  - capital repayments received from Holding Reti Autostradali in April and December 2023 for a total of 290.4 million euro;
  - allocation to CDP Equity of 694,548 Webuild warrants on 22 December 2023, recognising a financial asset in return for reducing the book value of the equity investment by 1.0 million euro.

At each reporting date, CDP Equity assesses whether there are indicators of impairment provided for in IAS 36 as well as the supplementary indicators, where applicable, also considering the indications of the national and international regulators on aspects of financial reporting relating to risks, uncertainties, estimates, assumptions and valuations. It also assessed the difficulties associated with the current reference context, characterised by a combination of factors of uncertainty related to the continuation of the Russian-Ukrainian conflict and the breakout of the conflict in the Middle East, the evolution of the inflationary scenario and the consequent monetary policy strategies of central banks, the general slowdown in global economic growth and further geopolitical risks. In this regard, the resulting impacts of these events on economic activity have increased the level of uncertainty, hence making it more complex to make quantitative estimates, for example, cash flows from equity investments, also due to the increased uncertainty in the assumptions and parameters at the basis of the asset valuation analyses.

Specifically, in light of the above, note that:

- the estimates also considered stock prices and market parameters which are subject to fluctuation, even significant, due to the ongoing turbulence and volatility of the markets linked to the tensions in the international geo-political arena and the uncertainty of the macroeconomic scenario (e.g. evolution of the inflationary scenario and the resulting monetary policy strategies of the central banks);
- the valuations were also made using forward-looking data. Such forecasts are, by their nature, random and uncertain in that they are sensitive to changes in macroeconomic variables and to events outside the company's control. They are also based on a set of assumptions linked to future events and actions of management, which may not necessarily happen. In view of the uncertainty surrounding any future event - both as regards the actual occurrence of the event and in terms of when and to what extent it may happen - the differences between actual values and estimated values might be significant, even if the events at the basis of the forecast assumptions were to occur. This limit is even more pronounced in the current situation of uncertainty due to the variables mentioned above.

Therefore, there is still a need to constantly monitor the evolution of these elements in the current context.

Moreover, when performing impairment testing, CDP Equity takes into account the guidelines of the supervisory authorities on financial reporting aspects relating to risks, uncertainties, estimates, assumptions and valuations, as well as difficulties associated with the possible impact of climate risks on the entities under analysis. Where relevant, factors relating to climate change, as well as to the reference scenario (plagued by geopolitical risks and uncertainty on the evolution of the macroeconomic situation), have been taken into account, mainly through considerations and/or sensitivity analyses on the variables determining the recoverable amount.

The indicators of impairment (triggers) and objective evidence of impairment are assessed on the basis of information taken from public sources or of any additional information received by the investee companies. Specifically, at 31 December 2023, impairment triggers were activated on the following equity investments: Nexi, Fincantieri, Saipem, Webuild, GPI, Open Fiber Holdings, Ansaldo Energia, Hotelturist and CDPE Investimenti. Note that, with reference the equity investments held in Ansaldo Energia, Nexi and Hotelturist, in line with the provisions of IAS 36, a trigger event is represented by the fact that these investments have already been subject to value adjustment in past years.

With reference to estimating the recoverable amount of equity investments, understood as the higher of the fair value net of costs to sell and the value in use, CDP Equity adopted a set of key principles, also taking into account (i) the specific historical moment characterised by a combination of factors of uncertainty related to the continuation of the Russia-Ukraine conflict and the breakout of the conflict in the Middle East, the evolution of the inflationary scenario and the consequent monetary policy strategies of central banks, the general slowdown in global economic growth and further geopolitical risks, and (ii) the indications consequently issued by national and international regulators as well as the guidelines issued by sector bodies.

In this regard, the assumptions and the valuation parameters adopted to determine the recoverable amount included, where potentially relevant, the factors described above. The key general principles used are as follows:

- a period of analysis of the rates to estimate the risk-free rate in line with a time horizon that allows the relevant market developments to be appreciated in light of the monetary policy decisions made by the central banks (e.g. revisions of inflation forecasts and expectations on interest rates)[9];
- use of an Equity Risk Premium "consensus" in line with the average of the latest values available and a period of analysis of the market parameters (e.g. beta) that is such to mitigate and normalise any contingent factors in view of the medium/long-term perspective of the underlying cash flows;

[9] This principle also applies if the country risk has been estimated directly through the yield of the government bond of the country of reference for the company.

- the use of the latest available exact survey of Country Risk Premiums, only where deemed most significant, instead of the average of the latest surveys.

In addition, CDP Equity has conducted sensitivity analyses, where deemed relevant, on the main variables that determine the value of the asset under assessment:
- the cost of capital and the long-term growth rate, if applicable, based on the value estimation method used.
- stock market prices for listed companies, also to consider potential unfavourable developments in share prices linked to the general context of uncertainty that could increase the volatility of the markets.

Below is a summary table of the equity investments recorded in the financial statements of CDP Equity for which a trigger was detected and the methodologies used to determine the recoverable amount for the purpose of impairment testing.

	Equity investment	Recoverable amount	Methodology
1	Nexi	Value in use	Discounted Cash Flow
2	Fincantieri	Fair value	Stock exchange price
3	Saipem	Fair value	Stock exchange price
4	Webuild	Fair value	Stock exchange price
5	GPI	Value in use	Discounted Cash Flow
6	Open Fiber Holdings	Value in use	Dividend Discount Model [10]
7	Ansaldo Energia	Value in use	Discounted Cash Flow
8	Hotelturist	Value in use	Discounted Cash Flow
9	CDPE Investimenti	Value in use	Equity

NEXI

At 31 December 2023, the recoverable amount of the equity investment held in Nexi was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2024-2028 and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. Note that the information needed to estimate the cash flows and the other information needed to calculate the value in use was taken from the estimates prepared by the financial analysts that cover the share.

Specifically:
- the values in the specific period 2024-2028 are based on the public estimates prepared by a selected group of financial analysts and by extrapolating the growth rate;
- the terminal value was calculated using the perpetuity growth model, estimating the cash flows of Nexi with a medium/long-term view;
- WACC was estimated: (i) applying the Capital Asset Pricing Model for the cost of equity, and (ii) by analysing the structure of sources of financing of the main companies operating in the sector for the cost of indebtedness and the ratio of equity to debt.

The impairment test carried out at 31 December 2023 compared to the previous reporting date, however, was impacted by negative changes in relation to some of the main assumptions and variables used in estimating the value in use and which are mainly:
- a deterioration of forecast flows, as taken from the expectations of financial analysts covering the share, revised following the update by the company of the economic-financial guidance and the medium-term outlook;
- an increase in the WACC discount rate, due to the general increase in key rates;

[10] CDP Equity holds an equity investment in OFH, Open Fiber's holding company. The value in use of Open Fiber was determined using the Dividend Discount Model, and subsequently estimating the recoverable value of the equity investment held in OFH through an equity methodology with a Net Asset Value perspective.

- a slight reduction in the terminal growth rate, due to the downward revision of the long-term growth estimates.

In view of this, the recoverable amount of the equity investment arising from the impairment test amounted to 598.4 million euro, resulting in an impairment loss in the financial statements of CDP Equity of 278.8 million euro.

OPEN FIBER HOLDINGS

The recoverable amount of the equity investment in Open Fiber Holdings was determined, also with the help of a third party independent valuation specialist by estimating the Net Asset Value (NAV) of the company at 31 December 2023, calculating the recoverable amount of the entire equity investment in Open Fiber, by applying the Dividend Discount Model (DDM Method) based on a two-stage model, with: (i) explicit forecast of future cash flows for the years 2024-2042[11] derived from the economic-financial projections based on estimates provided by the company's management, (ii) calculation of the terminal value using the formulae of cash flows in perpetuity. The discount rate is equal to the estimated cost of equity using the Capital Asset Pricing Model theory, utilising specific parameters obtained from an analysis of the key comparable listed companies. Furthermore, an additional risk premium has been factored into the discount rate to reflect the uncertainty of certain anticipated events included in the estimates of future cash flows. These events are associated with ongoing discussions (i) with public authorities regarding initiatives to address external factors impacting the company's performance and (ii) with financial stakeholders concerning the formulation of the long-term capital structure.

Taking into account this additional risk premium component and the evolution of forward-looking flows, also considering the mitigation actions being discussed with the public authorities, the recoverable amount of the equity investment that emerges from the impairment test at 31 December 2023 came to 1,365.1 million euro, resulting in an impairment adjustment in the financial statements of CDP Equity for an amount of 319.5 million euro.

SAIPEM

The recoverable amount of the equity investment in Saipem was measured at fair value less transaction costs.

The fair value of the equity investment was calculated on the basis of the volume-weighted average stock market prices ("VWAP" method) in December 2023.

The impairment test found that the fair value was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. It should be noted that in order to align the fair value — thus estimated — with the carrying value of the equity investment (assuming a break-even scenario), it would be necessary to reduce the VWAP of December 2023 by about 4%.

WEBUILD

The recoverable amount of the equity investment in Webuild was measured at fair value less transaction costs.

The fair value of the equity investment was calculated on the basis of the volume-weighted average stock market prices ("VWAP" method) in December 2023.

The impairment test found that the fair value was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. It should be noted that in order to align the fair value — thus estimated —

[11] The primary time frame identified by the management as the most indicative for fully capitalising on the fundamentals, with consideration given to the duration of the potential extensions of the company's awarded concessions.

with the carrying value of the equity investment (assuming a break-even scenario), it would be necessary to reduce the VWAP of December 2023 by about 20%.

FINCANTIERI

The recoverable amount of the equity investment in Fincantieri was measured at fair value less transaction costs.

The fair value of the equity investment was calculated on the basis of the volume-weighted average stock market prices ("VWAP" method) in December 2023.

