

Annual financial report 2024

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INVITALIA
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ADMINISTRATIVE AND CONTROL BODIES

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Chief Executive Officer	Bernardo MATTARELLA
Directors	Claudia COLAIACOMO Carmela D'AMATO Anna LAMBIASE

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Statutory Auditors	Antonella BIENTINESI Cristiano MACCAGNANI
Deputy Auditors	Maria Letizia GAMBA Marco CANZANELLA

MANAGER IN CHARGE WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	Domenico TUDINI

SUPERVISING MAGISTRATE OF THE COURT OD ACCOUNTS	Vittorio RAELI

INDIPENDENT AUDITORS	Deloitte & Touche S.p.A.

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REPORT ON OPERATIONS

FOREWORD

Dear Shareholder,

Invitalia boosts the country's growth, promotes the competitiveness of businesses and regions and supports strategic sectors and Public Administration (PA).

It promotes the creation, development and relaunch of businesses through the management of the main national incentives and helps to attract foreign investments. It is a Central Purchasing Agency and Contracting Authority for the construction of public works. It supports administrations in the management of European and national funds and is involved in the implementation of the National Recovery and Resilience Plan (NRRP).

Through its subsidiaries, Invitalia operates in some strategic sectors for the growth of the country, such as access to credit and ultra-broadband.

Invitalia is 100% controlled by the Ministry of Economy and Finance, operates as an in-house company of the Public Administration and acts on behalf of the Government.

The 2024 Financial Statements close with a positive result of EUR 22.4 million and equity of EUR 880.7 million, while the Consolidated Financial Statements present a profit of EUR 22.1 million and Group equity of EUR 866.4 million.

MACROECONOMIC CONTEXT

During 2024, the global economy went through a period of moderate recovery, with uneven economic growth across geographical areas. In the United States, economic activity showed signs of slowing, albeit gradually, while the euro area saw an even slower recovery.

In Italy, economic growth was supported by rising household incomes and a resilient labour market, despite persistent geopolitical uncertainties and challenges related to economic and trade policies. Inflation has shown signs of moderation, gradually approaching the 2% target set by the European Central Bank.

These macroeconomic developments have had a significant impact on the financing conditions and operational strategies of financial intermediaries, requiring careful management of emerging risks and opportunities.

In 2024, the world faced several significant challenges in various areas:

- **geopolitics:** geopolitical tensions, such as the war in Ukraine and crises in the Middle East, continued to cause political and humanitarian instability;
- **economy:** the global economy has shown signs of slowing, with economic and social inequalities leading to global protests. The economic crisis in some Latin American countries has increased emigration to North America;
- **environment:** the climate crisis has required urgent action, with international summits highlighting the need to reduce emissions and adopt sustainable policies;
- **technology:** technological advances, such as Artificial Intelligence, space missions and scientific discoveries, have opened up new perspectives but also challenges in terms of regulation and ethics;
- **health:** global health has faced new challenges, including managing rare genetic diseases and preparing for future pandemics.

This macroeconomic context is characterised by high uncertainty with risks to growth that are predominantly on the downside. The geopolitical context remains one of the main factors of instability that may lead to new increases in raw materials prices and a deterioration in the confidence of households, businesses and investors. There are also non-negligible risks associated with the evolution of global economic activity that could be further affected by the difficulties of the Chinese economy and the uncertainty linked to international tensions. Various international tensions, such as the war in Ukraine, have had a direct effect on the energy market and an indirect effect on the global economy, including in Italy. The slowdown in global economic growth is a danger to the Italian economy, given that the country is closely integrated in the global economy.

There is particularly high uncertainty surrounding the evolution of trade policies. The scenarios of the main economic institutes include a first and necessarily partial assessment of the effects of the tariffs announced on 2 April by the United States. In particular, the analyses available to date do not consider the impact of possible retaliatory measures by the European Union and other economies; they also don't consider possible impact of the announcements on international markets.

In these scenarios, Italy's gross domestic product will increase by 0.6% this year, by 0.8% next year, and by 0.7% in 2027. Growth in Italian GDP is affected by the tightening of trade policies but is supported by the expansion of consumption favoured by the recovery of real disposable income; investments benefit from the measures of the National Recovery and Resilience Plan (NRRP), but are penalized by the uncertainty generated by trade tensions and the lingering effects of the removal of incentives for residential construction.

Sales abroad are significantly slowed by the effects of the announced increase in tariffs by the United States. Consumer price inflation is expected to remain at around 1.5% in both 2025 and 2026, rising to 2.0% in 2027. Core inflation is expected to decline, reaching values around 1.5% for the entire three-year period. Despite the ongoing tightening of trade policies, foreign demand is expected to continue to expand, albeit at modest rates, significantly lower than the average of the twenty years preceding the pandemic. Based on futures contracts, oil and gas prices will decline over the three-year period.

Financing costs for businesses and households will gradually decline. It is estimated that Italian production will expand at a moderate rate but higher than the average recorded last year, thanks above all to the favourable trend in consumption.

Compared to the macroeconomic scenario developed by the Bank of Italy for the coordinated exercise of the Eurosystem of December 2024, growth estimates have been revised downwards, mainly due to more unfavourable assumptions on the international context, which reflect the tightening of trade policies.

Household consumption is expected to increase at rates above GDP, benefiting from the recovery in purchasing power. Investment is expected to expand only modestly. Construction spending, although slowed by the removal of incentives for residential construction, will benefit from the finalization of projects financed with NRRP funds.

Investment in capital goods will be affected by the uncertainty generated by increased protectionism, the effects of which would however be more than offset this year by the stimulus of incentives under the Transition 4.0 and 5.0 programmes. The progressive transmission of the reduction in interest rates to financing conditions will have a positive impact especially in the next two years.

Exports will be significantly affected by the increase in tariffs by the United States, remaining almost stagnant in the current year and gradually returning to growth in the next two years, albeit at a lower rate than potential demand for goods and services.

As far as Italy is concerned, the macroeconomic context for 2024 can be summarised as follows:

- GDP growth: in 2024, GDP growth in Italy was 0.7% in real terms; this figure reflects a moderate economic expansion, supported by both domestic demand and net foreign demand;
- Inflation: in December, annual inflation was 1.3%, reflecting a stabilization compared to previous years, with a significant slowdown compared to the peak in 2022;
- private consumption: private consumption increased by 0.6% at constant prices; this increase was supported by the improvement in household purchasing power and the stability of the labour market;
- monetary policy: the monetary policy of the European Central Bank (ECB) followed a moderating path to address inflation and support economic growth; it reduced its reference interest rate in light of inflation dynamics;
- National Recovery and Resilience Plan (NRRP): the NRRP was highlighted as important for growth even in the short-medium term, with simulations showing the importance of a partial use of the funds.

Despite geopolitical tensions and energy price challenges, the Italian economy has shown some resilience. The ECB's monetary policy has helped reduce interest rates, supporting a gradual recovery. However, weak global demand and reduced tax incentives have limited the growth in investments.

In summary, 2024 saw an Italian economy that was stabilizing, with positive signs, but also showed significant challenges to be faced. Managing these challenges required a multidisciplinary and collaborative approach at a global level. In particular, the digital and energy transitions, and artificial intelligence continue to be primary focuses for businesses. Many companies, despite efforts and investments, are not achieving the desired results due to a lack of strategic and organisational changes, which are fundamental to maximising the value of the digital age. The challenge for companies will be to adapt and leverage these technologies for growth and efficiency.

STRATEGIC MILESTONES

INVITALIA

In the logic of streamlining and enhancing the asset portfolio, in 2023 the Board of Directors (hereinafter also the "Board") approve the Agency's Strategic Plan 2023-2026, which constitutes the 'Management Forecast Document' pursuant to Article 1(460) of Law No 296 of 2006, and was definitively approved on 19 March 2024 by the Minister of Enterprise and Made in Italy, having obtained the agreement of the central State Administrations, which arranged assignments to the Agency (Article 2(2) of Ministerial Decree of 4 May 2018).

The plan was drafted with the extensive involvement of the internal Organisational Units (OUs) and constant discussion with the Board.

The initiatives of the plan are based on three pillars:

- evolution and expansion of the offer aimed at reformulating it and Invitalia's role as an implementer of large development programmes for Italy;
- digital transformation and the strengthening and requalifying of internal skills and improvement of operational efficiency, which remains the most challenging and important objective for the Agency, through the digitalisation of processes;
- optimization and management of contracts through the identification of intervention levers aimed at improving the impact and economic sustainability of future contracts.

The Strategic Plan strengthens Invitalia's role as an 'impact' player, as it contributes to the achievement of significant and long-lasting effects of material and immaterial well-being for Public Administrations, businesses and communities. The Agency's commitments on sustainability issues have been developed both within the Sustainability Policy and in the Strategic Sustainability Plan, both approved in 2023. In particular, as part of the definition of the Strategic Plan, a proposal was made to the Ministry of Enterprise and Made in Italy (MIMIT) for an organic review of business incentives (indispensable and urgent), but so far no shared review process has been implemented.

In 2024, internal management started a document update with the aim of:

- checking the progress of the strategic guidelines of the plan for the three-year period 2023-2026;
- analysing the Agency's addressable market, with particular reference to its role in the renewed context of the main sources of national and community financing to support public and private investments (New Programming 2021-2027, NRRP and national funds);
- integrating and updating the economic and financial projections and staff trends to 2027, in line with the development of new activities and the market dynamics in which the Agency operates.

The new plan takes into account the dynamics of activities related to the NRRP and absorbs the peak, without however foreseeing a further significant increase in staff. The expected Production Value for 2027 is higher than the pre-NRRP values.

The Strategic Plan also considers the relevance of factors related to essential intangible resources that constitute a distinctive and founding value for the achievement of the objectives of the Plan and are characteristic of the Invitalia Group, such as: a) its intellectual capital and, in particular, the intangible assets corresponding to organisational capital, with its implicit knowledge, systems, procedures and protocols also considering its role and function within public administration; b) human capital, which concerns the skills, capabilities and experience of the Group's workforce and the sharing of ethical values that characterize the Group and the ability to understand, develop and implement the strategy; c) social and relational capital, confirmed by the role and numerous initiatives of Invitalia including, due to its relevance, the activity of central purchasing agency and contracting authority for the construction of public works and the support to public administrations in the management of European and national funds as well as its activities for the purposes of implementing the NRRP. The Report on Operations and Consolidated Sustainability Report provide more detailed information on these essential intangible resources in appreciation of their contribution to the creation of value of the Invitalia Group.

The update for the period 2024-2027 of the plan was approved by the Board of Directors of the Agency on 12 February 2025.

Progress of strategic guidelines

- Evolution of the offer

In line with the plan's forecasts, the Agency's role as a manager of grants and incentives in strategic sectors, such as microelectronics, hydrogen and net zero, has been enhanced. There is also progress in fund

management activities (launch of the new Ministry of Universities and Research (MUR) Fund of Funds and proposed changes to the Cresci al Sud Fund to improve its attractiveness).

In its support of the implementation of public investments, thanks to the renewed regulatory context (Art. 62 Public Contracts Code), the Central Purchasing Agency has successfully reached not only central administrations but also peripheral bodies, helping to strengthen their administrative capacity. A new offer for PA training and digitalisation has also been developed.

- Expansion of the offer

The analysis of new contracts highlights some elements of discontinuity with respect to the past. These include, in particular, the recognition of the role of implementing body in the management of the NRRP incentives (facility option) and the end-to-end outsourcing of phases of the administrative process. Expertise has also been developed to support the digitalisation of PA.

- Transformation

The actions for transformation (digitalisation and people management) appear to be fully in line with the implementation times of the plan; in particular, the rewriting of the 7 critical processes has been completed, along with the consolidation of operating instructions and the commencement of the production of an internal database for the strategic use of information, allowing the initial fine-tuning of the performance monitoring report.

Finally, significant progress was made in the digitalisation of company processes, with the completion of the commissioning of the New Incentive Platform (NPI), the InGaTe platform for procurement and the definition of lines of intervention for the development of artificial intelligence (AI) user cases.

Addressable market

In the analysis of the addressable market, on the one hand, we expect a natural slowdown in the acquisition of new contracts under the NRRP and a progressive decrease in industrial acquisitions and equity investments (exit from ILVA, change in the shareholding in Menarini, residual shareholdings in Reither and Sider Alloys); on the other, we foresee a greater focus on the core business and the role of the Agency in the context of multi-year planning, with significant growth margins. The Cohesion Decree-Law (DL 60/2024) strengthens the role of the Agency both in the management of incentives (Resto al Sud 2.0, Autoimpiego Centro-Nord and Mini Contratti di Sviluppo) and in the management of Contratti Istituzionali di Sviluppo (CIS), currently being reprogrammed by the Presidency of the Council of Ministers.

The weight of activities financed with national funds remains significant, just under 50% of the value of the pipeline at the end of the three-year period of reference, with a significant role played by the Commissions.

The trend in the Value of Production (VdP) records a significant acceleration compared to the Plan forecasts, reaching a peak of activity in 2025. In the following years, a progressive stabilisation in the acquisition of new contracts is expected, mainly attributable to the closure of the NRRP and, consequently, of revenues which will still remain higher than the 2022-2023 levels (start of NRRP activity).

MEDIOCREDITO CENTRALE

Approval of the Banking Group Business Plan and the Group Funding Plan for the period 2024-2027

On 19 March 2024, the Board of Directors of MCC, as Parent Company of the MCC banking group, approved the Group Industrial Plan and Funding Plan for the period 2024-2027. The plan includes the following strategic objectives for the Banking Group:

- increase in loans to customers expected over the life of the plan, with a stock of around EUR 12 billion of loans by 2027;
- an increase in direct funding, with a stock of over EUR 12 billion at the end of the plan;
- acceleration in the derisking process, with gross NPE ratio below 5% in 2027, despite a forecast scenario of an increase in impaired loans;
- Adequate control of liquidity risk, through actions to replace maturing TLTROs with retail funding through the activation of an online channel, senior unsecured placements under an EMTN programme and securitisation transactions;
- confirmation of the outlining of a capital plan for the development of Group capitalisation with a TCR above 15% in 2027.

The Banking Group Business Plan approved on 19 March 2024, in line with the vision of the previous planning

cycle, confirms the mission of supporting businesses, with particular attention to those in the southern Italian "Mezzogiorno" region, a focus on credit, alongside additional services and products, the continuation of a path of alignment with ESG objectives and operating models, economic and capital sustainability, support for investments for the twin transition and the acceleration of the growth path of commercial banks, supporting households and businesses in their reference territories.

The Plan includes four growth programmes: development of the southern financial district through the promotion of investments and support for the twin transition (ecological and digital transition); creation of product factories through the strengthening of MCC Factor, launch of a consumer credit line, evolution of structured finance and strengthening of specialised services; enhancement of supply channels with the development of the digital division, focusing on smart lending and direct funding; growth in the subsidised sector and public finance through the expansion of synergies with Public Administration and the development of credit solutions complementary to subsidies.

The plan, based on ESG principles, includes: implementation and refinement of tools for measuring, monitoring and reporting ESG-related risks, continuation of internal training courses, strengthening of the commercial offer by expanding the range of green and social products, issuance of social bonds, and support for customers in the energy transition process.

The growth programmes are based on five key factors: strengthening commercial identity with the enhancement of the Banking Group's rebranding; de-risking and proactive management of the legacy to reduce risks; consolidation of the Banking Group through the integration of processes and the search for synergies between the banks and the Agency; improving operational efficiency with the optimisation of the operating machine; enhancement of human capital through investments in staff to improve skills.

In support of the plan, a Funding Plan has been prepared that outlines the strategies for covering the additional requirements, including new unsecured bond issues, securitisation transactions and interbank funding. These measures aim to ensure the necessary operational and structural liquidity, while maintaining an economically sustainable approach.

In particular, the plan foresees for MCC:

- consolidation of the role of promoter and pillar of the Southern Financial District, through the promotion of local investments, the involvement of other banking and financial players and cooperation with other market operators in the area;
- specialisation of the offer with a further push to MCC Factor to accelerate the growth of the factoring business and develop synergies in pool factoring, introduction of a personal loan line aimed at families in the South;
- development of the structured finance and advisory offering and strengthening of the specialised service offering, structured lending through pool financing and project financing;
- structuring an advisory service offering for SMEs in Southern Italy to access financial markets, including innovative finance products;
- enhancement of digital supply channels to provide credit to SMEs in order to support their growth programmes and to offer liquidity investment services to retail customers;
- expansion of its positioning in facilitation, enhancing the expertise gained with the Guarantee Fund and the development of public finance for growth, also in synergy with entities in the South (regional finance, credit consortia, etc.)
- strengthening of the divisions in charge of managing problem loans, with centralisation of non-performing loans management.

In October 2024 to take into account the evolution of the scenario assumed in the drafting stage, with particular reference to the planned capital increase. All balance sheet developments in terms of lending and funding as well as the assumed growth in business aggregates remain unchanged.

Euro Medium Term Notes (EMTN) Programme

To accompany the 2024-2027 Business Plan, a Liquidity Plan (Funding Plan) was prepared, which also envisages the use of bond placements to cover funding requirements. In order to make a number of different issues using the same documentation and to seize promptly the best opportunities that the market should present during the plan period, a Euro Medium Term Notes Programme ('EMTN Programme') was prepared with a duration of one year, renewable periodically for a maximum pre-defined amount of EUR 1 billion.

The programme includes the possibility of issuing unsecured senior bonds (including in the form of social and/or green bonds), non-preferred senior securities (second tier unsecured debt instruments) and subordinated securities (both Tier 2 and AT1), which can be listed on the Luxembourg Stock Exchange or

other European stock exchanges.

On 13 September 2024, MCC successfully placed a EUR 400 million 'Social' bond - unsecured senior preferred bond with an annual coupon of 3.750%, maturing in September 2029.

On 25 February 2025, MCC placed another EUR 500 million 'Social' bond - unsecured senior preferred bond with an annual coupon of 3.25%, maturing in March 2030.

These placements are intended for institutional investors and aim to support social and environmental projects, in line with the bank's mission to promote sustainable growth.

Sale of the shareholding in Cassa di Risparmio di Orvieto (CRO)

On 6 September 2024, MCC received expressions of interest to purchase its 85.32% stake in CRO. After careful consideration, MCC granted Banca del Fucino S.p.A. an exclusivity period to negotiate the terms of the sale.

On 17 December 2024, Banca del Fucino was granted the exclusivity period to negotiate the main terms and conditions of the potential sale of its equity investment with the aim of signing the sale and purchase agreements by January 2025 and concluding the Transaction – subject to obtaining regulatory and statutory authorisations – within the first half of 2025. As a result of this resolution, the equity investment in Cassa di Risparmio di Orvieto was reclassified in the balance sheet assets under non-current assets and disposal groups held for sale in the amount of EUR 56.2 million.

The Purchase and Sale Agreement was signed in January 2025, for a provisional consideration of EUR 90.4 million. This value is higher than the market benchmark and as at 31/12/2024 generates a potential capital gain for MCC of approximately EUR 37 million. The transaction is expected to be finalised by the first half of 2025, subject to the fulfilment of all conditions precedent stipulated in the agreement and obtaining approvals from the relevant regulatory authorities.

CASSA DI RISPARMIO DI ORVIETO

Pursuant to the provisions of the MCC Banking Group's NPE Plan 2024-2027, similarly to MCC, Cassa di Risparmio di Orvieto also sold without recourse an identified perimeter of NPE loans (known as 'single name'), following the path of reduction of the gross impaired stock aimed at improving the gross NPL ratio indicator. In December 2024, CRO finalised the sale of a portfolio of impaired positions, classified as non-performing and likely to default, with a total GBV, at the effective date of the sale (30 June 2024), of EUR 37.9 million.

INFRATEL

Infratel is the implementing body of the "Banda Larga" and "Ultra Larga" Plans (Piano BUL), as well as the plans financed by the NRRP: Italia 1 Giga, Piano Italia 5G, Piano Scuola Connessa and Piano Sanità connessa. At the end of 2024, the company was appointed as the implementing body for: Milano Cortina; Gallerie e Sanità; Backhauling; Isole Minori 2 and SINFI application development.

The Company operates mainly as a contracting authority to reduce the digital divide existing in areas of Italy through the integrated development of telecommunications infrastructures that extend access to fast Internet connection for individuals, businesses and institutions.

In 2024, Infratel sought to consolidate its role as implementing body of the interventions on behalf of MIMIT and DTD and the parent company Invitalia, in particular, with the focus on the completion of the BUL plan and the NRRP plans.

The main results of the company in terms of territorial infrastructure by 2024 concern:

- *Piano BUL*: 4,100,000 real estate units tested in FTTH; 5.3 million real estate units connected in FTTH, equal to a completion percentage of 85% calculated on the estimated 6.3 million real estate units to be completed under the plan, with closure forecast in 2025. The level of use of the infrastructure created by other licensed operators (OLOs) remains modest;
- *Piano Italia 1 Giga*: compared to the target of 60% of street numbers (2,126,979 street numbers), 1,431,429 street numbers are connected (40% of the completion target); 2,295,320 connected real estate units;
- *Piano Italia 5G Backhauling*: 6,252 operations for innovative high-performance mobile networks compared to 6,151 in the contractual target;
- *Piano Italia 5G Densification*: 503 operations compared to the 554 foreseen in the contractual target;
- *Piano Scuola Connessa – Phase 2*: 5,820 schools and school sites connected;

- *Piano Sanità Connessa* : 4,292 hospitals and health facilities connected;
- *Piano Isole minori* : 21 routes connected compared to NRRP target of 18;
- *WIFI ITALIA*: 382,207 users registered with the app Wi Fi Italia; 2,298 municipal authorities, 282 hospitals and 30 institutional offices registered for a total of 10,498 hotspots installed.

The implementation of the NRRP Plans proceeds with successes and areas for improvement: the smaller islands plan was completed within the deadlines established by the NRRP (31 December 2024), with the connection of 21 islands (three more than those indicated in the NRRP target).

The 5G backhauling, schools and health plans are progressing according to plan. The *Piano 5G Densificazione* is slightly delayed due to the difficulties in obtaining authorisations from local authorities, while the delay accumulated by the beneficiary Open Fiber on the *Piano Italia 1 Giga* persists, where, however, there has been strong growth with the connection of about one million street numbers, more than double the total realised in previous years.

The Piano BUL under concession during 2024 recorded less progress than the previous year and, also due to the simultaneous development of the Italia a 1 Giga project, the cumulative data at the end of 2024 are lower than in the work plan presented by the concessionaire Open Fiber in February 2024. The plan envisaged the completion of the BUL project in September 2025, but it is expected that the works will instead be completed in 2026.

Also of note is the conclusion of the review of the Economic and Financial Plans (PEFs) underlying the 14 agreements signed with Open Fiber for the Piano Aree Bianche 2016 (White Areas Plan). Following the positive opinion with observations issued by the Public Utility Service Implementing and Regulating Unit (NARS), the final quantification of the rebalancing measures was reached, which overall amount to approximately EUR 900 million. The December 2024 tax decree and the subsequent Budget Law identified the public resources needed to cover the rebalancing measures, which include the provision of EUR 660 million in public grants by Infratel to Open Fiber, to be paid according to an established plan and divided into four tranches up to 2029. In February 2025, the additional acts to the conventions that incorporate the revision of the PEFs and regulate the rebalancing methods were signed.

INVITALIA PARTECIPAZIONI

As part of the real estate asset disposal activities, the Board of Directors of the Parent Company authorised the company to transfer to the i3 - Sviluppo Italia Fund the Incubatore di Terni (EUR 820,000) and the Incubatore di Marcianise (EUR 2.57 million); on 10 July 2024, the deed of contribution to the Fund was signed, for a total of EUR 3.3 million.

Furthermore, on 27 May 2024, the transfer of the asset in the Municipal Authority of Montalto Uffugo to the Local Administration was completed for EUR 2.3 million.

The company management plans to transfer to the aforementioned fund an office apartment located in the historic centre of Naples and the Incubatore di Porto Torres, within the first half of 2025 as well as the sale of all residual assets by the end of the current financial year.

ITALIA TURISMO

In 2024, following specific selection procedures, the Company completed the transfers of the village and surrounding land of Pisticci and the land of Syracuse, also initiating the procedures for the disposal of the buildings and land located in Simeri Crichi and the land of Sciacca.

With a view to optimising the process of divestment of corporate assets, the Company has made efforts to maintain the assets in the best conditions, also in terms of their development potential, safeguarding the building capacities and maintaining the building permits in force.

During 2024, the twenty-year dispute with the Municipal Authority of Cassano allo Jonio was concluded. The agreement reached has, on the one hand, put an end to significant management costs, and on the other created the conditions for the presentation of the new Development Plan for the area.

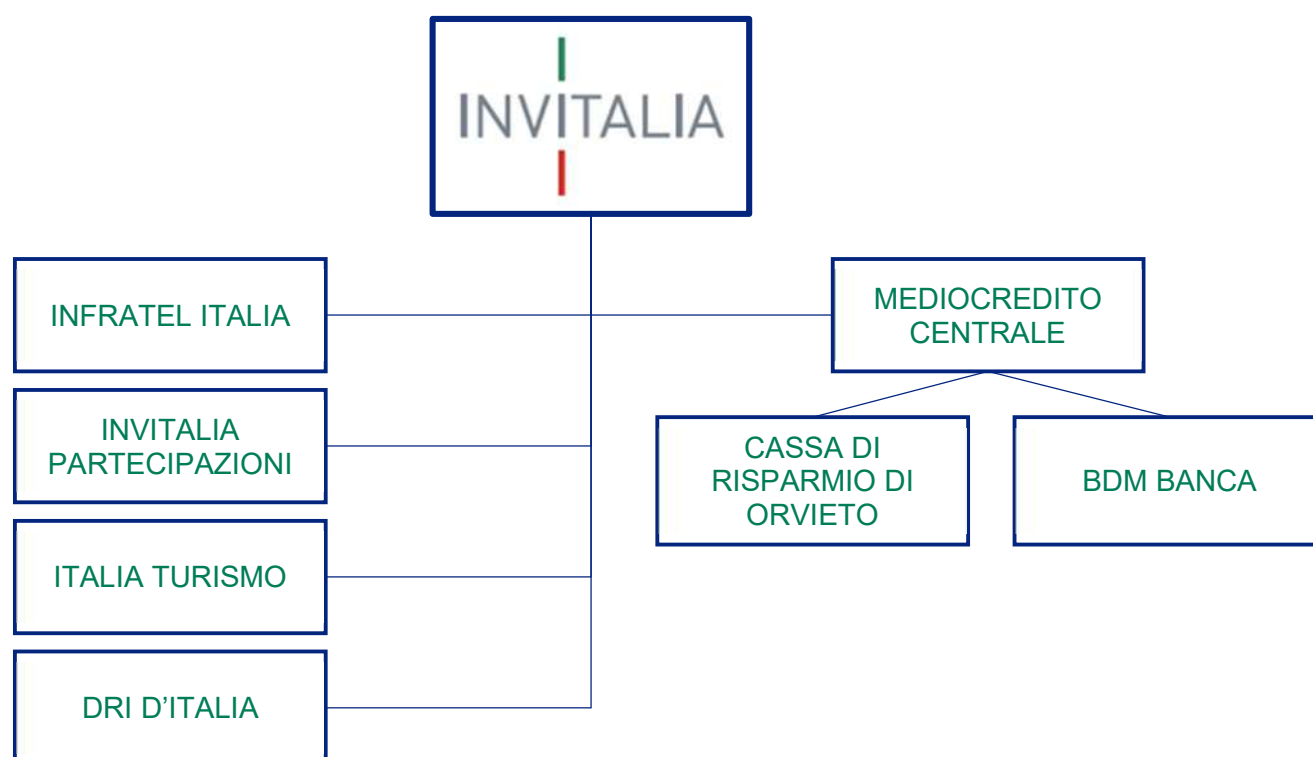
INVITALIA GROUP

The Group works to promote the economic and social development of the country, integrating the economic, social and environmental dimensions of each project in support of businesses, individuals and communities. In addition to the financial results, this commitment is measured by the evaluation of actions undertaken, results achieved and impacts.

