

IMPACT MONITORING 1H2024

CDP's action in the
first half of 2024

September 2024



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Executive summary

- Impact Monitoring is the **half-yearly update report** on the implementation of Cassa Depositi e Prestiti's strategy and mission, with focus of attention on impact generation.

The economic context

- In the first half of 2024, in an **international context** characterized by persistent inflation, the ECB cut interest rates only in June, disappointing market expectations.
- Compared to the previous year in Italy, **the stock of credit to enterprises decreased (-3.4%)**, due to the higher cost of money and the weakness of the investment cycle in manufacturing sectors.
- With reference to **Public Administration**, the NRRP, has boosted the dynamics of municipal investments so triggering liquidity needs of many local entities, due to the mismatch between exits and transfers from Ministries.

CDP's action

- In the first half of 2024, CDP deployed **11.8 billion euros of resources**, slightly up compared to the previous year (+300 million).
- **The percentage of resources in the ten priority areas of intervention has increased to 81%** (76% in the first half of 2023), with a greater commitment to Transport and logistics hubs and International Cooperation.
- CDP's action was characterised by a strong commitment to the United Nations **Sustainable Development Goals** (SDGs), with over **10 billion euros** geared towards achieving 11 of the 17 SDGs.
- In a context of credit tightening, CDP has maintained its support, with more than 10 billion euros, for **enterprises**:
 - over **6 billion** through the direct channel, financing medium-large companies, mainly publicly-owned;
 - over **4 billion** through the intermediation of the banking system, especially in favor of SMEs.
- **Support to the PA**, amounting to almost **0.7 billion euros**, was characterised by a sharp increase in the volume of own resources (which do not include those in mandate management on behalf of third parties), mainly for cash advances in favour of Southern municipalities that showed growing liquidity needs in conjunction with the financial efforts due to NRRP investments.
- The deployed resources in the field of **International cooperation** amounted to **0.5 billion euros**, an increase of more than 5 times compared to the same period in 2023, mainly due to third-party resources (namely those allocated to CDP in mandate management by other institutions).

The impacts

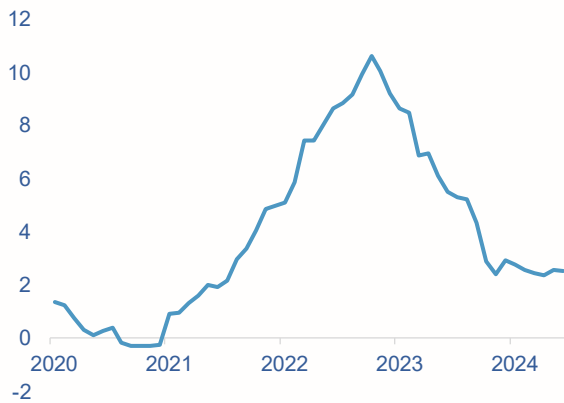
- The application of the SDA (Sustainable Development Assessment) model to a large sample of **direct loans towards companies**¹ indicates that 45% of the operations were assigned a high or medium/high score, therefore with a strong potential in terms of contribution to sustainable development.
- An analysis of the credit scores of the companies served through the **indirect channel** reveals that CDP has supported access to credit mainly for SMEs with financial vulnerability profiles² to a greater extent than the Italian banking channel, in line with its mission of complementarity to the market.
- In the **PA channel**, the monitoring activity made it possible to:
 - identify the **main expected result indicators** financed by CDP's activities in the first half of the year. The main ones are:
 - 26.2 million m³/year of additional capacity for water collection and purification plants;
 - 40 thousand m² of redeveloped surface area for the recovery of degraded areas and for the mitigation of hydrogeological risk;
 - 6,900 places built in school spaces and 1,100 beds in social housing and smart residential facilities;
 - assess **the progress status of projects launched** in previous semesters: for almost a third of the Local Authorities' projects financed by CDP in 2023, the implementation time has been revised compared to what was declared at the time of stipulation, particularly in the Lazio and Sardinia regions.
- **CDP's presence in the territory** largely reflects the development of the Italian production system, with a greater share of CDP's resources deployed in the South in those segments where the market is less present: 10% of resources to companies through the direct channel, 14% to SMEs through the indirect channel and 31% to PA entities.

¹ 46 transactions for a total value of 3.3 billion euros.

² 58% of the SMEs served by CDP through the banking channel have a credit score that falls within the area of vulnerability, compared to a percentage of 46% calculated on a sample of SMEs served by the banking channel.

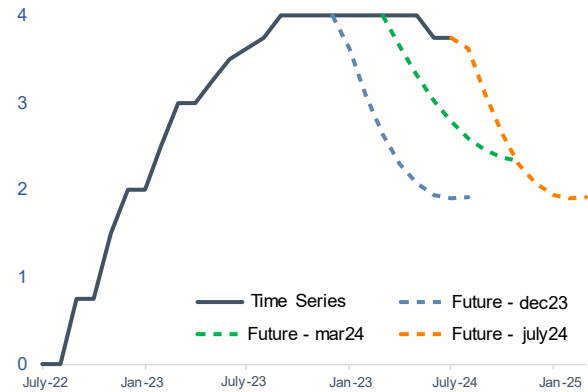
Persistent inflation has forced the ECB to keep rates high

Inflation in euro area (% var. y/y)



Source: CDP calculations based on Eurostat data.

ECB deposit rate and implied rates in forward curves (%; monthly averages for futures rates)



Source: CDP calculations based on Refinitiv data.



- In the first half of 2024, the **international framework** remained stable and global growth was modest. Geopolitical tensions continued to dominate the scenario, resulting in fragile shipping lanes and volatile commodity prices and financial markets. In this context:
 - the **US** economy slowed down, due to the weakness of foreign trade and the decumulation of inventories. Moreover, a weakening of consumer spending was added during the half-year;
 - **China** lost momentum, especially in the second quarter, with the real estate market continuing to be the main drag factor;
 - the **euro area** continued a weak growth path, mainly due to the difficulties of the German economy.
- On both sides of the Atlantic, **inflation** was more persistent than expected in the first months of 2024. This was supported by the dynamics of services prices and led the ECB and the FED to postpone the first rate cut, disappointing the expectations of markets and operators.
- In the second quarter, however, the signs of disinflation strengthened, with the ECB having triggered the cycle of cost of money reduction last June (-25 basis points).