The impairment test found that the fair value was higher than the carrying value of the equity investment and, consequently, its carrying amount was confirmed. It should be noted that in order to align the fair value – thus estimated – with the carrying value of the equity investment (assuming a break-even scenario), it would be necessary to reduce the VWAP of December 2023 by about 1%.

GPI

The recoverable amount of the equity investment held in GPI was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2024-2025 and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. Note that the information needed to estimate the cash flows and the other information needed to calculate the value in use was taken from the estimates prepared by the financial analysts that cover the share.

Specifically:
- the values in the specific period 2024-2025 are based on the public estimates prepared by a selected group of financial analysts;
- the terminal value was calculated using the perpetuity growth model, estimating the cash flows of GPI with a medium/long-term view;
- the WACC was estimated: (i) by applying the Capital Asset Pricing Model for the cost of equity, (ii) by considering the average implicit debt cost throughout the Plan horizon for the cost of indebtedness, and (iii) for the debt to equity ratio, by analysing the structure of funding sources of the main companies operating in the sector.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Since the value in use is determined using estimates and assumptions that may contain elements of uncertainty, analyses were also conducted to verify the sensitivity of the results obtained to changes in the main assumptions and variables underlying the exercise. Specifically, sensitivity analyses were conducted with particular reference to the WACC discount rate and the long-term growth rate, which show that any negative changes in these variables would result in a recoverable amount lower than that identified at the reference date, but in any case higher than the carrying value of the equity investment. The sensitivity analyses carried out with reference to the main assumptions have shown that in order to align the value in use with the carrying value of the equity investment (assuming a break-even scenario) it would be necessary to (i) increase the WACC by about 30 bps, or (ii) reduce the long-term growth rate by about 30 bps.

ANSALDO ENERGIA

The recoverable amount of the equity investment held in Ansaldo Energia was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2024-2028 taken from the projections in the Business Plan approved by the company's Board of Directors, and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. The discount rate is equal to the estimated WACC: (i) applying the Capital Asset Pricing Model for the cost of equity, and (ii) by analysing the structure of sources of financing of a number of companies operating in the sector for the cost of indebtedness and the ratio of equity to debt.

The impairment test carried out at 31 December 2023 compared to the previous reporting date, however, was impacted by negative changes in relation to some of the main assumptions and variables used in estimating the value in use and which can be mainly identified in the impairment of short-term discounted cash flows and the balance sheet and income statement results recorded by the investee during the year.

In view of this, the recoverable amount of the equity investment arising from the impairment test amounted to 417.2 million euro, resulting in an impairment loss in the financial statements of CDP Equity of 52.2 million euro.

HOTELTURIST

The recoverable amount of the equity investment held in Hotelturist was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2024-2026 taken from the most recent economic-financial projections in the Plan approved by the company's Board of Directors, and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. The discount rate is equal to the estimated WACC: (i) applying the Capital Asset Pricing Model for the cost of equity, and (ii) by analysing the structure of sources of financing of a number of companies operating in the sector for the cost of indebtedness and the ratio of equity to debt;

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Since the value in use is determined through the use of estimates and assumptions that may contain elements of uncertainty, analyses were also conducted to verify the sensitivity of the results obtained to changes in the main assumptions and variables underlying the exercise. Specifically, sensitivity analyses were conducted with particular reference to the WACC discount rate and the long-term growth rate, which show that any negative changes in these variables would result in a recoverable amount lower than that identified at the reference date, but in any case higher than the carrying value of the equity investment. The sensitivity analyses carried out with reference to the main assumptions have shown that in order to align the value in use with the carrying value of the equity investment (assuming a break-even scenario) it would be necessary to (i) increase the WACC by about 110 bps, or (ii) reduce the long-term growth rate by about 140 bps.

CDPE INVESTIMENTI

In line with that set out in IAS 36, and considering CDPE Investimenti is a holding company, the recoverable amount of the equity investment was determined on a Net Asset Value basis at 31 December 2023. This was estimated by aggregating the individual equity investments held, with the individual recoverable amounts determined using methodologies commonly employed in valuation practices such as Discounted Cash Flow (DCF), Dividend Discount Model (DDM), and transaction-based approaches applied under the guidance of an independent appraiser and taking into account the distinct features of each asset, to which the additional values of the assets are added (e.g. cash and cash equivalents).

The impairment test found that the recoverable amount was significantly higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed.

II.1.4 NON-CURRENT FINANCIAL ASSETS

"Non-current financial assets" consist of:

- the financial receivable from Ansaldo Energia recognised as a result of the shareholder loan subscribed on 13 May 2019 for a total amount of 200 million euro. The principal and interest of the loan are subordinated and deferred to bank loans and, also for this reason, its maturity was deferred to June 2029 in the context of the company's capital and financial strengthening manoeuvre of 2023;

- the value of the interest in the capital of Euronext N.V., classified as a financial asset measured at fair value through OCI;
- the value of the interest in the capital of Kedrion Holding S.p.A., classified as a financial asset measured at fair value through OCI;
- the value of the interest in the capital of F2i SGR, 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 or loss;
- the value of the InvestEU derivative, consisting of the two Total Return Equity Swaps measured at fair value through profit or loss, which the InvestEU Guarantees activated during the year have been treated as equivalent to for accounting purposes.

Non-current financial assets

(Euro units)	31/12/2023	31/12/2022
a) Receivable from Ansaldo Energia S.p.A.	75,056,168	95,117,574
b) Equity securities	751,185,166	654,731,703
- *of which F2i SGR*	*12,425,784*	*12,517,303*
- *of which Euronext NV*	*616,616,000*	*542,214,400*
- *of which Kedrion Holding S.p.A.*	*122,143,382*	*100,000,000*
c) Investments in funds	387,532,237	192,984,503
d) InvestEU Derivative	15,085,519	-
TOTAL	**1,228,859,090**	**942,833,780**

The increase in the item of 286.0 million euro compared to the amount recorded at 31 December 2022 is mainly due (i) to the recognition of the payments for the period to the subscribed funds, net of the changes in fair value for the year for a total of 194.6 million euro, (ii) to the positive adjustment in the fair value of the investments held in Euronext and Kedrion Holding for a total of 96.5 million euro, of which 74.4 million euro attributable to Euronext, and (iii) to the recognition of the InvestEU Derivative for 15.1 million euro following the activation of the InvestEU Guarantee, components only partially offset (iv) by the decrease of 20.1 million euro in the receivable from Ansaldo Energia due to the combined effect of the higher interest accreted on the loan in the period and the negative adjustment made pursuant to IFRS 9, including the negative impact of 8.5 million euro accounted for following the modification caused by extending the duration of the loan, without prejudice to the other conditions, granted to the debtor in May and (v) by the negative adjustment of the fair value of the investment held in F2i for 0.1 million euro.

With reference to investments in units of UCIs, it should be noted that, the existence of a control relationship has been found for several of the fund when, at the same time, the following conditions are met: equity investment in the fund exceeding 50% and a control relationship with the Asset Management Company to which the management of the same has been entrusted. By virtue of the exemption from the obligation to prepare the consolidated financial statements, the fair value measurement of the units held was maintained for these funds.

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 tax deductible in years following that of recognition in the financial statements. Prepaid tax has been fully recognised in the income statement and does not refer to changes in equity.

The amount at 31 December 2023, equal to 169.5 million euro, is mainly related to the future economic benefits expected from the tax relief on goodwill of SIA (now Nexi, 79.1 million euro) and Open Fiber Holdings (87.6 million euro).

Changes in deferred tax assets (recognised in the income statement)

(Euro units)	31/12/2023	31/12/2022
1. Opening balance	**194,224,997**	**141,666,266**
2. Increases	**2,754,467**	**88,353,188**
2.1 Deferred tax assets recognised during the year:	2,754,467	88,302,788
a) relating to previous financial years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other	2,754,467	88,302,788
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	50,400
3. Decreases	**27,440,020**	**35,794,457**
3.1 Deferred tax assets derecognised during the year	27,440,020	35,794,457
a) reversals	27,440,020	35,794,457
b) write-downs due to uncollectability	-	-
c) due to change in accounting policies	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING BALANCE	**169,539,444**	**194,224,997**

II.1.6 OTHER NON-CURRENT ASSETS

The “Other non-current assets”, equal to 110 thousand euro, mainly refer to the security deposit paid to of the lessor, that is, to the parent company CDP, for the lease agreement until 30 September 2023 and services from 1 October 2023, relating to the Company’s registered office.

II.2 CURRENT ASSETS

II.2.1 RECEIVABLES FROM INVESTEE COMPANIES

Receivables from investee companies

(Euro units)	31/12/2023	31/12/2022
Receivables from investee companies	5,840,775	7,535,674
TOTAL	**5,840,775**	**7,535,674**

Receivables from investee companies, amounting to a total of approximately 5.8 million euro, relate to:

- 5.0 million euro for the fees accrued by CDP Equity and not collected at 31 December 2023 in relation to services provided to CDPE Investimenti, on the basis of the investment agreement entered into between CDP Equity and KIA (4.8 million euro) and GreenIT, on the basis of the service agreement entered into between the parties (0.2 million euro);
- 444 thousand euro for receivables for the remuneration due to the executives of CDP Equity who hold the position of director in the investee companies;
- 395 thousand for receivables for commissions on guarantees provided to Ansaldo Energia by Leonardo S.p.A. and governed by a specific agreement following the transaction entered into between CDP Equity and Leonardo S.p.A. at the end of 2016.