The activity is carried out, in addition to with its own means, mainly through the use of financial resources made available to the companies by the central Public Administration for specific purposes, on which the Group acts substantially with the responsibility of the agent without direct impact on its own assets. In exchange for these financial resources, the Group provides grants and subsidised loans, can acquire equity investments directly or through the creation and management of specific investment funds and, at times, can be called upon to carry out direct interventions locally that are deemed strategic. Within the framework of specific conventions and agreements, the Group supports the Central Administrations and the implementing bodies in the definition and implementation of investments. Furthermore, always through the agreements, it carries out an important activity of technical, administrative and legal support in the direct provision of incentives by Public Administrations: these activities, except for the related revenues from services, are not reflected in the budget in terms of resources made available to the beneficiaries since the approval and provision are exogenous to the company.

The support for households and businesses, with particular focus on the South, is further strengthened through the activity of the Group's banks, whose nature is that of a financial district serving the territories of choice, oriented towards the development of community economies and the growth of the South through credit management, guarantees, services and finance.

The impact on communities and territories is also enhanced through the implementation of infrastructural operations by Infratel and aimed at overcoming the digital divide and promoting the spread of advanced connectivity services.



The perimeter of consolidated equity investments includes three strategic companies, Mediocredito Centrale, Cassa di Risparmio of Orvieto, Infratel Italia and two companies, Invitalia Partecipazioni and Italia Turismo, which manage the Group's activities destined to be re-placed on the market.

According to IFRS 10, the equity investments in DRI d'Italia and BdM Banca are not controlled and therefore are not included in the Group's consolidated financial statements, as they were acquired with third-party funds and therefore cannot be classified as an equity instrument in the strict sense (see in particular Part A – Section 4 – Accounting treatment defined for equity investments acquired with public contributions/third-party funds, in the Notes to the Financial Statements).

THE PARENT COMPANY

In 2024, the Agency reconfirmed its role as a catalyst of resources to support the production system, through financial aid granted on the basis of laws and administrative provisions. Through the Incentives and Innovation and Public Advisory Operating Units, it activated investments for a value of EUR 16.6 billion and granted facilities for EUR 5.5 billion.

Invitalia, through Incentives and Innovation, also continued with its guidance, promotion and support on the incentives in its portfolio with particular reference to those aimed at startups and new businesses. While through Public Investment, it contributed to accelerating the implementation of strategic actions for territorial cohesion and economic growth, to improving the quality of projects and spending performance, and to identifying the most effective solutions and procedures to meet the needs of the various administrations. During 2024, tenders were awarded on behalf of the Public Administration for EUR 3.9 billion using national and European Union resources.

During the year, operating as a partner of Public Administrations, which manage community and national resources aimed at the development of Italy, the Agency supported multi-year programmes worth approximately EUR 94.3 billion through Public Advisory and worth approximately EUR 2.6 billion through Public Investment. The work is distributed between the programming and management of the Community Structural Funds, the National Recovery and Resilience Plan and the national instruments of the Cohesion Policy.

Results achieved in 2024 by the Agency

62,412 Businesses supported	€16,717 m Investments set up	€5,630 m Facilities granted	39,029 Jobs created or safeguarded
230 Tenders won	€3,878 m Value of tenders won	53 Operational national and Community programmes	€96,941 m Value of resources managed in programmes

The Agency is divided operationally into Organisational Units (hereinafter 'OUs'), four of which are line units: Incentives and Innovation, Public Investment, Public Advisory and Investment Management.

Incentives and Innovation (ININN)

The Incentives and Innovation OU closed 2024 with a production value of EUR 123 million, corresponding to 44% of the total production value, with an increase of 26% compared to 2023, and engaging 38% of the total staff of the Agency.

Incentives and Innovation ensures the design, management, implementation and impact assessment of the set of incentives and tools to support the development and innovation processes of Italian and foreign companies, in order to promote the growth and competitiveness of the national economy. In particular, it guarantees:

- interaction with institutional stakeholders, with the enterprise system and with potential entrepreneurs, in order to promote the use of incentive tools and adapt their characteristics over time in order to ensure adherence to the needs of the recipients;
- the design and management of tools to support businesses and/or industrial sectors, also within the scope of actions aimed at territorial rebalancing and recovering the competitiveness of areas affected by industrial crises.

The main activities of the OU fall into four lines of action: support for large investments, creation of new businesses, strengthening of existing businesses and areas of industrial crisis. Each line of action will be described in detail later in the document.

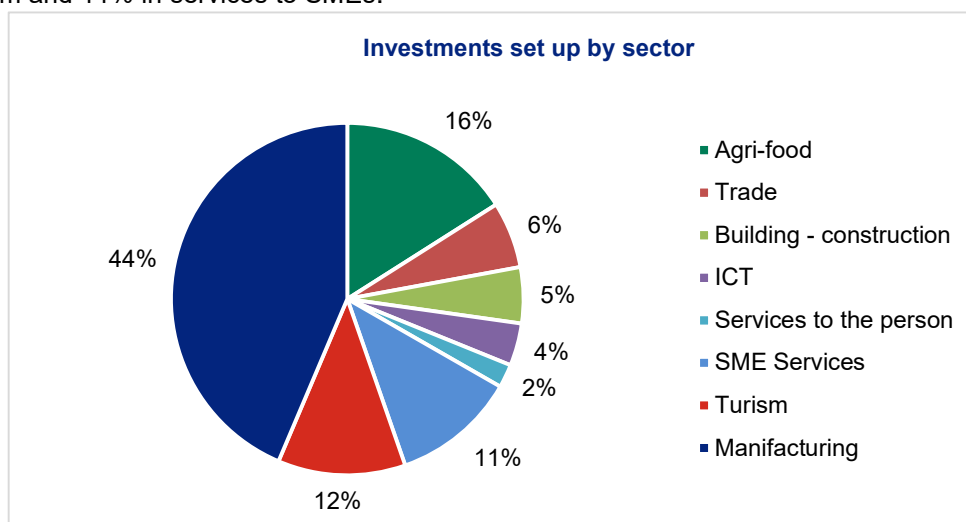
While the main results achieved by the INNIN OU are reported below with the subdivision into the three lines of action.

Results achieved in 2024 by INNIN OU

	Businesses supported	Investments set up	Facilities granted	Jobs created or safeguarded
<i>Large Investments</i>	148 ¹	€3,732 m	€1,345 m	29,613
<i>Creation of new businesses</i>	4,114	€511 m	€413 m	8,086
<i>Strengthening existing businesses</i>	53,476	€8,739 m	€1,843 m	799
<i>Areas of Industrial Crisis</i>	194	€113 m	€66 m	531
TOTAL	57,932	€13,095 m	€3,667 m	39,029

During 2024, Incentivi e Innovazioni set up investments for a total of EUR 13.1 billion, of which EUR 3.7 billion through Large Investments, approximately EUR 0.5 billion for the creation of new businesses, EUR 8.7 billion in measures aimed at strengthening businesses for which the Agency exclusively plays the role of managing body and EUR 0.1 billion for the relaunch of areas affected by industrial crisis. The actions were concentrated in the Northern, Southern and Island regions.

In terms of sectors, 44% of investments were made in the manufacturing sector, 16% in the agri-food sector, 12% in tourism and 11% in services to SMEs.



Support for large investments: this is implemented through Contratti di Sviluppo (hereinafter also 'CdS') which promote the implementation of industrial, tourism and environmental protection programmes.

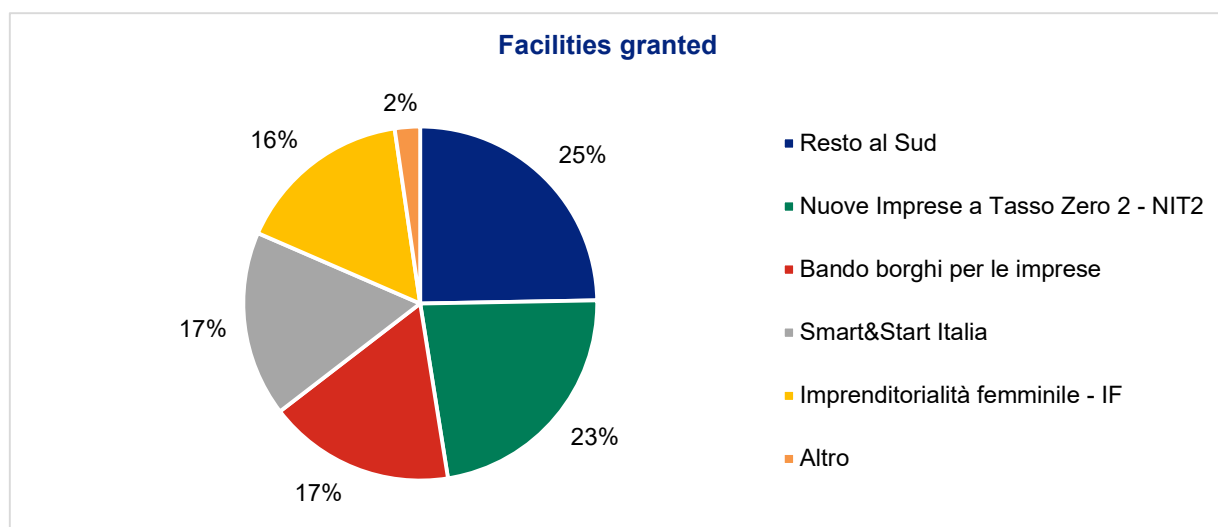
The minimum investment required is EUR 20 million, which is reduced to EUR 7.5 million for projects for the transformation of agricultural products and for tourism projects located in the internal areas of Italy, or that involve the recovery of abandoned buildings.

Through the Contratti di Sviluppo, further incentives have been set up to support companies that make investments linked to the main strategic value chains in terms of sustainable mobility, technological innovation, energy transition, development of agri-food logistics, also in line with the objectives of the NRRP.

Creating new businesses: this is support for the start-up of new entrepreneurial activities, with particular focus on female entrepreneurship, innovative startups and research spin-offs that have business potential.

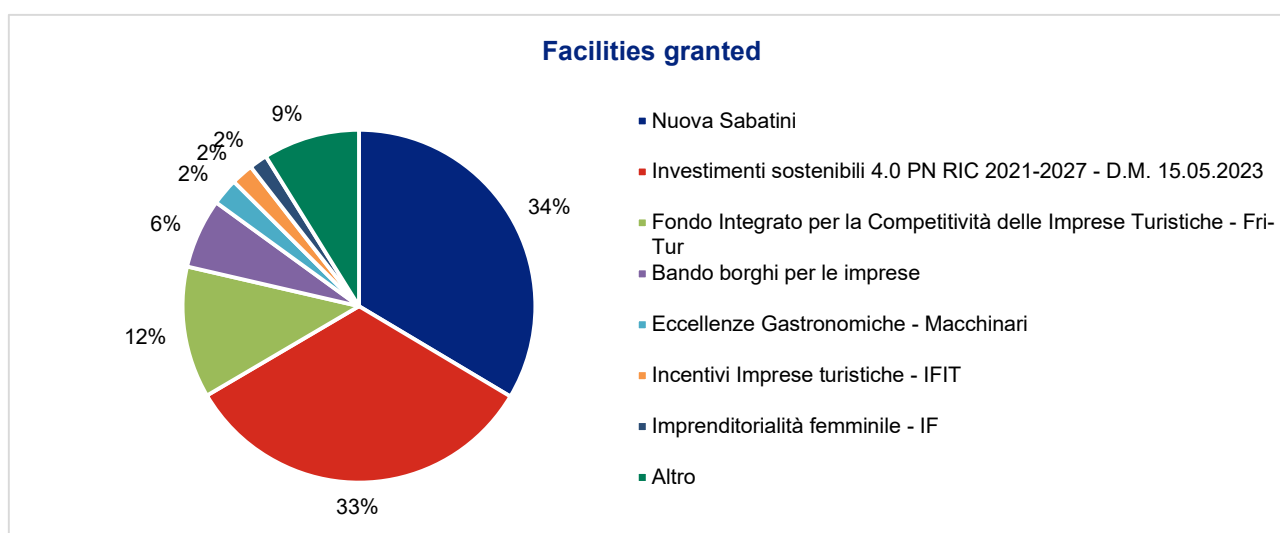
In 2024, 25% of the facilities granted concern the Resto al Sud incentive (for EUR 102 million), 23% concern ON-Nuove Imprese a Tasso Zero (for EUR 94 million), 17% for the Bando Borghi per le Imprese (for EUR 70 million), 17% Smart & Start (for EUR 70 million), 16% relate to the Imprenditorialità Femminile incentive (for EUR 67 million) and the remaining 2% concerns minor measures.

¹ Large investments financed.
ANNUAL FINANCIAL REPORT 2024



Strengthening existing businesses: includes a variety of incentives aimed at companies that seek to improve their competitiveness through actions consistent with the new market challenges and underlying trends (for example, innovation of industrial processes, environmental transition, digital transition, etc.).

In 2024, more than 53,000 companies were financed for a total of approximately EUR 1.9 billion in facilities, divided as follows:



Areas of Industrial Crisis: includes two actions developed through the measure under Law No 181/89 and the Fund to Combat Deindustrialisation, both located in areas experiencing economic difficulty.

Through Law 181/89, Invitalia, on behalf of the Ministry of Economic Development (currently MIMIT), takes joint action with Central Administrations and Regional Authorities in areas in economic difficulty. The main objectives are:

- reviving industrial activities
- safeguarding employment levels
- support for development programmes
- attracting new investments
- environmental redevelopment and recovery

The Fund to Combat Deindustrialisation aims to combat the impoverishment of the productive and industrial fabric of certain areas of Lazio and Marche. Managed by Invitalia on behalf of the Territorial Cohesion Agency, it grants capital contributions to companies in the manufacturing sector.

Measures for consumers

Furthermore, Invitalia has:

- supported MIMIT in managing the activities for awarding the Ecobonus, an incentive for more sustainable mobility as indicated in the National Integrated Energy Plan within the framework of the Agenda 2020 objectives, which envisages contributions for the purchase of low-emission vehicles. In 2024, 248,020 applications were submitted, and 245,365 bonuses were granted for a total of EUR 580 million;
- supported the purchase and installation of charging infrastructure for electric vehicles. In 2024, 12,495 applications were submitted, and 12,424 bonuses were granted for a total of EUR 14.7 million.

Public Investment (PI)

The Public Investment OU closed 2024 with a production value of EUR 32.9 million, corresponding to 12% of the total, with an increase of 3% compared to 2023, and engaging 11% of the total staff of the Agency.

Public Investment has specialised skills and dedicated tools to support public administrations in all phases of the public investment cycle, from initiation to execution and monitoring. It works to reduce the action implementation times, improve the quality of projects and the spending performance of European and national funds.

It is a Central Contracting Authority and Qualified Contracting Station at the highest level, pursuant to the Code of Public Contracts. It is the Implementing Body of strategic operations for territorial development and cohesion and a qualified body to provide technical and operational support to accelerate the investments envisaged by the NRRP and by national and European programming for 2021-2027. It is the Implementing Body of capacity building programmes for the management of the organisation, planning and efficiency processes of local public services, as well as a qualified body for strengthening the governance of the management of the integrated water service (Ministerial Decree No 384 of 6 October 2022).

In particular, it guarantees:

- innovative and Programme Management solutions to accelerate the programming, design and execution of public investments;
- the technical and design activities necessary for the implementation of the actions;
- the implementation of Contratti Istituzionali di Sviluppo and special projects for the enhancement of public assets, land reclamation and urban regeneration.

It manages all phases of the digital life cycle of public contracts through a specific platform (Invitalia Gare Telematiche - InGaTe) and within the framework of legality and collaborative supervision protocols with ANAC and the Prefectures. Also thanks to its consolidated experience in the implementation of investments under the NRRP and National Plan for Complementary Investments (PNC), Invitalia defines, from time to time, the most effective solutions based on the number and type of actions, complexity and strategic nature and value of the investment.

Invitalia can therefore ensure qualified support to manage the entire public investment implementation cycle, individual phases of the investment cycle or specific activities relating to each phase of the investment cycle.

The OU has developed transversal skills and experience by having managed procurement procedures and provided technical and operational support to central and regional administrations and Government Commissioners, distinguishing itself for its versatility and adaptability in the management of complex projects, referring to different territorial areas and sectors (e.g. environmental redevelopment, urban regeneration, environment, cultural heritage and tourism, healthcare construction, transport and sustainable mobility, water, waste, development and cohesion).

Results achieved in 2024 by the Public Investment OU

230	€3,878 m	4	€2,662 m
Tenders won	Value of tenders won	Operational national and Community programmes	Value of resources managed in programmes

The OU also provided technical and operational support and performed the functions of Central Purchasing Agency for the Central Administrations of Culture and Tourism for the implementation of actions to qualify the cultural heritage and the tourist offering, including energy efficiency and environmental sustainability. The OU supported the National Culture Programme ERDF 2021-2027 for a total of EUR 648.3 million. In particular, within this programme, it planned and selected projects for the energy efficiency of cultural sites and for seismic safety, with a total of EUR 108 million in the seven least developed regions. Through the Fondo siti UNESCO e città creative (UNESCO Sites and Creative Cities Fund) and the Fondo cammini religiosi (Religious Routes Fund), it supported the planning and selection of actions to attract and increase tourist numbers, improve religious routes and promote environmental sustainability in tourism for a value of EUR 94.5 million.

In 2024, compared to 2023, 14 new Contracting Administrations benefited from the support of Invitalia-

Investimenti Pubblici. For example:

- Extraordinary Commissioner for the construction of the Tramway and Metro C in Rome;
- Extraordinary Commissioner for the implementation of the actions necessary for holding the XX Mediterranean Games in Taranto in 2026;
- Ministry of Foreign Affairs and International Cooperation (MAECI);
- Local Health Authority of Ferrara.

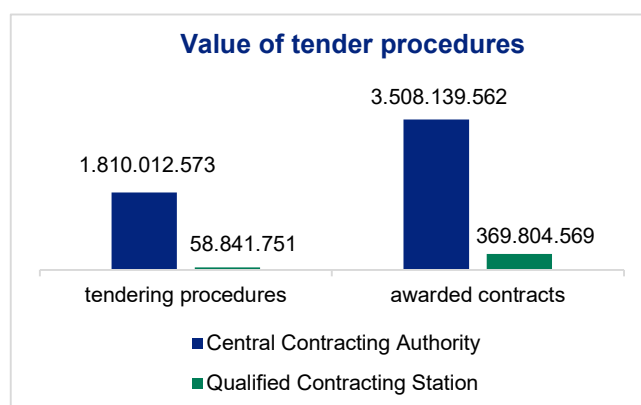
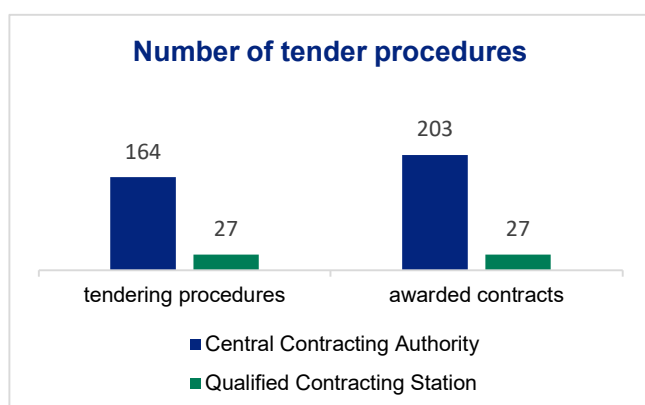
In particular, the Regional Authority of Sicily, following the fruitful collaboration with Invitalia-Investimenti Pubblici to accelerate investments financed by the NRRP (Missione 6-Salute), has requested support for the construction of 4 new hospitals in Palermo that are more modern, safe and functional, for a total value of approximately EUR 750 million.

The multi-year experience and specialist skills of the OU enabled the activation of new areas of activity and particularly complex procedures to support the implementation/construction of:

- actions to address the serious overcrowding situation in prisons in support of the Extraordinary Commissioner for Prison Construction;
- waste-to-energy plants in support of the Extraordinary Commissioner for the completion of the integrated plant network of the Region of Sicily;
- activities in support of the Governing Bodies of the Ambito Territoriale Ottimale (EGATO): local area of associated management of municipal services] for strengthening the governance of the integrated water service.

Finally, with resolution dated 23 December 2024, within the scope of the exercise of the substitute powers provided for by Art. 14 of Decree-Law No 115 of 3 August 2022, the Council of Ministers entrusted Invitalia, on a transitional basis, with the management of the integrated water service in the Assemblea territoriale idrica (Territorial Water Assembly, ATI) of Trapani. Pending the publication of the aforementioned resolution, at the beginning of March 2025, a Collaboration Protocol was signed on 13 March 2025 between the Ministry of the Environment and Energy Security (MASE), the Regional Authority of Sicily and Invitalia aimed at sharing the operational pathway to be undertaken, the scope of the Agreement to be stipulated with the Regional Authority, the necessary financial coverage for transitional management, as well as the responsibilities of each entity based on the expertise required by the current legislative and regulatory framework.

The OU is the Stable Organisational Structure (SOS) of Invitalia responsible, pursuant to the Code of Public Contracts, for the planning, implementation, awarding of procurement contracts and the execution of public contracts.



During 2024, the OU announced 191 tender procedures² for a value of approximately EUR 1.9 billion, recording an increase in published tenders of approximately 11% compared to 2023. A total of 230 contracts³ were awarded (+31% compared to 2023).

The OU also continued its activities in support of the implementing bodies that have joined the published Framework Agreements to accelerate the implementation of the actions financed under the NRRP. With specific reference to the Framework Agreements, it should be noted that, since this is a type of procedure identified and used mainly for the purpose of accelerating the actions financed by the NRRP, by its very nature,

² The data also takes into account the tenders managed for COO and ININN.

³ The data relating to the tenders won also takes into account the tender procedures published prior to 1 January 2024 and awarded during the 2024 financial year. Furthermore, the data does not take into account tender procedures that were unsuccessful or revoked.

it cannot be replicated in the dimensions recorded in the years 2022 and 2023.

By borrowing the experiences and good practices developed within the NRRP, Invitalia – through the Public Investment OU – can strengthen its role as a qualified and structured partner of the central and local Public Administration to support public investments financed with national and European resources. In particular, the operational model developed by Invitalia can help to accelerate and qualify investments through the promotion of centralised and homogeneous procedures, carefully defined and replicable at the local level, and public-private partnership procedures.

The OU continued to support the central administrations responsible for the NRRP actions within the framework of the agreement stipulated with the Ministry of the Economy - State General Accounting Office (MEF-RGS).

In 2024, 15 central administrations were supported, ensuring cross-cutting support across 3 lines of action:

- public project contracting;
- programme management services, in particular for the management of public notices and for assistance in the investigation and evaluation of investment project applications;
- other support and assistance to the Project Units for the monitoring, control and reporting of investments.

Within the NRRP Framework Agreements and thanks to the technical and operational support of Invitalia, as at 31/12/2024, 4,207 services were recorded (technical services, checks, works, integrated procurement and testing) for a value of approximately EUR 4.4 billion for the implementation of over 2,700 actions financed by the NRRP/PNC.

Also within the NRRP, the activities continued – of technical-operational support and Central Procurement – in support of the Higher Institute for Environmental Protection and Research (ISPRA) and the Ministry of Environment and Energy Security (MASE) to accelerate the implementation of the following investments: MER - Restoration and protection of seabeds and marine habitats; digitalisation of national parks and marine protected areas; creation of an advanced and integrated monitoring and forecasting system. Finally, Invitalia continues to support the Eastern Adriatic Sea Port Authority in the implementation of the infrastructure enhancement of the Port of Trieste financed by the Complementary Programme to the NRRP (PNC).

In 2024, the OU continued the implementation of the *Environmental Remediation and Urban Regeneration Programme (PRARU)* of the Bagnoli area.

In January 2024, the Agreement for the Electrification of the Site was signed between Invitalia, the Extraordinary Commissioner, Terna and E-distribuzione, which foresees the construction of a primary transformation cabin (from high voltage to medium voltage) and the power and distribution line infrastructure in the area.

In 2024, the remediation work continued on the 'Parco dello Sport' lot. The plan for the remediation actions relating to the 'Fondiarie' lot was completed and validated and the works have started.

As part of the Framework Agreement for the implementation of remediation and infrastructure, the first specific tenders have been launched for the design and implementation of some preliminary remediation activities, such as: the construction of the car parks called 'Pontile Nord' and 'sbarcatoio Nisida' (to mitigate the impact on traffic in the area resulting from the start-up of the remediation sites), the monitoring of gases emitted by the land and the design and demolition of the warehouses known as the Capannoni Morgan.

With reference to the marine remediation, necessary to restore the bathing quality of the water in Bagnoli bay, to the outcomes of the Steering Committee meeting of 8 February 2024 and 7 March 2024, and in light of the regulatory changes introduced by Art. 14 of Decree-Law 60/2024, Invitalia requested from the Ministry of the Environment and Energy Security (MASE) a suspension of the deadline of the Environmental Impact Assessment (EIA) currently underway on the final project. This suspension was necessary to allow for the preparation of the project update, which requires the partial, rather than total, removal of the landfill. In June 2024, Invitalia asked the Project Manager to proceed with the adaptation of the final project, in order to submit it for Strategic Environmental Assessment (SEA) together with the ongoing EIA procedure. The updated project documentation was sent to MASE in December 2024 and, in January 2025, the ministry confirmed the admissibility of the application.

In 2024, with Ministerial Decree No 421 of 29 November, the EIA of the Final Project for the construction of the Infrastructures (water network, roads and traffic, lighting and TLC networks) was concluded. Subsequently – with Decree of the Extraordinary Commissioner No 1 of 30 January 2025 – the project was approved by the Conference of Services.

In April 2024, the Ministry of the Environment and Energy Security approved the proposal to remodel the

actions envisaged in the Programme Agreement of 3 March 2020 to give priority coverage to onshore remediation.

Following the Steering Committee meeting of 7 March 2024, due to the progress of the actions, Decree-Law 60/2024, under Article 14, allocated funding of EUR 1,218 million to the implementation of the actions included in the PRARU of the Bagnoli-Coroglio area. On 15 July 2024, the '*Memorandum of Understanding for the rapid implementation of the actions included in the programme of environmental remediation and urban regeneration of the Bagnoli-Coroglio area*' was signed, pursuant to the aforementioned Art. 14, between the President of the Council of Ministers and the Extraordinary Commissioner. With the subsequent CIPESS Resolution No 55/2024 of 1 August 2024, the allocation of the total amount of EUR 1,218 million was arranged for the implementation of reclamation and infrastructure works.

As at 31 December 2024:

- works and services were contracted for over EUR 435.33 million⁴;
- works and services for EUR 50.8 million completed;
- payments to contractors for EUR 51.2 million (including advances), of which EUR 22.5 million⁵ related to completed jobs.

Estimated completion of the work is by 2031.

Public Advisory (PA)

The Public Advisory OU closed 2024 with a production value of EUR 99.9 million, corresponding to 36% of the total, with an increase of 16% compared to 2023, and engaging 32% of the total staff of the Agency.