Compared to last year, rates are rising and the credit stock to enterprises is shrinking

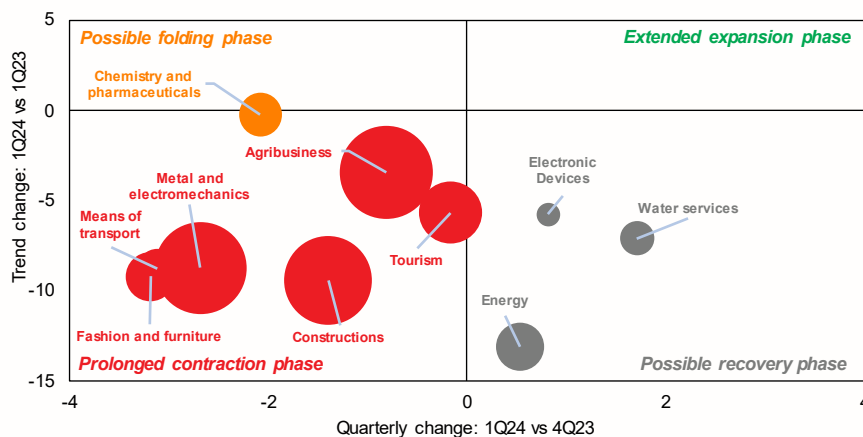
Average interest rate
on loan granted



+94 pb

1H2024 vs 1H2023

1Q24 sector-level credit stock (x-axis: % var. wrt 4Q2023; y-axis: % var. wrt 1Q2023; bubble size = credit stock in 1Q2024)



Source: CDP calculations based on Bank of Italy data.

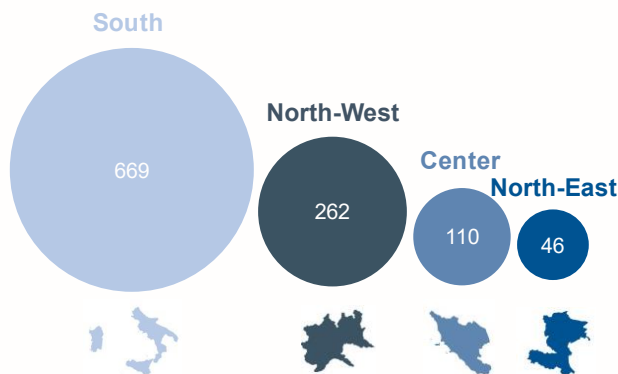
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- In the first two quarters of 2024, GDP showed moderate expansion in **Italy**. This has been driven by the tertiary sector, which offset the decline in industry, whose production was down for the fifth consecutive quarter.
- Tighter monetary conditions continued to weigh on **credit dynamics**. The rates applied to disbursements to non-financial corporations in the first half of 2024 were on average 94 basis points higher than in the first six months of 2023.
- The **stock of credit** granted to non-financial corporations in the first half of 2024 was 3.4% lower than in the previous year.
- The sectoral breakdown, available only up to the first quarter, shows a contraction in most sectors. In particular, outstanding loans declined in manufacturing, especially in certain sectors such as fashion and furniture, transport equipment and metallurgy.
- Hints of credit recovery are recorded for utilities and the electronics sector, although they remain below the levels of the first quarter of 2023.
- According to the Bank of Italy Credit Survey³, the sluggish credit dynamics in the first half of 2024 is attributable to the weakness of the **investment cycle** (-0.9% in machinery and equipment between the first quarter of 2024 and the first quarter of 2023) and to greater reliance on internal liquidity, in the face of gradually easing general credit conditions.
- **Investment choices** were affected by the protracted phase of torpor in demand, which led to a generalized decline in industrial production (-2.8% between the first half of 2024 and the first half of 2023).

³ "Bank Credit Survey (BLS)" updated to Q2 2024 (July 2024 publication), and related "Note on the results - July 2024", Bank of Italy

The NRRP boosts PA investments, generating financial needs especially in the South

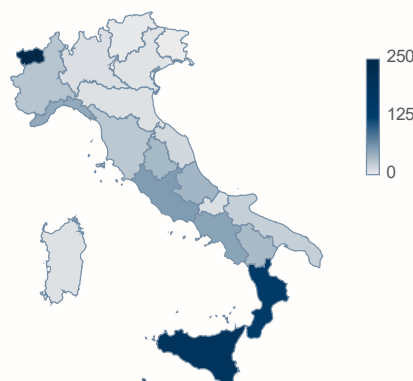
Municipalities: difference in the balance between investments and transfers between 1H2024 and 1H2023 (€ million)*



Source: CDP calculations based on SIOPE data.

*It measures the imbalance between investment expenditures and capital transfer revenues in the coffers of the Municipalities in the period between 1H23 and 1H2024: the higher the value, the greater the part of investments not covered by transfers by the Central Administrations.

Use of cash advances by municipalities in 2023 (€ per inhabitant)



Source: CDP calculations based on SIOPE data.

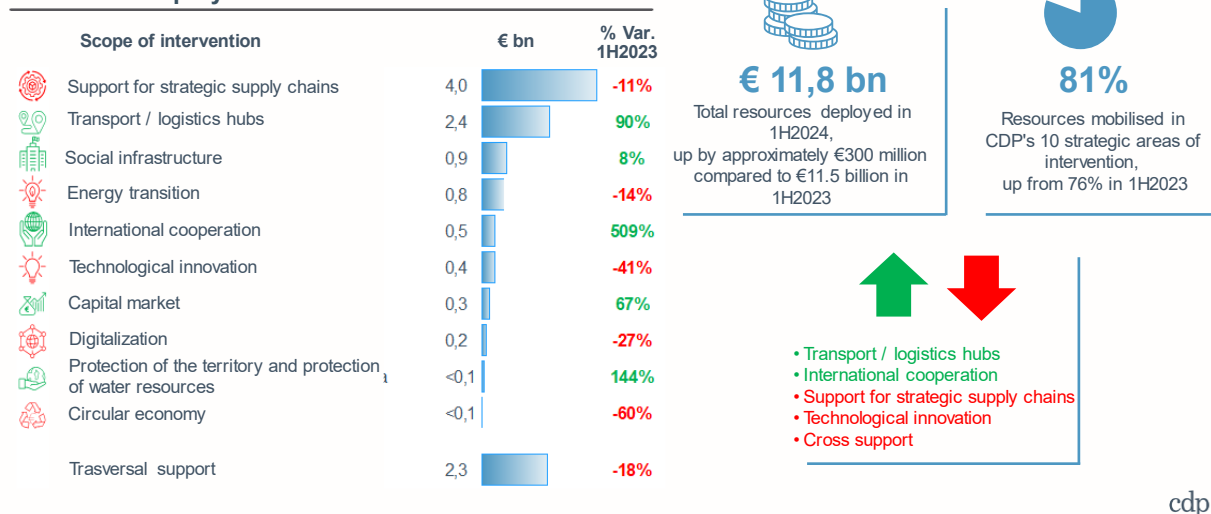
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- On the **PA front**, after years in which the pandemic and the energy crisis have had strong repercussions on current account balance sheet items related to transfers to households and businesses, in the first half of 2024 the focus shifted to capital account items related to investments.
- In particular, the resources of the **NRRP** are pushing the dynamics of investments of local entities: in the first half of 2024, they increased considerably (+34% year-on-year), from 6.2 to 8.3 billion euros.
- However, in the first half of 2024 there is **a lag** between the exits of the local entities and the relative coverage transfers by the Ministries.
- This can cause **liquidity tensions** not only for the municipalities already showing financial tensions but, given the extent of the interventions, also for some of the most financially virtuous ones, as highlighted by the Court of Auditors⁴.
- In the first half of 2024, the increase in **cash requirements** - compared to the first half of 2023 - potentially attributable to the financial flows of the NRRP is quantified at almost 1.1 billion euros, concentrated mainly in the South of Italy (670 million euros).
- In **the South**, this adds to a structurally more problematic picture, as highlighted by the greater use of cash advances, in 2023, and by the presence of entities subject to a financial rebalancing procedure or insolvency.