Receivables from investee companies: details

(Euro units)	31/12/2023	31/12/2022
a) Receivables from CDPE Investimenti	4,760,288	5,017,500
b) Receivables from GreenIT	242,019	-
b) Receivables from IQ	-	39,421
d) Receivables from Ansaldo	450,548	366,712
e) Receivables from other investee companies	387,920	356,166
f) Receivables from PSN	-	1,755,875
TOTAL	**5,840,775**	**7,535,674**

II.2.2 CURRENT FINANCIAL ASSETS

Current financial assets (details)

(Euro units)	31/12/2023	31/12/2022
a) Receivable from CDPE Investimenti S.p.A. ("former-FSIA Investimenti S.r.l.")	-	48,248,839
b) CDP commercial papers	245,624,310	-
c) Webuild Warrants	1,268,939	-
TOTAL	**246,893,249**	**48,248,839**

The balance of the "Current financial assets" consists (i) of commercial papers with maturity on 3 June 2024 issued by CDP and signed by CDP Equity on 1 December 2023, with the operation resulting in a total disbursement of 244.9 million euro below par against a nominal value of 250 million euro of the instrument with an annualised return of 4.04%, and (ii) of the Webuild anti-dilution warrants, assigned free of charge to the company on 22 December 2023 and subscribed on 10 January 2024, whose value was determined by the recognition value of the investee's shares.

II.2.3 TAX RECEIVABLES

The balance of "Tax receivables" includes assets related to current taxation, broken down in greater detail in the table below:

Tax receivables: breakdown

(Euro units)	31/12/2023	31/12/2022
a) VAT advance	519,335	160,128
b) Advance payments to the tax authorities for IRAP/IRES	-	1,289,034
TOTAL	**519,335**	**1,449,162**

II.2.4 OTHER CURRENT ASSETS

The balance of "Other current assets" is equal to 53.5 million euro and consists of (i) receivables from CDP for tax consolidation for 47.2 million euro, (ii) receivables from the European Commission for the administrative fees accrued in the period for 2.3 million euro, (iii) receivables from CDP for seconded personnel for 1.7 million euro, (iv) prepaid expenses on operating costs for 1.2 million euro and (v) other advances and other receivables for 1.0 million euro. The change is mainly attributable to the decrease in receivables from CDP for tax consolidation, which at 31 December 2022 also included the receivables accrued by CDP Industria, and to the reversal of receivables from funds which, at 31 December 2022, referred to repayments for equalisation received in January 2023.

Other current assets: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Other receivables from social security institutions	2,838	2,790
b) Accrued income and prepaid expenses	1,229,920	745,451
c) Miscellaneous advances	218,676	81,453
d) Receivables from CDP for tax consolidation	47,245,419	50,255,421
e) Other receivables	4,803,389	2,822,413
f) Receivables from funds	-	7,554,669
TOTAL	**53,500,242**	**61,462,197**

II.2.5 CASH AND CASH EQUIVALENTS

CDP Equity's "Cash and cash equivalents" consist of deposits with CDP and with leading banks.

The table below summarises the "Cash and cash equivalents" of CDP Equity at 31 December 2023, net of adjusting provisions and gross of interest receivables, compared with those at 31 December 2022.

Cash and cash equivalents: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Banks and financial institutions	220,622,511	238,406,145
b) Free deposits with CDP	377,112,741	329,932,621
c) Cash	-	834
TOTAL	**597,735,252**	**568,339,600**

For the changes in cash and cash equivalents during the year, please refer to the cash flow statement.

II.3 EQUITY

II.3.1 SHARE CAPITAL

The share capital of CDP Equity, amounting to 2,891 million euro, is wholly owned by CDP, which holds 289,058,347 ordinary shares, representing 100% of the share capital and voting rights of CDP Equity. During the period, there were no operations on the share capital of CDP Equity.

The Company did not own treasury shares at 31 December 2023, either directly or through an intermediary.

Share capital: details

(Euro units) Items/Types	Ordinary	Privileged	%
A. Capital	**2,890,583,470**	**-**	**100.00%**
- CDP S.p.A.	2,890,583,470	-	100.00%
B. Paid-up capital	**2,890,583,470**	**-**	**100.00%**
C. Capital increases/decreases during the year		-	
D. Capital payable at the end of the year	-	-	

II.3.2 RESERVES

At 31 December 2023, the Company reported the following “Reserves”:

Reserves: other information

(Euro units) Items/Types	31/12/2023	31/12/2022
INCOME RESERVES:	**45,955,073**	**45,955,073**
Legal reserve	45,955,073	45,955,073
OTHER RESERVES:	**7,325,984,830**	**7,826,737,747**
Reserve for capital injections	6,290,708,816	6,791,461,733
Merger surplus reserve	1,013,308,001	1,013,308,001
Share premium reserve	21,978,820	21,978,820
Other reserves	(10,807)	(10,807)
VALUATION RESERVES:	**20,969,867**	**(75,218,975)**
Reserve of Financial assets measured at fair value through other comprehensive income	20,969,867	(75,218,975)
INCOME (LOSS) FOR PREVIOUS YEARS	**37,466,876**	**237,466,876**

The income reserves consist of the legal reserve for 46.0 million euro.

The other reserves include:
- the reserve for capital injections obtained from CDP for a total of 6,290.7 million euro, of which 294.8 million euro received during the period;
- the merger surplus reserve, created as a result of the merger of CDP Industria S.p.A., for 1,013.3 million euro;
- the share premium reserve arising from the contribution of the Asset Management Companies by the parent company for 22.0 million euro;
- the reserve that accommodates the effects of the First-Time Adoption of IFRS 9, a negative 11 thousand euro. This amount reflects the value adjustment made to the balance of cash and cash equivalents and the restricted deposit at 1 January 2018 to reflect counterparty risk;

Valuation reserves include the revaluation reserve of equity securities included in the category of FVOCI financial assets (Euronext, F2i SGR and Kedrion Holding), with a positive value of 21.0 million euro.

Note that during the year, the Company distributed 200 million euro to the sole shareholder CDP as a dividend and ordered the liquidation of the reserve on 12 May 2023.

Information required by Article 2427, point 7-bis of the Italian Civil Code on the individual details of equity items is given below, specifying their origin, possibility of use and distribution, and whether they were used in previous years:

(Euro units) Items/Values	Balance at 31/12/2023	Possibility of use (*)	Of which available portion	Of which distributable portion
SHARE CAPITAL	**2,890,583,470**			
RESERVES	**7,371,939,903**			
Legal reserve	45,955,073	B	45,955,073	
Reserve for capital injections (**)	6,290,708,816	A, B, C	5,758,547,195	5,758,547,195
CDP Industria merger reserve	1,013,308,001	A, B, C	1,013,308,001	1,013,308,001
Share premium reserve	21,978,820	(***)		
Other Reserves	(10,807)			
VALUATION RESERVES	**20,969,867**			
- Reserve of Financial assets measured at fair value through other comprehensive income	20,969,867			
Income (loss) for previous years	**37,466,876**	A, B, C	37,466,876	37,466,876
Loss for the period	**(119,736,202)**			
TOTAL	**10,201,223,913**			

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

II.4 NON-CURRENT LIABILITIES

II.4.1 PROVISIONS FOR RISKS AND CHARGES

The balance of the item "Provisions for risks and charges" at 31 December 2023 is equal to 3.3 million euro and includes 2.7 million euro for the provision for staff bonuses and 0.6 million euro for the provision of the estimated future charge, in line with the provisions of the Parent Company CDP, relating to the establishment of the "Chessa" scholarship for the children of deceased employees. The provision reflects the future maximum recognisable liability that the Company could probably face, on the basis of the cases actually encountered.

Provisions for risks and charges: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Legal disputes		
b) Staff and director costs	2,720,939	2,448,046
c) Other	620,820	750,000
TOTAL	**3,341,759**	**3,198,046**

The following table shows the changes of provisions for risks and charges during the year:

Provisions for risks and charges: breakdown: changes during the period

(Euro units)	Staff and director costs	Other provisions	Total
A. Opening balance	**2,448,046**	**750,000**	**3,198,046**
B. Increases	**2,743,114**	**41,005**	**2,784,119**
B.1 Provision for the year	2,743,114	41,005	2,784,119
C. Decreases	**2,470,221**	**170,185**	**2,640,406**
C.1 Use during the year	2,193,334	-	2,193,334
C.2 Changes due to changes in discount rate	-	170,185	170,185
C.3 Other changes	276,887	-	276,887
D. CLOSING BALANCE	**2,720,939**	**620,820**	**3,341,759**

It is hereby stated represented that CDP Equity, as a shareholder of PSN, received a writ of summons before the Ordinary Court of Rome from the Temporary Grouping of Enterprises (R.T.I.) established by Fastweb S.p.A. and Aruba S.p.A. (the “Fastweb RTI”), as the originally successful bidder, then overtaken in the award of the concession as a result of PSN exercising of the right of first refusal. The write of summons concerns the request for payment of the expenses incurred by the Fastweb RTI to prepare the bid. In view of the above, the Company has assessed its possible risk of failure, also with the support of its external legal advisors. Therefore, in compliance with the provisions of IAS 37 with reference to contingent liabilities, it has not made any provision in the financial statements.

It is also noted that, as a result of additional legal disputes arising from previous operations, the Company has assessed a remote risk of failure, also with the support of its external legal advisors assigned the cases. Therefore, in compliance with the provisions of IAS 37 with reference to contingent liabilities, it has not made any provision in the financial statements.

II.4.2 STAFF SEVERANCE PAY

Staff severance pay should be subject to actuarial valuation in accordance with the provisions of paragraphs 64-66 of IAS 19, or on the basis of the “accrued benefits” methodology using the “Projected Unit Credit” (PUC) criterion. CDP Equity has a small number of employees and an immaterial staff severance pay amount overall. Thus, given the immateriality of the effects of adopting IAS 19, the liability for staff severance pay is calculated on the basis of Italian statutory provisions (Article 2120 of the Italian Civil Code).