Public Advisory ensures technical assistance to administrations for the development, management and implementation of Community and National Operational Programmes, in order to strengthen their administrative capacity, also through the simplification and digitalisation of processes. In particular, it oversees the various public contractors through specialised Organisational Units by theme and administrative sector, including:

- drafting programmes financed by public funds;
- planning public projects;
- monitoring, controlling and certifying expenditure;
- evaluating public policies;
- creating IT solutions to support the management and implementation of programmes, with the collaboration of the Agency's internal specialist functions;
- financial/accounting, legal/administrative and procedural consultancy;
- specialist technical consultancy and programme management;
- implementing projects to support reconstruction.

The OU operates as a partner of the Public Administrations that manage community and national development programmes.

The activities are carried out in close collaboration with the contracting institutions, in support of which the OU assumes a partnership role aimed at strengthening public administrative action.

The OU supports Public Administration in both programmes and the management of incentives.

Results achieved in 2024 by Public Advisory OU

49	€94,279 m
Community and national operational programmes	Funds managed in the programmes

In 2024, the funds managed in the community and national programs assisted by Invitalia increased by approximately EUR 6 billion (+7%) compared to 2023. In particular, the OU supported 21 Central and Local Administrations, Project Units (UdMs) and NRRP Coordination Offices, Extraordinary Commissioners, in the development and implementation of management and control systems and, in general, strengthening the capacity and skills of the administrations in launching monitoring, reporting, implementation processes, and finally supporting them in compliance and system audits.

⁴ Tender-based value. The amount also includes Framework Agreements for a total of over EUR 278.52 million, the spending commitment of which is assumed only at the time of signing the individual specific contracts.

⁵ Completed jobs: Reclamation of the ex-Eternit area.

In 2024, in addition to having ensured continuity in support for administrations, the OU has activated new projects to support the 2021-2027 programming, both in reference to the National and Regional Programmes financed through European structural funds, and for assistance with programming tools financed by national resources (in particular the Development and Cohesion Fund - FSC).

In consideration of the technical support already provided to MIMIT in relation to the National Operative Programme (PON) IC 2014-2020 and the possibility, foreseen by the regulations, of supporting the start of the new programming cycle with the programme funds, the OU accompanied the administration in the negotiation phase and provided support for the approval of the National Plan 'Research, Innovation and Competitiveness for the green and digital transition' 2021-2027 (PN RIC). Currently, the OU supports the administration in the implementation of the Programme by implementing systems for the effective and efficient management, monitoring, surveillance, control and reporting of the procedures already activated and in the process of being activated.

Another significant OU activity during the year was supporting the closure of the Programmes of the 2014-2020 programming cycle. In particular, the OU supported the MIMIT on the Enterprise and Competitiveness Programme (PON IC), the Ministry of Labour and Social Policies (MLPS) on the FEAD Programme and the regional administrations on the Regional Operative Programmes (PORs) subject to delegation.

Furthermore, there has been a further consolidation of the role of support to the NRRP coordination structures of some ministries (Project Units) and of the Presidency of the Council, as well as a strengthening of the role of the OU, also in terms of responsibility, through projects that assign to the Agency the role of Implementing Body of actions or the delegation for the implementation of specialist technical services.

Results achieved in 2024 by the Public Advisory OU – Incentives

4,480	€3,622 m	€1,963 m
Businesses supported	Investments set up	Facilities granted

92% of investments (EUR 3,444 million) and 93% of facilities granted (EUR 1,834 million) to companies managed through support to contractors are linked to facilities foreseen by the IPCEI calls for proposals of the NRRP.

In 2024, there was a growth trend for contractors and in particular for:

- Ministry of Enterprise and Made in Italy for the purposes of Technical Assistance in the National Programme 'Research, Innovation and Competitiveness for the green and digital transition 2021-2027': the ministry entrusted PA with the technical assistance and specialist support for the implementation of the programme;
- Ministry of the Environment and Energy Security for the purposes of Specialist Technical Assistance to the ministry: the ministry entrusted PA with technical assistance and specialist support for the implementation of programmes and measures within its area of responsibility;
- Presidency of the Council of Ministers - Department of Public Administration as Implementing Body of NRRP Measures: the department assigned PA the role of Implementing Body of measures for administrative simplification, digitalisation and strengthening of PA skills;

2024 also saw an increase in the diversification of contractors and the assignment of activities by new sectors of the central government; above all the Ministry of Economy and Finance, which entrusted PA with monitoring the implementation of EU policies and public works.

In 2025, in addition to carrying out various support activities for ministries, the Public Advisory OU plans to activate new projects to support the 2021-2027 programming, both in reference to the National and Regional Programmes financed through European structural funds, and for assistance with the programming tools financed by national resources (in particular the Cohesion Agreements involving the various Central Administrations). It also foresees a further diversification of contractors, both through the activation of agreements entrusted by Ministerial Sections and Departments of the Presidency not yet managed, and through the new MEF 'framework' agreement which envisages the activation of services at the NRRP Project Units.

Investment Management (IM)

The Investment Management OU closed 2024 with a production value of EUR 15.5 million, corresponding to 6% of the total production value, with an increase of 12% compared to 2023, and engaging 2% of the total staff of the Agency.

The OU ensures the management of specific funds made available by the government for actions aimed at

promoting the dimensional growth and/or relaunch of operating companies through equity participation and/or equity like participation; ensures the coordination of the acquired equity investments and supports the activity of attracting and directing foreign investments.

Fondo Cresci al Sud

The Fondo Cresci al Sud was established with the 2020 Budget Law, with a total allocation of EUR 250 million (150 million for 2020 and 100 million for 2021). It supports the growth in size and competitiveness of SMEs in Southern Italy through the acquisition of minority stakes in the risk capital of SMEs with registered offices and operations in the eight regions of Southern Italy.

During 2024, 2 shareholdings were acquired using the fund and recorded in the memorandum accounts for approximately EUR 9.8 million:

<i>Amounts in thousands of euro</i>	
COMPANY	
Mare Engineering Group S.p.A.	3,652
Misitano & Stracuzzi S.p.A.	6,193
TOTAL	9,846

These operations, together with the six shareholdings acquired in 2023 (Contrader S.p.A. through the vehicle Fare Spot S.p.A., Recupero Etico Sostenibile S.p.A., Edil San Felice S.p.A. S.B., Xenia Hotellerie Solution S.p.A. S.B., E-globe S.p.A. and Simone S.p.A.), two shareholdings acquired in 2022 (Lirsa and Tesi), and one in 2021 (Italian Cool Design) make up a total of 11 stakes in the portfolio and a total of EUR 45.1 million paid by Invitalia.

There are 11 transactions under appraisal as at 31/12/2024.

Fondo Salvaguardia Imprese

The Fondo Salvaguardia Imprese was established by Art. 43 of Decree-Law. 34/2020 and has an initial allocation of EUR 300 million, subsequently integrated with a further EUR 50 million in the second half of 2022 and EUR 100 million in 2024. Invitalia is the managing body of the fund. The aim is to promote the relaunch of companies in difficulty, also with the involvement of private individuals who, through co-investment operations, guarantee the continuity of companies that, due to their importance and history, represent the productive fabric of the country and Italian manufacturing in the world.

In 2024, 4 shareholdings were acquired using the fund and recorded in the memorandum accounts; five follow-ons were carried out, i.e. additional financial operations in favour of five companies already in the portfolio in 2023 and grants were provided to support employment in favour of one company in the portfolio. These transactions together make up a total of EUR 71.57 million paid by Invitalia in 2024:

<i>Amounts in thousands of euro</i>	
COMPANY	
Chianciano Spa S.p.A.	2,900
MerMec Ferrosud S.r.l.	13,789
Landi Renzo S.p.A.	20,000
Industria Scaffalature Arredamenti S.p.A.	7,000
Canepa S.p.A. (follow-on)	1,125
Ceramica Dolomite S.p.A. (follow-on)	2,600
Sicamb S.p.A. (follow-on)	3,552
Titagarh Firema S.p.A. (follow-on)	17,000
Snaidero S.p.A. (follow-on)	3,000
Walcor S.p.A. (grant)	602
TOTAL	71,568

These transactions, together with the 3 shareholdings acquired in 2023 (Bellotti, Snaidero and Pernigotti), the 7 shareholdings acquired in 2022 (SALP, Niche Fusina Rolled Products, Walcor, Ceramica Dolomite, BTX, Titagarh Firema and Conceria del Chienti) and the 3 shareholdings acquired in 2021 (Sicamb, Cornelian and Canepa), together with further follow-ons and grants disbursed, make up a total of 17 equity investments in the portfolio and a total of EUR 170 million paid by Invitalia.

There are 16 transactions under appraisal as at 31/12/2024.

Investment Attraction

Invitalia plays a central role in Italy in attracting foreign investment, in particular for everything that concerns both the definition of the contents of the National Offering (specifications of the attractiveness and competitiveness of our industrial base and our production chains) and the performance of operational activities

in support of the investment.

In particular, Invitalia:

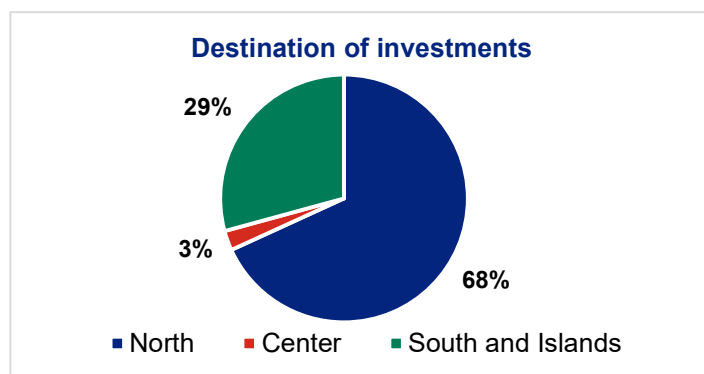
- develops the 'National Value Propositions' for the strategic sectors identified by the Committee for the Attraction of Foreign Investment (CAIE);
- maps continuously the national settlement opportunities (greenfield, brownfield and logistics areas);
- provides tutoring, investment support (National One-Stop Info Desk of the CAIE Technical Secretariat) and after care.

It is worth remembering that the national governance of the foreign investment attraction system is headed by the CAIE, which is an inter-ministerial committee that involves MIMIT, MAECI, MEF, the Ministry for Public Administration, as well as the Conference of Regions and Autonomous Provinces. Article 25(2) of Decree-Law No 50 of 2022 established the committee's Technical Secretariat which is responsible for the following tasks:

- assessment of potential foreign strategic investors;
- development of structured investment proposals;
- adoption of uniform methodologies;
- definition of performance indicators;
- implementation of databases;
- creation, on an experimental basis, of a 'one-stop info desk' to provide support to foreign investors in all the procedures and practices useful for actually making the investment;
- activation of a single website that collects and organises in a rational manner all useful information on the initiatives and tools that can be activated to support potential foreign investors.

With a specific agreement signed with MIMIT, Invitalia provides specialist technical assistance to the CAIE Technical Secretariat, in all its areas of action. This included the following activities:

- development of the National Offering (distinctive factors of Italy's attractiveness and Value Proposition for the 13 strategic sectors defined by the CAIE);
- development of the National Settlement Opportunities (identifying Greenfield, Brownfield and Logistics areas) immediately available for investments in production or R&D;
- creation of the institutional website Invest In Italy which presents the Italian system to the international business community in terms of attracting investments;
- supporting foreign investors in their investment processes.



From this point of view, in 2024, 344 leads were managed and 15 were closed successfully (investment set up without incentives, or company that applied for incentives). The financial consideration is EUR 1.362 million with over 3,200 jobs created.

The Investment Attraction unit also provides support to MIMIT in planning for EXPO Osaka 2025. MIMIT considers Expo 2025 a very important opportunity in terms of the following:

- promoting Italian manufacturing excellence in the international business community that will be present in Osaka,
- promoting Italy – not only to Japan but to the entire world – as a privileged destination for strategic foreign investments.

To this end, it intends to design and implement – with the support of Invitalia – a set of specific activities and initiatives (such as seminars, installations or events) to be organised in the multifunctional spaces in the 'Italy Pavilion' at Expo 2025, involving entities including trade associations, technology clusters, universities, research centres, etc.

MEDIOCREREDITO CENTRALE S.P.A.

MCC has maintained its role in supporting the Italian business fabric, particularly in the South, growing in terms of the number of clients served and volumes employed.

Credit activity was mainly aimed at companies with medium and long-term financing, although also the further consolidation of factoring and the involvement of the bank in alternative finance operations using instruments

complementary to traditional lending.

The business development in the Small Business Segment, in continuity with the previous period, was mainly managed through the Easy PMI portal, with the offer relating to the CresciPMI, CresciSI and Nuova Sabatini products, as well as Resto Al Sud, which MCC continues to propose in the regions not served by the Group's branches, with particular reference to branches of BdM Banca.

The physical network, which mainly covers medium and large companies, produced over EUR 850 million in gross disbursements for 255 operations (with a preponderant share aimed at the sectors of Commerce, Business Services, Metallurgy and Intermediate Goods for Industry), including MLT financing, revolving and participation in pooled operations, to which are added other operations such as the continuation of the purchase of tax credits linked to building bonuses and cross-selling with factoring products, in order to cover the overall financing needs of clients, duly enhancing commercial synergies. Part of the financing was supported by government guarantees, thus facilitating client access to credit in terms of better conditions and allowing the bank to maintain a lower impact in terms of RWA. Business development has been oriented towards the search for new clients, which represents a predominant share among the financed entities, both through direct origination and through partners.

In line with its mission, the physical network has supported companies that have carried out significant energy efficiency improvements, providing them with liquidity in exchange for the transfer of accrued tax credits, as well as facilitating the start-up of client investment programmes by guaranteeing initial liquidity to companies awarded facilities and incentives. During the second half of 2024, the Structured Finance and Advisory unit was established, with the responsibility of offering structured finance products (Bonds, Specialised Finance and Project Financing) towards corporate clients, taking care of preliminary origination checks, taking into account aspects relating to sustainability and the related objectives of the Group, and offering consultancy and assistance in matters of subsidized finance as well as advisory services. In this regard, MCC then cooperated with other financial institutions in the realisation of pooled financing, in the form of both traditional financing and pro-rata subscription of project financing and bonds. Further Group synergies were also sought, mainly in the form of club deals and joint commercial action, in order to offer a wider range of products and services. The basket bond segment, like the 'stand-alone' bond subscriptions, is confirmed as an origination line of primary importance, with results that give MCC a consolidated role of market leadership in Italy. Support continues for the various Regional Finance Companies, which led to the successful conclusion of the multi-year programme – Basket Bond Campania – during the year, as well as the definitive launch, with the first two issues at the end of the year, of the Basket Bond Lazio, in which MCC plays the dual role of Investor and Arranger. At the end of December 2024, preparatory activities were started for the structuring of two additional Regional Alternative Finance projects: Basket Bond Sicilia, and Basket Bond Agrifood in joint participation with IRFIS and FinLombarda respectively. As far as market activities are concerned, the national programme – Basket Bond made in Italy, in collaboration with Unicredit, which proposed the first case of synthetic securitisation with multi-originator using the portfolio guarantee of the central fund – was a great success, achieved through the direct subscription of bonds issued by individual SMEs.

It should be noted that further transactions are being studied in which Mediocredito Centrale, in cooperation with domestic banks, can act as co-arranger and anchor investor, in order to further enhance the above-mentioned developments from a commercial perspective.

In the area of innovative finance, new initiatives are being pursued to complement direct lending with other forms of financial support to the entrepreneurial fabric. From the point of view of the product catalogue, the first part of the current year saw the development in line with the evolution of the facilitating measure and the updating of the features applicable to loans linked to the SACE 'Futuro' and 'Green' guarantees. Following the finalisation of the Group's agreement with the European Investment Fund (EIF) for the use of some of the guarantees of the InvestEU programme, defining the minimum requirements and the methods for channelling financing operations in support of Italian SMEs and Mid-Caps, in line with the Group project aimed at the use of the Sustainability Guarantee and the Innovation & Digitalisation Guarantee.

MedioCredito Centrale also manages:

- "Fondo di Garanzia", aimed at small and medium-sized businesses and professionals who have difficulty obtaining bank financing. In 2024, 231,318 applications were received (-3.0% compared to 2023 with 238,412 operations submitted), of which 228,909 were successful (-3.0% compared to 2023 with 235,894 accepted), for a financing volume of EUR 42.5 billion (-7.7% compared to 2023) and a guaranteed amount of EUR 29.9 billion (-13.8% compared to 2023).
- "Fondo per la crescita sostenibile", aimed at strategic R&D projects to strengthen Italy's competitiveness. The fund is managed by MCC, pursuant to the Agreement signed on 30 December 2021, on behalf of the Ministry of Enterprise and Made in Italy (MIMIT), as leader of a temporary grouping composed of 6 banks

and the National Research Council. The fund supports investments in R&D, using national resources, possibly integrated with community, regional and local resources.

Derivatives operations with the subsidiary Cassa di Risparmio di Orvieto.

In 2024, as part of fair value hedge transactions, connected to fixed-rate mortgage portfolios with monthly amortization, carried out by the subsidiary Cassa di Risparmio di Orvieto, MCC acted as a counterparty, stipulating derivative contracts for interest rate risk.

In particular, MCC entered into derivative contracts with CRO for a notional value of EUR 111.2 million, classified as trading derivatives in MCC's individual financial statements and mortgage hedging derivatives in CRO's financial statements. At the same time, MCC entered into a series of derivative contracts with a market counterparty that were the same as and opposite to those entered into with CRO, which were also classified in the trading portfolio. In terms of consolidated financial statements, intercompany derivative assets and liabilities are eliminated, so that the derivatives entered into by MCC with a third party counterparty (hedging instrument), classified under item 50 of the balance sheet liabilities 'Hedging derivatives' for EUR 2.9 million cover Cassa di Risparmio di Orvieto's fixed-rate loan portfolio (hedged item) classified under item 120 of the balance sheet assets 'Non-current assets and disposal groups held for sale'.

Derisking single-name NPEs December 2024

In implementation of the forecasts set out in the MCC Group's NPE Plan 2024-2027 — which outlines, among other things, significant derisking actions in the plan timeframe — during the fourth quarter of 2024, MCC undertook a major non-recourse sale of Non-Performing Exposures (NPEs) as part of the path to reduce the gross impaired stock aimed at improving the gross NPL ratio on both an individual level and in terms of the consolidated financial statements. The transaction involved fourteen institutional investors operating in the NPE sector, and subsequently, in December 2024, MCC sold a portfolio of impaired positions with a gross value of EUR 23 million for a consideration of EUR 14 million. The portfolio has been reclassified under assets held for sale. The sale resulted in additional value adjustments of approximately EUR 1 million, negatively impacting the statement of profit or loss.

New Superbonus/Ecobonus regulations

As of the financial year 2021, in accordance with the relevant legislation (Decree-Law No 34 of 19 May 2020, known as the 'Relaunch Decree', converted by Law No 77 of 17 July 2020, as amended and supplemented), the bank acquired tax credits pertaining to what is known as the 'Superbonus' as well as to other tax benefits that can be used by taxpayer customers. These purchased credits are utilised by the bank by offsetting them against its own tax liabilities following the same division into annual instalments used for the deductions granted to the taxpayer.

Lastly, Decree-Law No 39 of 29/03/2024, converted into Law No 67 of 23/05/2024 published in the Gazzetta Ufficiale No 123 of 28/05/2024, introduced new provisions on building tax bonuses, among which, the most relevant for 'qualified entities' (i.e. banks and other financial intermediaries, as well as companies belonging to a banking group and insurance companies) prohibits, as of 1 January 2025, offsetting tax credits deriving from rebate or assignment options with social security contributions and premiums for insurance against accidents at work and occupational diseases.

This resulted in the need to revise the estimates of the bank's prospective tax capacity and the consequent revision of the capacity to offset tax receivables. Since the entry into force of the aforementioned legislation, the bank has significantly reduced its purchases of tax receivables, continuously monitoring tax capacity with particular reference to the years 2025 and 2026. Moreover, if evidence emerges of a reduction in estimated tax capacity with respect to the tax receivables in the portfolio, the bank could opt to exercise what is known as *spalmacrediti* (credit spread; pursuant to Legislative Decree 11/2023), i.e., the transfer of tax receivables to third party counterparties.

The bank closely monitors tax capacity with particular reference to the above-mentioned years. On the other hand, should there be evidence of a shortfall in tax capacity with respect to the tax receivables in the portfolio and therefore the need for a transfer to third party counterparties in the course of the 2025 financial year, it may be necessary, limited to the excess portion, to reclassify from the portfolio at amortised cost to that measured at fair value.

As at 31 December 2024, purchases were completed of tax credits for a book value, recorded under item 120 of Balance Sheet Assets 'Other assets', amounting to around EUR 45.9 million (around EUR 56.5 million as at 31 December 2023). The valuation of tax credits in the portfolio at amortised cost generated income in the statement of profit or loss of around EUR 2.8 million (around EUR 2.1 million as at 31 December 2023), which was recognised under net interest margin.

Repayment of TLTRO-III Financing

In the course of 2024, MCC repaid the last two tranches of the TLTRO-III financing, the first for EUR 53 million, and the second for EUR 530 million in December 2024.

As at 31 December 2024, there are no financing operations with the European Central Bank through the TLTRO -III or LTRO programmes.

Approval of the Industrial Plan and the Funding Plan of the Group for the period 2024-2027

On 19 March 2024, the Board of Directors of MCC, as Parent Company of the MCC banking group, approved the Group Industrial Plan and Funding Plan for the period 2024-2027. For further details, please refer to the descriptions in the previous section of the Report on Operation 'Strategic Milestones'.

Rationalisation of relations with rating companies

On July 11, MCC announced that it would no longer rely on the Moody's rating and on 22 July, the MCC Group obtained rating from DBRS Ratings GMBH (Morningstar DBRS), which assigned MCC 'long-term issuer' rating BBB and 'short-term issuer' rating R-2 (high) and 'long-term deposits' rating BBB (high). The Trend for all credit ratings is 'Stable'. Lastly, on 4 November 2024, Morningstar DBRS changed the Rating Trend from stable to positive.

MCC ONE: the deposit account for private individuals

On 23 July, in line with the strategies outlined in the Funding Plan, MCC launched the MCC One deposit account on the market. This is a fully digital retail deposit account, which offers competitive remuneration on amounts tied up for 12, 18 and 24 months. The product helps to diversify the sources of funding.

Euro Medium Term Notes (EMTN) Programme

During 2024, MCC prepared a Euro Medium Term Notes Programme ('EMTN Programme') with a duration of one year, renewable periodically for a predefined maximum amount of EUR 1 billion. For further details, please refer to the descriptions in the previous section of the Report on Operation 'Strategic Milestones'.

Sale of the shareholding in Cassa di Risparmio di Orvieto (CRO)

On 17 December 2024, after a careful evaluation of the offers received from leading operators in the sector following a competitive process, MCC granted Banca del Fucino S.p.A. a short period of exclusivity to negotiate the main terms and conditions of the potential sale of its 85.3% stake in Cassa di Risparmio di Orvieto S.p.A., with the aim of signing the purchase and sale agreements by January 2025 and concluding the Transaction – subject to obtaining the regulatory and statutory authorisations – by the first half of 2025.

Consequently, the equity investment in Cassa di Risparmio di Orvieto was reclassified as an asset in the balance sheet under 'Non-current assets and disposal groups held for sale' in the amount of EUR 56.2 million.

As at 31 December 2024 in the consolidated financial statements, the assets and liabilities of CRO, in line with IFRS 5, were reclassified respectively under the items:

- 110 - 'Non-current assets and disposal groups held for sale' under 'Discontinued operations'
- 70 - 'Liabilities associated with assets held for sale' under 'Liabilities associated with discontinued operations'.

In the statement of profit or loss item '290. Profit (Loss) from discontinued operations net of tax', the balance of income and expenses relating to discontinued operations and 'associated liabilities held for sale', net of the related current and deferred taxation, has been reclassified; a similar reclassification, as required by IFRS 5, has been made for the comparative statement of profit or loss 2023.

Results of the financial year

MCC's balance sheet closed at 31/12/2024 with a profit of EUR 26.1 million, +28.8% compared to the figure as at 31 December 2023 (EUR 20.2 million) and with a net equity, including profit for the period, of EUR 927.5 million (EUR 892.8 million as at 31/12/2023).

The Net interest and other banking income of EUR 125 million achieved a significant increase (+30%) mainly as a result of the improvement in the interest margin due to the growth in rates (EUR 61.9 million +48%), as well as the increase in net commissions (EUR 59.1 million +15% compared to 31/12/2023), mostly related to the management of incentives (+10%). Commissions for the management of incentives amounted to EUR 53.6 million (EUR 48.7 million as at 31 December 2023) thanks to the contribution of the Guarantee Fund, which recorded +12.4% in commissions (EUR 50.7 million as at 31 December 2024 vs EUR 45.1 million as at 31 December 2023); and the contribution of the Sustainable Growth Fund EUR 2.2 million (vs EUR 2.5 million as at 31 December 2023). Net commissions from lending activities doubled to EUR 5.5 million (vs EUR 2.7 million

as at 31 December 2023), with contributions of commissions from structured finance transactions of EUR 2.1 million (not present in 2023) and factoring commissions of EUR 2.2 million (vs EUR 1.7 million as at 31 December 2023).

Operating costs, of EUR 70.5 million, recorded an increase (+14%), mainly due to the increase in administrative expenses, as well as to the higher provisions for risks.

Net losses/recoveries for credit risk amounted to EUR 15.7 million (EUR 8.7 million as at 31 December 2023, +80.5%), of which net analytical adjustments on impaired loans of EUR 9.9 million (EUR 15.5 million as at 31 December 2023), net collective adjustments on performing loans (stage 1 and stage 2) of EUR 7 million (net write-backs of EUR 6.6 million as at 31 December 2023) and net write-backs on loans to PA of EUR 0.9 million.

As at 31/12/2024, MCC holds 96.82% of the share capital of BdM Banca (formerly Banca Popolare di Bari) and 85.32% of Cassa di Risparmio di Orvieto and exercises management and coordination for both of them as parent company of the MCC Banking Group.

The two commercial banks controlled by MCC achieved an aggregate positive result of EUR 33.4 million compared to EUR 17.7 million in the previous financial year. In particular, BdM Banca closed the financial year with a profit of EUR 22.4 million (EUR 9.9 million as at 31 December 2023), and Cassa di Risparmio di Orvieto recorded a profit of EUR 10.9 million (compared to 7.8 million as at 31 December 2023).

With reference to the item 'Financial assets measured at amortised cost - Loans to customers', relating to MCC, it should be noted that loans to customers amounted to EUR 2.95 billion compared to EUR 2.75 billion as at 31 December 2023 (+7.2%). Of this aggregate, net financial receivables amounted to EUR 2.87 billion (up from EUR 2.68 billion as at 31 December 2023), trade receivables from public entities for facilities managed amounted to EUR 61.6 million (compared to EUR 58.9 million as at 31 December 2023), and other receivables amounted to EUR 14.6 million, compared to EUR 15.7 million as at 31 December 2023.

Company name		2024	2023	Δ
Mediocredito Centrale S.p.A.	Stake held (%)	100%	100%	-
	Share capital (€/000)	204,509	204,509	-
	Total assets (€/000)	4,790,226	4,825,237	(35,011)
	Shareholders' equity (€/000)	927,502	892,826	34,676
	Net interest and other banking income (€/000)	125,426	96,248	29,178
	Profit of the year (€/000)	26,081	20,245	5,836

INFRATEL ITALIA S.P.A.