⁴ Court of Auditors (2024): "Report on the financial management of local authorities for the financial years 2021-2023", approved in mid-July. And also, resolutions 30/2024/VSG and 44/2024/VSG, of 18 April and 15 May respectively.

The resources deployed by CDP increased slightly to €11.8 billion

Resources deployed 1H2024



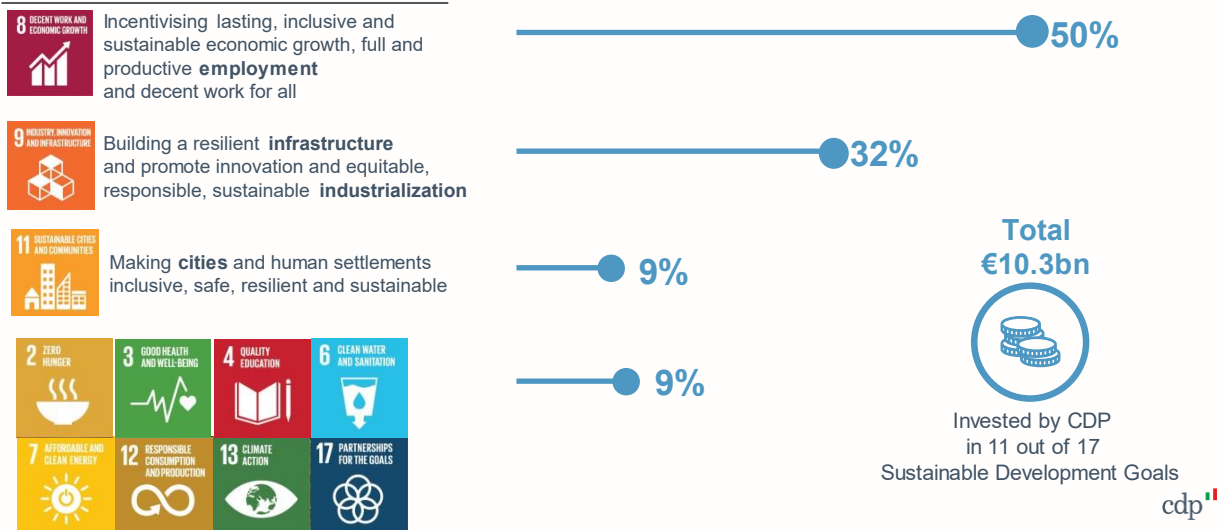
- In the first half of 2024, **the resources deployed by CDP** amounted to 11.8 billion euros, slightly up (+300 million, +2.6%) compared to the first half of 2023.
- The percentage of resources deployed to the 10 priority areas of intervention increased by about 5 percentage points - from 76% to 81%.⁵
- A redistribution of resources is observed within these 10 areas:
 - The resources deployed increased sharply:
 - in **Transport and logistics hubs**, thanks to two important operations in the infrastructure sector of publicly-owned companies;
 - in **International Cooperation**, thanks above all to operations with third-party resources (Revolving Fund for Development Cooperation – FRCS – and Italian Climate Fund).
 - Differently, the resources deployed decreased:
 - in **Support of strategic supply chains**, due to a temporary slowdown in the Export Finance activity⁶;
 - in **Technological Innovation**, because of major innovation projects by large companies through stocks active in the first half of 2023, not repeated in the current year.

⁵ In this report, the distribution of resources for the first half of 2023 differs from what was previously published because it is currently based on more detailed information, which was not available at the time of writing the previous report.

⁶ Several important Export Finance transactions are expected to be entered into in the second half of the year.

With its action, CDP has supported 11 of the 17 Sustainable Development Goals , deploying €10.3 billion

CDP resources for SDGs (% out of the total, 1H2024)

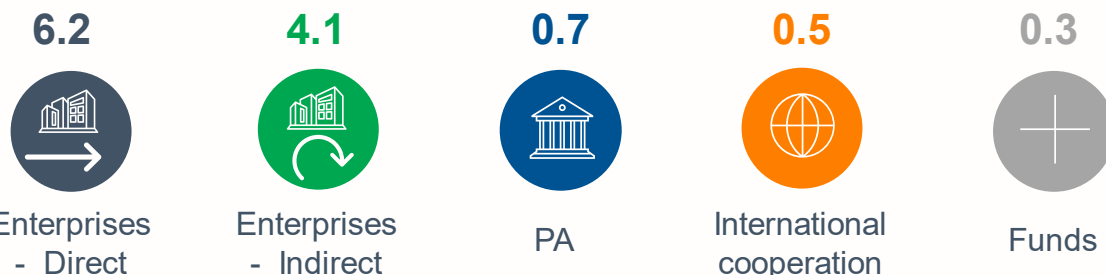


- The CDP Group's operations are guided by selectivity criteria and the strategy is inspired by the **United Nations Sustainable Development Goals** (SDGs).
- The reporting of the intervention priorities identified by CDP as part of the 17 Sustainable Development Goals shows that in the first half of 2024 the **resources deployed** covered 11 of the 17 SDGs for a total of 10.3 billion euros⁷ (87% of the total).
- Around half of the resources financed interventions to promote economic growth and productivity in the country system (**Objective 8**), in line with CDP's mission to promote sustainable development.
- CDP has supported **goals 9 and 11** with over 4 billion euros, confirming its commitment to the country's infrastructure, digitalization processes, urban and environmental regeneration.
- The other goals financed by CDP's action concern clean and sustainable energy, the fight against climate change and partnerships by objectives (Goals 7, 13 and 17). In line with its support to the PA, CDP has also managed to channel resources into Goals 2, 3, 4, 6 and 12.

⁷ The attribution of the CDP Group's activities to the SDGs follows criteria that are partly different from those published in the Consolidated Non-Financial Statement (see the "2023 Integrated Report" for any reference). The main difference lies in the choice to make each financing operation correspond to a single representative SDG for the purposes of this report, according to the rationale reported in the methodological note (see the Methodological Note in the appendix to this document).