The item “Provision for staff severance pay” increased by 61 thousand euro compared to 31 December 2022 as a result of the provisions made during the year. The changes for the year are as follows:

Staff severance pay: changes for the year

(Euro units)	31/12/2023	31/12/2022
A. Opening balance	**302,783**	**265,339**
B. Increases	**110,887**	**122,196**
B.1 Provision for the year	110,887	122,196
B.2 Other increases	-	-
C. Decreases	**49,957**	**84,752**
C.1 Severance payments	27,092	80,784
C.2 Other decreases	22,865	3,968
D. CLOSING BALANCE	**363,713**	**302,783**

II.4.3 OTHER FINANCIAL LIABILITIES

The item "Other financial liabilities" only included lease payables recognised in accordance with the provisions of IFRS 16. Consequently, following the termination of the lease agreement with CDP S.p.A., this liability was settled and is equal to zero at 31 December 2023.

II.4.4 DEFERRED TAX LIABILITIES

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

Deferred tax liabilities: breakdown

(Euro units)	31/12/2023	31/12/2022
Deferred taxes through profit or loss	-	2,776,961
Deferred taxes through other comprehensive income	353,131	88,508
TOTAL	**353,131**	**2,865,469**

The zeroing of the provision of deferred tax liabilities through other comprehensive income is due to its full use following the value adjustment made on Nexi S.p.A.

Changes in deferred tax liabilities (recognised in the income statement)

(Euro units)	31/12/2023	31/12/2022
1. Opening balance	**2,776,961**	**3,901,264**
2. Increases	**-**	**-**
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**2,776,961**	**1,124,303**
3.1 Deferred tax assets derecognised during the year:	-	-
a) reversals	2,776,961	-
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	1,124,303
4. CLOSING BALANCE	**-**	**2,776,961**

The balance of deferred taxes with an impact on equity refers to the tax effect calculated by applying the participation exemption regime against the cumulative measurement of the equity investments in Kedrion and F2i at fair value, included in the category of financial assets at FVOCI.

Changes in deferred tax liabilities (recognised in equity)

(Euro units)	31/12/2023	31/12/2022
1. Opening balance	**88,508**	**1,176,725**
2. Increases	**265,721**	**-**
2.1 Deferred tax liabilities recognised during the year:	265,721	-
a) relating to previous financial years	-	-
b) due to change in accounting policies	-	-
d) other	265,721	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1,098**	**1,088,217**
3.1 Deferred tax assets derecognised during the year:	1,098	1,088,217
a) reversals	1,098	1,088,217
b) due to change in accounting policies	-	-
c) other	-	-
3.2 eduction in tax rates	-	-
3.3 Other decreases		-
4. CLOSING BALANCE	**353,131**	**88,508**

II.4.5 OTHER NON-CURRENT LIABILITIES

The balance of “Other non-current liabilities”, equal to 0.6 million euro at 31 December 2023, refers exclusively to the non-current component of the deferred income of the administrative fees paid by the European Commission as part of the InvestEU Guarantee.

II.5 CURRENT LIABILITIES

II.5.1 TAX PAYABLES

The balance of “Tax payables” refers to payables accrued at 31 December 2023 to the Italian Tax Authorities and includes tax liabilities, VAT payables and withholding taxes to be paid in the following month (January 2024). Other payables to the tax authorities include payables for substitute tax on staff severance pay.

Tax payables: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Withholding taxes on employment income	312,820	276,675
b) Withholding taxes for self-employed workers	41,036	40,128
c) Payables for IRAP	-	644,517
d) VAT payables	173,431	590,153
e) Other payables to Tax Authorities	5,014	4,114
TOTAL	**532,301**	**1,555,587**

II.5.2 DEFERRED INCOME

The item, with a positive balance of 92 thousand euro, includes the current component of deferred income of the administrative fees paid by the European Commission as part of the InvestEU Guarantee.

II.5.3 OTHER CURRENT LIABILITIES

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

Other current liabilities: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Payables to suppliers	2,348,883	2,471,732
b) Payables to social security institutions: breakdown	367,216	281,528
c) Payables to parent companies	3,664,256	2,609,930
d) Other payables	667,591	792,145
TOTAL	**7,047,946**	**6,155,335**

More specifically:

- payables to suppliers, equal to 2.3 million euro at 31 December 2023, refer to 2.0 million euro to payables for invoices to be received and 0.3 million euro to payables for invoices received;
- payables to social security institutions, amounting to 0.4 million euro at 31 December 2023, mainly refer to social security liabilities settled in the following month (January 2024);
- payables to parent companies, amounting to 3.7 million euro at 31 December 2023, mainly refer to liabilities for seconded personnel and employees holding corporate offices for 2.7 million euro and to operating liabilities related to the provision of outsourced services provided by CDP to CDP Equity for 0.9 million euro;
- other payables, amounting to 0.7 million euro at 31 December 2023, mainly refer to the amounts accrued at the reporting date and not yet paid to employees (396 thousand euro), other corporate bodies (24 thousand euro) and CDP Venture Capital SGR (123 thousand euro), in recognition of the role of Implementing Partner of the venture capital funds subject to the InvestEU guarantee.

Below are the details:

Other payables: breakdown

(Euro units)	31/12/2023	31/12/2022
a) Payables to corporate bodies	24,001	222,265
b) Payables to employees	396,374	367,972
c) Payables to supplementary pension fund	124,023	98,373
d) Payables to funds	-	96,860
e) Other payables	123,193	6,675
TOTAL	**667,591**	**792,145**

II.6 RELEVANT DISCLOSURE PURSUANT TO IAS/IFRS ON FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(Euro units)	31/12/2023			31/12/2022		
Financial assets/liabilities measured at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current financial assets	**616,616,000**	**-**	**537,186,922**	**542,214,400**	**-**	**305,501,807**
Equity investments	-	-	-	-	-	-
Non-current financial assets	616,616,000	-	537,186,922	542,214,400	-	305,501,807
Units of UCIs	-	-	*387,532,236*	-	-	*192,984,504*
TRES InvestEU	-	-	*15,085,519*	-	-	-
FVOCI shares	*616,616,000*		*134,569,167*	*542,214,400*	-	*112,517,303*
Other non-current assets	-	-	-	-	-	-
Current financial assets	**-**	**-**	**-**	**-**	**-**	**-**
Receivables from investee companies						
Current financial assets	-	1,268,939	-	-	-	-
TOTAL	**616,616,000**	**1,268,939**	**537,186,922**	**542,214,400**	**-**	**305,501,807**
Non-current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Other financial liabilities	-	-	-	-	-	-
Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Other financial liabilities	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**

Change for the period in financial assets measured at fair value on a recurring basis (level 3)

(Euro units)	Non-current financial assets
1. Opening balance	**305,501,806**
2. Increases	**273,110,870**
2.1 Purchases	233,285,880
2.2 Profits recognised in:	-
2.2.1 Income statement	17,672,598
– *of which gains*	*17,692,598*
2.2.2 Equity	22,143,382
2.3 Transfer from other levels	-
2.4 Other increases	-
3. Decreases	**41,416,744**
3.1 Sales	-
3.2 Refunds	1,508,198
3.3 Losses recognised in:	39,720,167
3.3.1 Income statement	39,720,167
– *of which losses*	*39,720,167*
3.3.2 Equity	91,518
3.4 Transfer from other levels	-
3.5 Other decreases	96,861
4. CLOSING BALANCE	**537,186,922**

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

	31/12/2023				31/12/2022			
(Euro units)	CV	L1	L2	L3		L1	L2	L3
Non-current assets								
Non-current financial assets	75,056,168	-	-	75,056,168	143,366,413	-	-	143,366,413
Current assets								
Current financial assets	245,624,310		245,624,310	-	-	-	-	-
Cash and cash equivalents	597,732,252	-	-	597,732,252	568,338,766	-	-	568,338,766
TOTAL	**918,412,730**	**-**	**245,624,310**	**672,788,420**	**711,705,179**	**-**	**-**	**711,705,179**
Non-current liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Current liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

VALUATION OF UNLISTED EQUITY SECURITIES

For the investment in Kedrion, it should be noted that a change of +/-0.25 b.p. in the WACC would result in a change in fair value of approximately 6 million euro, while a change of +/-0.25 b.p. in the g-rate would result in a change in fair value of approximately 4 million euro.

MEASUREMENT OF THE FAIR VALUE OF THE OPTIONAL COMPONENTS OF EQUITY INVESTMENTS

At 31 December 2023, the Company assessed the earn out relating to the investment in Renovit, as it is the only optional component linked to an equity investment and measured at fair value.

Based on IFRS 13, the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date:

- in the principal market for the asset or liability; or
- in the absence of a principle market, in the most advantageous market for the asset or liability.

All assets and liabilities measured at fair value are categorised according to the fair value hierarchy described below:

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

It should be noted that the level at which each measurement is categorised is identified on the basis of the minimum level at which the measurement inputs are classified.

Considering the type of input data used for measuring Renovit's earn out, and based on the fair value hierarchy represented above, the instrument was measured in Level 3.

With specific reference to the valuation model, for the purposes of estimating the fair value of the earn out of Renovit, at the reference date the Company applied a Monte Carlo-type measurement model using (i) the income statement an balance sheet results of 2022 and the estimates of the same values for 2023 of TEP S.p.A. (owned by Renovit), (ii) a discount rate on the pay-offs, associated with the occurrence of the simulated scenarios, determined on a risk-adjusted basis and (iii) a volatility parameter of the results of TEP S.p.A. obtained from the stock exchange prices of comparable companies. The valuation process resulted in a null value of the instrument at 31 December 2023.

As part of the measurement, it was verified that, even in the presence of significantly better income statement results (in terms of EBITDA 2023) than the current forecasts, the fair value of the instrument would be zero in any case.