Infratel is the implementing body of the Banda Larga and Ultra Larga Plans (Piano BUL), as well as the plans financed by the NRRP: Italia 1 Giga, Piano Italia 5G, Piano Scuola Connessa and Piano Sanità connessa. At the end of 2024, the company was appointed as the implementing body for: Milano Cortina; Galleries and Healthcare; Backhauling; Isole Minori 2 and SINFI application development. The Company operates to reduce the digital divide existing in areas of Italy through the integrated development of telecommunications infrastructures that extend access to fast Internet connection for individuals, businesses and institutions.

The main tasks of Infratel are:

- map market failure areas through periodic contact with telecom operators;
- plan infrastructure works avoiding duplication of investments;
- plan infrastructure and networks for ultra-broadband using existing available infrastructure
- and thus optimising investments;
- manage contracts for the construction of infrastructure and evaluate investment projects within the scope of the actions of the National Broadband Plan and the strategic Ultra Broadband project (BUL);
- manage the works carried out while maintaining their efficiency over time;
- ensure access to infrastructure for all operators under fair and non-discriminatory conditions.

The main goals achieved by the company in terms of infrastructure development in Italy for the year 2024 have already been described above in the Milestones section to which we refer for details.

As at 31/12/2024, for the Italia 1G Plan, the company paid advances of EUR 1,037 million (of which EUR 488 million Fibercop and EUR 549 million Open Fiber), while for Italia 5G Backhauling, advances of EUR 218 million were paid, for Italia 5G densification, advances of EUR 104 million were paid.

At this date, the amount of the activities provided remains extremely modest.

At the end of 2024, the mapping and consultation were carried out for the neighbouring street numbers in the grey areas and mobile networks project.

The further areas of activity undertaken by Infratel are the following:

- *Piano voucher PMI (SME Voucher Plan)*: a variable grant aimed at increasing the connection speed of SMEs; as at 31 December 2024, there are 437 accredited operators with the use of funds of approximately EUR 375 million.
- *Sistema Informativo Nazionale Federato delle Infrastrutture*: platform for mapping the subsoil and above-soil of the national infrastructure in which 1,024 operators are currently registered (TLC Operators and Public Utilities).
- *Wi-Fi Italia*: the project aims to offer a free Wi-Fi network spread across the entire country; the network extends across 25,415 total hotspots in municipal authorities, hospitals, schools, and special projects, of which 10,498 are owned by Infratel and installed by TIM, the other 14,917 belong to federated networks (for example, owned by Poste Italiane).
- *Servizi Digitali*: Digital Transformation (technological transformation of the production processes of micro, small and medium-sized enterprises in the manufacturing sector), Digital Entertainment (video games) and the design and management of Artificial Intelligence Technologies and Applications, Blockchain and the Internet of Things.
- *Piano Scuole Connesse - fase 1*: Internet connectivity service for 27,529 schools throughout Italy. To date, the 1 Gbit/s connectivity has been provided in 24,558 schools (89.2% of the schools in the plan).

The 2024 financial statement closes with a positive net result of EUR 4.47 million, an improvement of 56% compared to the previous financial year.

Company name		2024	2023	Δ
Infratel Italia S.p.A.	Stake held (%)	100%	100%	-
	Share capital (€/000)	8,594	8,594	-
	Total assets (€/000)	3,790,189	3,503,261	286,928
	Shareholders' equity (€/000)	31,747	27,276	4,471
	Value of production (€/000)	248,573	302,271	(53,698)
	Profit of the year (€/000)	4,471	2,870	1,601

INVITALIA PARTECIPAZIONI S.P.A.

Invitalia Partecipazioni, 100% controlled by Invitalia, is the Group's special purpose vehicle entrusted with the management of the liquidation of the equity investments and real estate assets, deemed non-strategic within the scope of the Group's rationalization. During the financial year, the company followed up on the plan of rationalization and disposal of the properties with the sale of three assets. In July 2022, a framework agreement was signed between Invimit SGR and Invitalia concerning, among other things, the terms of the sale of the real estate assets of Invitalia Partecipazioni to the I3 real estate fund managed by Invimit SGR.

During the financial year, the company followed up on the plan of rationalization and disposal of the properties with the sale of three assets and in particular the incubators of Terni and Marcianise, for which the contribution deed to the fund was signed on 10 July 2024 for a total value of EUR 3.3 million. Furthermore, on 27 May 2024, the transfer of the asset in the Municipal Authority of Montalto Uffugo to the Local Administration was completed for EUR 2.3 million.

Based on the ongoing negotiations, the company management plans to transfer to the aforementioned fund the apartment located in the Municipality of Naples and the real estate complex located in the Municipality of Porto Torres, within the first half of 2025 and the sale of all residual assets by the end of the current financial year. The fund shares relating to the value of the contribution will be simultaneously transferred to Invitalia, reducing the debt exposure towards the Parent Company Invitalia.

The financial statements closed on 31 December 2024 record a loss of EUR 2,329 thousand and equity of EUR 9,380 thousand. The participation of Invitalia Partecipazioni is recorded in the balance sheet at equity value.

Company name		2024	2023	Δ
Invitalia Partecipazioni S.p.A.	Stake held (%)	100%	100%	-
	Share capital (€/000)	5,000	5,000	-
	Total assets (€/000)	41,455	47,688	(6,233)
	Shareholders' equity (€/000)	9,380	11,804	(2,424)
	Value of production (€/000)	1,094	1,224	(130)
	Loss of the year (€/000)	(2,329)	(3,196)	867

Below is a summary table of the owned assets:

Asset	Balance Sheet Value (thousands of euro)	Surface area (m ² /000)	Notes
Salerno	1,230	3.6	Business incubator; data referring to the covered surface area
Pozzuoli	3,890	7.6	Business incubator; data referring to the covered surface area
Port Torres	1,900	5.7	Business incubator; data referring to the covered surface area
Piazza della Pressa - Genoa	488	4.8	Urban square
Piazza del Municipio - Naples	2,778	0.7	Apartment
Former Saffa area - Marcianise	7,700	227.0	Abandoned industrial area
Total	17,986		

Below is a summary table of the equity investments held by the Company:

Description	Percentage ownership
Other Companies	
Alto Tirreno Cosentino S.c.a r.l.	1.00%
Calpark S.p.A.	4.10%
Elettra - Sincrotrone Trieste S.c.p.A.	3.64%
Marina di Villa Ignea S.r.l.	7.55%
Meccano S.p.A.	4.43%
Salerno Sviluppo S.c.r.l. (in liquidation)	20.00%
Società per Cornigliano S.p.A.	10.00%
T.E.S.S. Costa del Vesuvio S.p.A. (in liquidation)	9.14%
Centro per lo Sviluppo del Cilento (CESVIC) S.p.A. (bankrupt)	12.50%
COPEL - Componenti Plastici Elettromeccanici S.p.A. (bankrupt)	49.00%
FINMEK Solutions S.p.A. (in extraordinary administration)	30.00%
Italian Services S.r.l. (bankrupt)	46.00%
S.E.F.I. S.p.A. (bankrupt)	22.87%
T.S.M. Tintoria e Stamperia del Molise S.p.A. (bankrupt)	30.47%
Wahoo S.p.A. (bankrupt)	17.60%

EQUITY INVESTMENTS

EQUITY INVESTMENTS INTENDED FOR SALE

These companies are classified among 'Non-current assets and disposal groups held for sale' as required by IFRS 5.

Italia Turismo S.p.A.

This is the Group company that dealt with investments in the tourism-hospitality sector; this area was deemed no longer strategic by the Parent Company Invitalia and therefore, in line with the guidelines contained in the Group's asset reorganisation and disposal plan, activities were begun to dispose of the 'non-income-generating' assets remaining in the portfolio following the contribution in 2022 of the income-generating assets to the 'i3 Sviluppo Italia' real estate fund managed by Invimit SGR S.p.A.

In the fourth quarter of the financial year, the assets of Pisticci and Siracusa were sold, and subsequently procedures were initiated for the disposal of the buildings and land located in Simeri Crichi and the lands of Sciacca. In particular, on 20 November 2024, in order to gauge market interest, a call for expressions of interest was published in relation to purchasing, even separately, the properties located in Simeri Crichi, divided into three lots: 1) land for tourist use, 2) building under construction 'Simeri Albergo', 3) thirty-seven residential real estate units. Following this invitation, the first phase of the sales procedure was started, aimed at verifying and qualifying the entities who expressed interest.

Furthermore, on 3 December 2024, the call for expressions of interest in purchasing the land located in the Municipality of Sciacca was published and the first phase of the sales procedure, aimed at verifying and qualifying the entities who expressed interest, is currently underway.

With a view to optimising the process of divestment of corporate assets, the Company has made efforts to maintain the assets in the best conditions, also in terms of their development potential, safeguarding the building capacities and maintaining the building permits in force.

The 2024 financial year closed with a loss of approximately EUR 5.6 million, essentially due to the absence of traditional revenue lines, following the aforementioned sale of operating assets, as well as write-downs for adjustments to the market value of part of the assets intended for disposal (EUR 4.1 million).

The value of the equity investment in Italia Turismo recorded in the balance sheet as at 31 December 2024, determined on the basis of an evaluation carried out by an independent expert, is EUR 36.182 million.

Company name		2024	2023	Δ
Italia Turismo S.p.A.	Stake held (%)	100%	100%	-
	Share capital (€/000)	49,000	49,000	-
	Total assets (€/000)	47,147	55,111	(7,964)
	Shareholders' equity (€/000)	39,177	44,916	(5,739)
	Value of production (€/000)	(3,029)	1,099	(4,128)
	Appropriations and depreciations (€/000)	(4,139)	(1,978)	(2,161)
	Loss of the year (€/000)	(5,628)	(3,762)	(1,866)

All in all, the asset disposal operation initiated with the approval of Article 47 of Law 77/2020 and the consequent plan for the reorganisation and disposal of the Group's assets, resulted in the following economic and financial effects on the company in the period 2020- 2024.

Summary	Villages	Development Areas	Land and others	Total
Net value as at 31/12/2019	120,402	39,012	27,377	186,791
Value adjustments*	(18,026)	(16,802)	(7,740)	(42,568)
Total disposals	(103,900)	-	(1,250)	(105,150)
Total other	1,524	3,027	(2,735)	1,816
Net value as at 31/12/2022	-	25,237	15,652	40,889
Value Adjustments	-	(67)	(1,432)	(1,499)
Total other	-	115	159	274
Net Value as at 31/12/2023	-	25,285	14,379	39,664
Value Adjustments	-	(3,287)	(1,116)	(4,403)
Total disposals	-	(9,015)	(540)	(9,555)
Total other	-	106	48	154
Net Value as at 31/12/2024	-	13,089	12,771	25,860

(*) the item includes gains/losses from disposals

Cassa di Risparmio di Orvieto S.p.A.

Mediocredito Centrale acquired direct control of Cassa di Risparmio di Orvieto with its own funds at the end of 2022 and therefore this company is also controlled, albeit indirectly, by Invitalia. The Cassa di Risparmio di Orvieto, founded in 1852, operates with a network of 41 branches located in a vast area falling within the neighbouring provinces of Terni and Perugia (Umbria), Rome and Viterbo (Lazio), and Pistoia (Tuscany).

The 2024 financial year closed with a net profit of EUR 11 million, compared to a profit of EUR 7.8 million as at 31 December 2023.

The Net interest income stood at EUR 42 million, up 17.5% compared to 31 December 2023, due to the prevailing increase in interest receivable, for EUR 11 million, compared to the increase in interest expense for EUR 4.5 million. The growth in the interest margin is attributable to the increase in net interest receivable from 'customers' (EUR +4.7 million), net interest receivable from 'securities' (EUR +1 million), net interest receivable from 'others' (EUR +0.5 million) and net interest receivable from 'banks' (EUR -0.06 million). Net interest from 'customers' benefited from the continued positive trend in interest rates as well as the growth of the credit portfolio (without considering debt securities, +7.0% compared to the figure as at 31 December 2023).

Net commissions income recorded an increase of EUR 0.5 million (+2.6%) compared to 31 December 2023, reaching EUR 18.5 million (EUR 18 million euros at the same time in 2023), mainly due to higher net commissions connected to the distribution of third-party services (EUR +0.33 million) and collection and payment services (EUR +0.17 million), partially offset by the negative trend in net commissions from 'other services' (EUR -0.11 million). Commissions receivable from 'other services' include, among others, recoveries of expenses on financing operations.

Other financial income increased by EUR 0.8 million on an annual basis, thanks to net profits from the sale of FVOCI securities (approximately EUR +1 million), partially offset by the negative fair value assessment of the shares held in the Keystone fund (EUR -0.2 million).

The Net interest and other banking income recorded an increase of 10.8%, going from EUR 55.6 million as at 31 December 2023 to EUR 61.6 million as at 31 December 2024 (EUR +6.3 million euros, +17.5%) due in part to the growth in net loans to customers and net commissions (EUR +0.47 million, +2.6%), partially offset by the downward trend in Other financial income and expenses (EUR -0.71 million).

Moreover, the positive balance of EUR 141,000 relating to the net income from hedging activities refers to the start, at the end of March 2024, of the fair value hedge of a portfolio of performing mortgages.

The negative net result of financial assets mandatorily valued at fair value, of EUR -0.22 million, mainly refers to the negative change in fair value of the shares held by CRO in the FIA Keystone fund.

The 'Net income from financial Activities' increased by 17.6% compared to 31 December 2023, due to the combined effect of the growing trend in the Net interest and other banking income (EUR +6.02 million, +10.8%), and lower Net losses/recoveries for credit risks which amounted to a total of EUR -5.5 million (EUR -7.88 million as at 31 December 2023, -30.6%).

Operating Costs stood at EUR 40 million, up 11.0% compared to the figure as at 31 December 2023 (EUR 36 million). In particular, the increase is mainly attributable to the trend in Administrative Expenses for which the following are recorded:

- Increase of EUR 700,000 in personnel expenses (EUR 21.1 million vs. EUR 20.4 million in 2023), mainly attributable to higher costs for employee benefits;
- Increase of EUR 4.17 million in other administrative expenses (EUR 18.8 million vs. EUR 14.6 million compared to 2023), of which EUR 2.8 million related to the increase in costs for intragroup outsourcing services.

The Cost/Income ratio, as at 31 December 2024, stands at 65.5%, an increase compared to the figure as at 31 December 2023 (64.8%).

With regard to net loans to customers relating to CRO, classified as non-current assets and disposal groups held for sale, we point out that these amounted to EUR 1.3 billion compared to EUR 1.18 billion as at 31 December 2023 (+10.6%).

Net impaired loans to customers amounted to EUR 19.9 million, compared to EUR 24.2 million as at 31 December 2023. Specifically, net loans classified as 'Non-performing' amounted to EUR 10.4 million, net Probable Defaults amounted to EUR 9.1 million, and net impaired overdue exposures amounted to EUR 0.4 million.

During the 2024 financial year, 8 fair value hedge transactions were approved on the same number of fixed-rate mortgage portfolios with monthly amortisation, aimed at reducing CRO's exposure to interest rate risk.

The hedging operations were structured on the basis of specific analyses aimed at identifying fixed-rate mortgages with extremely homogeneous characteristics both from a financial point of view and from the point of view of the type of borrower, in order to guarantee over time the consistently high effectiveness of the hedging relationship. The derivative instruments designated to hedge the above portfolios consist of amortising Interest Rate Swaps, entered into with MCC, which have an amortisation in line with the related hedged mortgage portfolio and an initial hedge ratio of between 50% and 60%. The hedge ratio, identified for each individual portfolio, has the purpose of preserving the high effectiveness of the hedge in the face of possible future events that could affect the hedged mortgages, such as early repayments, renegotiations, passive subrogations, etc. (repayments and defaults).

With regard to liquidity management, it should be noted that risk indicators continue to record levels well above both the minimum regulatory and management thresholds. In particular, as at 31 December 2024, the LCR and NSFR indicators are 211.97% and 117.38%, respectively, both above the regulatory thresholds of 100%. The liquidity buffer (composed mainly of ECB eligible assets), as at the same date, is equal to approximately EUR 206 million, which is above the minimum management threshold.

Company name		2024	2023	Δ
Cassa di Risparmio di Orvieto S.p.A.	Stake held by MCC (%)	85.32%	85.32%	-
	Share capital (€/000)	51,015	51,015	-
	Total assets (€/000)	1,617,276	1,439,338	123,938
	Shareholders' equity (€/000)	107,108	94,451	12,657
	Net interest and other banking income (€/000)	61,678	55,663	6,015
	Profit of the year (€/000)	10,997	7,807	3,190

EQUITY INVESTMENTS SUBJECT TO SIGNIFICANT INFLUENCE

CDP Venture Capital SGR S.p.A.

Invitalia holds 30% of the share capital of CDP Venture Capital SGR, while the remaining 70% is held by CDP Equity.

CDP Venture Capital SGR establishes and manages closed-end Alternative Investment Funds ('AIFs') reserved for professional investors, each with a duration ranging from 10 to 15 years depending on the specific investment strategy. Direct investments are focused on innovative startups and SMEs active in strategic fields and technologies for Italy, prioritising SpaceTech, CleanTech, IndustryTech, InfraTech&Mobility, AgriFoodTech, and Healthcare&Lifescience, in addition to a cross-sector focus on Artificial Intelligence. For indirect investments (i.e. Funds of Funds) SGR invests in funds managed by third-party supervised entities, both national and international, that operate in specific verticals or, according to a generalist logic, in different sectors and in the various phases of the life cycle of startups.

During 2024, the SGR raised additional subscriptions for EUR 1,075 million (of which EUR 958 million from the Ministry of Enterprise and Made in Italy, EUR 100 million from CDP Equity S.p.A. and a further EUR 17 million from other investors), bringing the total resources under management to EUR 4,709 million and launching 2 new funds. With reference to investment activities through managed funds, in 2024 the SGR invested a total of approximately EUR 337 million, recording an increase of 39% compared to the previous year and closing the financial year with a positive economic result of EUR 10.3 million, up compared to 2023 (+21%). The result is attributable to the combined effect of higher active management commissions – mainly due to the implementation of the funds launched in 2023, new subscriptions and the launch of the 2 new funds – as well as the credit balance of interest and other income, which brings the intermediation margin to EUR 53.8 million (+29%).

From a financial perspective, as at 31 December 2024, the Company has a net equity of EUR 34.7 million, the positive variation of which is substantially attributable to the dynamics of the profit generated in the financial year, net of the variation in the valuation reserves. The Company's capitalisation is adequate in compliance with supervisory requirements (supervisory capital as at 31 December 2023 of 356% of the requirement established by current legislation).

Company name		2024	2023	Δ
CDP Venture Capital SGR S.p.A.	Stake held (%)	30%	30%	-
	Share capital (€/000)	2,596	2,596	-
	Total assets (€/000)	55,617	40,832	14,785
	Shareholders' equity (€/000)	34,674	24,376	10,298
	Net interest and other banking income (€/000)	53,808	41,713	12,095
	Profit of the year (€/000)	10,302	8,521	1,781

Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A.

The stake held by Invitalia is 5.39% for a nominal value of EUR 4.6 million.

In 2023, in addition to continuing the process of rationalizing costs, the Treccani Group, in line with the 2023-2027 Industrial Plan, continued to develop activities and strategies aimed at long-term diversification through the consolidation of its presence in the education and training publishing market; the strengthening of the use of e-commerce; the expansion of its presence on digital channels; and the restructuring of the commercial network.

As at 31 December 2024, the institute's turnover is EUR 12.8 million (+26%), deriving largely from intra-group transactions and contracts and including the grant of EUR 5 million from the Ministry of Culture pursuant to Law No 223/2023 to support the institute's public mission. The net result of EUR 163,000 (EUR 71,000 in 2023) is an increase compared to the previous financial year.

The institute's net assets amount to EUR 91.2 million.

EQUITY INVESTMENTS ACQUIRED WITH GRANTS – ON BALANCE

The shareholdings falling within this category, also described in the section 'Management of third-party funds – on balance' below and accounted for under item 70 Shareholdings, are as follows:

DRI d'Italia S.p.A.

As previously indicated, the shareholding in DRI d'Italia is not controlled, as indicated by IFRS 10, and is therefore not included in the Group's consolidated financial statements, as it was acquired with targeted public grants and therefore cannot be classified as an equity instrument in the strict sense.

DRI D'Italia S.p.A. was established in January 2022 to assess the feasibility of direct reduced iron (DRI) production plants, with the aim of subsequently proceeding with their construction and management.

The Company is directed and coordinated by the Agency, which has 100% ownership; however, DRI D'Italia is not included in the consolidation perimeter of the Parent Company; the participation is considered as residual equity, as it was established in compliance with specific regulatory provisions and through the use of public funding.

With Law No 175/2022, DRI D'Italia was designated as the implementing body for the decarbonisation of the Italian steel sector, with the consequent allocation of up to EUR 1 billion in resources from the NRRP funds earmarked for the use of hydrogen in carbon-intensive sectors.

Following the implementing decision of the EU Council - ECOFIN of 8 December 2023, approving the revision of the Italian NRRP, which defunded the financial allocation of EUR 1 billion (for the 'use of hydrogen in hard-to-abate sectors', the conclusion of which was scheduled for June 2026), Law No 56 of 29 April 2024 (conversion of Decree-Law 19/2024) intervened, with the refinancing of the project for the construction of a DRI plant with EUR 1 billion from the 2021-2027 Development and Cohesion Fund.

The Financial Statements closed on 31/12/2024 refer to the third financial year and were drawn up on the assumption of going concern, mainly taking into account the capital endowment, liquidity and refinancing under Law No 56/2024 of the actions removed from the NRRP, which confirmed DRI D'Italia's role as implementing body of the actions to decarbonise the Italian steel sector.

With a fully paid-up share capital of EUR 35 million, the Equity at the end of the financial year amounts to EUR 24.9 million, considering the net loss of EUR 3.4 million and the loss of EUR 6.7 million carried forward from previous financial years.

Below are the main data from the company's civil balance sheet:

Company name		2024	2023	Δ
DRI d'Italia S.p.A.	Stake held (%)	100%	100%	-
	Share capital (€/000)	35,000	35,000	-
	Total assets (€/000)	29,019	31,288	(2,269)
	Shareholders' equity (€/000)	24,872	28,273	(3,401)
	Value of production (€/000)	-	642	(642)
	Loss of the year (€/000)	(3,401)	(4,222)	821

BDM Banca S.p.A.

In 2020, the share capital package of BdM Banca S.p.A (formerly Banca Popolare di Bari) was acquired by MCC with funds received pursuant to Legislative Decree No 142 of 2019.

In implementation of this decree, the MEF provided Invitalia with a grant aimed at strengthening MCC's capital, through capital payments, so that it could promote – according to market logic, criteria and conditions – the development of financial and investment activities to support businesses in Southern Italy, to be achieved also through the acquisition of shareholdings.

With the end of the receivership, BdM Banca, together with Cassa di Risparmio di Orvieto S.p.A, became part of the Mediocredito Centrale Group and is today one of the main banking institutions in Southern Italy with a strong presence in the area through 217 branches.

In close coordination with the parent company MCC, BDM Banca is committed to a relaunch across the entire territory with particular reference to the recovery of natural market shares, lost during the period of administration, and to the further development of loans to households, micro, small and medium-sized enterprises and Mid Corporate, with the aim of becoming the reference retail bank for Southern Italy.

The 2024 financial year closed with a net profit of EUR 22.40 million, an increase compared to the net profit of EUR 9.87 million in the previous year. The net result for the financial year was affected by the increase in the Net Interest income (+19.7%) thanks also to the growth in net loans to customers, although net allocations to 'Provisions for risks and charges' were still recorded, for approximately EUR 14.41 million (item 170 b) of the statement of profit or loss), largely connected to the legacy of the previous management.

Overall, credit activity continued to support significantly households and small and medium-sized enterprises in Southern Italy during 2024, with new disbursements of over EUR 1 billion. The renewed sign of customer confidence, also the result of commercial initiatives, led to a growth in net loans to customers (excluding debt securities) of 1.6%.

The portfolio of impaired loans to customers has a net book value of EUR 212.2 million (EUR 256.8 million as at the end of 2023, -17.4%), with a coverage ratio of expected losses of 47.6% (51.6% as at 31 December 2023). As a result of the derisking actions carried out in 2024, the gross NPL ratio and the net NPL ratio recorded a decrease compared to the previous financial year, reaching 6.9% (9% as at 31 December 2023) and 3.8% (4.6% as at 31 December 2023), respectively.

The ratio of net bad debts/total net loans stands at 0.3% (a decrease of 0.8% compared to the 2023 financial year), the incidence of net probable defaults also decreases (from 3.4% to 3%) and the relative incidence of net overdue receivables remains constant (at 0.4%).

On 29 January, BdM Banca announced that it had obtained from the Bank of Italy the authorization for the early full repayment of the subordinated debenture called 'Banca Popolare di Bari subordinato Tier II – tasso fisso 11.50% 31/12/2018 – 30/12/2025', for a total of EUR 15 million. This transaction was carried out on 10 February 2025 and did not have a significant impact on the capital ratios as at 31 December 2024 but will generate a positive impact on the 2025 income statement.

Company name		2024	2023	Δ
BdM Banca S.p.A.	Stake held by MCC (%)	96.86%	96.86%	-
	Share capital (€/000)	622,303	622,303	-
	Total assets (€/000)	9,087,237	9,428,737	(341,500)
	Shareholders' equity (€/000)	537,046	488,355	48,691
	Net interest and other banking income (€/000)	341,995	300,300	41,695
	Profit of the year (€/000)	22,396	9,874	12,522

Acciaierie d'Italia Holding S.p.A. (ADIH)

At the Government's request and with the aim of starting a new phase of eco-sustainable development of the former Ilva di Taranto, Invitalia signed an investment agreement with the Arcelor Mittal group in December 2020 for the acquisition of a minority stake in AM InvestCo Italy S.p.A. In execution of the agreement, in April 2021 Invitalia acquired the 38% shareholding (with 50% voting rights) through the subscription of ordinary shares for an amount of EUR 400 million in AM InvestCo Italy S.p.A., the lessee of the Ilva business units in AS. Following this operation, the company name of AM InvestCo Italy was changed to Acciaierie d'Italia Holding S.p.A. (hereinafter ADIH), with the ArcelorMittal Group holding the remaining 62%. The co-investment agreement signed with the Arcelor Mittal group included certain guarantees and counter-guarantees granted by Invitalia in favour of ADIH and its subsidiaries, in proportion to the share capital held.

On 15 February 2023, ADIH Shareholders supported the Company's capital for EUR 750 million, through shareholder financing for a future capital increase, of which EUR 680 million paid by Invitalia and EUR 70 million by ArcelorMittal through the conversion of credits of the same amount.

On 3 March 2023, ADIH entered into two financing agreements for a future capital increase: one in favour of the subsidiary Acciaierie d'Italia S.p.A. for EUR 630 million, and one in favour of ADI Energia S.r.l. for EUR 50 million, in order to allocate to the operating companies the capital support resources consistent with management needs, mainly aimed at paying debts for energy supplies as well as for the increase in charges resulting from the Russia-Ukraine war.

The lack of own assets (the plants being owned by the former Ilva in Extraordinary Administration) and the expected expiry of the rental contract on 31 May 2024, have compromised access to bank credit. Therefore, in November 2023 the Company detailed its financial needs taking into account both working capital requirements and investment requirements, aimed at a production ramp up to 4.5 million tonnes, an acceleration of investments in decarbonisation in 2024 and the purchase of the assets from the former Ilva in Extraordinary Administration.

As a result, the shareholders were called at the end of November 2023 to grant another shareholder loan for a future capital increase for a total of EUR 1.320 billion. Despite lengthy assembly proceedings and repeated attempts, the shareholders were unable to reach an agreement on the financial support to be provided to the company.