Over €10 billion in favor of companies

Deployed resources, bn €, 1H2024



Of which third-party resources, 1H2024

| | | |
|---------|----------|-----------|
| € 7 mln | € 20 mln | € 315 mln |
|---------|----------|-----------|

"Enterprises – Direct" includes: business loans, infrastructure loans, equity participations. "Enterprises – Indirect" includes: financial institutions. "Funds" includes: investments in funds of Real Asset SGR, CDPE and CDP SpA with the exception of the International Cooperation Department



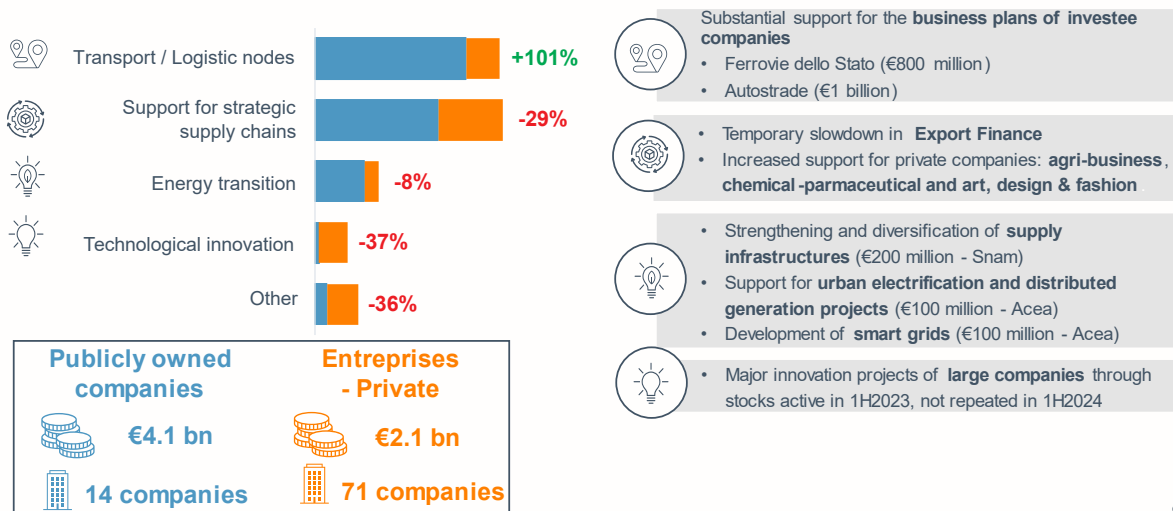
- **CDP's action** embraces very different areas and produce different impacts depending on the heterogeneous characteristics of its counterparties.
- More than 10 billion, out of the 11.8 billion euros first-half 2024 resources deployed, finance the country's productive framework:
 - approximately 6.2 billion euros of **resources directly provided to enterprises**, typically large and mid-cap (over 50 employees). Their allocation foresaw 6 billion in loans and approximately 0.2 billion in direct shareholdings;
 - 4.1 billion euros in indirect financing transactions, typically in favor of **SMEs** reached through the banking channel intermediation.
- Resources accounting for around 0.7 billion euros have been deployed in favor of the **Public Administration**, with financing operations that generally have a longer duration than those granted to companies.
- In the context of **International Cooperation**⁸, the resources deployed amount to 0.5 billion euros, in favor of sovereign states or investment funds, largely channeling third-party resources.
- Finally, CDP has deployed 0.3 billion euros in favor of investment **funds**, mainly focused on equity and real estate.

⁸ The figure does not correspond to the volume of resources deployed by the International Cooperation Directorate, but to the resources that fall within the "International Cooperation" area of intervention. The resources deployed by the International Cooperation Directorate for internationalization initiatives are, instead, included in the "Support for strategic supply chains" intervention area and in this report are included among the direct loans to companies.

More than €6 bn loans directly deployed to enterprises, especially in support of the business plans of publicly owned companies



Resources deployed by area of intervention, billion € and %var. vs 1H2023



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- In the first half of 2024, CDP **directly deployed** more than 6 billion euros to **medium-large companies** (-6% compared to the previous year), with more than 70% in the areas of the Support for strategic supply chains and Transport / logistics nodes. A substantial share of these resources (4.1 billion euros) is in favor of **14 publicly-owned companies**⁹.
- As part of the **Support for strategic supply chains**, there are:
 - a reduction in resources (-30%) mainly due to a temporary slowdown in operations in the shipbuilding sector¹⁰ (Export Finance, -35%);
 - rise of support for private companies (+283 million euros compared to 2023), with particular attention to the strategic supply chains: agri-business, chemical-pharmaceutical, art, design, and fashion.
- As for **Transport and logistics hubs**, there was a doubling of the resources deployed thanks to the support of the industrial plans of Autostrade (1 billion euros) and Ferrovie dello Stato (800 million euros).
- For the **Energy Transition** area (777 million euros), there was a smaller reduction (-8%) and a particularly significant role for financing in favor of publicly-owned companies (over 70%), which intercept the following priorities for intervention:
 - strengthening and diversification of supply infrastructures (Snam, 200 million euros);
 - support for urban electrification and distributed generation projects (Acea, 100 million euros);
 - development of smart grids (Acea, 100 million euros).
- There has been a sizable reduction in resources towards **Technological Innovation** category (-37%), linked to substantial subscriptions of securities in the first half of 2023 for the financing of innovation projects (approximately 250 million euros).

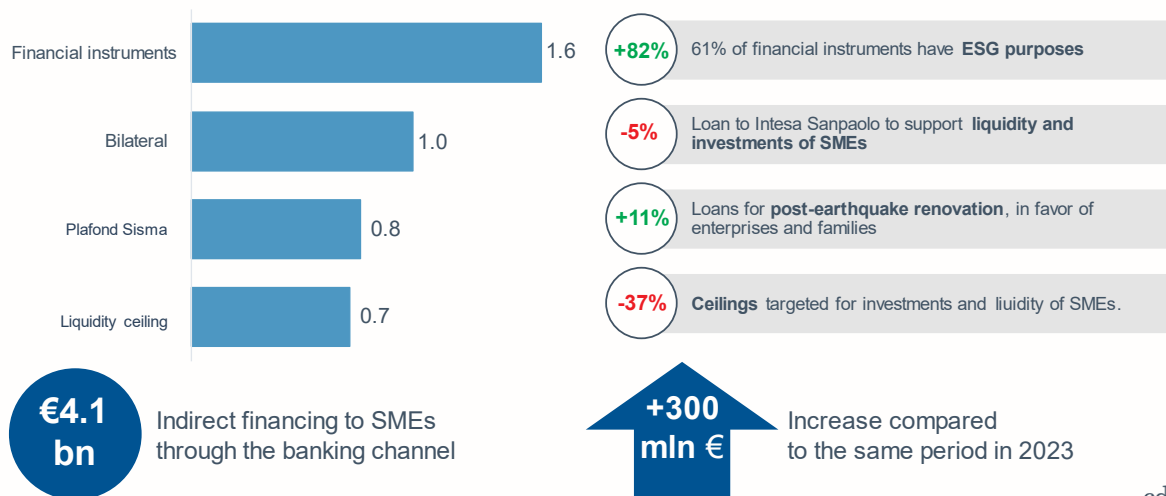
⁹ All companies belonging to the CDP group, and companies owned by central administrations and/or local public bodies with a total shareholding equal to or greater than 50% of level 1 are included in the perimeter. For the categorization of Export Finance counterparties, see the specific Methodological Note.