NAV ADJUSTMENT

The Net Asset Value (NAV) is the difference between the total value of a fund's assets and liabilities. In this case, the fair value corresponds to the NAV of the fund, adjusted, if necessary, to take into account certain specific characteristics, purely for illustrative and non-exhaustive purposes, such as elements occurring between the reference date of the last available NAV and the valuation date, transactions on the shares of the fund being valued, any discounts relating to potential illiquidity of the shares held and any other information that may be disclosed by the manager with a significant impact on the fair value of the assets held by the fund.

II.7 OTHER INFORMATION

II.7.1 GUARANTEES ISSUED AND COMMITMENTS

With reference to the guarantees and commitments issued by the Company, at 31 December 2023, CDP Equity had commitments of up to 2,707 million euro, of which 747 million euro related to direct investments and the remaining 1,960 million euro related to indirect investments.

II.7.2 OWNED SECURITIES DEPOSITED WITH THIRD PARTIES

The Company holds the following in the Monte Titoli account managed by CDP for CDP Equity:
- 1,212,163,614 shares of Fincantieri S.p.A.;
- 255,841,728 shares of Saipem S.p.A.;
- 166,860,597 shares of WeBuild S.p.A.;
- 69,401,443 shares of Nexi S.p.A.;
- 14,888,808 warrants of WeBuild S.p.A.;
- 7,840,000 shares of Euronext N.V.;
- 5,323,193 shares of GPI S.p.A.;
- commercial paper issued by CDP for a face value of 250 million euro.

III. INFORMATION ON THE INCOME STATEMENT

III.1 INCOME (LOSS) ON CORE BUSINESS

III.1.1 DIVIDENDS

The following table shows the dividends for the period:

Dividends: breakdown

(Euro units)	2023	2022
Euronext S.p.A.	17,404,800	15,131,200.00
Webuild S.p.A.	9,511,054	9,173,316
CDPE Investimenti S.p.A.	208,214,550	-
F2i SGR S.p.A.	1,906,588	-
Holding Reti Autostradali S.p.A.	309,146,351	-
GPI S.p.A.	2,661,597	-
BF S.p.A.	-	339,020
TOTAL	**548,844,940**	**24,643,536**

III.1.2 INTEREST ON FINANCIAL INSTRUMENTS

The item Interest on financial instruments includes the amounts accreted in 2023 on the loans granted to the subsidiaries Ansaldo Energia and CDPE Investimenti. The latter loan, transferred from FSIA Investimenti to CDPE Investimenti as a result of the merger by incorporation of FSIA Investimenti into its parent company CDPE Investimenti, was fully repaid on expiry of the contract on 30 September 2023. The details of the interest accreted during the year are shown in the table below.

The increase of approximately 5.9 million euro is mainly due to the performance of interest rates during the year.

Interest on financial instruments

(Euro units)	2023	2022
Ansaldo Energia S.p.A.	18,844,824	13,917,500
CDPE Investimenti S.p.A.	1,848,787	877,885
TOTAL	**20,693,611**	**14,795,385**

III.1.3 GAINS ON EQUITY INVESTMENTS

The item, positive for 63 euro, includes the income accounted for following the sale of some shares of Mozart Holdco S.p.A. to one of the directors of the investee.

III.1.4 INCREASES IN VALUE OF FINANCIAL INSTRUMENTS

This item includes (i) 15.1 million euro in income relating to the increase in InvestEU Derivatives, of which the equity leg for 12.7 million euro and the funding cost for 2.3 million euro, (ii) 2.6 million euro in the increase in fair value of investments in the subscribed funds to adjust the respective carrying amounts based on the estimate of the *fair value* at 31 December 2023, and (iii) in 233 thousand euro in the increase in the fair value of the Webuild warrants to adjust the carrying amount to the fair value at 31 December 2023.

Increases in value of financial instruments

	2023			2022		
(Euro units)	Gains	Gains on trading	Net gain (loss)	Gains	Gains on trading	Net gain (loss)
Units of UCIs	2,587,079	-	2,587,079	-	-	-
Equity derivatives	232,642	-	232,642	1,209	-	1,209
Other derivatives	15,085,519	-	15,085,519	-	-	-
TOTAL	**17,905,240**	-	**17,905,240**	**1,209**	-	**1,209**

III.1.5 INVESTMENT EXPENSES

Investment expenses: breakdown

(Euro units)	2023	2022
a) Due diligence and investment advice	2,731,085	4,764,080
b) Other investment expenses	1,575,808	322,839
TOTAL	**4,306,893**	**5,086,919**

Investment expenses in 2023 amounted to a total of 4.3 million euro, of which 2.7 million euro of due diligence and consultancy activities for investment transactions and 1.6 million euro of other ancillary expenses on investment activities.

III.1.6 CHARGES ON FINANCIAL INSTRUMENTS

This item, equal to 8.5 million euro at 31 December 2023, includes the economic effects of the implicit charge deriving from the extension of the AEN shareholder loan.

III.1.7 WRITE-DOWNS OF NON-CURRENT ASSETS

This item includes the income statement effects of the adjustment of credit positions due from investee companies in accordance with IFRS 9.

Write-downs of non-current assets: breakdown

(Euro units)	2023	2022
Write-downs of financial loans	30,374,890	144,766,083
TOTAL	**30,374,890**	**144,766,083**

The Company submitted its credit positions to a recoverability risk analysis at 31 December 2023. As a result of these analyses, in accordance with the provisions of IFRS 9, an adjustment was made to the value of the receivables from Ansaldo Energia for 30.4 million euro, a reduction compared to the greater adjustment made during 2022 in which the instrument was transferred from Stage 1 to Stage 2 in consideration of the deterioration of the financial situation of the company at the measurement date.

III.1.8 LOSSES ON EQUITY INVESTMENTS

This item includes the income statement effects of the valuation of equity investments.

Losses on equity investments: breakdown

(Euro units)	2023	2022
Write-downs of equity investments – impairment adjustment on Nexi S.p.A.	278,848,058	93,691,934
Write-downs of equity investments – impairment adjustment on Open Fiber Holdings S.p.A.	319,471,241	-
Write-downs of equity investments – impairment adjustment on Ansaldo Energia S.p.A.	52,173,723	631,504,795
TOTAL	**650,493,023**	**725,196,729**

At 31 December 2023, the Company carried out its own analysis of the portfolio to verify, in accordance with the provisions of the international accounting standards, the existence of impairment indicators and, where emerging, conducting impairment tests as commented in section II.1.3. Equity investments, for more details.

III.1.9 DECREASES IN VALUE OF FINANCIAL INSTRUMENTS

This item includes the decrease in the fair value of investments in subscribed funds of 39.7 million euro.

Decreases in value of financial instruments

	2023			2022		
(Euro units)	Losses	Losses on trading	Net gain (loss)	Losses	Losses on trading	Net gain (loss)
Units of UCIs	(39,720,167)	-	(39,720,167)	26,695,890	-	26,695,890
Equity derivatives	-	-	-	2,118	-	2,118
Other derivatives	-	-	-	-	-	-
TOTAL	**(39,720,167)**	**-**	**(39,720,167)**	**26,698,008**	**-**	**26,698,008**

III.2 INCOME (LOSS) ON CORE BUSINESS

III.2.1 FINANCIAL INCOME AND (EXPENSES)

FINANCIAL INCOME AND EXPENSES: BREAKDOWN

(Euro units)	2023	2022
a) Interest income on deposits	10,450,297	711,981
b) Interest income on bank accounts	2,193,646	193,631
c) Interest income on commercial paper	4,659,795	-
d) Interest expense on lease payables	(64,668)	(62,100)
e) Other interest income (expenses)	-	-
TOTAL	**17,239,070**	**843,512**

The item “Financial income and expenses”, a positive 17.2 million euro at 31 December 2023, includes interest income accreted on cash in hand and tied to leading banks and CDP. The item increased as a result of the performance of interest rates during the year.

III.2.2 ADMINISTRATIVE EXPENSES

Administrative expenses: breakdown

(Euro units)	2023	2022
a) Staff costs	13,286,022	12,311,741
b) Other administrative expenses	5,826,118	5,138,360
TOTAL	**19,112,140**	**17,450,101**

“Staff costs” amounted to 13.3 million euro and referred to expenses for salaries and services to employees, seconded staff and other active staff for 12.9 million euro and remuneration of directors and statutory auditors for 0.4 million euro. As shown in the following table, the increase of approximately 1 million euro in staff costs is mainly due to a general increase in the gross wage item, in line with the increase in the company’s workforce.

Staff costs: breakdown

(Euro units)

Type of expenses/Values	2023	2022
1) Employees	**12,563,642**	**11,251,045**
a) Wages and salaries	9,111,541	8,157,579
b) Social security contributions	56,540	33,527
c) Severance pay	-	-
d) Pension costs	1,495,735	1,286,736
e) Provision for staff severance pay	107,921	122,196
f) Provision for retirement benefits and similar obligations:	-	-
- *defined contribution*	-	-
- *defined benefit*	-	-
g) Payments to external supplementary pension funds:	646,878	625,168
- *defined contribution*	*646,878*	*625,168*
- *defined benefit*	-	-
h) Costs deriving from share-based payment agreements	-	-
i) Other employee benefits	838,009	794,911
j) Travel expenses, meals and personal accommodations	307,018	230,928
2) Other staff	**147,343**	**239,687**
3) Directors and Statutory Auditors	**365,875**	**362,717**
4) Retired staff	**-**	**-**
5) Recovery of costs of employees seconded to other companies	**(1,805,054)**	**(1,237,255)**
6) Reimbursement of costs of employees seconded to the Company	**2,014,216**	**1,695,547**
TOTAL	**13,286,022**	**12,311,741**

Number of employees and other workforce by category: breakdown

The number of employees is low, in line with the needs related to the Company's operations: it was therefore considered more representative to continue to present the number of employees at 31 December 2023, compared with the corresponding data for 31 December 2022, instead of comparing the relevant average data.