The rental contract for the former Ilva business units expired on 31 May 2024, having already been extended from 31 May 2022.

In February 2024, given the clear impossibility of reaching an agreement with the private shareholder, in implementation of the provisions of Article 2(2) of Legislative Decree No 347 of 23 December 2003, converted, with amendments, by Law No 39 of 18 February 2004, Invitalia submitted an application on 18 February 2024, in agreement with MIMIT, for immediate admission to the procedure of extraordinary administration of Acciaierie d'Italia S.p.A.: This admission was mandated by decree of the Minister of Enterprise and Made in Italy dated 20 February 2024.

On 29 February 2024, the Bankruptcy Division of the Court of Milan declared a 'state of insolvency' for Acciaierie d'Italia S.p.A.

By decree of the Minister of Enterprise and Made in Italy, adopted on 1 March 2024, the subsidiaries ADI Energia S.r.l. ADI Servizi Marittimi S.r.l., ADI Tubiforma S.r.l., ADI Socova S.a.s. were admitted, in extension and with immediate effect, to the first procedure of extraordinary administration opened against ADI, pursuant to the provisions of Art. 3(3) of Decree-Law 347/2003 (L. n. 39/2004) and by Articles 80 and 81 of Legislative Decree No 270/1999, and with the same commissarial body appointed for ADI, composed of engineer Giancarlo Quaranta, Prof. Giovanni Fiori and Prof. Davide Tabarelli.

On 14 March 2024 and 21 March 2024, the Court of Milan declared the insolvency of ADI Tubiforma S.r.l., ADI Servizi Marittimi S.r.l., ADI Energia S.r.l. and ADI Socova S.a.s.

With Ministerial Decree of 17 April 2024 (in the Gazzetta Ufficiale of 3 May 2024) the extraordinary administration procedure was also extended to the holding (Acciaierie d'Italia Holding S.p.A.), appointing the same extraordinary commissioners already appointed for the other companies of the Group.

On 3 October 2024, the Bankruptcy Division of the Court of Milan declared Acciaierie d'Italia Holding S.p.A. insolvent.

In December 2024, Acciaierie d'Italia Holding and the pro tempore CEO served a notice of objection to the declaration of insolvency. The case is still pending today, the pre-trial evidentiary hearing has been held, the pre-trial briefs of the parties have been presented and filed and we are awaiting the decision of the court.

ReiThera S.r.l.

Pursuant to Article 34 of Decree-Law No 104 of 14.08.2020, Invitalia holds 27% of the shareholding in ReiThera. The company – whose purpose is the research, development, manufacturing and marketing of pharmaceutical, medicinal, veterinary, biological and cosmetic chemical products as well as the provision of technical services related to the aforementioned products – redefined its industrial plan in 2023, following the failure to finalize the Development Agreement signed in 2021.

In 2024, the recorded production value is EUR 32.4 million (+23%) relating to revenues from third-party contracts. The profit of the year is EUR 2.9 million (+32%). With a share capital of EUR 13.7 million, the equity is EUR 18.6 million.

Toscana Life Science Sviluppo S.r.l.

Pursuant to Article 34 of Decree-Law No 104 of 14.08.2020, Invitalia acquired a 30% stake in TLS-Sviluppo. The corporate purpose of the company is the research, development, production and marketing of biotechnological and biomedical products for the diagnosis, prophylaxis (including vaccines) and treatment of pathologies of various origins, with particular interest in bacterial and viral diseases and, in particular, the SARS-CoV-2 pandemic.

The 2023 Budget, approved in December 2024 due to the time taken for the assessment in relation to the requested financial support necessary for continuity, showed a loss of EUR 13.6 million, which led to the zeroing of the share capital against a negative equity of EUR 8.3 million. Therefore, pursuant to Art. 2482-ter of the Italian Civil Code, the Shareholders' Meeting resolved to put the company into liquidation. As at the date of recording, the 2024 Budget has not yet been prepared by the Liquidator appointed at the same Meeting.

SHAREHOLDINGS ACQUIRED WITH ADMINISTRATED FUNDS – OFF BALANCE

The shareholdings in Menarini S.p.A., formerly Industria Italiana Autobus (42.76%) and in Sider Alloys Italia S.p.A. (20.33%) were acquired with funds administered on behalf of the State (Contratti di Sviluppo). These shareholdings, unlike those previously described, are accounted for among the memorandum accounts, since the necessary funds were not given to the Company as direct grants.

Menarini S.p.A.

June 2024 saw the conclusion of the process started in 2022, with which Invitalia and Leonardo, partners of Industria Italiana Autobus S.p.A., assisted by professional advisors, promoted the search for an investor to support the development and recovery of the company, which produces buses distributed under the brand Menarinibus, a historic symbol of urban public transport in Italy. The process involved numerous potential bidders both Italian and foreign, and led to the sale of the stake to Seri Industrial S.p.A. – the only truly interested party – in accordance with the directives of the Minister of Enterprise and Made in Italy.

The transaction envisaged that Invitalia would continue to hold a minimum share (2%) of the share capital, amounting to EUR 3.8 million, with the sole aim of directly monitoring the execution of the relaunch plan and compliance with the contractual commitments of the new owners. As a result of the transaction, the share capital benefited from a financial endowment for the relaunch of EUR 191.3 million. In October 2024, the company changed its name to Menarini S.p.A.

As at the date of recording, the company announced its intention to call the Shareholders' Meeting for the approval of the 2024 Financial Statements within the greater term of 180 days (Art. 2364(2) of the Civil Code).

Sider Alloys Italia S.p.A.

In 2018, Sider Alloys Italia was awarded a Development Contract aimed at reactivating the former Alcoa plant in Portovesme (South Sardinia). In agreement with MIMIT, Invitalia subsequently acquired a minority stake, aimed at reviving and relaunching the former Alcoa industrial complex for the production of primary aluminium (the only producer in Italy), located in the industrial area of Portoscuso (South Sardinia).

This relaunch involved a significant increase in investment costs, so assessment is underway by the banks (led by Unicredit) for a possible substantial loan, partially supported by a SACE guarantee, in order to complete the revamping project.

The draft budget for the 2024 financial year has not yet been prepared, as the company has requested a longer deadline for approval, given the need to assess going concern, also ahead of the actual granting of the aforementioned financing.

ECONOMIC AND FINANCIAL RESULTS

ECONOMIC SITUATION OF INVITALIA S.P.A.

The following table reclassifies the statutory income statement items from a management perspective, comparing them with those of the 2023 financial year:

Amounts in thousands of euro

	2024	2023	Δ
Production value	277,178	236,108	41,069
Revenue from services	272,104	229,393	42,712
Other income	5,073	6,716	(1,642)
Operating costs	(226,972)	(188,028)	(38,943)
Labour Costs	(184,891)	(153,435)	(31,456)
External costs	(42,081)	(34,594)	(7,487)
Gross Operating Margin	50,206	48,080	2,126
% of Prod. Value	18.1%	20.4%	
Overhead costs	(34,740)	(33,514)	(1,226)
Labour Costs	(19,815)	(18,976)	(839)
External costs	(6,676)	(6,361)	(315)
General expenses	(8,249)	(8,177)	(72)
Net Operating Margin (EBITDA)	15,466	14,566	900
% of Prod. Value	5.6%	6.2%	
Depreciation/Amortisation	(4,122)	(3,953)	(169)
Operating Result (EBIT)	11,344	10,613	731
% of Prod. Value	4.1%	4.5%	
Investment income	33,479	19,455	14,024
Financial income (expenses)	(7,198)	(7,526)	328
Extraordinary income (expenses)	(12,377)	(7,757)	(4,620)
Gross Result	25,248	14,785	10,463
Taxes	(2,855)	(2,479)	(376)
Net Result	22,393	12,306	10,087

Production value

Revenues from services increased by EUR 42.7 million compared to the previous financial year. This increase is attributable to the contribution of new contracts started during 2024 which generated a total of EUR 30.4 million in revenues (11.0% of the total Production Value), as well as the acceleration of activities on contracts in the portfolio which recorded an increase of EUR 37.5 million overall (13.5% of the total Production Value). Conversely, the contracts concluded in the previous financial year resulted in a reduction in revenues of approximately EUR 25.2 million (-9.1% of the total Production Value).

Below are the contracts that contributed most to revenues in 2024:

- support for large investments through MIMIT Contratti di Sviluppo (EUR 27.4 million, equal to 10.0% of revenues from services);
- support to the Extraordinary Commissioners for reconstruction activities following natural disasters (earthquakes and floods) in Italy (EUR 21.2 million, equal to 7.8% of revenues from services);
- support for innovative businesses with the Smart & Start and Nuove Imprese a Tasso Zero measures (EUR 13.3 million, 4.9% of revenues from services);
- Funds (FSI and FSC) for the acquisition of risk capital in companies in financial difficulty or located in the South (EUR 10.3 million, equal to 3.8% of revenues from services);
- support and technical assistance for actions in response to the pandemic and acceleration of spending, through the AT REACT EU Linea 1 and Linea 2 measures (EUR 8.9 million, equal to 3.3% of revenues from services);
- support for the creation of new entrepreneurial activities through the Resto al Sud measure (EUR 8.7 million, 3.2% of revenues from services);
- support to MiMIT for the implementation of the National Research, Innovation and Competitiveness Programme for the Green and Digital Transition (EUR 5.9 million, equal to 2.2% of revenues from services);
- Incentives for the creation and consolidation of businesses led by women (EUR 5.6 million, equal to 2.0% of revenues from services).

The production value also includes other income (EUR -1.6 million compared to 2023) from activities performed on behalf of subsidiaries (service contracts), funding received for training programmes, projects focused on cyber security and fraud prevention and management.

Overall, therefore, the Production Value increased by EUR 41.1 million, up 17.4% compared to 2023.

Revenues from services, as well as related costs, are shown in accordance with IFRS 15 on a net basis with respect to contracts identified as 'with delegation by the contracting authority', as costs and revenues are equivalent.

Cost Analysis

Amounts in thousands of euro

	2024	2023	Δ
Labour costs	(204,706)	(172,410)	(32,296)
Line	(184,891)	(153,435)	(31,456)
Overheads	(19,815)	(18,976)	(839)
External performance	(46,987)	(37,830)	(9,157)
Line	(40,311)	(31,470)	(8,842)
Overheads	(6,676)	(6,361)	(315)
General expenses	(10,019)	(11,301)	1,283
Line	(1,770)	(3,124)	1,355
Overheads	(8,249)	(8,177)	(72)
Depreciation/Amortisation	(4,122)	(3,953)	(169)
Operating costs	(265,834)	(225,495)	(40,339)

The increase in costs compared to 2023 is essentially attributable to the development of the workforce. In fact, staff costs increased by EUR 32.3 million. This increase is mainly attributable to the operational line (97.4%) to meet the growth in demand for services. The incidence of labour costs on the production value is only slightly higher (+0.8pp)

The increase in employees compared to the previous year was 161 persons (2,897 in 2024 against 2,736 in 2023). The change, however, is even more significant in terms of the average number of employees (+335 persons, going from 2,465 in 2023 to 2,800 in 2024).

The number of atypical workers is substantially unchanged (179 in 2024 and 176 in 2023).

For details on the change in workforce, please refer to the section 'People First' below.

External line costs (including external services and general overheads) increase by approximately EUR 7.5 million, as a result of the greater need for specialised services.

Despite the significant increase in Production Value (+17.4%), fixed overheads (external services and general overheads) increased by only 2.7%. The incidence of these costs on the Production Value decreases by 0.9% (from 6.2% to 5.4%) as a result of improvements to spending efficiency.

Depreciation is in line with the previous financial year.

Financial management margin

Amounts in thousands of euro

	2024	2023	Δ
Treasury result	9,383	8,747	636
Financial income/expenses	(16,581)	(16,273)	(308)
Net financial income/expenses	(7,198)	(7,526)	328

The treasury result, which shows an improvement of EUR 0.6 million compared to 2023, is equal to EUR 9.4 million, deriving from the financial management result of EUR 4.8 million and from the increase in value (NAV) recorded by the shares of the real estate fund called 'I-3 Sviluppo Italia for EUR 4.6 million.

Financial income (EUR 2.6 million) includes EUR 0.7 million from interest earned from subsidiaries and associated companies, and EUR 1.9 million from other customers. Financial charges (EUR -19.2 million) are essentially made up of interest paid on the Social Bond issued by the Agency.

Investment income

The investment income shows a positive result of EUR 33.5 million (EUR +14 million compared to 2023), broken down as follows:

- EUR 37 million (EUR +9.3 million compared to 2023) as a result of the Equity method adjustment of the value of the MCC investment including the Purchase Price Allocation valuation, of which EUR 12.3 million attributable to its subsidiary CRO;
- EUR 2.4 million related to Invitalia Partecipazioni as a result of the adjustment of the value to the shareholders' equity of the investee company adjusted in accordance with the parent company's accounting principles;
- EUR 3.1 million as a result of adjusting the value of the investment in CDP Ventures Capital SGR to its share (30%) of Equity;
- EUR 4.2 million (EUR +2.5 million compared to 2023) related to Infratel as a result of the adjustment of the value to the shareholders' equity of the investee company adjusted in accordance with the parent company's accounting principles;
- negative result of EUR 6 million for the adjustment of the value of the investment in Italia Turismo to fair value less cost to sell determined — with the support of an independent expert — on the basis of the application of the Equity method including corporate overheads and an estimate of sales commissions
- other costs related to the management of investments for EUR -2.5 million.

Extraordinary charges

Amounts in thousands of euro

	2024	2023	Δ
Non-recurring charges:	(16,743)	(13,273)	(3,470)
Extraordinary charges	(7,848)	(6,245)	(1,603)
Credit write-offs	(3,553)	(5,908)	2,355
Charges for retirement incentives	(5,342)	(1,120)	(4,222)
Other income	4,367	5,516	(1,150)
Net non-recurring charges	(12,377)	(7,757)	(4,620)

Non-recurring charges, equal to approximately EUR -16.7 million, are made up of extraordinary charges for EUR -7.8 million, credit write-offs for EUR 3.6 million and charges for retirement incentives for EUR -5.3 million (of which a provision of EUR 3.8 million).

Other income amounts to EUR 4.4 million, of which EUR 3 million relating to the collection of VAT credit for Bagnoli Futura transferred by Fintecna as part of the final settlement signed in 2022 for the resolution of disputes on the transfers of ownership of the Bagnoli area and on the responsibility for its remediation.

STATEMENT OF ASSETS AND LIABILITIES - INVITALIA S.P.A.

The Statement of Assets and Liabilities as at 31/12/2024, presented briefly in the table below, has been reclassified to highlight the uses of the financial year, according to the 'decreasing liquidity' criterion, as well as to highlight the composition of the sources of financing, as compared with the data for the 2023 financial year.

Amounts in thousands of euro

	2024	2023	Δ
Uses:			
Immediate liquidity	34,507	147,790	(113,283)
Deferred liquidity (Securities)	102,376	127,134	(24,758)
Net operating working capital	371,556	364,198	7,358
Net working capital	78,898	8,257	70,641
Availability of third party funds	322,354	323,788	(1,434)
Assets held for sale	36,482	42,531	(6,049)
Investments	604,710	550,376	54,334
Investments with third-party grants/funds	470,067	470,067	0
Financial fixed assets	167,165	163,642	3,523
Financial fixed assets with third party grants/funds	975,037	974,946	91
Technical fixed assets	121,089	116,087	5,002
Total	3,284,241	3,288,816	(4,575)
Funded by:			
Equity	880,776	846,679	34,096
Bonds and other financial debts	474,898	520,806	(45,908)
Third party funds (including grants)	1,894,297	1,894,852	(555)
<i>of which intended for:</i>			

<i>share acquisition</i>	508,176	507,656	520
<i>real estate portfolios (Bagnoli and Business Incubators)</i>	112,849	112,081	768
<i>disbursement of facilities</i>	1,273,271	1,275,115	(1,844)
Severance indemnity (TFR)	4,918	5,107	(189)
Risk provision	29,353	21,372	7,981
Total	3,284,241	3,288,816	(4,575)

The overall reclassified statement of assets and liabilities shows total investments of approximately EUR 3.3 billion, substantially unchanged compared to the previous financial year. The dynamics of the main variations, compared to the previous financial year, sees a significant decrease in Immediate Liquidity, for a total of EUR 113 million.

This decrease, of approximately EUR 75 million, is due to the enforcement of some guarantees and counter-guarantees granted by Invitalia to ADIH and its subsidiaries, in proportion to the share capital held under the co-investment agreement signed with the Arcelor Mittal group. These guarantees were granted by Invitalia as a consequence of the investment agreement signed with the Arcelor Mittal Group, which took place at the request of the Government, using the funding received in application of Art. 1 of Decree-Law No 142 of 16 December 2019. Accordingly, the company took action by immediately bringing to the attention of the Ministry of the Economy and Finance the sums already paid and to be paid, against the called guarantees, in order to identify the most suitable methods of reimbursement, considering the particular nature of the acquisition of the shareholding which took place in implementation of the provision of law (Decree-Law 142 of 2021).

Discussions have been initiated with the MEF for the use of resources already available to Invitalia to cover all charges associated with the guarantees and counter-guarantees issued in the interest of ADIH.

The further contraction in immediate liquidity was determined by the repayment of the EUR 30 million bridge loan, stipulated in the second half of 2023 to partially cover the financial needs generated by the purchase of the former Italsider area of Bagnoli for the purpose of land reclamation and redevelopment. This purchase constituted an obligation arising from Decree-Law 133 of 2014 (pursuant to Art.33) and which assigned the reclamation of Bagnoli to Invitalia and was finalised in 2023 with the settlement of a long dispute with the previous owner and others. This bridge loan was repaid following the stipulation of a medium-term pooled green loan at the beginning of 2024, for EUR 68 million.

The net increase in working capital is essentially connected to the recognition of receivables against the sums paid for the guarantees called (EUR 75 million).

The 'Assets held for sale' recorded a decrease of EUR 6 million due to the further adjustment of the valuations of the assets of the subsidiary Italia Turismo, which led to a consequent adjustment of the fair value of the shareholding.

The item 'Investments' increased by EUR 54 million due to their valuation using the Equity method and, in particular, in Mediocredito Centrale, whose value was also revalued to take into account the equity of its direct subsidiary Cassa di Risparmio di Orvieto.

Equity increased by approximately EUR 34 million mainly due to the following effects:

- EUR 12 million resulting from the valuation of financial assets at fair value with an impact on the overall profitability that MCC and its subsidiary CRO have recorded in their financial statements, and which is reflected in Invitalia's financial statements following the adjustment of the value of the MCC shareholding using the Equity method;
- EUR 22 million as a result of the 2024 financial year result.

'Bonds and other financial debts' decreased by EUR 46 million mainly due to the closure of the repurchase agreement financing and the repayment of the bridge loan of EUR 30 million to partially cover the financial requirement generated by the purchase of the former Italsider area of Bagnoli for the purpose of land reclamation and redevelopment.

'Third-party funds' decreased by approximately EUR 0.5 million and are represented by financial resources relating to various measures and legislative provisions, assigned and made available to Invitalia to be subsequently used according to the methods set out in the various agreements and/or legal provisions.

These funds, amounting to a total of EUR 1,895 million, are mainly used for:

- EUR 680 million for the shareholder advance payment for share capital increase disbursed to ADIH;
- EUR 510 million for the subscription of debentures to finance SMEs;
- EUR 470 million (net of value adjustments) in shareholdings (BdM Banca S.p.A., Reithera S.r.l., TLS S.p.A., DRI d'Italia S.p.A.);

- EUR 93 million to finance the reclamation, construction and maintenance of fixed assets and real estate portfolios of public interest;
- EUR 38 million for shares of securities funds (Fondo Italia Venture I);
- EUR 19 million earmarked for the creation of IT platforms of interest to PA.

The 'Risk Provision' recorded a net increase of approximately EUR 8 million, of which approximately EUR 3.8 million in relation to the incentive approved by the Board of Directors in order to encourage the early retirement of employees now approaching retirement age and the difference in relation to potential liabilities arising from disputes in progress at the closing date of the financial year and which could have a monetary manifestation in subsequent financial years.

ECONOMIC SITUATION OF THE GROUP

The Group Statement of Profit or Loss shows a profit for the year of EUR 22,113 in 2024, compared to EUR 12,004 in 2023.

The following table summarises the items in the consolidated statement of profit or loss and compares them with those for the year 2023:

	2024	2023
Net interest income	50,930	27,163
Net commissions income	309,699	249,907
Net result from financial activities	9,954	10,309
Net losses/recoveries for credit risk	(23,832)	(21,864)
Operating costs	(319,910)	(245,006)
Gains (Losses) from equity investments	3,091	(3,191)
Profit (Loss) from discontinued operations	12,836	4,890
Other costs	(41)	(15)
Taxes	(18,493)	(9,025)
Profit (loss) for the year	24,234	13,168
Profit (Loss) for the year pertaining to minority interests	(2,121)	(1,167)
Profit (Loss) for the year pertaining to the parent company	22,113	12,004

The increase was mainly attributable to an improvement in net interest income and net commission income due to an increase in operating activities that generate commissions, such as fund management or the provision of financial services.

GROUP STATEMENT OF ASSETS AND LIABILITIES

The 2024 Consolidated Financial Statements of the Invitalia Group show Assets, summarised in the table below, for a total of EUR 11.3 million, substantially unchanged from 2023.

Amounts in thousands of euro

Asset Items	2024	2023
Cash and cash equivalents	304,953	447,479
Financial Assets (FVTPL and FVOCI) and Hedging Derivatives	968,664	1,290,704
Financial assets measured at amortised cost	5,091,712	6,553,951
Equity investments	491,173	487,576
Property plant and equipment and intangible assets	617,177	536,664
Non-current assets and disposal groups classified as held for sale	1,686,312	77,331
Other assets and tax assets	2,111,827	1,720,885
Total assets	11,271,818	11,114,590

The most significant item of Consolidated Assets is 'Financial assets measured at amortised cost', which amounted to EUR 5,092 million (EUR 6,554 million as at 31 December 2023). This item includes loans to customers for EUR 4,074 million (EUR 4,937 million as at 31 December 2023), of which EUR 2,555 million are net loans attributable to the subsidiary Mediocredito Centrale and EUR 697 million to the Parent Company. In particular, net impaired loans amounted as at 31 December 2024 to EUR 723 million (of which EUR 682 million are exposures of the parent company and EUR 41.2 million are of the subsidiary MCC), while the previous year's results amounted to EUR 754 million (mainly attributable to the Parent Company for EUR 696.4 million and EUR 49.1 million to MCC).

With regard to MCC's portfolio of impaired loans to customers, the gross value amounted to EUR 63.4 million and the value adjustments to EUR 22.2 million (as at 31 December 2023 the gross value was EUR 78.8 million and the adjustments were EUR 29.7 million), with a coverage ratio of 35.0% (37.7% at the end of 2023). These

loans include net exposures classified as 'bad loans' of EUR 3.9 million, with a coverage of 66.3%, 'unlikely to pay loans' of EUR 36.3 million, with a coverage of 28.3%, and 'Impaired past due exposures' of EUR 1 million, with a coverage of 15.6%. As at 31 December 2024, MCC had a gross NPL ratio of 2.16% (2.88% as at 31 December 2023) and a net NPL ratio of 1.43% (1.83% as at 31 December 2023), thanks to the derisking which included the disposal of single name positions with a net value of EUR 14.2 million, reclassified under 'Non-current assets and disposal groups classified as held for sale'.

The most significant change in the Consolidated Assets relates to the item 'Non-current assets and disposal groups classified as held for sale' due to the reclassification in 2024 of the assets attributable to the subsidiary Cassa di Risparmio di Orvieto destined for sale in 2025 (EUR 1,609 million) and the impaired loan positions (EUR 14.2 million) of MCC as described above.

The Group's consolidated liabilities as at 31 December 2024 amounted to EUR 10.4 million, essentially unchanged from 2023. Below are the main liability items:

Amounts in thousands of euro

Liability and equity items	2024	2023
Financial liabilities measured at amortised cost and Hedging derivatives	4,200,759	5,568,193
Liabilities associated with assets classified as held for sale	1,483,869	4,601
Other liabilities and Tax liabilities	4,644,799	4,643,594
Employee termination indemnities and Provisions for risks and charges	61,680	55,054
Total liabilities	10,391,107	10,271,442
Equity	880,711	843,148
Total liabilities and equity	11,271,818	11,114,590

The most significant change occurred in the item Liabilities associated with Assets classified as held for sale due to the reclassification of liabilities attributable to the subsidiary Cassa di Risparmio di Orvieto under this item.

RECONCILIATION OF STATUTORY AND CONSOLIDATED RESULTS

The reconciliation between the Statutory and Consolidated results is reported below:

<i>Amounts in thousands of euro</i>		
	2024	
Statutory result		22,393
Operating results of subsidiaries	33,153	
Separate financial statements valuation reversal	(31,029)	
Net effect of subsidiaries		2,124
IAS 19 Adjustments		(283)
Consolidated Group result		24,234
Result attributable to minority interests		2,121
Result attributable to the Parent Company		22,113

The reconciliation between the result for the year and the consolidated result highlights the differences between the financial results of an individual entity and those of the consolidated group in order to identify any changes resulting from intragroup transactions and/or differences in valuation. The only relevant difference is the part of the result attributable to the minority shareholders of Cassa di Risparmio di Orvieto. This is because the result of the subsidiaries is already included in the result of the parent company due to the accounting principle applied to value equity investments (Equity method).

RECONCILIATION OF STATUTORY AND CONSOLIDATED EQUITY

Below is the reconciliation between statutory and consolidated equity, which highlights, similarly to the economic reconciliation, as the only significant difference, the portion of equity attributable to the minority shareholders of Cassa di Risparmio di Orvieto.

<i>Amounts in thousands of euro</i>		
	2024	
Equity - statutory		880,776
Equity of subsidiaries	1,111,521	
Reversal of the equity value in the separate financial statements	(1,111,478)	
Net effect of subsidiaries		43
Elimination of intragroup relationships and other adjustment entries		(108)
Equity - consolidated		880,711
Equity attributable to minority interests		(14,283)
Equity attributable to the Group		866,428

ACTIVITIES CARRIED OUT USING THIRD PARTY FINANCING

INVITALIA

As mentioned above, the Agency also operates with financing made available by Public Administration. In exchange for this financing, the Agency provides non-refundable grants, subsidized financing, intervenes in the share capital of companies and carries out strategic local operations.

The financing assigned over the years for the Agency's multiple activities, net of refunds, as at 31.12.2024, can be quantified at approximately EUR 30.3 billion (EUR 26.6 million in 2023), of which approximately EUR 1.9 billion recorded in the financial statements, while the remaining part is managed off balance (EUR 28.4 billion). These appropriations have already been loaned to the tune of EUR 15.1 billion (see detail of Uses), with EUR 11.6 billion still to be collected and the difference in the Agency's availability for subsequent specific uses.

The additional allocations in 2024 mainly refer to the measures Contratti di Sviluppo for EUR 1.8 billion, Investimenti Sostenibili 4.0 for EUR 0.8 billion and Autoproduzione Energia for EUR 0.3 billion, and to the measure Bando Imprese Borghi for EUR 0.2 billion.

During 2024, funds totalling EUR 40 billion were returned (relating to the measure Brevetti + for EUR 31 billion, Rilancio PMI for EUR 8.5 billion and Programma Acceder for EUR 0.5 billion) following the conclusion of the projects for which the funds were intended.