¹⁰ For this sector, the first half of 2024 is not perfectly comparable with that of the previous year for reasons of internal operations that in 2024 will lead to the conclusion of some transactions in the second half of the year.

Indirect support of the economy increases, with a strong commitment to finance Italian SME's projects with ESG purposes



Resources deployed by product type, 1H2024 (€ billion and % var. compared to 1H2023)



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- The resources deployed by CDP in **indirect transactions** (loans, typically to SMEs, through the banking channel) amounted to 4.1 billion euros, up 300 million compared to the first half of 2023 (+7.8%).
- The resources deployed to the subscription of **financial instruments** grew sharply (1.6 billion euros, +82% compared to the previous year). They mainly include active securities (in particular, subscription of bond issues):
 - 61% of them have ESG purposes.
- The **bilateral transactions** include a loan to Intesa Sanpaolo of 1 billion euros: the slight decrease (-5%) is attributable to another transaction in 2023, not repeated in 2024.
- About 800 million euros have been deployed for the **Earthquake Plafond** (+11%), intended for renovations and building redevelopment of businesses and families.
- The ceilings allocated to the **liquidity of SMEs** fell by 37%, amounting to about 700 million euros.

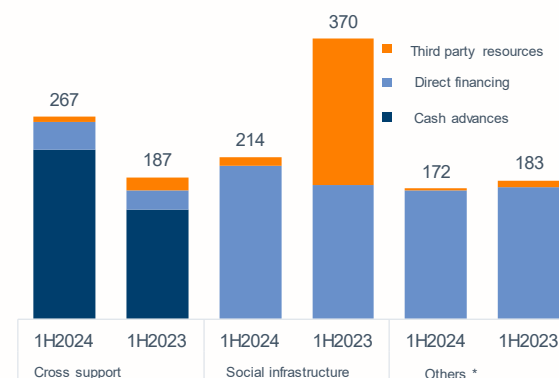
CDP's support for the PA is growing, net of resources managed on behalf of third parties



Resources for Technical Form 1H2024

| Resources | Mln € | % Var. vs 1H2023 |
|---|------------|------------------|
| Cash advances | 223 | +53% |
| Direct financing | 410 | +9% |
| of which in complementarity to the NRRP | 77 | -4% |
| Total net of third-party resources | 633 | +21% |
| Third-Party Resources | 20 | -91% |
| Total | 653 | -12% |

Resources by area of intervention (€ million)



Source: CDP calculations based on internal data.
 (*) Other includes the following areas of intervention: Digitalization, Circular Economy, Technological Innovation, Land Protection and Water Resource Protection, Energy Transition, Transport and Logistics Nodes.

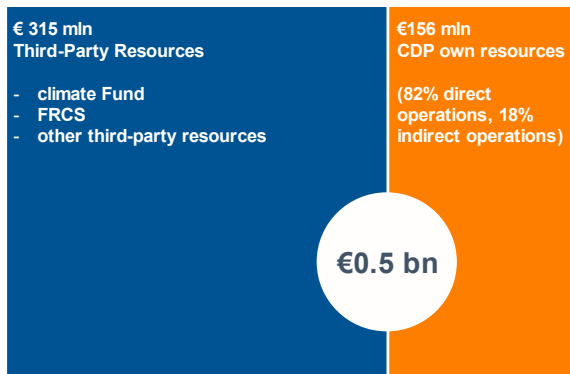


- In the first half of 2024, CDP supported a total of 636 **Public Entities**, with 653 million euros, down 12% compared to the previous year.
- The volume of **own resources**, i.e. resources deployed net of third-party resources, increased sharply (+21% compared to the first half of 2023):
 - this result was determined by the substantial increase (+53%) in **cash advances**, in line with the greater liquidity needs highlighted by local authorities, particularly in the municipalities of the regions of Southern Italy (Sardinia and Puglia, in particular);
 - direct funding is growing, albeit at a slower pace (+9%), among which there is a slight decrease (-4%) in those complementary to the NRRP.
- The volume of third-party resources fell sharply (-91%) due to the conclusion of mandates for those measures finalized to increase **student housing** and enhance the **architecture and the rural landscape**.
- From the point of view of the intervention areas:
 - **Transversal Support** to the Public Administration reached 267 million euros (+80 million euros compared to the first half of 2023) due to cash advances;
 - The sharp drop in support for **Social Infrastructure** (-42%) is due to the reduction of the mandates of third parties mentioned above.

Resources for cooperation initiatives increase



Resources deployed for international cooperation activities, 1H2024



5.1X Increase compared to 1H2023

New Strategic Priorities Intercepted

Sustainable and inclusive growth area



Adoption of measures for access to **basic services**
Sustainable transport infrastructure development initiatives
 Adoption of measures for **access to credit**

Protection Area Climate and Environment



Energy efficiency of production processes
Installation of new plants to generate energy from RES
 Supporting **adaptability** of communities and ecosystems

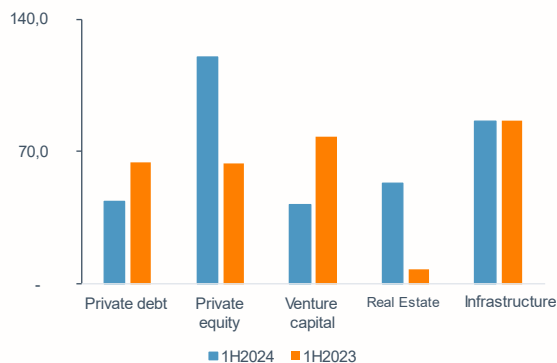
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- The resources deployed to **International Cooperation** in the first half of 2024 amounted to 470 million euros, denoting an increase of more than 5 times compared to the same period in 2023¹¹.
- Approximately 70% of these resources were financed through **third-party resources**, amounting to 315 million euros (119 million euros through the Italian Climate Fund), while **CDP's own resources** amounted to 156 million euros.
- The following resources were financed from own resources:
 - direct operations, in favor of sovereign states, central banks and companies, for an amount of 128 million euros;
 - indirect activities, i.e. investments in funds and financial institutions, accounting for 28 million euros.
- Compared to the first half of 2023, CDP has expanded the strategic areas financed:
 - in the context of **Sustainable and inclusive growth**:
 - adoption of measures for access to basic services;
 - initiatives for the development of sustainable transport infrastructure;
 - adoption of measures for access to credit;
 - in the context of **Climate and environmental protection**:
 - energy efficiency of production processes;
 - installation of new plants to generate energy from RES;
 - support for the adaptive capacity of communities and ecosystems.