Number of employees by category

	2023	2022
Employees:		
a) directors	9	10
b total middle managers	28	23
- *of which 3rd and 4th level*	*16*	*12*
c) other employees	38	32
TOTAL	**75**	**65**
Other staff	**13**	**14**

"Other administrative expenses" amounted to 5.8 million euro, an increase compared to 2022 when this figure stood at 5.1 million euro, and mainly include professional and financial services, outsourced administrative services and general and insurance services.

Other administrative expenses: breakdown

(Euro units) Type of expenses/values	2023	2022
a) Professional and financial services	2,275,679	2,225,402
b) CDP Outsourcing	1,111,417	567,117
c) IT resources and databases	316,632	290,846
d) Advertising and marketing	83,321	21,947
e) IT services	239,506	8,195
f) General and insurance services	1,514,035	1,592,113
g) Utilities, taxes and other expenses	247,464	390,235
h) Expenses for other corporate bodies	38,064	42,505
TOTAL	**5,826,118**	**5,138,360**

As required by the specific provision of the Italian Civil Code, the fees paid to the company in charge of the statutory audit, Deloitte & Touche S.p.A. are shown below. This amount also includes the Consob contribution and VAT.

(Euro units)	Service provider	Fees for the year
Auditing the accounts and financial statements	Deloitte & Touche S.p.A.	181,433
TOTAL		**181,433**

III.2.3 DEPRECIATION, AMORTISATION AND WRITE-DOWNS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE FIXED ASSETS

In line with the previous year, this item mainly includes depreciation of property, plant and equipment and amortisation of intangible assets recorded in the balance sheet.

Amortisation, depreciation and impairment of non-current assets: breakdown

(Euro units)	2023	2022
a) Depreciation of property, plant and equipment	504,154	466,247
a) Amortisation of intangible assets	73,079	68,322
TOTAL	**577,233**	**534,569**

III.2.4 RECOVERIES AND WRITE-DOWNS OF CURRENT ASSETS

This item shows the impairment made following the adoption of IFRS 9 and relating to current financial assets recorded in the financial statements and shown net of these adjustments. At 31 December 2023, this item includes the effect of the adjustment to the balance of cash and cash equivalents and the revaluation of deposits, restricted or otherwise, with CDP for a total negative effect of 60 thousand euro.

	Impairment			Reversals of impairment			
		Stage 3					
(Euro units) Transactions/Income components	Stages 1 and 2	Write-offs	Other	Stages 1 and 2	Stage 3	2023	2022
A. Loans to banks	**-**	**-**	**-**	**51,722**	**-**	**51,722**	**25,897**
- Loans	-	-	-	51,722	-	51,722	25,897
- Debt securities	-	-	-	-	-	-	-
B. Loans to customers	**(111,766)**	**-**	**-**	**-**	**-**	**(111,766)**	**(2,036)**
- Loans	(731)	-	-	-	-	(731)	(2,036)
- Debt securities	(111,035)	-	-	-	-	(111,035)	-
TOTAL	**(111,766)**	-	-	**51,722**	-	**(60,044)**	**23,861**

III.3 OTHER OPERATING INCOME (COSTS)

The item “Other operating income (costs)” shows a positive balance of 7.9 million euro, consisting mainly of income from service contracts from CDP Equity to CDPE Investimenti and other Group companies, and other income of 2.9 million euro, of which 1.6 million euro related to the administrative fees paid by the European Commission as part of the InvestEU project.

Other operating income/costs

(Euro units)	2023	2022
a) Income from corporate offices held by employees	480,283	272,269
b) Income from services rendered to investee companies	4,762,439	5,055,201
c) Other income	1,253,690	4,213,767
d) InvestEU admin fee	1,580,000	-
b) Other costs	(218,410)	(162,708)
TOTAL	**7,858,002**	**9,378,529**

III.4 INCOME TAX FOR THE YEAR

The estimate of taxes for the year 2023 provides a positive contribution of 18.1 million euro to income for the year, and is detailed in the following table:

Income taxes: breakdown

(Euro units)	2023	2022
1. Current taxes (-)	42,611,620	(14,485,945)
of which:		
– *IRAP for the year*	-	-
– *income/(charges) from participation in tax consolidation*	42,611,620	43,899,655
– *substitute tax for stamp duty*	-	(58,385,600)
2. Change in current taxes from previous years (+/-)	195,573	(17,951)
3. Reduction of current taxes for the year (+)	-	-
4. Change in deferred tax assets (+/-)	(24,685,553)	52,508,332
5. Change in deferred tax liabilities (+/-)	2,776,961	1,124,303
6. TAXES FOR THE YEAR (-) (-1+/-2+3+/-4+/-5)	**20,898,601**	**39,128,739**

The tax line shows a positive balance of 20.9 million euro. This amount consists mainly of (i) the income from tax consolidation of 42.6 million euro, against the tax loss transferred to the consolidating company, (ii) the reversal of deferred taxes to the income statement of 2.8 million euro as a result of the write-down of the equity investment in Nexi S.p.A. (which had a tax value lower than the statutory value), partially offset by a charge of 24.7 million euro against the reduction of deferred tax assets. The figure at 31 December 2022 included a charge of 58.4 million euro for the settlement of the substitute tax for the tax relief pursuant to Article 15, paragraph 10-ter, of Legislative Decree 185/2008 on the goodwill recorded in the consolidated financial statements of CDP referring to the equity investment in Open Fiber Holdings with the simultaneous recording of deferred tax assets against the future benefit deriving from the relief.

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

(Euro units)	2023	Tax rate
Income (loss) before tax	**(140,634,803)**	
IRES Theoretical tax charge (rate of 24%)	**33,752,353**	**-24.00%**
Increased writebacks		
– temporary differences	(2,615,322)	1.86%
– permanent differences	(163,461,381)	116.23%
Decreases in taxes		
– dividends	125,136,646	-88.98%
– gains on equity investments	14	0.00%
– goodwill amortisation	26,357,050	-18.74%
– other changes	649,677	-0.46%
– ACE incentive	11,485,851	-8.17%
– interest income transferred to the tax consolidation	11,306,732	-8.04%
IRES actual tax liability recognised	**42,611,620**	**-30.30%**

(Euro units)	2023	Tax rate
Difference between value and cost of production	**(4,394,494)**	**-**
IRAP Theoretical tax liability (rate of 5.57%)	**244,773**	**5.57%**
Increases in taxes	(2,222,310)	n,s,
Decreases in taxes	6,866,283	n,s,
IRAP actual tax liability recognised	**-**	**0%**

IV. INFORMATION ON RISKS AND HEDGING POLICIES

CDP Equity's risk management activity is based on the Risk Management Regulations approved by the Board of Directors. This document defines the basic operating principles and the related guidelines to identify, measure and manage the various types of risk to which CDP Equity may be subject in conducting its business. These principles define, among other things, limits to CDP Equity's risk appetite even during the investment approval phase.

For more details on the activities carried out during 2023, please refer to section 4.2.

V. TRANSACTIONS WITH RELATED PARTIES

V.1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

Directors' and statutory auditors' remuneration

(Euro units)	2023	2022
a) Directors	259,864	279,984
b) Statutory auditors	85,010	82,733
TOTAL	**344,874**	**362,717**

Remuneration of other key management personnel

(Euro units)	2023	2022
a) Short-term benefits	3,352,869	3,520,381
b) Post-employment benefits	279,886	270,395
TOTAL	**3,632,755**	**3,790,776**

Directors' and statutory auditors' remuneration

(Euro units) First name and Surname	Position held	Term of office (*)	Expiry of office (**)	Fees for the office and bonuses paid	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	150,000	
Francesco Renato Mele	Director	19/09/2022 - 31/12/2024	2024	35,000	(***)
Simona Camerano	Director	02/10/2023 - 31/12/2024	2024	19,706	(***)
Board of Statutory Auditors					
Cristiano Zanella	Chairman	15/01/2021 - 31/12/2023	2023	27,000	
Stefano Podda	Statutory Auditor	15/01/2021 - 31/12/2023	2023	20,000	
Francesca Busardò Armetta	Statutory Auditor	15/01/2021 - 31/12/2023	2023	20,000	
Directors no longer in office					
Ilaria Bertizzolo	Director	16/05/2022 - 06/06/2023		15,159	(***)

(*) Term of office from the date of appointment by the Shareholders' Meeting.
(**) Reference date of the last financial statements subject to approval.
(***) The remuneration is 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 of these financial statements, the Chief Executive Officer of CDP Equity was also the Chief Investment Officer of CDP, and the Chairman of CDP Equity is also the Chairman of CDP.

It should be noted that the Company did not carry out any atypical or unusual transactions with related parties whose size could have an impact on the assets and liabilities or performance of the Company. All transactions with related parties were carried out on an arm's length basis and form part of CDP Equity's ordinary operations.

TRANSACTIONS WITH THE PARENT COMPANY

Transactions with CDP

Transactions with CDP during 2023 mainly concerned:
- the signing, on 18 May 2023 and 1 December 2023, by CDP Equity, of commercial papers issued by CDP with a nominal value, respectively, of 200 and 250 million euro;
- the irregular deposit contract;
- the securities deposit agreement;
- the remuneration for corporate offices held by CDP employees, to be paid to CDP;
- outsourcing services provided by CDP to CDP Equity;
- the tax consolidation contract with CDP;
- the costs and security deposits related to the sublease of the registered office;
- agreements for the partial secondment of CDP personnel to CDP Equity;
- agreements for the partial secondment of staff from CDP Equity to CDP.