Activities that can be traced 'in the strict sense' to funds administered on behalf of the State or other public bodies (third-party financing), whose management is remunerated exclusively with a lump sum fee (commission) and which therefore have the nature of a mere service, are recorded in the memorandum accounts and are explained in the 'Consolidated sustainability reporting' section of the financial statements. Revenues and costs of the service provided are, instead, included in the statement of profit or loss.

The Agency instead recognises the activities carried out with third-party financing, which involve the assumption of a partial or total business risk, in the corresponding budget items, in continuity with the method applied by companies incorporated in 2000 (e.g. L. 181/89, Tourism Revolving Fund, pursuant to Pres. Decree 58/87). This method or recognition has been maintained for all new measures, assigned over time, connected to legal provisions that identify activities of the Agency not exclusively attributable to the pure management of funds (e.g. subscription of debentures, acquisition of equity investments, financing for investment in minority equity investments, etc.).

The framework of the overall financing employed, net of the variations mainly due to adjustments on credits, investments and fund units described below, up to 31/12/2024, is summarised in the following table:

Amounts in millions of euro

	TOTAL 31/12/2024	ON BALANCE	OFF BALANCE		
			Total off balance	Incentives	Leg. Decree 185/00
Grants disbursed	9,070	365	8,705	3,652	5,053
Loans disbursed	5,323	574	4,749	1,926	2,823
Fund shares	85	30	55	55	-
Equity investments	659	470	189	189	-
TOTAL	15,137	1,439	13,698	5,822	7,876

In 2024, lending increased by EUR 1.4 billion compared to 2023, mainly due to the disbursement of EUR 1.1 billion in grants under Incentives recognised as off balance.

As at 31 December 2024, the company also has liquid assets of approximately EUR 3.9 billion (of which EUR 0.3 billion on balance; EUR 3.2 billion Incentives and EUR 0.4 billion Legislative Decree 185/00) which will have to be used in the various measures.

The remaining balance still to be collected from the funds allocated overall by the various legislative or ministerial provisions for active measures is over EUR 11.6 billion (of which EUR 6.9 billion for Contratti di Sviluppo).

The situation of receivables as at 31/12/2024 deriving from the management of activities carried out using third-party financing can be summarized as follows:

Amounts in millions of euro

	TOTAL 31/12/2024	ON BALANCE	OFF BALANCE		
			Total off balance	Incentives	Leg. Decree 185/00
Receivables	3,862	272	3,590	1,388	2,202
<i>Of which revoked/resolved</i>	1,424	217	1,207	1,197	10
<i>Of which expired</i>	2,438	55	2,383	191	2,192

In 2024, receivables had a net positive change compared to 2023 of EUR 48 million, mainly due to the disbursement of EUR 228 million in financing, called of EUR 16 million, interest of EUR 43 million, collections of EUR 172 million, losses on receivables and other changes of EUR 67 million.

The table reflects the historically extremely critical situation of receivables pursuant to Leg. Decree 185/00 which have been called or have expired by more than 99%. The ratio between receivables (EUR 2,192) and the total overall disbursements for the measure (grants 5,053 m, financing EUR 2,823 m, total EUR 7,876 m) is approximately 28%. The company is working to expand the tools for recovering such receivables.

For credit positions from 'Off balance incentives' the sizing of overdue and called loans is, at the moment, physiological (the ratio between cancelled/overdue 'Incentives' receivables (191) and total disbursements against incentive measures (grants 3,652, financing 1,926, total 5,578) is about 3%) although it should be considered that the incentive measures that gave rise to them, especially massive loans, were activated only recently.

The ratio of on-balance overdue/called loans (EUR 55 million) and total loans and grants disbursed to on-balance measures (grants 365, loans 574, total 939) can also be considered physiological, being about 6%. Any uncollectibility of such receivables is covered by the same funds that finance the on-balance measures.

Management of third-party funds "ON Balance"

The funds used as at 31/12/2024 for the main third-party on-balance funds (Law 181/89, Tourism Revolving Fund, PMI Fund and Italia Venture I Fund), net of write-downs for fund units and shareholdings, are summarised in the following table. For the overall details of all managed funds, please refer to item 80 of the explanatory notes.

Amounts in millions of euro

	ON BALANCE
Grants disbursed	365
Loans disbursed	574
Fund shares	30
Equity investments	470
TOTAL	1,439

In 2024, lending increased by EUR 0.4 billion compared to 2023, mainly due to the disbursement of EUR 0.3 billion in loans and the subscription of fund units for EUR 0.1 billion.

Grants disbursed (EUR 365 million)

The amount of grants awarded relates exclusively to Law 181/89 and subsequent amendments. The aforementioned law provided for disbursements (non-refundable grants, subsidized financing and term acquisition of minority shareholdings) to new companies that settled in the steel crisis areas (Taranto, Piombino, Terni, etc.). The measure ended its operational activity in 2015.

Loans disbursed (EUR 574 million)

The financing consists of debentures for EUR 262 million from the PMI Fund aimed at the subscription of newly issued bonds or debt securities in order to encourage the capital strengthening and contribute to the financing of medium-sized enterprises having the conditions set out in the Relaunch Law No 77(2) of 17 July 2020, and subsidized financing granted pursuant to Law 181/89 for a total of EUR 259.6 million and financing from the Revolving Fund for Tourism, pursuant to Pres. Decree 58/87 for EUR 52.2 million.

Fund shares (EUR 30 million)

The amount corresponds to the balance as at 31/12/2024 of the units of the Italia Venture I Fund, which invests in the risk capital of innovative Start-ups and SMEs. The operations of the fund are only possible with simultaneous contribution from independent private investors. The amount is included in the Balance Sheet

under item 20 *Financial assets measured at fair value through profit or loss* and included in the item Financial fixed assets in the Reclassified Statement of Assets and Liabilities.

Equity Investments (EUR 470 million)

The item of equity investments in companies, the details of which are already given in the section 'Equity investments acquired with grants - on balance', is composed as follows:

<i>Amounts in millions of euro</i>	
	AMOUNT
MCC (BdM Banca share)	419
DRI d'Italia	35
Reithera	15
TLS Sviluppo	1
Acciaierie d'Italia Holding (ADIH)	-
Other pursuant to Law 181/89	-
TOTAL	470

For the details on the equity investments acquired with third-party funds, they are classified in the balance sheet item 70 *Equity Investments* and in the corresponding item in the Reclassified Statement of Assets and Liabilities.

Management of third-party funds "OFF Balance" - Incentives

The management of Off Balance third party funds is represented by distinguishing the situation of the most recent measures – hereinafter 'Incentives' – assigned to the Agency, (with an average age of 5 years) compared to the situation deriving from Leg. Decree 185/00, a regulation to which over 60% of off-balance loans can be referred and whose disbursement substantially ceased before 2010.

<i>Amounts in millions of euro</i>			
	OFF BALANCE		
	Total off balance	Incentives	Leg. Decree 185/00
Grants disbursed	8,705	3,652	5,053
Loans disbursed	4,749	1,926	2,823
Fund shares	55	55	-
Equity investments	189	189	-
TOTAL	13,698	5,822	7,876

Grants disbursed 'Incentive' (EUR 3,652 million)

The grants related to the Off Balance Incentives are composed as follows:

<i>Amounts in millions of euro</i>		
Incentives	Grants	
	Total disbursed	Total revocations
Contratti di Sviluppo	1,738	(10)
Resto al Sud	500	(24)
Inv. Innovativi Asse III	181	0
Brevetti +	89	(2)
Cura Italia	69	(4)
Voucher Inn.Manag.	73	0
Other minor grants	1,002	(5)
TOTAL	3,652	(45)
Total net of revocations		3,607

The cancellations make up just 1% of the grants disbursed, a figure that reflects the fact that many of the massive measures, usually those most exposed to the risk of cancellation/litigation, are relatively recent.

The item is reflected in part D of the explanatory notes (which describes the situation of the Off Balance measures) for the grants disbursed in the year.

Loans disbursed 'Incentive' (EUR 1,926 million)

The financing related to the Off Balance Incentives are composed as follows:

Amounts in millions of euro

Incentives	Loans	
	Total disbursed	Total revocations
Contratti di Sviluppo	853	(34)
Inv. Innovativi Asse III	242	0
Smart & Start Italia	191	(26)
Fondo Grandi imprese	133	(25)
Nuova 181	172	0
POI efficienza Energetica	69	0
Selfemployment	44	(17)
Other minor financing	222	(14)
TOTAL	1,926	(116)
Total net of revocations		1,810

The item is reflected in part D of the explanatory notes (which describes the situation of the Off Balance measures) for the financing disbursed in the year.

Fund shares (EUR 55 million)

The fund units are made up entirely of units of the Italia Venture II Fund, adjusted to fair value:

Amounts in millions of euro

Incentives	Real estate investment shares	
	Total disbursed	Total write-downs
Fondo ITALIA VENTURE II	82	(27)
TOTAL	82	(27)
Total net of write-downs		55

The fund has an endowment of EUR 150 million, all subscribed by Invitalia, and aims to support and develop Start Ups and SMEs in Southern Italy. The Fondo Italia Venture II together with the Fondo Italia Venture I (registered on balance insofar as the legislative provision for the allocation of funds intended for this activity – Min. Decree 29/1/2015 Gazzetta Ufficiale No 112 of 16/5/2015 – defines the transfer as 'financing'; unlike the Fondo Italia Venture II registered off balance as it concerns 'fund management') are managed by CDP Venture SGR, initially 100% owned by Invitalia and then 70% transferred under the 2019 Stability Law to Cassa Depositi e Prestiti S.p.A.

The contributions paid in the year amount to EUR 16 million.

Equity investments 'Incentive' (EUR 189 million)

The off balance part records shareholdings for EUR 189 million, including Menarini S.p.A., formerly Industria Italiana Autobus (42.76%) and in Sider Alloys Italia S.p.A. (20.33%) acquired with Development Contract (CDS) funds for a total of EUR 4 million, 11 shares of the Cresci al Sud Fund for a total of EUR 40 million and 17 shares of the Safeguard Fund for EUR 140 million.

Amounts in millions of euro

Incentives	Equity investments	
	Total disbursed	Total write-downs
Fondo Salvaguardia Imprese	140	-
Contratti di Sviluppo	115	(106)
Fondo Cresci al Sud	40	-
TOTAL	295	(106)
Total net of write-downs		189

Cash flow 'Incentive'

The proceeds from the State and other public bodies on the 'Incentive' measures, during 2023, amount to EUR 1.5 billion and are composed as follows:

Amounts in millions of euro

INCENTIVE	AMOUNT
Investimenti Sostenibili 4.0	348
CDS	305
Resto al Sud	226

CDS Partecipazioni	110
Fondo Salvaguardia Imprese	100
Fondo Cresci al Sud	75
IFIT Misura M1C3	70
Contrasto alla Deindustrializzazione	52
Imprenditoria femminile	50
Smart & Start Italia	38
Other	115
TOTAL	1,489

For details on the measures, please refer to part D of the explanatory notes.

Approximately EUR 1,469 million were used in the year, of which EUR 133 million in equity investments and EUR 1,336 million in financing and grants, detailed as follows:

Amounts in millions of euro

INCENTIVE	LOANS	GRANTS	TOTAL
CDS	50	448	498
Investimenti Sostenibili 4.0	0	215	215
Resto al Sud	0	146	146
Inv. Innovativi Asse III	38	30	68
Smart & Start Italia	39	7	46
Nito	37	6	43
Nuova 181	29	11	40
Brevetti +	0	12	12
Cultura Crea	1	6	7
Other	30	231	261
TOTAL	224	1,112	1,336

Of particular significance is the residual liquidity available as at 31/12/2024 in the dedicated 'Incentives' accounts amounting to EUR 3.2 billion, which is composed as follows:

Amounts in millions of euro

INCENTIVE	AMOUNT
CDS	788
Fondo Grandi imprese	298
Fondo Salvaguardia Imprese	283
Fondo Naz. Eff. Energetica	277
Nito	270
Investimenti Sostenibili 4.0	192
PNC Sisma	106
Inv. Innovativi Asse III	100
Voucher Inn.Manag.	98
FETS	83
IFIT Misura M1C3	70
Fondo Cresci al Sud	66
Other	599
TOTAL	3,230

Management of third-party funds "OFF Balance" – Legislative Decree 185/00

The non-refundable grants paid for this measure amount to EUR 5,053 million. The financing deriving from Legislative Decree 185/00 amounts to approximately EUR 2.8 billion and is highly fragmented and long overdue. The amount of loans outstanding as at 31/12/2024 relates to over 50,000 positions that are often over ten years old and are largely uncollectible. These loans of EUR 2.2 billion are derived from cancellations/terminations for approximately EUR 1 billion, from positions in the process of forced recovery through injunctions and debtor lists for EUR 806 million, from uncollectible positions for undelivered deeds for EUR 339 million and the remainder due/overdue in bonis.

The size and difficulties in managing the phenomenon have for years been a burden that is extremely costly for the Agency, but with little or no return in terms of recovery.

In fact, in addition to direct collection activities, with the consequent initiation of lengthy, costly and in many cases unproductive legal disputes, there were also activities carried out through the Revenue Agency, which

also had poor returns. Furthermore, in many cases, legal provisions or agreements within the ministry's guidelines have led to partial cancellations and new extensions, which very often have not been respected, with the consequent restoration of the ex-ante situation and the resumption of litigation.

MEDIOCREDITO CENTRALE

With regard to the Guarantee Instruments and Facilities segment, the main instrument financed by third-party funds and managed by MCC is the Guarantee Fund. In 2024, there was a slight slowdown compared to 2023, in line with the *phasing out policy* of reduction in average coverage percentages. The comparison shows a slight decrease in terms of operations and volumes. In 2024, the applications received amounted to 231,318 (-3.0% compared to 2023 with 238,412 operations submitted), whereas the operations admitted to the guarantee were 228,909 (-3.0% compared to 2023 with 235,894 operations accepted), for a financing volume equal to EUR 42.5 billion (-7.7% compared to 2023) and a guaranteed amount equal to EUR 29.9 billion (-13.8% compared to 2023).

In 2024, resources were paid by the Public Administration for an amount equal to EUR 5.6 billion, of which 5.3 billion to cover the expected losses in relation to the guarantees granted in 2020, 2021, 2022 and 2023 and the remainder mainly for the establishment of special sections intended for guarantees for specific company targets or specific geographical areas.

Pursuant to art. 1 of Law No 147 of 27 December 2013, aimed at promoting dimensional growth processes and strengthening the capital strength of credit consortia (a.k.a. 'Confidi'), in 2024 resources were paid using the Fund availability for an amount equal to EUR 5.0 million, including the related costs for the technical assistance activities aimed at the measure.

As regards the other facilities granted by MCC, the main instrument is Fondo Crescita Sostenibile (FCS). Pursuant to the Agreement signed on 30 December 2021, the Fund is managed by MCC on behalf of the Ministry of Enterprises and Made in Italy (MIMIT) as leader of a Temporary Grouping of Companies (RTI) composed of 6 banks and the National Research Council. The Fund supports investments in R&D, operating with national resources and possibly with EU, regional and local resources.

In 2024 the RTI continued the evaluation of the executive projects submitted on the various calls for proposals issued by the Administration since 2018, particularly under the Innovation Agreements, and the MIMIT subsequently issued a decree on that. In this regard, it should be noted that through the note of 2 December 2024, aimed at ensuring operational continuity to the facilitative measure of 'Partnerships - Horizon Europe', the MIMIT agreed with the European Commission and the Presidency of the Council of Ministers that the 'Agreements for Innovation' would find financial coverage, for a total amount of EUR 164 million, within the NRRP measure M4C2 I2.2bis and that the equal share of resources released under the National Plan for Complementary Investments (PNC) related to the NRRP be allocated to financing the aforementioned Partnerships.

Pursuant to the Ministerial Decree of 13 July 2023 and the MIMIT Directorial Decree of 7 December 2023, the Scoperta Imprenditoriale call was opened on 7 February 2024 with a financial endowment of EUR 300 million to support research and development projects; said projects are to be carried out in the areas of the less developed Regions, consistent with the thematic areas of the National Smart Specialisation Strategy (NSSS). Following the success of the facility measure and the number of projects submitted, the financial endowment ran out on the same opening day; the Directorial Decree of 8 February 2024, the Ministry consequently closed the deadline for submitting applications for the facility.

Pursuant to the Ministerial Decree of 14 September 2023 and the MIMIT Directorial Decree of 7 May 2024, a new revolving fund to support enterprises, called FRI, was opened on 10 September 2024: the EUR 473-million financial endowment was meant to support R&D projects to be carried out in the areas of the less developed Regions (strategically relevant for the production system), consistent with the thematic areas of the NSSS or aimed at identifying evolutionary technological and applicative trajectories thereof.

With reference to the aforementioned calls, in 2024 concession decrees were issued for 257 projects, for admitted investments equal to EUR 1.9 billion and granted facilities equal to EUR 816.2 million.

The disbursement activity was fully operational on the calls for tenders launched by the Administration since 2015; the disbursements made during 2024 were related to 986 projects, for a total disbursed amount of EUR 417.6 million.

In the context of *ex-post* monitoring, based on specific 'Project Monitoring Reports', the activity aimed at representing the actual economic impact in terms of turnover, revenues and lower costs deriving from research, as well as in terms of the creation of new qualified employment, continued in relation to the projects

concluded and financed under the following Calls: Horizon 2020, Horizon 2020 - PON 2014/2020, Industria Sostenibile FRI, Grandi Progetti PON - Industria Sostenibile/Agenda Digitale Agenda and Accordo Innovazione DM 24/5/2017.

The Fare Lazio participation fund is an instrument of strong regional interest:

in 2022, Regione Lazio entrusted the new management service of the financial instruments of the 'Credit 2021 – 2027' section of Fare Lazio to the RTI between Artigiancassa and Mediocredito Centrale (acting as agent and principal respectively).

This measure supports SMEs in the Region in accessing credit and guarantees using various instruments:

- Nuovo Fondo Piccolo Credito (NFPC), with an endowment of EUR 48.4 million;
- Nuovo Fondo Futuro (NFF), with a total endowment of EUR 20 million (of which 10 million with a call open in 2023);
- Fondo Patrimonializzazione PMI, with a total endowment of EUR 10 million.

In 2024, 1,278 funding applications were granted, for a disbursed amount of EUR 34.9 million, including operations based on the previous Fondo Rotativo per il Piccolo Credito (FRPC), which was definitively closed on 15 November 2023.

In the context of the *ex-post* reporting assessments, the activity aimed at verifying the correct use of the subsidised financing provided continued. In 2024, MCC alone evaluated 275 final expenditure reports based on the FRPC, the NFPC and Rotenergia.

INFRATEL

Third-party funds managed by Infratel amount to EUR 1,618 million and increased by EUR 103 million mainly due to the progress of the NRRP projects 'Sanità Connessa', 'Scuola Connessa' and 'Voucher 2 – Imprese'.

The following table specifies the changes in the financial year:

Amounts in thousands of euro

Description	Balance as at 31 December 2024	Balance as at 31 December 2023	Δ
FSC BUL	26,885	25,076	1,808
VOUCHER 1 – Famiglie	(2,222)	(1,754)	(467)
VOUCHER 2 – Imprese	38,035	11,479	26,556
Virgo Project	60	60	-
Blockchain Project	45,000	45,000	-
NRRP Project – Italia 1 Gbps	1,041,747	1,043,016	(1,269)
NRRP Project – Italia 5G	325,032	325,771	(738)
NRRP Project – Sanità Connessa	84,259	33,505	50,755
NRRP Project – Scuola Connessa	52,495	17,779	34,715
NRRP Project – Isole Minori	4,455	6,050	(1,595)
NRRP Project – Italia 1 Gbps	3,259	2,092	1,168
Contributi modello B e C	(562)	7,150	(7,712)
Total	1,618,443	1,515,224	103,219

The amount under the item 'FSC BUL' (equal to EUR 26,884,000) is the residual value of the amount collected in December 2016 in relation to the first tranche of FSC funds for the BUL Major Project. In accordance with the provisions set by the Guidelines for the implementation, reporting, monitoring and control of public projects for the development of ultra-broadband in white areas (SIE Funds 2014-2020), having regard to the positive opinion of the State-Regions Conference of 20 September 2018 for all advance payments, including those coming from the resources allocated under the FSC, it is envisaged that they will be paid by the MIMIT to Infratel Italia, which will hold them on a special unavailable revolving fund aimed at financing the BUL Major Project (approved by the European Community only on 2 April 2019); on this revolving fund Infratel Italia can operate only upon prior authorisation of the MIMIT itself.

The item 'BUL Voucher – Famiglie' (a project related to the voucher plan for less affluent households as a demand support measure to ensure the use of ultra-broadband Internet connection services by those with an ISEE of less than EUR 20,000) showed a negative balance of EUR 2,222,000 as at 31 December 2024, equal to the Infratel cash advance contractually provided for and equal to 5% of the value of the order. The advance will be recovered with the payment of the final report.

The item 'BUL Voucher – Imprese' (amounting to EUR 38,035,000) is the residual amount of the financial disbursement by the MIMIT, as at 31 December 2024, in relation to the voucher plan for the stimulation of the

demand for connectivity of businesses.

Below is the breakdown of the NRRP operational plans:

- The 'Italia 1 Gbps' plan has received from the Ministry of Economy and Finance (MEF) financial disbursements equal to EUR 1,042 million via the DTD Mission Unit;
- The 'Italia 5G' plan has received from the Ministry of Economy and Finance (MEF) financial disbursements equal to EUR 325 million via the DTD Mission Unit;
- The 'Sanità Connessa' plan has received from the Ministry of Economy and Finance (MEF) financial disbursements equal to EUR 84 million via the DTD Mission Unit;
- The 'Scuola Connessa' plan has received from the Ministry of Economy and Finance (MEF) financial disbursements equal to EUR 52 million via the DTD Mission Unit;
- The 'Isole Minori' plan has received from the Ministry of Economy and Finance (MEF) financial disbursements equal to EUR 4 million via the DTD Mission Unit.

The 'Blockchain' item, equal to EUR 45 million, represents the 'Fund for the development of AI technologies and applications, Blockchain and IoT'.

The 'Contributi modello B e C' item refers to the sums paid by the MIMIT and intended for the provision of contributions to telecommunications operators for the construction of Broadband (Form B) and Ultra-Broadband (Form C) infrastructure, net of the sums already paid to the beneficiaries.

OPERATIONAL STRUCTURE

STAFF MOVEMENT

As at 31 December 2024, Invitalia's workforce consisted of 3,076 units. This marks a net increase of 164 resources compared to the previous year (2,912 units as at 31 December 2023), due to a total of 248 leavers and 409 new hires (of which 1 coming from Group companies). The increase in staff numbers is due to the greater number of employees (+161 resources), only partially offset by the greater number of atypical staff (+3). The year's movement includes changes in contractual qualifications, which affected 37 resources.

Staff movement in 2024 – Invitalia	Managers	Middle Managers	Employees	Total employees	Atypical*	Total
Headcount as at 31 December 2023	48	275	2,413	2,736	176	2,912
Incoming	1	42	366	409	65	474
– from other Group companies	-	-	-	-	-	-
– change of qualification	-	37	-	37	-	-
– other	1	5	366	372	65	437
Outgoing	4	7	237	248	62	310
– to other Group companies	-	-	1	1	-	1
– change of qualification	-	-	37	37	-	-
– other	4	7	199	210	62	272
Headcount as at 31 December 2024	45	310	2,542	2,897	179	3,076

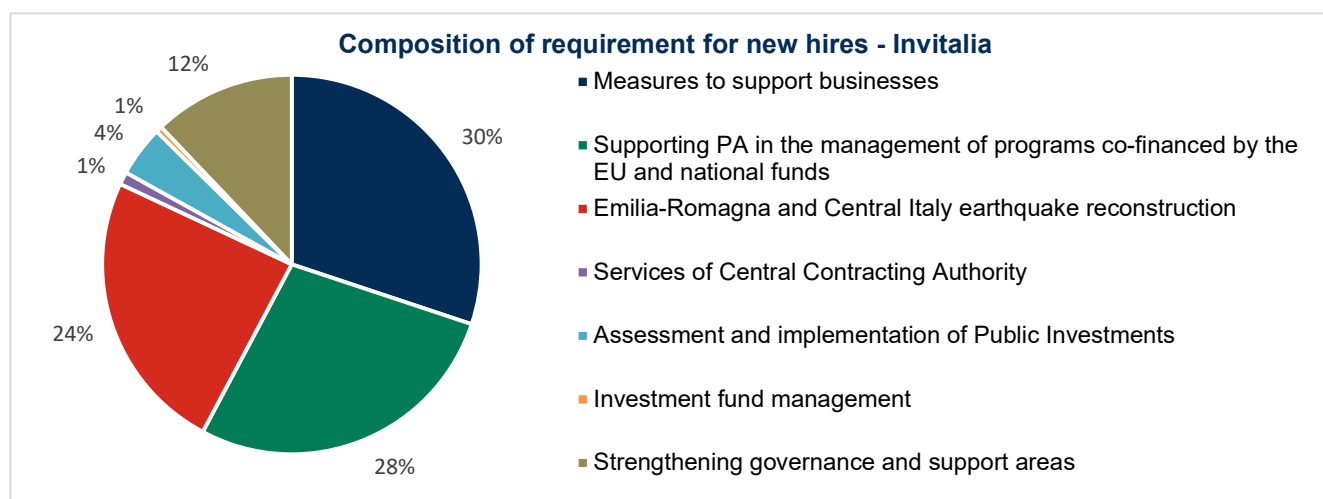
*Collaborators, temporary staff, interns

Composition of the variations in atypical staff in 2024 – Invitalia	Incoming	Outgoing	Total
Collaborators	47	42	5
Temporary staff	17	19	(2)
Interns	1	1	-
Total	65	62	3

Throughout 2024, staff management was oriented towards a better allocation of internal resources on revenue-generating contracts, as well as acquiring from the market the necessary skills to carry out the activities required by the contracts in the portfolio, in particular for those with highly technical content.

Thanks to the policy of stabilising fixed-term relationships, 157 resources in the Parent Company saw their employment relationships transformed and are now on permanent contracts.

In terms of employees, the 372 new hires were due to needs for line activities (88%) and for the strengthening of the governance and support areas (12%).



The number of leaving employees (211) mainly arose from resignations (103); the remainder is due to the natural expiration of fixed-term contracts and to retirements. The 103 resignations, which correspond to 3.5% of the workforce at the end of the previous year (2,912), represent a non-critical rate, as these mainly concerned resources with fixed-term contracts (57 out of 103) and operational resources (86 resources at levels D-E). Therefore, no significant impoverishment of consolidated skills should be registered.

As regards the other Group companies (Infratel, Invitalia Partecipazioni, Italia Turismo, Mediocredito Centrale and Cassa di Risparmio di Orvieto), the staff movement is illustrated in the following table:

Staff movement in 2024 – other Group companies	Managers	Middle Managers	Employees	Total staff	Atypical*	Total
Headcount as at 31 December 2023	24	323	694	1,041	30	1,071
Incoming	8	24	53	85	16	101
– from other Group companies	-	-	1	1	-	1
– change of qualification	-	8	-	8	-	4
– other	8	16	52	76	16	76
Outgoing	-	26	74	100	14	114
– to other Group companies	-	-	-	-	1	1
– change of qualification	-	-	8	8	-	4
– other	-	26	66	92	13	89
Headcount as at 31 December 2024	32	321	673	1,026	32	1,058

*Collaborators, temporary staff, interns

For further details on different aspects of HR management (eg training, development, health and safety, etc.), see the paragraph 'ESRS S1 Own workforce' of the Consolidated Sustainability Statement included later in this Report.