¹¹ Resources of the International Cooperation Directorate in the field of intervention Support for strategic supply chains are not included; see also Note 7

Investments in Private Equity funds increase

Resources deployed to funds by type, € million



Source: CDP calculations based on internal data. Investments made by CDP Spa, CDP Equity, CDP RA in funds, excluding those of international cooperation, are considered. Internal transfers have been discarded. Any inaccuracies are due to rounding.

Total resources deployed to funds, up from ~€300 million of 1H2023 (+15%)

~340
mln €

Funds / Sub-funds

49

Resources deployed to new funds/ sub-funds not reached in 1H2023

14%

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- CDP supports the **development of the capital market** through **investments in direct and indirect funds**, managed by specialized operators.
- These investments **grew in the first half of 2024 by 15%** compared to the same period last year, with a good diversification of resources¹².
- The resources deployed focused on **private equity** (approximately 120 million euros), essentially doubling compared to the first half of 2023, as well as on funds active in the **real estate sector** (stable compared to last year).
- Compared to the latter, within the activities of CDP Real Asset SGR, the commitment to funds for the **redevelopment of former public properties** has grown, while funds related to tourism decreased.
- The resources deployed to **infrastructure funds** are growing with lower volumes, including also additional activities of CDP Real Asset SGR.
- Differently, the resources deployed decreased in **Venture Capital and Private debt** funds compared to the same period last year.

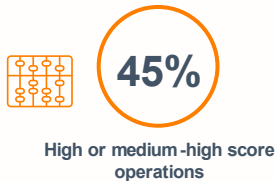
¹² International Cooperation funds, already included in the resources dedicated to this area of intervention, for 8 million euros, are not included.

45% of direct loans to companies with a high sustainability score

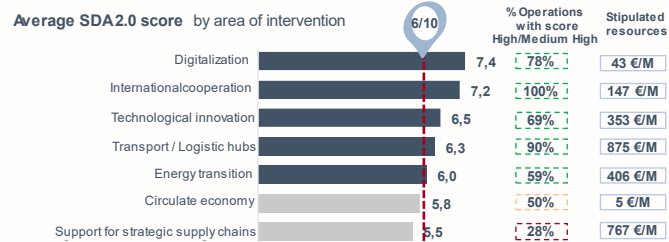
SDA (Sustainable Development Assessment) Model Analysis

#46 Operations Analyzed with SDA stipulated during 1H2024

€3.3 billion stipulated value



SDA scores for the main areas of intervention



Priority SDGs, most associated with the operations assessed



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- The **SDA** (Sustainable Development Assessment) **ex-ante assessment model** has been used to analyze, from a sustainability point of view, 46 direct financing operations to companies carried out in the first half of 2024, for a total value of over 3.3 billion euros.
- 45% of gauged operations evaluated were assigned a **high or medium-high score**: they are operations with a strong potential in terms of contribution to sustainable development.
- The highest scores were awarded to **transactions that excel in various aspects**: promotion of responsible business practices; support for disadvantaged areas; contribution to European taxonomic objectives (e.g., in the field of sustainable mobility and low-emission technologies); innovation and productivity (e.g., acquisition of more efficient technologies and digital transition); contribution to the activation of the economic and employment chain (e.g., in the field of sustainable mobility and low-emission technologies); support for sectors that are highly integrated in value chains).
- The fields of intervention that recorded the highest share of virtuous operations are **Transport and logistics nodes** (90% of operations with high or very high scores for a total volume of 875 million euros of stipulated resources); **Digitization**; **Technological innovation**; **Energy transition**; **International cooperation**.
- More than **60%** of the initiatives funded were placed in the **UN Goal 8**, "Decent work and economic growth" and **30% in Goal 9**, "Industry, innovation and infrastructure". This highlights CDP's effort not only in supporting counterparties in the process of long-term growth and technological progress but also in the modernization and implementation of works useful for Italian development or in the field of international cooperation.

CDP supported access to credit of the most vulnerable SMEs through the indirect channel

% of companies financed by credit risk, 1H2024



(*) all small and medium-sized enterprises with outstanding loans or obligations to financial operators are included.
Source: elaborations based on AIDA and internal data (reporting as of 08.08.2024).

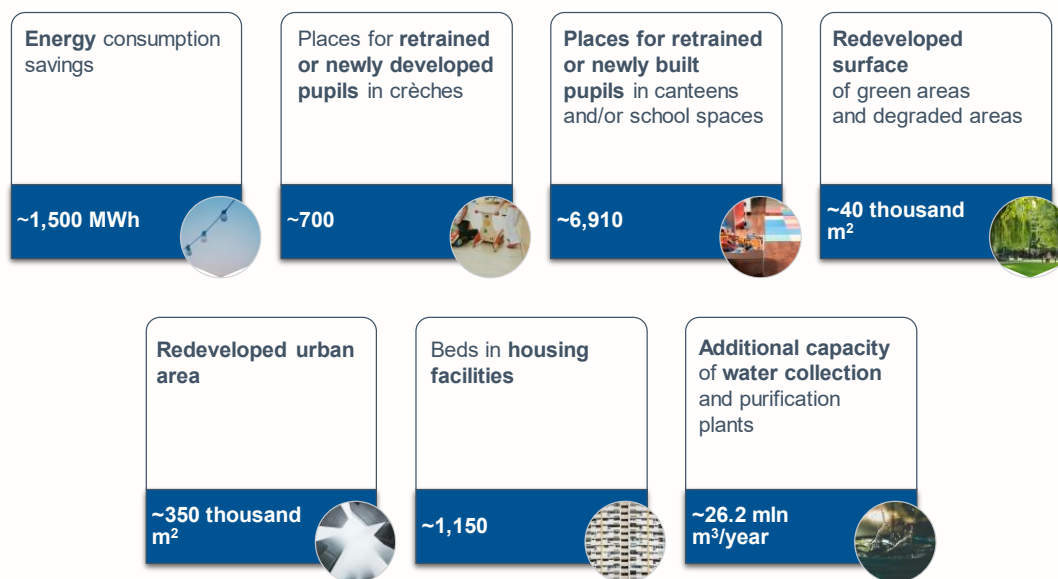
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- An analysis of the credit risk of the companies served by CDP through the indirect channel indicates a **greater concentration** of resources in favor of **vulnerable but creditworthy companies, compared to the Italian banking channel** (58% compared to 46% of the national sample).¹³
- On the other hand, the presence of companies with solid fundamentals, which are more easily able to access the banking channel, is lower.
- CDP's financing of the system of small and medium-sized enterprises with the intermediation of banks is **complementary to the credit system** and is **additional to the market**, facilitating access to credit for many small companies.

¹³ The national sample is made up of small and medium-sized enterprises with loans and obligations to financial operators. Calculations based on reporting as of 08.08.2024.

3. THE IMPACTS

In the first half of the year, important support to the PA in the **water, housing and school construction** sectors, in line with NRRP



(*) Any inaccuracies are due to rounding.