The transactions, on an arm's-length basis, outstanding at 31 December 2023 and the related balance sheet and income statement effects (including VAT where due) are summarised as follows:

Relations with CDP

(Euro units) Balance sheet data	31/12/2023	31/12/2022
Non-current assets	**245,734,278**	**101,835**
Current financial assets	245,624,310	-
Other non-current assets	109,968	101,835
Non-current liabilities	**-**	**(2,842,381)**
Other non-current liabilities	-	(2,842,381)
Current assets	**425,628,120**	**380,192,880**
Cash and cash equivalents	377,112,741	329,937,458
Receivables from tax consolidation	47,245,419	50,255,421
Other current assets	1,762,870	1,165,612
Current liabilities	**(4,764,815)**	**(2,842,381)**
Other current financial liabilities	-	-
Other current liabilities	(4,764,815)	(2,842,381)

(Euro units) Income statement data	2023	2022
Financial expenses	(64,668)	-
Fair value adjustments in hedge accounting	-	-
Financial income	15,110,093	711,981
Income for staff seconded out	1,647,545	1,094,294
Agreement with CDP - Service Agreement	(1,092,292)	(548,197)
Chargeback of costs for seconded personnel	(2,756,822)	(1,695,547)
Compensation for corporate offices charged back to CDP	(69,864)	(75,723)
Other investment expenses	-	(93,733)
Rent expense	(278,754)	-
Other expense	(100,071)	-

TRANSACTIONS WITH SUBSIDIARIES

(Euro units) Balance sheet	CDPE Investimenti S.p.A.	Ansaldo Energia S.p.A.	Fondo Italiano d'Investimento SGR	Valvitalia S.p.A.	CDP Venture Capital SGR	Total
Non-current assets	**-**	**75,056,168**	**-**	**-**	**-**	**75,056,168**
Financial receivables from subsidiaries	-	75,056,168	-	-	-	75,056,168
Current assets	**4,760,288**	**450,548**	**-**	**-**	**5,000**	**5,215,836**
Receivables for services due from subsidiaries	4,755,705	361,207	-	-	-	5,116,912
Other receivables	4,583	89,340	-	-	5,000	98,924
Current liabilities	**-**	**-**	**-**	**-**	**(122,917)**	**(122,917)**
Other payables	-	-	-	-	(122,917)	(122,917)
TOTAL	**4,760,288**	**75,506,716**	**-**	**-**	**117,917**	**80,149,087**

(Euro units) Income statement	CDPE Investimenti S.p.A.	Ansaldo Energia S.p.A.	Fondo Italiano d'Investimento SGR	Valvitalia S.p.A.	CDP Venture Capital SGR	Total
Dividends	208,214,550	-	-	-	-	208,214,550
Financial income (expense)	**1,848,787**	**10,313,484**	**-**	**-**	**-**	**12,162,271**
Interest on financial receivables	1,848,787	18,844,824	-	-	-	20,693,611
Charges for modification		(8,531,340)				(8,531,340)
Other operating income/costs	**4,738,205**	**64,998**	**25,481**	**19,160**	**(102,917)**	**4,744,927**
Income on the SA agreement	4,738,205	-	-	-	-	4,738,205
Other income	-	64,998	25,481	19,160	20,000	129,639
Other expense					(122,917)	(122,917)
TOTAL	**214,801,542**	**10,378,482**	**25,481**	**19,160**	**(102,917)**	**225,121,748**

TRANSACTIONS WITH OTHER RELATED PARTIES

The transactions in place at 31 December 2023 with other related parties and their amounts are summarised below. The figures do not include any IFRS 9 adjustments.

	Balance sheet						
	Non-current assets	Current assets				Non-current liabilities	Current liabilities
	Receivables from investee companies						
(Euro units) Legal Entity	Non-current financial assets	Receivables for activities related to the service agreement	Receivables from income from corporate offices	Other receivables	Receivables for reim-bursement of expenses	Non-current financial liabilities	Current liabilities
IQ MIIC in liquidazione S.p.A.	-	-	-	-	-	-	-
Hotelturist S.p.A.	-	-	17,542	-	-	-	-
Rocco Forte Hotels Ltd	-	-	-	-	-	-	-
Trevi Finanziaria Industriale S.p.A.	-	-	79,004	-	-	-	-
Nexi S.p.A.	-	-	-	-	-	-	-
Open Fiber Holdings S.p.A.	-	-	137,500	-	-	-	-
Saipem S.p.A.	-	-	82,500	-	-	-	-
Webuild S.p.A.	-	-	-	1,268,939	-	-	-
CDP RETI S.p.A.	-	115,350	-	-	-	-	-
Renovit S.p.A.	-	-	38,040	-	-	-	-
GreenIT S.p.A.	-	242,020	-	-	-	-	-
Polo Strategico Nazionale S.p.A.	-	-	-	-	-	-	-
GPI S.p.A.	-	-	28,333	-	-	-	-
CDP Real Asset SGR	-	-	-	150,000	-	-	-
Holding Reti Autostradali S.p.A.	-	-	-	-	-	-	-
TOTAL	**-**	**357,370**	**382,919**	**1,418,939**	**-**	**-**	**-**

Income statement						
Dividends	Increase (decrease) in financial instruments	Financial income	Income from corporate offices	Other income	Income on service agreements	Costs for services
-	-	-	-	-	24,234	-
-	-	-	59,815	-	-	-
-	-	-	-	-	-	-
-	-	-	63,333	-	-	-
-	-	-	-	-	-	-
-	-	-	21,891	-	-	-
-	-	-	82,500	-	-	-
9,511,054	232,642	-	-	-	-	-
-	-	-	-	104,676	21,175	-
-	-	-	13,000	52,832	-	-
-	-	-	-	-	274,255	-
-	-	-	-	-	-	-
2,661,597	-	-	27,500	-	-	-
-	-	-	-	272,500	-	-
309,146,351	-	-	69,250	-	-	-
321,319,002	**232,642**	**-**	**337,289**	**430,008**	**319,664**	**-**

VI. DISCLOSURE ON PUBLIC FUNDING

In compliance with the provisions of Article 1, paragraph 125 of Law no. 124 of 4 August 2017, we inform you that, during 2023, the Company did not receive amounts by way of subsidies, contributions, paid assignments or, in any case, financial benefits of any kind from public administrations or from the other parties indicated in Article 1, paragraph 125 of that aforementioned Law.

ANNEXES

SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2022 OF CASSA DEPOSITI E PRESTITI S.P.A.

- Balance sheet
- Income statement
- Statement of comprehensive income

BALANCE SHEET

(Euro units)

Assets		31/12/2022	31/12/2021
10.	Cash and cash equivalents	2,630,401,853	263,478,003
20.	Financial assets measured at fair value through profit or loss:	3,918,651,643	3,708,759,781
	a) financial assets held for trading	354,937,131	232,358,795
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	3,563,714,512	3,476,400,986
30.	Financial assets measured at fair value through other comprehensive income	10,914,119,245	14,244,059,928
40.	Financial assets measured at amortised cost:	346,085,421,500	358,102,654,371
	a) loans to banks	20,834,490,264	37,801,217,320
	b) loans to customers	325,250,931,236	320,301,437,051
50.	Hedging derivatives	4,343,993,853	276,053,250
60.	Fair value change of financial assets in hedged portfolios (+/-)	(2,986,650,463)	1,267,985,029
70.	Equity investments	33,721,181,345	28,981,649,274
80.	Property, plant and equipment	359,527,218	371,494,657
90.	Intangible assets	71,953,646	59,327,896
	– *of which goodwill*	-	-
100.	Tax assets:	1,148,326,922	653,835,762
	a) current	398,243,811	115,772,602
	b) deferred	750,083,111	538,063,160
110.	Non-current assets and disposal groups held for sale		4,251,174,320
120.	Other assets	483,385,478	778,954,611
	TOTAL ASSETS	**400,690,312,240**	**412,959,426,882**

(Euro units)

Liabilities and equity		31/12/2022	31/12/2021
10,	Financial liabilities measured at amortised cost:	371,336,095,285	382,558,801,228
	a) due to banks	36,815,282,530	34,913,216,675
	b) due to customers	317,370,012,071	325,974,035,731
	c) securities issued	17,150,800,684	21,671,548,822
20,	Financial liabilities held for trading	400,346,683	251,005,952
40,	Hedging derivatives	1,091,387,959	3,073,677,795
50,	Fair value change of financial liabilities in macrohedged portfolios (+/-)	-	2,067,089
60,	Tax liabilities:	297,099,385	177,059,232
	a) current	1,451,098	1,450,814
	b) deferred	295,648,287	175,608,418
80,	Other liabilities	1,018,147,110	994,215,254
90,	Staff severance pay	1,451,566	1,045,053
100,	Provisions for risks and charges:	796,709,865	592,480,846
	a) commitments and guarantees issued	662,182,695	450,819,483
	b) retirement and similar obligations	-	-
	c) other provisions for risks and charges	134,527,170	141,661,363
110,	Valuation reserves	(451,011,157)	315,148,441
140,	Reserves	17,602,162,543	16,519,104,447
150,	Share premium reserve	2,378,517,244	2,378,517,244
160,	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 (+/-)	2,490,482,609	2,367,381,153
	TOTAL LIABILITIES AND EQUITY	**400,690,312,240**	**412,959,426,882**

INCOME STATEMENT

(Euro units)