ORGANISATIONAL MEASURES

Changes to organisational structures

Regarding the **Parent Company, Invitalia**, in 2024 the measures within the line organisational units focused on the following structures:

- Public Advisory, with the aim of simplifying the dialogue with the Purchasing Agency by identifying specific points of reference;
- Public Investments, with the aim of reducing the lead times of both the Central contracting Authority and the engineering services;
- Investment Management, with the aim of rationalising the activities dedicated to managing the Funds;
- Incentives and Innovation, with the aim of enhancing the measures relating to the environmental and digital transition and supporting the activities of providing Contratti di sviluppo and investments for the relaunch of crisis areas.

In the Support and Governance organisational units the following measures were implemented:

- Internal Auditing, with the aim of defining a control for the activities dedicated to the Group's subsidiaries;
- Strategies, Industrial Policies and Sustainability, with the aim of enhancing the activity related to sustainability;
- Chief Operating Officer, with the aim of focusing on the topic of planning and optimising production factors and reorganising IT activities while aligning them with the evolution of the business.

The 2024 measures that took place in **Infratel** aimed to accelerate the achievement of operational targets in line with the forecasts of the three-year plan and the consolidation of governance structures. In particular, a General Management function has been implemented to coordinate the reporting activities of the Italia 5G densificazione plan, relating to Mobile Networks and Connectivity as well as Infrastructure and Operations.

In the 2024 financial year, the implementation of the reorganisation plan of the Banking Group (of which **MCC** is the Parent Company) continued and functions were centralised at MCC relating to the following:

- definition of credit policy guidelines;
- management of positions classified as *unlikely to pay gone concern* and non-performing loans;
- external communication;
- investor relation;
- strategic marketing;
- legal;
- back office;
- customer centre.

This decision is functional to various areas of improvement, also taking into account the indications provided by the Supervisory Body following its inspections concluded in the 2023 financial year, and aims to strengthen the management, direction and control of the aforementioned activities, in addition to the governance of models, processes, people, systems and data and the consolidation of synergies between the structures at the Banking Group level.

In order to strengthen the direction and coordination of the Banking Group, organisational units were established at MCC dedicated to:

- coordinating marketing activities at Group level;
- coordinating relations with the Supervisory Authorities;
- ensuring the monitoring of legacy management processes and their consistency with the strategic directions and objectives set out in the Industrial Plan with reference to litigation management, the enhancement of real estate assets and tactical and strategic initiatives for the management of credit assets.

In line with the business development guidelines set out in the Industrial Plan, the organisational structure of MCC's commercial functions was defined: organisational units were established dedicated to the management of the regional network, the offering of products aimed at specific supply chains as well as structured finance/advisory services and the offering of financing products via the Internet.

With specific reference to MCC, some organisational rationalisation measures affected the functions in which the following activities are allocated:

- credit governance, evaluation and management;
- management of public subsidy funds;
- internal control, carried out in a centralised manner for the Banking Group.

MCC has also adopted the guidelines defined by the Parent Company Invitalia on specific matters within the 'Direction and coordination model between Invitalia and its subsidiaries', regulating the consequent internal operational obligations.

Quality Management

In 2024 **Invitalia** continued towards an Integrated Quality-Safety Management System. After completing the usual procurement process, relying on a single certification body for the two certifications (ISO 9001:2015 and ISO 45001:2023) will allow taking a further useful step towards achieving this integration during 2025. In 2024 the company also confirmed the quality certification of the Agency's Contact Centre according to the UNI EN ISO 18295:2017-1 and UNI EN ISO 18295:2018-2 standards and the technical quality certification relating to the verification process for the validation of projects in the Public Investment sector.

In the same year **Infratel** also made sure that the implementation process of the Integrated Quality-Environment Management System could continue. The organisational procedures were updated in line with the new organisational rules that will be subject to approval by the Parent Company. In parallel with the set of procedures (also updated in accordance with regulatory innovations), throughout the year the following were issued and submitted for approval: the process map aligned with the current organisational structure; the initial quality risk analysis, also aligned on the basis of organisational innovations; and the list of SGI documents, which was enriched with all the documents produced in the year (new operating instructions, published specifications and technical standards, new forms, new verification checklists, etc.). SGI documents were developed, such as the policy and objectives and the risk analysis, and are now constantly updated.

Industrial relations

During 2024, the activities connected to the renewal of the National Collective Bargaining Agreement (NCBA) of **Gruppo Invitalia** were concluded, with a view to rewriting and adapting the institutions and contractual provisions in light of the social and economic changes that have occurred over time, particularly in the post-pandemic phase.

The new NCBA, signed on 18 June 2024 and in force from 1 July 2024, is inspired by the logic of:

- people value, implementing tools for flexible work performance and 'organisational citizenship', oriented towards principles of people sustainability & engagement, with particular attention to caring and the protection of solidarity-based needs (eg extended agile working, hours solidarity bank, etc.);
- participation in and evolution of the model of industrial relations through the establishment of Observatories (Observatory on Artificial Intelligence and Machine Learning and People Sustainability Observatory) and Joint Committees (Equal Opportunities Committee and Personnel Development Committee, which incorporates the scopes of the Technical Commission for staff training and development referred to in art. 5 of the previous NCBA);
- updating of the classification, training and development dynamics (new staff classification logics, revision of the classification scale, new roles – eg practice leader), implementing a guarantee of equalisation of managerial/administrative and professional/specialist paths;
- maximisation of the company's offering as far as the ratio between the value perceived by people and the company's cost is concerned. Attention is paid to the protection of purchasing power and health in terms both of prevention and well-being and of diagnostics, with safeguards extended to households, in addition to equalising safeguards for negative events regardless of the cause thereof (whether illness or injury).

The following trade union agreements were also signed in 2024:

- agreement record on the adjustment of HICP minimums;
- agreement record on 2024 holidays;
- agreement record on the 2024 production bonus for both Invitalia and its subsidiaries;
- agreement record on extended agile working to support new parenthood in 2024;
- second level agreement record on agile working for the 2025-2027 three-year period.

These results highlight the Parties' willingness to strengthen an advanced and constructive model of industrial relations with a view to protecting the needs of all worker categories.

In 2024 the following developments took place for **MCC**:

- the agreement on agile working has been extended;
- the agreement on working hours and rules of conduct has been extended;
- two Group agreements have been signed (MCC, BdM and CRO) on agile working and Smart Learning;
- the agreement on the Company Bonus valid for two years has been signed;
- the agreement on video surveillance of Via dell'Arte 25, Rome has been signed.

For **CRO** the following company agreements have been signed:

- Group agreements on Smart Learning and Agile Working;
- agreement for a EUR 200 welfare contribution;
- agreement on the 2024 Company Bonus (signed in 18 December 2024).

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES (information referred to Art. 123-bis(2)(b) of Legislative Decree No 58/1998)

The following report describes the main features of the risk management and internal control systems related to the financial reporting process (Art. 123-bis(2)(b) TUF).

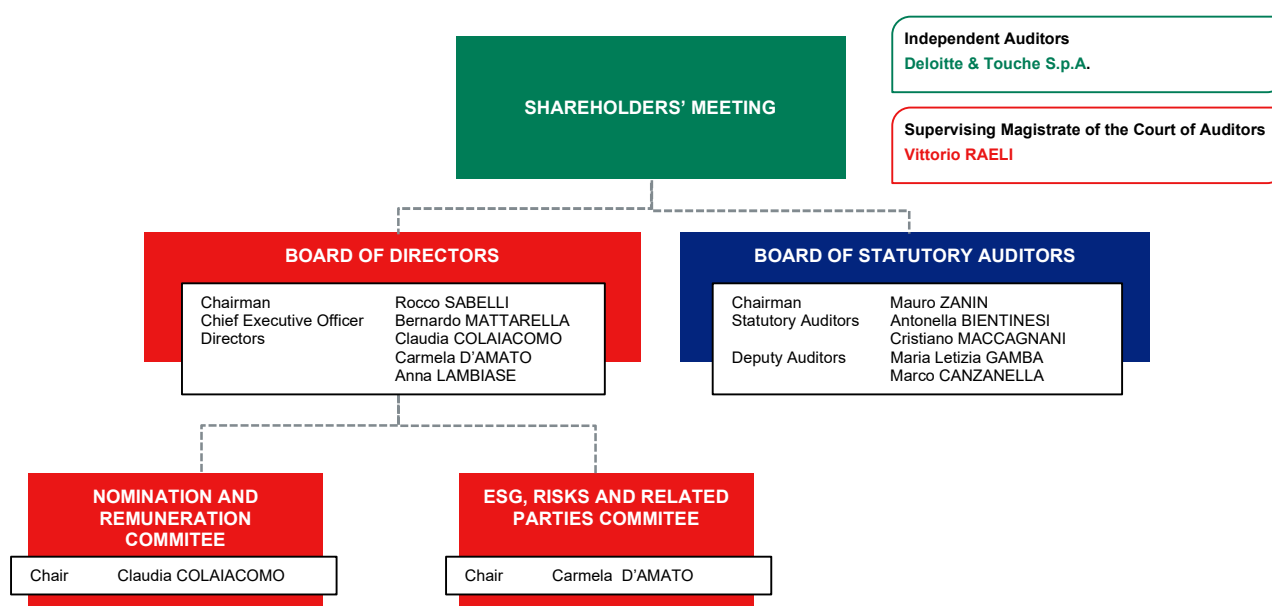
GOVERNANCE

The governance model adopted by Invitalia is the ordinary one (also called 'traditional') and provides for a Board of Directors and a Board of Statutory Auditors.

This system is considered the most suitable to ensure management efficiency, control effectiveness and the sound and prudent management of the Group. Furthermore, it envisages a clear separation between the administrative body and the control body, which proves beneficial to exercising their respective functions in the most efficient way.

Internal governance is structured so as to provide for the following:

- an adequate dialogue between the corporate bodies, the corporate structures and the management within each Group company and towards the Parent Company;
- a complete explanation of the role played by the corporate bodies of each Group company, as well as a balanced distribution of tasks and responsibilities among them and with respect to the corporate bodies of the Parent Company.



The **Shareholders' Meeting** has the task of making ordinary decisions on matters provided for by the civil code. The share capital of Invitalia is 100% owned by the Ministry of Economy and Finance (MEF), which exercises its rights of agreement with the Ministry of Enterprises and Made in Italy (MIMIT); the latter has the functions of directing and controlling the Agency.

Furthermore, pursuant to art. 2 (6) of Legislative Decree No 1 of 9 January 1999 and subsequent amendments, the Minister of Economic Development (now Minister of Enterprises and Made in Italy), in agreement with the Minister of Economy and Finance, appoints the company's bodies and reports thereon to Parliament.

The **Board of Directors** has the broadest powers for the ordinary and extraordinary administration of the Company. Since it is an 'in-house' company, it is subject by law to similar control by MIMIT and some specific resolutions of the Board of Directors are thus subject to the authorisation of the supervising Ministry.

Pursuant to art. 1(460) of Law No 296 of 27 December 2006, a decree by the Minister of Economic Development identifies the acts of ordinary and extraordinary management of the company and its direct and indirect subsidiaries requiring prior ministerial approval to be effective and valid. Pursuant to art. 2 of the Decree of the Minister of Economic Development of 4 May 2018, the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. (Italian Agency for Investment Attraction and Business Development) and, through it, its subsidiaries, submit the following documents to the Ministry of Economic Development for prior approval:

- a) the management forecast document referred to in art. 1(460) of Law No. 296/2006 and any updates thereto;
- b) the appointment of directors (if not chosen from among the directors and managers of the Agency);
- c) proposals for the removal of directors (if not chosen from among the directors and managers of the Agency);
- d) proposals for significant amendments to the companies' Articles of Association;
- e) proposals for the appointment and removal of liquidators (if not chosen from among the directors and managers of the Agency);
- f) all other acts for which the Restructuring and Divestiture Plan and the related ministerial approval decree of 31 July 2007 require prior approval.

The **President** is appointed by the Shareholders' Meeting and has all the powers to supervise internal control activities while also taking care of external institutional relations.

The **Chief Executive Officer** is appointed by the Board of Directors and has all powers of ordinary and extraordinary administration, without prejudice to the matters reserved by law and the Articles of Association to the Shareholders' Meeting, the President and the Board of Directors. Among other things, the CEO ensures that the organisational, administrative and accounting structure is appropriate to the nature and size of the company and reports to the Board of Directors and the Board of Statutory Auditors on the general performance of the management and on the foreseeable evolution, as well as on the most significant operations carried out by the Parent Company and the subsidiaries.

The **Board of Statutory Auditors** supervises compliance with the law and the Articles of Association, as well as with the principles of good administration and in particular the adequacy of the organisational, administrative and accounting structure adopted by the Company and its practical functioning.

The **Legal Auditing** is entrusted to a specialised company registered in the appropriate register, appointed by the Shareholders' Meeting on the basis of a reasoned proposal from the Board of Statutory Auditors.

Finally, Invitalia is subject to the **Court of Auditors's control**, exercised through a delegated magistrate who attends the meetings of the Corporate Bodies; Vittorio Raeli is the appointed delegate.

The Board of Directors is supported by two internal committees.

The **Nomination and Remuneration Committee** has the task of supporting the Board of Directors, via an adequate, proactive and consultative preliminary activity, with the latter's assessments and decisions regarding the nominations within its competence and its remuneration policies for Directors and company executives with top responsibilities. In particular, the Committee formulates specific opinions in the interest of Invitalia and the Group companies regarding:

- remuneration architecture and policies for executive directors and other directors holding specific positions and for top management, as well as for the setting of performance objectives;
- general criteria for the appointment of directors who hold particular positions;
- the practical application of remuneration policies on the basis of annual reports prepared by the competent entity;
- the management performance system, with particular attention to new systems of incentivisation and motivation of resources;
- any further tasks assigned to it by the Board of Directors.

The **ESG, Risks and Related Parties Committee** has the task of assisting the Board of Directors, via an adequate, proactive and consultative preliminary activity, in the assessments and decisions relating to:

- the application and monitoring of the sustainability policy and the related strategic plan;
- the internal control and risk management system;
- the transparency and substantial and procedural correctness of transactions with related parties, in compliance with current legislation and the Procedure for the Management of Transactions with Related Parties.

In particular, the Committee formulates specific opinions on the interests of Invitalia as well as of the latter's direct and/or indirect subsidiaries, which are from time to time asked to:

- carry out transactions with Related Parties, whether of greater or lesser importance;
- define guidelines for the internal control and risk management system, consistent with the strategic objectives identified by Invitalia;
- ensure adequacy of the control and risk management systems by expressing an opinion on their appropriateness and correctness, after receiving timely and adequate information flows;

- verify compliance with the assigned delegations on the basis of periodic reports from the CEO, periodically monitor their functioning and promptly report any anomalies to the Board of Directors;
- formulate opinions in the area of sustainability (ESG policy) with particular reference to material issues and the Consolidated Sustainability Report.

Remuneration of executive directors

After hearing the opinion of the Board of Statutory Auditors, the Board of Directors determines the compensation for the President and the CEO pursuant to art. 2389(3) of the Civil Code.

Pursuant to the Articles of Association, it is prohibited to pay attendance fees to the Board of Directors and the Statutory Auditors; furthermore, a limit is placed on the remuneration that can be acknowledged to the members of Committees with advisory or proposal functions established, where necessary, within the Board.

With reference to the financial year in question, the following emoluments were paid to the Board of Directors in office:

- the compensations for the Directors and the President of the Board of Directors pursuant to art. 2389(1) of the Civil Code were established by the Shareholders' Meeting in its session of 6 July 2022 as follows:

Chairman	Annual remuneration, term of office as Chairman
Remuneration for office	50,000.00
Chief Executive Officer	Annual remuneration, term of office as Director
Remuneration for office	25,000.00

- in its session of 8 July 2022, following the resolutions of the Shareholders' Meeting, the Board of Directors conferred powers on the matters authorised by the Shareholders' Meeting to the President, Rocco Sabelli, and appointed Bernardo Mattarella as CEO, granting him the relevant powers;
- in its session of 5 August 2022, in consideration of the powers granted, the Board of Directors resolved – in addition to what was resolved by the Shareholders' Meeting as to the compensation pursuant to art. 2389(1) of the Civil Code – to establish compensations for the management relationship pursuant to art. 2389(3) of the Civil Code for both the President and the CEO: a compensation in the amount of EUR 50,000 gross per year was acknowledged to the former, whereas in the amount of a fixed portion equal to EUR 160,000 gross per year and a variable portion equal to 50% of the fixed portion for the latter (to be added up to the usual management remuneration acknowledged for the office as CEO).

In its session of 5 August 2022, the Board of Directors resolved to establish the following Committees:

- Nomination and Remuneration Committee, chaired by Claudia Colaiacomo;
- ESG, Risks and Related Parties Committee, chaired by Carmela D'Amato.

The aforementioned Committees are composed of non-executive directors.

Pursuant to art. 16(4) of the Articles of Association, each member of the Committees was recognised a remuneration of EUR 7,500 gross per year.

The total gross annual emoluments acknowledged to Mr Mattarella for his office as General Manager are equal to EUR 588,200; these add up to any variable portions to be paid following the achievement of predefined goals set by the Board of Directors on the proposal of the Nomination and Remuneration Committee.

INTERNAL CONTROL SYSTEM

The internal control system is the set of rules, procedures and organisational structures aimed at managing the Company uprightly, correctly and consistently with the pre-established goals. An appropriate process to identify, measure, manage and monitor the main risks is used. Indeed, in addition to safeguarding the Company's assets, an effective internal control system helps ensure the efficiency and effectiveness of company operations, the reliability of accounting and management data and compliance with laws and regulations. This system is subject to verification and updating over time in order to steadily guarantee its suitability and to monitor the main risk areas of the Company's activity as to the specificity of its operating sectors and its organisational configuration, also in light of any legislative and regulatory changes.

The basic lines of the internal control system and the organisational structure have been defined to ensure that tasks and responsibilities are allocated clearly and appropriately, with particular regard to delegation mechanisms.

Invitalia and the Group companies adopt a model based on three levels of control:

- first level controls (or line controls), aimed at ensuring the correct performance of operations. They consist of checks carried out both by those who carry out a specific activity and by those who are responsible for supervising it;
- second level controls, aimed at ensuring the correct implementation of the risk management process, compliance with the operating limits assigned to the various structures and compliance of company operations with the reference regulations, in line with the strategies and risk profile defined by the Board of Directors. They are entrusted to several control bodies, eg Management Control, Delegate for Health and Safety in the Workplace, Head of Corruption Prevention and Transparency, Risk Manager, Manager in Charge, Head of Anti-Money Laundering, Head of Compliance and Head of Data Protection;
- third level controls, aimed at assessing the functionality and adequacy of the overall internal control system as set out above and identifying violations of internal procedures and regulations. They are entrusted to the Internal Auditing.

The Board of Statutory Auditors is the body overseeing the various levels of internal control.

Effective from December 2023, MCC as the Parent Company has adopted an organisational model for the Internal Control System that provides for the centralisation of the second-level (Compliance, Anti-Money Laundering, Risk Management) and third-level (Internal Audit) Corporate Control Functions (FAC) at MCC itself on the basis of specific intra-group outsourcing agreements

Code of Ethics

In carrying out the mission entrusted to them by the Government, Invitalia and its subsidiaries pursue their goals through corporate action that respects the law and fundamental rights of individuals, based on clear and transparent rules and in harmony with the external environment and the objectives of the community.

To this end, each Group company has adopted its own Code of Ethics aimed at regulating corporate activity through behavioural rules to be observed towards all interlocutors, highlighting the rights and duties of all those who operate in the same Group in any capacity whatsoever.

The Code of Ethics is an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No 231/01 and recalls the company values by highlighting the rights and duties of all those who collaborate with the Group in any capacity whatsoever. The Code sets the rules of conduct to be adopted towards shareholders, employees, collaborators, consultants, agents, partners, the Public Administration and all subjects linked by a collaborative relationship, promoting the quality of services, the prevention of corruption phenomena, compliance with the duties of diligence, loyalty, impartiality and exclusive orientation towards the care of the public interest.

Organisation, Management and Control Model (MOGC) pursuant to Legislative Decree No 231/2001

The system is completed and strengthened by the Model pursuant to Legislative Decree No 231/01 (hereinafter 'Model 231'), which is divided into two sections: the general part indicates how the company has implemented the contents of the decree, whereas the special part delves into the company's control protocols and organisational procedures. The individual Boards of Directors of the Group companies adopt Model 231 and appoint a Supervisory Body (hereinafter also 'SB'), namely an autonomous and independent collegial body which is responsible for verifying the adequacy, effectiveness, efficiency and updating of the Model itself (ie its suitability to prevent illicit behaviour from occurring).

The Parent Company's Supervisory Body promotes and coordinates the application of Model 231 itself within all Group companies to ensure its homogeneity and the correct implementation of the basic principles.

In compliance with Legislative Decree No 231/2001, Invitalia and its subsidiaries adopt an Organisation, Management and Control Model aimed at freeing the Company from administrative liability in the event of certain crimes committed by directors or employees in the exercise of their functions. For Invitalia and its subsidiaries, however, compliance with Legislative Decree No 231/01 and the consequent adoption of a Model represented the opportunity to regulate company processes not only by focusing on the phases sensitive to the decree itself, but also by adopting an integrated and widespread risk control and management system at various levels of the organisational and corporate structure. The aim was to safeguard company assets, protect shareholders, as well as ensure transparency and behaviour integrity (also in matters of transactions with related parties).

The adoption of this Model by the Company was also implemented with the aim of protecting its image, the interests and expectations of employees, shareholders, contractors and the public, as well as of raising awareness among all collaborators and all those who operate in the name and on behalf of Invitalia and the Group companies to adopt correct behaviour, so as to avoid committing crimes.

The Model was prepared in accordance with the provisions of the Legislative Decree and on the basis of the

guidelines developed by Confindustria. For each Group company, it describes basic principles and goals; tasks of the Supervisory Body; methods of dissemination and application of the contents on the company; types of crime and related disciplinary system; organisational procedures and control protocols, developed on the basis of the mapping of risk areas and aimed at ensuring adequate prevention.

In accordance with Legislative Decree No 231/2001, the Board of Directors of each Group company approved and adopted the Model and established the Supervisory Body, composed of two external members (with high levels of professionalism) and an internal member.

The SB has the task of ensuring the effectiveness of the Model itself, as well as verifying its compliance and ensuring its updating. The office lasts three years from the appointment and may be revoked if the necessary requirements are no longer met.

In line with the audit programme approved at the Board of Directors meeting on 23 February 2024, the Internal Auditing function carried out audits concerning the application of procedures, protocols and processes adopted by the Parent Company and its four subsidiaries within the scope. During the period under examination, *follow-ups* were also carried out, aimed at verifying the implementation of the corrective actions agreed with the relevant process owners, in light of the findings that have emerged.

Invitalia's Supervisory Body met 11 times in 2024 and carried out all the activities assigned to it by the MOGC established pursuant to Legislative Decree No 231/01, with the aim of supervising the Model's effectiveness and maintaining over time the Model's requirements in terms of adequacy and functionality.

In fulfilment of its reporting duties towards the corporate bodies, Invitalia's SB reported the results of its work to the Board of Directors and the Board of Statutory Auditors of the National Agency for Investment Attraction and Business Development S.p.A.; the two reports, dated 10/07/2024 and 29/01/2025, related to the first and the second half of 2024 respectively.

Throughout 2024, Infratel's SB met 6 times, Invitalia Partecipazioni's 5 times and Italia Turismo's 4 times.

In fulfilment of its reporting duty towards the corporate bodies, Infratel's SB reported the results of its work in 2024 to the company's Board of Directors and Board of Statutory Auditors via an annual report, issued on 20/02/25, as did Invitalia Partecipazioni's and Italia Turismo's SBs, with their annual report issued on 13/02/25 and 20/02/25 respectively.

Model 231 and the Code of Ethics of Invitalia and the Group companies are published on their respective institutional websites; below are the update dates of the documents in question currently in force.

Companies	MOGC – General Part (last updated by the Board of Directors)	MOGC – Special Part (last updated by the Board of Directors)	Code of Ethics (last updated by the Board of Directors)
Invitalia	26/06/2024	02/12/2024	26/06/2024
Infratel Italia	29/10/2024	18/03/2025	29/10/2024
Invitalia Partecipazioni	04/11/2024	09/07/2021	04/11/2024
Italia Turismo	22/10/2024	29/04/2022	22/10/2024

With regard to the special part of the Models adopted by Italia Turismo and Invitalia Partecipazioni and to the types of crime included in the catalogue pursuant to Legislative Decree No 231/01 after the last update of the documents themselves (in any case included in the update of the general part of their respective Models), it was considered that, in light of the companies' operations, the control protocols included in the documents in question are suitable to intercept and mitigate the current risks.

The Internal Auditing functions of both the Parent Company and the Group companies are responsible for systematically ensuring the correct performance of company processes, including through inspections, in compliance with the provisions of the MOGC.

Over the years, this Model has been maintained and adapted to changes in both the external context (resulting from regulatory developments) and internal context (resulting from organisational and process changes) for all Group companies. Via an integrated approach, the various regulations introduced in the field of administrative/accounting processes, anti-money laundering, workplace safety and personal data processing have been progressively adapted. In particular, the Models adopted by the Group companies have been integrated with additional control systems, so as to strengthen the controls on corruption prevention and the management of the related risk in compliance with Law No 190/2012.

The following activities are entrusted to the Head of Corruption Prevention, appointed for each Group company (other than the banking company) by the respective Board of Directors:

- annually developing and preparing the Corruption Prevention and Transparency Plan (PPCT) proposal; verifying the effective implementation of the PPCT and its suitability, proposing its modification in the event of ascertained relevant breaches or changes in the organisation or in the activities carried out;
- monitoring the implementation and compliance with the protocols and measures provided for by the Plan within the areas of competence; promoting 'anti-corruption' training activities for staff and verifying their effective implementation;
- verifying the effective segregation of roles, where appropriate and envisaged, in the offices/functions responsible for carrying out the activities within which the risk of corruption crimes being committed is highest;
- in agreement with the Supervisory Body, promoting the dissemination and knowledge of the Model and the Code of Ethics; managing the communication channels for reporting illicit and/or suspicious behaviour and/or behaviour not in line with the determinations/protocols established by the Code of Ethics and Model 231;
- managing anomalies, breaches or any reports received, also through appropriate cooperation/communication channels with the Supervisory Body, via specific inspections;
- annually reporting on its activity to the President and the CEO, in compliance with the communication obligations towards the Board of Directors, or whenever it deems it appropriate.

Internal control system on financial reporting

Following Law No 262/2005 ('Savings Law') and with the aim to comply with the legislation in force for companies in the field, the Agency has defined rules and methodologies for the establishment and maintenance of the Internal Control System on Financial Reporting (ICFR).

The model adopted by the Agency is the 'Internal Control - Integrated Framework' published in May 2013 by the Committee of Sponsoring Organisations of the Treadway Commission (COSO); its components are the term of comparison in relation to which the ICFR was established and evaluated and is constantly updated.

The ICFR aims to ensure that the financial reporting is reliable, accurate, trustworthy and timely. The main phases of the system are as follows:

- identification of risks on financial reporting: this phase involves the analysis of the most relevant business processes in terms of potential impact on the financial reporting of the Parent Company. In this context, the possible risks of both error and fraud that could potentially impact financial reporting are analysed and included;
- identification of controls called for by the identified risks: on the basis of the analysis of the financial reporting process, the controls envisaged by the process itself are identified to ensure compliance with the related risk mitigation, containment and elimination objectives;
- periodic assessment of controls called for by the identified risks;
- verification of the effectiveness of controls called for by the identified risks.