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- During the stipulation phase, the PA counterparties declare the expected result indicators of the projects financed, with the relative timing¹⁴: this allows for a rather precise picture of **what CDP is financing**.
- Out of approximately 410 million euros of direct loans granted in the first half of 2024 to the PA channel, 283 million are being monitored. The **physical indicators of expected results** are therefore recorded for these resources.

The following ones have increased, compared to 2023:

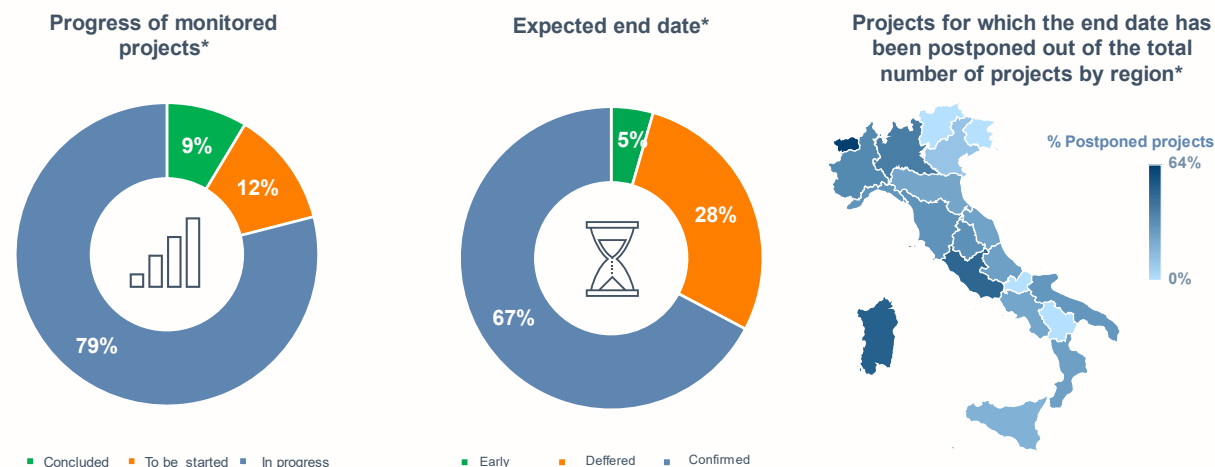
- the construction and/or modernization of water collection and purification plants for an additional capacity of **26.2 million m³/year**;
- the construction and/or redevelopment of **6,900 places for pupils in school spaces** and over **1,100 beds** in social housing and smart residential facilities;
- the redevelopment of **40 thousand square meters of surface** for the recovery of degraded areas and for the mitigation of hydrogeological risk.

On the other hand, there has been a decrease in the indicators' values concerning:

- the construction and/or redevelopment of **700 places in nurseries**;
- energy redevelopment interventions for a saving of **1,500 MWh of energy consumption**.
- These changes partly stemmed from the **evolution of the NRRP calls**: many projects concern the complementary financing of NRRP investments, whose object and purpose have changed between 2023 and 2024, causing the variation of the related indicators.

¹⁴ Purpose projects (i.e. those for which an object built, or an investment objective is clearly identifiable) with a value of more than 500 thousand euros are subject to monitoring.

Revised implementation times for almost a third of the projects launched from 2023, particularly in Lazio and Sardinia



(*) The reference sample is represented by projects financed starting from 2023 with a specific investment object and value greater than € 500 thousand. Number of projects monitored: 735. Number of projects on which statistics were calculated: 492.

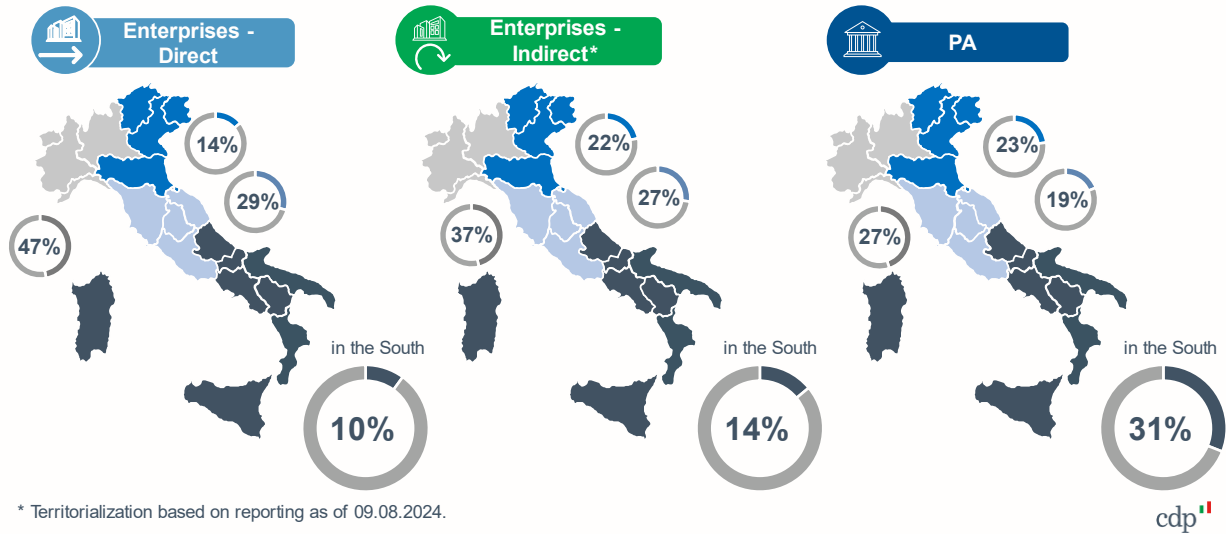
cdp

- The **six-monthly monitoring of operations** makes it possible to verify the presence of any delays in the implementation of projects and the achievement of the performance objectives agreed upon at the time of stipulation¹⁵.
- The results reveal that:
 - **9%** of the projects financed by CDP have been **completed**;
 - **12%** of projects are **to be started**;
 - **79%** of the projects are **underway**.
- With respect to the **expected end date** of the projects:
 - almost **70% of the entities confirmed the implementation times** and the end date of the projects;
 - **5% provide for an early** completion time;
 - in **almost a third of cases (28%) the expected end date has been postponed** compared to what was expected at the time of stipulation.
- With respect to the planning capacity of the authorities, the data indicate **greater delays** in the regions of Lazio, Sardinia and Valle d'Aosta: 48% of the projects for Lazio, 50% for Sardinia and 64% for Valle d'Aosta have postponed the completion date.

¹⁵ In particular, the monitoring activity makes it possible to: follow the progress of the projects; have a forecast on the completion times of projects; estimate the planning capacity of the entities in relation to their degree of consistency with the timing and expected results declared in advance during the stipulation phase. The six-monthly monitoring concluded at the end of the first half of 2024 was answered by 70% of the entities that requested funding for projects subject to monitoring financed by CDP starting from 2023.