Items		2022	2021
10.	Interest income and similar income	7,738,935,228	7,598,560,597
	– *of which: interest income calculated using the effective interest rate method*	*8,085,744,428*	*7,885,064,371*
20.	Interest expense and similar expense	(5,155,950,767)	(4,757,470,080)
30.	**Net interest income**	**2,582,984,461**	**2,841,090,517**
40.	Commission income	400,653,666	378,781,927
50.	Commission expense	(1,163,893,992)	(1,335,465,205)
60.	**Net commission income (expense)**	**(763,240,326)**	**(956,683,278)**
70.	Dividends and similar revenues	1,602,100,779	1,233,649,159
80.	Profits (losses) on trading activities	(74,962,284)	(23,440,561)
90.	Fair value adjustments in hedge accounting	102,267,580	160,905
100.	Profits (Losses) from the sale or repurchase of:	66,499,579	481,842,195
	a) financial assets measured at amortised cost	31,886,788	355,072,776
	b) financial assets measured at fair value through other comprehensive income	34,612,791	126,769,419
	c) financial liabilities	-	-
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss:	33,908,074	161,820,908
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets mandatorily measured at fair value	33,908,074	161,820,908
120.	**Gross income**	**3,549,557,863**	**3,738,439,845**
130.	Net adjustments/recoveries for credit risk of:	14,547,897	(33,540,895)
	a) financial assets measured at amortised cost	13,237,830	(34,958,153)
	b) financial assets measured at fair value through other comprehensive income	1,310,067	1,417,258
140.	Gains/losses from changes in contracts without derecognition	(39,092)	(377,214)
150.	**Income (loss) on financial operations**	**3,564,066,668**	**3,704,521,736**
160.	Administrative expenses:	(244,631,565)	(209,456,888)
	a) staff costs	(161,895,326)	(141,103,991)
	b) other administrative expenses	(82,736,239)	(68,352,897)
170.	Net accruals to the provisions for risks and charges:	52,590,858	16,044,305
	a) commitments and guarantees issued	52,346,658	16,106,525
	b) other net provisions	244,200	(62,220)
180.	Net adjustments to/recoveries on property, plant and equipment	(16,233,713)	(15,644,780)
190.	Net adjustments to/recoveries on intangible assets	(17,797,728)	(12,861,862)
200.	Other operating income/costs	(115,769,946)	19,140,539
210.	**Operating costs**	**(341,842,094)**	**(202,778,686)**
220.	Gains (losses) on equity investments	(101,392,404)	(348,652,244)
250.	Gains (losses) on disposal of investments	(6,912)	(135,938)
260.	**Income (loss) before tax from continuing operations**	**3,120,825,258**	**3,152,954,868**
270.	Income tax for the year on continuing operations	(630,342,649)	(785,573,715)
280.	**Income (loss) after tax from continuing operations**	**2,490,482,609**	**2,367,381,153**
290.	Income (loss) after tax on discontinued operations	-	
300.	**NET INCOME (LOSS) FOR THE YEAR**	**2,490,482,609**	**2,367,381,153**

STATEMENT OF COMPREHENSIVE INCOME

(Euro units)

Items		2022	2021
10.	**Net income (loss) for the year**	**2,490,482,609**	**2,367,381,153**
	Other comprehensive income net of taxes not transferred to income statement	**(308,723,668)**	**87,637,169**
20.	Equity securities measured at fair value through other comprehensive income	(308,723,668)	87,637,169
	Other comprehensive income net of taxes transferred to income statement	**(457,435,930)**	**(425,661,939)**
120.	Cash flow hedges	188,007,690	(270,029,299)
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(645,443,620)	(155,632,640)
170.	**Total other comprehensive income net of taxes**	**(766,159,598)**	**(338,024,770)**
180.	**COMPREHENSIVE INCOME (ITEM 10 + 170)**	**1,724,323,011**	**2,029,356,383**

INDEPENDENT AUDITOR'S REPORT

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CDP Equity S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Deloitte.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of CDP Equity S.p.A. are responsible for the preparation of the report on operations of CDP Equity S.p.A. as at December 31, 2023, 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, 2023 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, 2023 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
Enrico Pietrarelli
Partner

Milan, Italy
April 11, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

BOARD OF STATUTORY AUDITORS' REPORT

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

During the financial year ended 31 December 2023, our activity was inspired by the provisions of the law and the Rules of Conduct for Boards of Statutory Auditors of unlisted companies issued by the National Council of Chartered Accountants and Accounting Experts.

The financial statements of CDP Equity S.p.A. as at 31 December 2023, drawn up in accordance with the Italian rules governing their preparation, which show a loss for the year of €119,736,202 and shareholders' equity of €10,201,223,913, have been submitted for your consideration. The financial statements were made available to us by the legal deadline.

The Independent Auditors Deloitte & Touche S.p.A. have delivered to us their report dated 11 April 2024 containing their unmodified opinion.

Based on the Independent Auditors' Report, the separate financial statements at 31 December 2023 provide a true and fair view of the financial position, the economic result and the cash flows of your Company and have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union.

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

We supervised compliance with the law and the Articles of Association and compliance with the principles of proper administration and, in particular, the adequacy of the organisational structures, of the administrative and accounting system and on their concrete functioning.

We participated in the Shareholders' Meetings and the meetings of the Board of Directors, in relation to which, based on the information available, we have not detected any violations of the law or the Articles of Association, or operations that are manifestly imprudent, risky, in potential conflict of interest or could compromise the integrity of the company's assets.

During the meetings held, we acquired from the Directors information on the performance of the corporate operations and information on the general performance of operations and its foreseeable outlook, as well as on the most important operations, due to their size or characteristics, carried out by the company and its subsidiaries and, based on the information acquired, we have no specific comments to make.

We met with the Independent Auditors Deloitte & Touche S.p.A., with regard to whom no further assignments other than the accounting audit of the Company have been conferred, and, as reported by them, no relevant data and information have emerged that should be highlighted in this report.

We met with the main internal control functions, and no relevant data and information have emerged that should be highlighted herein.

We acquired knowledge and supervised, to the extent of our responsibility, the adequacy and functioning of the organisational structure of the company, also by collecting information from the heads of the functions and, in this regard, we have no particular observations to report.

We have acquired knowledge and supervised, to the extent of our competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter to correctly represent the management facts, by obtaining information from the heads of the departments, from the person in charge of the statutory audit of the accounts and from the examination of company documents, and in this regard we have no particular observations to report.

No complaints were received from shareholders pursuant to Art. 2408 of the Italian Civil Code nor petitions of any type from third parties.

It should be noted that the Company has adopted a “whistleblowing” procedure which consists of suitable IT procedures to ensure the receipt, analysis and processing of reports submitted by employees, not by the Company, relating to any conduct that is or may be unlawful. In this regard, only one anonymous report was received, promptly managed by the Supervisory Body, which did not find it necessary to adopt any measures.

At the Board of Directors’ meeting of 31 March 2023, opinions were issued pursuant to Article 21.1 of the Articles of Association and Article 2389, paragraph 3 of the Italian Civil Code relating to the remuneration of directors holding specific positions.

On 5 April 2023, we issued the justified proposal for the audit of the financial statements to the company Deloitte & Touche S.p.A. for the three-year period 2023-2025 and on the same date approved a supplement to the fees to that company for extraordinary audit activities relating to the year 2022.

On 8 June 2023, we issued a favourable opinion pursuant to and for the purposes of Article 19.3 of the Articles of Association and Art. 2386 paragraph 1 of the Italian Civil Code on the co-opting of Simona Camerano as director, following the Ilaria Bertizzolo’s resignation from the position of director.

On 29 March 2023, we issued a clearance for the granting of a financial, accounting and tax support assignment relating to a possible investment transaction to Deloitte Financial Advisory S.r.l., a Deloitte Group company.

During the supervisory activity, as described above, no other significant facts have emerged that require mention in this report.

SEPARATE FINANCIAL STATEMENTS

Based on the Independent Auditors’ Report, the separate financial statements at 31 December 2023 provide a true and fair view of your Company’s financial position, economic result and cash flows and have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union.

We examined the draft financial statements for the financial year ended 31 December 2023, which have been provided to us in accordance with Article 2429 of the Italian Civil Code, which closed with a loss of €119,736,202 and shareholders’ equity of €10,201,223,913, with regard to which we report the following.

As we were not entrusted with the statutory audit of the financial statements, we supervised its general set up and general compliance with the law with regard to its formation and structure, and in this regard we have no particular observations to report.

We verified compliance with the laws relating to the preparation of the report on operations and in this regard we have no particular observations to report.

To the best of our knowledge, in preparing the financial statements, the Directors did not deviate from legal provisions pursuant to Art. 2423, paragraph 4 of the Italian Civil Code.

CONSOLIDATED FINANCIAL STATEMENTS

The Company is not required to prepare consolidated financial statements in accordance with IFRS 10, falling within one of the cases of exemption referred to in paragraph 4 of IFRS 10. Note that CDP Equity S.p.A. is controlled by Cassa Depositi e Prestiti S.p.A. and the latter prepares the consolidated financial statements of the Group.

COMMENTS AND PROPOSALS REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS

With reference to the Russian-Ukrainian conflict and its potential impacts on the Company's operations, the undersigned Board of Statutory Auditors will continue to monitor, in agreement with the Board and the management of the Company, the evolution of the situation and any direct or indirect effects, with specific focus on cybersecurity and the assets held that could potentially suffer consequences.

Also considering the results of the work carried out by the Independent Auditors set out in the report on the audit of the financial statements, the Board of Statutory Auditors proposes that Shareholders' Meeting approve the separate financial statements for the year ended 31 December 2023 as drawn up by the Directors.

Milan, 11 April 2024

The Board of Statutory Auditors

Cristiano Zanella
Francesca Busardò Armetta
Stefano Podda

CDP Equity S.p.A.

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Milan Companies' Register
Registration in the Milan Companies' Register no. 07532930968
Milan Chamber of Commerce Economic and Admin. Repertoire no. 1965330
Share capital 2,890,583,470.00 euro fully paid-in
Tax Code and VAT no. 07532930968

Company subject to the management and coordination of
Cassa Depositi e Prestiti S.p.A.
Via Goito no. 4 - 00185 Rome, Italy
Share capital 4,051,143,264.00 euro fully paid-in
Rome Chamber of Commerce REA 1053767
Tax Code and registration in the Rome Companies' Register
no. 80199230584
VAT no. 07756511007

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