The action of Cassa Depositi e Prestiti in the **different territories**

Distribution of territorializable resources, 1H2024



- **CDP 's presence in different territories** largely reflects the development of the Italian production system, with a greater share of resources financing the areas in which the country's economic activity is concentrated.
- In particular, CDP deploys the **direct support for businesses**, which involves medium-large companies, as follows: 47% of resources in the North-West regions, 14% in the North-East, 29% in the Centre and 10% in the Southern and Islands regions. Compared to last year, resources are more distributed in the North-West (+11 percentage points) and in the Centre (+9 percentage points).
- Through **indirect support to businesses**, in favor of SMEs, CDP is able to support the regions of the South and Islands, with approximately 14% of resources in the South and Islands, while it deploys 37% of resources in the North-West, 27% in the Center and 22% in the North-East
- Regarding the **Public Administration** channel, the share of resources in the South is higher, with about 31% of resources deployed, up sharply compared to 2023 (+36%).

Methodological note

The SDA (Sustainable Development Assessment) ex-ante evaluation model

Over the last three years, Cassa Depositi e Prestiti (CDP) has undertaken a significant transformation of its operating model, evolving from a traditional approach based exclusively on the "risk-return" relationship to a broader and more articulated paradigm that also integrates the impact dimension. This change reflects the growing awareness of the importance of considering economic as well as environmental, social and governance (ESG) effects in financial decisions, in line with international best practices and stakeholder expectations, which are increasingly oriented towards sustainability.

The **adoption of the "risk-return-impact" model** represents a paradigm shift that not only positions CDP as a key player in the country's sustainable development, but also responds to growing regulatory and market trends. CDP, in fact, no longer limits itself to evaluating financial transactions in terms of profitability and risk, but also considers their long-term effects on the environment, communities and the economic and social fabric. This integrated approach makes it possible to assess the impact of CDP-supported transactions on the real ecosystem, thus ensuring transparency and accountability.

To implement these assessments, CDP has developed a **qualitative-quantitative analysis methodology, the "Sustainable Development Assessment" (SDA)** which assigns a "score" between 0 and 10 to the operations that can be financed (10 being the maximum score that can be awarded) and divided into 4 assessment clusters: Low, Medium, Medium-High and High. This score reflects the overall quality of the initiative in terms of contribution to sustainable development and represents a useful tool for directing investment choices towards projects with the highest potential for sustainable development. On the basis of this methodology, the initiatives are systematically analyzed along the following dimensions:

- **Strategic rationale:** CDP ensures that each transaction financed is aligned not only with the institution's strategic objectives, but also with priority areas of intervention, identified through continuous dialogue with stakeholders. This approach ensures that resources are used effectively and that operations respond to the real needs of the country and the international context. In addition, the alignment with ESG objectives is a clear signal of CDP's commitment to contribute to the realization of the UN 2030 Agenda.
- **Additionality** that internalizes the relevance of CDP's action in the implementation of the initiative. The additionality is all the greater the more the initiative is inserted into sectors where there are market failures or credit restrictions and/or the more CDP's intervention allows additional resources to be mobilized by other public and private actors.
- **Quality of the counterparty**, which allows CDP to assess not only the financial soundness of the entities with which it collaborates, but also their commitment and performance in terms of sustainability. This approach rewards counterparties who adopt virtuous and responsible practices, helping to raise market standards and promote a culture of sustainability at a systemic level.
- **The object of the investment** that internalizes the potential contribution of operations to the Sustainable Development Goals (SDGs) and their specific effect in particular on environmental and social dimensions. This criterion makes it possible to select and promote projects that not only generate economic value, but also bring tangible and measurable benefits to society and the environment.

The **SDA ex-ante valuation model** applies to the **most significant transactions** financed by CDP directly and mainly in favor of private corporate counterparties, although the scope of applicability has recently also been opened to public counterparties and transactions financed through the Italian Climate Fund.

The reclassification of data relating to resources deployed

The scope of the analysis covers all transactions carried out by the CDP Group¹⁶ during the first half of 2024, and the comparison with the previous year is made on the same set relating to the first half of 2023. The reference information base was provided by the Planning and Management Control (PCG) function, which was integrated with data processed by the Sectoral Strategies and Impact (SSI) department.

Assignment of operations to the areas of intervention

The **procedure** adopted for the **assignment** of individual **operations** to one or more **areas of intervention** varies according to the type of activity and the information actually available and **includes**:

1. the pigeonholing of **direct transactions** relating to businesses, infrastructure, public administration and cooperation carried out during the stipulation phase by SSI;
2. the **use of information** relating to the **Type of Financed Object (TOF)**, an item included in CDP's internal information base, for transactions for which direct allocation was not possible;
3. the use of the **characteristics** relating to the **type of product** for part of indirect operations (e.g. Earthquake Plafond).

In the absence of the information referred to in the previous points, the operation was assigned to the transversal support category.

Identification of counterparties

In the case of Export Finance loans, the characteristics of the company that is the ultimate beneficiary of the intervention were considered relevant, even if not directly financed by CDP (e.g. financing for the purchase by a foreign company of a ship produced by Fincantieri is considered as a loan with an impact on a publicly owned company).

Identification of territorializable resources

Resources are territorialized for which:

- the location of the investment is known;
- it is possible from the business plan to estimate the location of the interventions for investments of more than 500 million euros;
- For investments of less than 500 million euros for which the location of the investment is not known, the registered office of the company is considered

Connection with the United Nations Sustainable Development Goals (SDGs)

The mission and strategic plan of Cassa Depositi e Prestiti's operations are strongly aligned and inspired by the 17 Sustainable Development Goals (SDGs) outlined within the United Nations 2030 Agenda.

The methodology used in this report to identify the Sustainable Development Goals achieved through the operations financed by the group follows three stages of attribution:

¹⁶ The term Group is understood here to refer to CDP S.p.A. together with CDP Equity and CDP Real Asset SGR, as indicated in the Half-Year Report for the financial statements.

- Use of the classification identified by the SDA model for all transactions that fall within the ex-ante evaluation phase;
- Development of a link (a correspondence) between the three levels of categorization of CDP's operations – areas of intervention, areas of focus and strategic priorities – and the thematic areas identified by the 17 SDGs. Given the greater level of detail provided in the 91 priorities contained in the group's strategic plan, the first level of connection was built on the correspondence between these and the SDGs. For the operations falling within the strategic priorities of intervention, it was also possible to identify the individual targets achieved within the 17 goals. It goes without saying that transversal support operations that do not have a precise sectoral focus are not part of the connection and have not been classified according to the SDGs¹⁷.
- For the PA, it was possible to expand the number of classified transactions using the information contained in the CUP - unique identification codes of public investment projects. Each operation financed by CDP in the Public Administration is accompanied by a CUP and a series of information relating to the sector and the type of intervention of each project. Through a second connection made through this information, it was possible to identify the SDGs scope for another good part of transversal support operations.

¹⁷ Exceptions are the transversal support operations that were part of the ex-ante evaluation process, for which, as mentioned above, the classification assigned by the SDA model was used.

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