Within the scope of the ICFR, the Parent Company has consequently included those processes that are upstream with respect to the preparation of the financial statements, in particular those concerning the activities carried out by the various functions of the organisation that generate data and/or information used in the process of preparing the accounting documents.

Based on the powers defined by the Articles of Association, the Manager in Charge:

- drafts a written declaration certifying the correspondence of the company's deeds and communications disclosed to the market and relating to the accounting information (including interim information, when required) to the content in documents, books and accounting records;
- in agreement with the Organisational Development and Compensation function, prepares suitable administrative and accounting procedures for the drafting of the financial statements and, where applicable, the consolidated financial statements, as well as any other communication regarding economic and financial information;
- drafts a specific certification (to be attached to the financial statements and consolidated financial statements and made jointly with the CEO in compliance with the model approved by Consob) concerning:
 - the adequacy and effective application of the administrative-accounting procedures during the period to which the documents refer;
 - the documents' compliance with applicable international accounting principles;
 - the documents' correspondence to the content in books and accounting records;

- the documents' suitability to provide a true and fair representation of the economic situation and the financial position of both the issuer and all the companies included in the consolidation;
- the Report on operations for both the financial statements and the consolidated financial statements, making sure that it includes a reliable analysis of the performance and results of the management, as well as of the situation of both the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which the Company is exposed.

The appointment of the Manager in Charge took place for the first time on 02 August 2012 pursuant to art. 4 of the Regulations on the Activities of the Manager in Charge. On 28 July 2023, the Board of Directors appointed Domenico Tudini as Manager in Charge until the approval of the 2025 financial statements. The Manager in Charge is also responsible for certifying Sustainability Reporting in accordance with Legislative Decree No 254/2016 implementing Directive 2014/95/EU of the European Parliament and of the Council governing the disclosure of non-financial information.

The certification process pursuant to art. 154 bis of the TUF is divided into the following phases:

- definition/update of the scope;
- line monitoring of the adequacy of administrative and accounting procedures; these activities are carried out by the 'Chief Financial Officer' function;
- independent monitoring of the effective application of administrative and accounting procedures (phases I and II), carried out by a person not in hierarchical line with the units responsible for implementing the controls themselves and, therefore, by the Internal Auditing function;
- evaluation of any problems identified and their certification.

The process is broken down into the phases indicated above and is repeated on an annual basis, in order to comply with the certification obligations on the financial statements and the consolidated financial statements provided for by art. 154(5) bis of the TUF.

Depending on the timing of the monitoring activities and the need to timely detect possible problems and/or anomalies and promptly identify the related corrective actions, the Internal Auditing function shares the following with the Manager in Charge:

- interim report on the monitoring activity, illustrating the progress of the activities and the summary of the problems encountered to date;
- final report on the monitoring activity, following the annual closing activities and aimed at the annual certifications pursuant to paragraph 5, which includes the summary of any anomalies or problems detected and other information supporting the assessment of the adequacy and effective application of the administrative and accounting procedures.

Invitalia adopts an integrated and widespread risk control and management system at various levels of the organisational and corporate structure, in order to ensure the protection of corporate assets and shareholders, as well as transparency and conduct integrity.

Invitalia has drawn up a procedure regarding transactions involving interests of directors, statutory auditors and strategic managers, as well as transactions with related parties.

Main characteristics of the Internal Control and Risk Management System in relation to the financial reporting process, pursuant to art. 123-bis(2) TUF

The next paragraph of the Report describes the major risks identified based on the nature of the risk itself. In order to address these risks, Invitalia adopts the system of control procedures referred to in the Organisation, Management and Control Model and the Code of Ethics and strengthened by adopting the PPCT developed pursuant to Law No 190/2012.

The Internal Audit function is responsible for systematic measures (including inspections) to ensure that company processes are correctly conducted.

In the Group companies, controls are carried out at all hierarchical and functional levels of the organisational structure. All companies are committed to controlling the processes and operational activities under their jurisdiction according to their specific levels of responsibility and assigned tasks.

In the case of companies carrying out banking activities (ie MCC and CRO), controls are carried out at all hierarchical and functional levels of the organisational structure. All companies are committed to controlling the processes and operational activities under their jurisdiction in relation to their specific levels of responsibility and assigned tasks. The control results flow into a complex reporting and information system whose final

recipients are the Supervisory Authority and the Governing, Management and Control Bodies, based on the frequency and contents established by external and internal regulations and according to each body's competences. The control levels are structured as follows:

- line controls ('first level controls'), aimed at ensuring the correct performance of operations and carried out by the same operational structures (eg hierarchical, systematic and sample controls), also through units dedicated exclusively to control tasks that report to the heads of the operational structures. As far as possible, they are incorporated into the IT procedures;
- risk and compliance controls ('second level controls'), entrusted to several functions (eg Anti-Money Laundering, Compliance, Risk Management, ICT and Safety Risk Control) aimed, among other things, at ensuring the correct implementation of the risk management process, compliance with the operating limits assigned to the various structures and compliance of company operations with the reference regulations, (including self-regulation), monitoring and control of ICT and security risks as well as verification of the compliance of ICT operations with the management system thereof;
- Internal Audit ('third level controls'), aimed at identifying violations of procedures and regulations as well as periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the Internal Control System and the information system (ICT Audit), with a frequency established in relation to the nature and intensity of the risks.

In order to be independent, the structures into which the second and third-level Control Functions are divided are separated from each other and organisationally distinct from those involved in risk-taking.

Each Group company has an Internal Control System consistent with the Group's strategy and policy on controls, in compliance with the indications received from the Parent Invitalia Company.

As already mentioned, the MCC Banking Group has adopted an organisational model for the Internal Control System that provides for the centralisation of the second-level (Compliance, Anti-Money Laundering, Risk Management) and third-level (Internal Audit) Corporate Control Functions (FAC) at MCC itself on the basis of specific intra-group outsourcing agreements.

In the Banking Group companies, controls are carried out at all hierarchical and functional levels of the organisational structure. All companies are committed to controlling the processes and operational activities under their jurisdiction according to their specific levels of responsibility and assigned tasks. The control results flow into a complex reporting and information system whose final recipients are the Supervisory Authority and the Governing, Management and Control Bodies, based on the frequency and contents established by external and internal regulations and according to each body's competences.

At MCC, the Chief Compliance Officer Function is part of the Banking Group's compliance function, whose responsibilities derive from specific provisions contained in legal and supervisory regulations and are transposed in internal regulatory documents approved by the Board of Directors. In addition, the function is assigned the IT risk and security function with regard to the management of ICT and security risk non-compliance.

The Group's Anti-Money Laundering Function is also part of this function.

Both Heads have direct access to the Board of Directors and the Board of Statutory Auditors and communicate with them with no restrictions nor intermediation.

In compliance with the Bank of Italy's Supervisory Provisions and according to a risk-based approach, the Compliance Process Owner Function and the Anti-Money Laundering Function oversee the management of the risk of non-compliance (including the risk of anti-money laundering) with respect to all the Bank's activities, making sure that internal controls are adequate to prevent such risk. Accordingly, these functions oversee the process of managing the risk of non-compliance with regulations, in order to ensure that the regulations applicable to the Bank's business activities are identified on an ongoing basis and that their impact on business processes and procedures is properly assessed. The Function ensures that corporate conduct, organisational and procedural arrangements and business and operational guidelines guarantee adequate prevention and mitigation of identified risks of non-compliance, proposing organisational and procedural changes where necessary.

At MCC, the Chief Risk Officer Function fulfils the role of the Banking Group's risk control function – as defined by current regulatory provisions – and performs the tasks assigned to it in the policies and guidelines approved by the Board of Directors.

At MCC, the Chief Internal Audit Function fulfils the role of the Banking Group's internal audit function, as defined by current regulatory provisions, and performs the tasks assigned to it in the policies and guidelines approved by the Board of Directors.

Further players in the Bank's Control System are the Board of Statutory Auditors, the Supervisory Body pursuant to Legislative Decree No 231/2001 (hereinafter also referred to as the 'Body' or 'SB 231') and the Legal Auditing Company.

The main objective of MCC's SB 231 is to prevent the offences set out in Legislative Decree No 231/2001 from being committed. This is done by verifying the adequacy and effectiveness of the Organisational and Management Model adopted by the Banking Group companies, pursuant to the aforementioned decree.

The Body operates according to its own regulations approved by the Board of Directors of the Banking Group companies and has an expenditure budget and extensive powers of control and inspection at all levels.

At MCC, the SB 231 is a collegial body and may be set up specifically; alternatively, as provided for by current legislation, the functions of the SB 231 may be performed by the Board of Statutory Auditors.

According to the tasks assigned to it by law, the Legal Auditing Company maintains relations with the Board of Directors, the Board of Statutory Auditors, the Internal Audit Function and the other Bodies and/or corporate control functions of the Banking Group companies, also with the aim of exchanging information and/or data.

Finally, with regard to the function of coordinating and being operationally responsible for the Banking Group's internal control model required by Law 262/05 on the Protection of Savings (art. 154-bis TUF), the Chief Financial Officer of MCC, in his/her capacity as the Manager in Charge of preparing the corporate accounting documents of the Banking Group's Parent Company, is required to prepare (and effectively implement) adequate administrative and accounting procedures for the preparation of MCC's Financial Statements and the MCC Group's Consolidated Financial Statements, as well as any other financial communication addressing the Market pertaining to the Group itself.

RISK MANAGEMENT

The Parent Company

Invitalia relies on an internal control and risk management system, integrated and widespread at various levels of the organisational and corporate structure, which strengthens awareness of the risks to which the Agency is potentially exposed. The aim is to promote efficient management thereof according to criteria based on caution and good governance. This system consists of a set of rules, procedures and organisational structures aimed at ensuring that the Company achieves success in a sustainable. An effective and efficient process of identification, monitoring and management of the main risks is used for this purpose.

In the context of said internal control system, the Enterprise Risk Management (ERM) process is aimed at ensuring that the management makes informed decisions by assessing and analysing risks with an integrated vision. This is to guarantee that:

- risks are aligned with business strategies;
- both physical and logical (data, information) company assets are protected;
- business processes are efficient and effective; and
- laws and regulations, as well as the Articles of Association and internal procedures, are complied with.

Invitalia's ERM model is inspired by international best practices and relies on a methodological system and skills that leverage criteria that ensure assessment consistency, proper support for the main decision-making processes and suitable information to the administrative and control bodies.

The Chief Risk Officer (CRO) reports directly to the CEO and ensures the integrated management of corporate risks, in line with the provisions of the Group policy on ERM and the Risk Appetite Framework. The CRO supports the business by defining, updating and developing methodologies, metrics and operational tools for correctly measuring and managing risks.

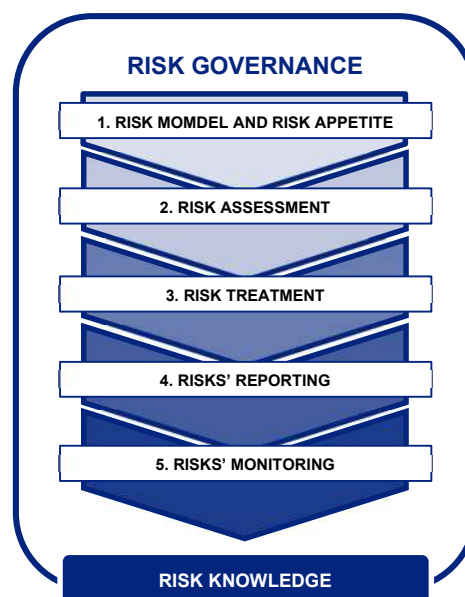
Risk management takes place in compliance with the thresholds defined in the Risk Appetite Statement; this document, approved by the Board of Directors in the meeting of 14 November 2024, defines the degree of risk appetite of the Agency, as well as the management implications and the risk containment/mitigation strategy, in order to achieve corporate goals.

The CRO periodically reviews the ERM model based on the evolution of the internal context (changes in the organisation, governance and processes) and external context (regulations, reference framework, leading practices) with the contribution of the company organisational units involved in the Risk Management process.

The ERM process

The ERM process is continuous and dynamic and is divided into the following phases:

1. definition of the Risk Model and Risk Appetite, approved by Invitalia's Board of Directors;
2. carrying out the Risk Assessment, based on quantitative and/or qualitative evaluations and periodically updated to take into account any changes in the organisation, processes or trends in the level of risk assumed;
3. treatment of risks by identifying the best strategy to implement (based on the balance between implementation costs and expected benefits);
4. formalisation and periodic reporting of the Risk Assessment results to the Company's management and to control bodies;
5. periodic and *ad hoc* monitoring of risks, also through the use of specific indicators aimed at identifying variations in the level of exposure to risks.



The ERM process requires the CRO to periodically consult with the Internal Audit and other corporate control functions, in order to promote an integrated risk governance policy.

As required by the ERM policy and subsequently specified by the Board of Directors, the Agency's CRO is currently starting to extend the scope of the ERM process to some subsidiaries.

Risk classification

The Risk Model adopted by the Agency groups the risks (as identified and assessed by the ERM in Invitalia's processes) into the following categories:

- **Strategic risks:** risks arising from the definition of strategic objectives that may prove inconsistent with the regulatory and/or institutional context, as well as with the mission/vision of the Agency. Said risks may also arise either from the definition of industrial policies that are not suitable for pursuing the goals set out in the strategic plan or from the evolution of external factors (eg changes in the macroeconomic and/or geopolitical context) that may affect the main assumptions used for developing the plan.
- **Financial risks:** risks arising from the possibility that an investment or financial transaction will incur losses rather than expected gains. These risks arise from the variability of financial parameters (interest rate, exchange rate, liquidity), as well as from the market prices of financial instruments and underlying assets.
- **Compliance risks:** risks associated with regulatory compliance, whether external (eg legislative and fiscal compliance in the broad sense) or internal (eg compliance with the Group's Code of Ethics and the company's procedural system). Furthermore, this category includes the risks of incurring civil, criminal or administrative sanctions, significant financial losses or reputational damage as a result of laws and/or regulations being breached.
- **Operational risks:** risks either related to inadequacy/dysfunction of the Agency's internal processes (core and business support), human resources and technological systems or deriving from external events. These risks can arise from a variety of factors, including human error, system failure, business interruption and cybersecurity breaches. By way of example, operational risks may result in financial losses, reputational damage and business interruption. Cyber risk and fraud risk are also assessed in the operational risk category.

Risks are assessed via quantitative and qualitative tools, considering both the occurrence probability and the potential impacts of a risk in a given time horizon.

The assessment is expressed both at inherent and residual levels (taking into account the effectiveness of mitigation actions). Risks are represented based on their occurrence probability and their impact on matrices

allowing their comparison and classification by relevance.

In order to address these risks, Invitalia adopts an internal control system consisting of a set of rules, procedures and control protocols, which form an integral part of both the Organisation, Management and Control Model and the Corruption Prevention and Transparency Plan. The internal control system is based on the Code of Ethics, which prescribes the rules of conduct and behaviour to be followed for the correct, diligent and fair management of the business.

In 2024, Invitalia's CRO carried out two risk assessment cycles, the results of which were presented to the Administrative and Control Bodies in July 2024 and January 2025. The results of the assessments highlighted that all of the Agency's risks are covered by adequate mitigation measures ('barriers') and that there are no risky events with a residual level higher than yellow.

Throughout the year, considering a scenario characterised by innovation and rapid change, an initial attempt was made to implement a combined assurance system to meet the increasingly felt need to enhance the Company's information assets by means of sharing, coordination and effective cooperation between the various players involved in the Agency's internal control system, each within their own sphere of competence.

To this end, an assurance map was prepared, which provides a summary of the monitoring carried out by the various actors involved. This work represents the starting point of a process geared towards compliance, sharing, coordination and consolidation, which will open the door to new opportunities in the next phases, including:

- the adoption of a single taxonomy within the organisation;
- the standardisation of reporting and monitoring processes, making it easier to assess and identify areas for improvement;
- a vision of the organisation's risks, which will benefit from the development of a metric for assessing impacts through a coherent methodological alignment between the different levels of control involved, respecting the different visions provided by the assurance providers, each functional to its own responsibilities.

Other Group companies

Infratel's organisation is inspired by international best practices for risk management. It has offices responsible for verifying the company's compliance with internal laws and regulations; in particular, the Internal Auditing function was established in 2024. The main risk management system is identified in the integrated MOGC widespread at various levels of the organisational and corporate structure, which strengthens awareness of the risks to which it is potentially exposed. The aim is to promote efficient management thereof according to criteria based on caution and good governance. The MOGC is in turn coordinated and integrated with the quality and environmental management systems, as well as with the system related to health and safety in the workplace and the anti-corruption plan (which is an integral part of the model). In defining the risk, the company periodically carries out Risk Assessments based on quantitative and/or qualitative evaluations and periodically updated to take into account any changes in the organisation, processes or trends in the level of risk assumed. As far as control is concerned, *Infratel* adopts special procedures to mitigate the risks emerging from the Risk Assessment activity and subject to continuous review and monitoring by management, process managers and internal bodies responsible for control (SB, Internal Auditing). The principles of conduct are also completed via a Code of Ethics shared with the Parent Company, which inspires corporate ethics also from a sustainability perspective.

Invitalia Partecipazioni's Risk Management relies on the heads of the various functions and ensures that risks are analysed, and the related management and mitigation policies implemented.

The following risks have been identified:

- Credit risk: with particular regard to the credit positions recorded in the balance sheet and their relative recoverability, the company's general policy provides for the structured monitoring of debt exposures and, in some cases, the request for guarantees;
- Liquidity risk: it is the risk that the company will be unable to meet its financial obligations in a timely manner. It is mitigated by a line of credit available to the company and provided by the Parent Company;
- Company share liquidation risk: it is the risk that the company will be unable to obtain liquidation of its company shares despite its institutional purpose. The company relies on the shareholding management function, which ensures the development of shareholding divestment programmes, analysis reporting and shareholding monitoring, especially by participating in the meetings of the investee company and initiating divestment procedures (eg public tender procedure).
- Operational risks: this particularly refers to the possibility of incurring losses due to inadequate management of legal claims. To this end, the company has a specific function for monitoring disputes and a procedure that ensures control over the management of out-of-court settlement disputes, standardising the behaviour of the parties involved and the products of their work, describing their responsibilities and defining their activities.
- Exogenous risks (eg due to floods, inundations, fires, thefts, vandalism, etc.) that may occur on *Invitalia Partecipazioni* properties. The company regularly carries out inspections and analyses of real estate properties, which are functional, among other things, to the annual review of the 'all risks' policy.

Furthermore, in order to address these risks, *Invitalia Partecipazioni* adopts an internal control system consisting of a set of rules, procedures and control protocols, which form an integral part of both the Organisation, Management and Control Model and the Corruption Prevention and Transparency Plan. The internal control system is based on the Code of Ethics, which prescribes the rules of conduct and behaviour to be followed for the correct, diligent and fair management of the business.

The *Group banks* have adopted their own organisational structure and internal regulations on Risk Management, in compliance with the regulatory provisions applicable to a financial institution. In particular, the Chief Risk Officer fulfils the role of risk control function and performs the tasks assigned to it in the policies and guidelines approved by the Board of Directors, especially with reference to the Regulation of the risk control function.

FINANCIAL MANAGEMENT AND RELEVANT RISKS

FINANCIAL MANAGEMENT IN INVITALIA

After two years of gradual rate increases aimed at containing the inflationary pressures on both sides of the Atlantic due to movements in raw material prices and geopolitical tensions caused by the main conflicts underway in the world, the ECB deposit rate stabilised at 4% in the first half of 2024. The effectiveness of the measures adopted was confirmed by an annual inflation rate of 2.4%, close to the medium-term target of 2%.

Easing inflationary pressures combined with a weak economic cycle, with a GDP growth of 0.7%, prompted the ECB to progressively ease its monetary policy in the second half of 2024. The central bank's deposit rate fell by one percentage point in the second half of the year, from 4% to 3% in December. However, the monetary policy stance remains prudent, with interest rate easing being accompanied by a reduction in open market bond purchases. During the first months of 2025, rate cuts continued with the aim of supporting the fragile economic development put at risk by the emergence of international turbulence on tariffs.

Monetary rates fell by more than one percentage point in 2024, with the 3-month Euribor rate decreasing by 1.20 points over the year to 2.75%. The yield curve of Italian government bonds has assumed a marked positive slope, with a rate reduction of 1.20% in the short end (0-2 years) and a less pronounced reduction in the medium-long end (3-30 years).

Financial management in Invitalia

Invitalia's financial management during 2024 was again based on compliance with the principles of prudent allocation of resources according to the management mandate granted by the Board of Directors. The composition of the asset allocation at year-end was as follows:

ASSET CLASS	Amounts in thousands of euro
Sight deposits and ordinary current accounts	34,134
Short-term receivables	27,300
Trading securities	0
HTC securities	100,670
Investment policies	9,627
Short term loans	-54,180
TOTAL	117,551

The liquidity readily available in deposits and ordinary current accounts fell significantly during the year and increased again in the last quarter thanks to a favourable trend in the collection of receivables from the contracting ministries. The decrease during the year is due to the enforcement of guarantees for EUR 75 million suffered by Invitalia due to commitments undertaken by law as the implementing body of the support policies for large companies in crisis. With regard to this enforcement, methods are currently being studied that would allow for reimbursement by the Shareholder.

The elimination of the trading securities portfolio and the 20% reduction of the HTC portfolio, due to security maturity, contributed to covering the financial requirement.

The short-term financial balance during the financial year was ensured through the use of repurchase agreement financing operations and of credit facilities granted by leading banks. Consequently, short-term loans, which amounted to zero in the first quarter of the year, grew to 107 million in the following six months, and then halved at the end of the year thanks to the usual favourable trend in the collection of trade receivables from the Public Administration in the last months of the year.

The sharp decline in monetary rates made it possible to contain the financial charges resulting from the large short-term financing operations carried out during the financial year, which nevertheless reached a total of EUR 2.4 million.

The returns on the HTC securities portfolio (EUR 4.2 million) combined with returns on time deposits and current accounts (approximately EUR 3 million) and other smaller investments resulted in financial income of approximately EUR 7.6 million during the year.

The net margin of short-term financial management thus ensured a positive result of EUR 5.2 million.

Despite the extraordinary events related to the enforcement of guarantees and the collections by the Public Administration, the liquidity risk was mitigated by the liquidity of the financial investments, the possibility of financing through repurchase agreements and the coverage offered by available credit facilities granted by leading Italian banks.

The credit risk of investments is very low given the high standing of the HTC securities portfolio, overall equal

to investment grade, which alone represents more than half of the assets; the residual part is essentially represented by current account balances, time deposits and some investment policies. The composition of this portfolio helps to stabilise expected returns while reducing interest rate risk.

Medium-term loans

The medium-long term debt consists of a 3-year Senior Social Bond for an amount of EUR 350 million to fund the operating costs and the working capital of the Company, and a green pool loan of 68 million to purchase the former Italsider area in Bagnoli. This purchase, occurred according to Decree-Law No 133 of 2014, is instrumental to the recovery activities assigned by the same law to Invitalia and to the subsequent transfer of the area.

As the maturity date was approaching, the Board of Directors resolved to call the above Senior Social Bond at the beginning of 2025 and issue a new 5-year bond with a significantly lower expected interest cost, given the more favourable market conditions. In order to further benefit from the market situation, the Board of Directors also provided for the partial repurchase of the outstanding bond before maturity.

Warning indicators: business crisis

Corporate crisis indicators are essential tools for assessing the financial and operational strength of a company. These indices, defined by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC, i.e. Italian council of chartered accountants and accounting experts), provide a detailed analysis of the conditions that may indicate an impending or ongoing crisis. In the Report on operations, the analysis of business crisis indices allows for the monitoring and evaluation of various aspects of corporate management, from the sustainability of financial charges to capital adequacy, from financial balance to profitability, up to social security and tax debt ratios.

INDICATORS		2024
Financial expenses sustainability	Financial expenses / revenues %	7.15%
Capital Adequacy	Equity / Total liabilities %	109.93%
Financial Balance	Short-term liquidity (short-term assets / short-term liabilities) %	116.60%
Profitability	Cash flow / assets %	(3.45%)
Other debt ratios	(Social security debt + tax liabilities) / assets %	0.31%

The financial expenses sustainability ratio measures the ability of a company to bear its financial charges against the revenues generated. The value calculated for this ratio does not show any risk with respect to the company's ability to cover its financial expenses with a portion of its revenues.

The capital adequacy ratio is very high, i.e. the company has a more than adequate asset base with respect to corporate debts.

The financial balance ratio also shows a more than adequate value for covering short-term liabilities.

The profitability ratio measures the company's ability to generate cash flow relative to total assets. The value of this ratio was affected by a decline in liquidity following the enforcement of the guarantees and counter-guarantees granted by Invitalia in favour of ADIH/ADI (EUR 75 million) and by the repayment of the bridge loan stipulated in the second half of 2023 (EUR 30 million) to partially cover the financial requirements generated by the purchase of the former Italsider area in Bagnoli. With respect to the enforcement of the guarantees and counter-guarantees, as noted above, the Company took action by immediately bringing to the attention of the Ministry of the Economy and Finance the sums already paid and to be paid, against the called guarantees, in order to identify the most suitable methods of reimbursement, considering the particular nature of the acquisition of the shareholding which took place in implementation of the provision of law (Decree-Law No 142 of 2021).

The ratio measuring the level of social security and tax debt shows a very low value, which confirms the financial stability of the company.

For information on the risks and uncertainties of the Group's banks, please refer to the Notes to the Consolidated Financial Statements of the MedioCredito Centrale banking group and specifically to Part A, which provides information on going concern and on the risks and uncertainties associated with the use of estimates, Part B (Section 10.6 Provisions for Risks and Charges), as well as Part E, which details information on financial and operational risks.

LITIGATION

LEGAL DISPUTES OF THE PARENT COMPANY

The Agency's litigation is mainly composed of active civil law cases related to the compulsory recovery of credit deriving from the facilitation measures managed by the Agency.

In continuity with the previous year, the Agency has resorted to credit recovery also pursuant to the MEF Decree published in the Official Gazette of 07/03/2008, which allows it to comply with the obligation to provide for the recovery of credit accrued for the beneficiaries of the measure under Legislative Decree No 185/2000 according to economic criteria through the Agenzia delle Entrate - Riscossione (Italian Revenue Agency - Collections).

To date, there is a physiological and marginal labour law dispute appropriately balanced in the provisions.

Below is a breakdown of the main legal claims that present a possible or remote risk and for which no provisions have been made, in accordance with the international accounting principles:

Arbitration proceedings filed by ArcelorMittal and Acciaierie d'Italia Holding against Invitalia

On 10 December 2020, ArcelorMittal Italy Holding (AMIH), ArcelorMittal SA (AMSA) and Invitalia signed an Investment and Shareholders' Agreement by which, among other things, the latter undertook to subscribe and pay, in two *tranches* and for an amount of up to EUR 1,105,000,000, a capital increase of Acciaierie d'Italia Holding (formerly AM InvestCo Italy SpA). According to this Agreement, Invitalia undertook to subscribe and pay the first capital increase within the fifth working day following the obtaining of the European Authorisation pursuant to Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the EC Merger Regulation). This condition occurred on 28 January 2021. Therefore, the payment of the first capital increase should have been made by 5 February 2021, the day on which the extraordinary meeting of ADIH was actually held to resolve on the capital increase in favour of Invitalia. The deadline was then consensually extended until 26 February 2021.

In the event of a delay in the subscription and payment of the first capital increase, the Agreement provided, among other things, that *'default interest will mature and be owed by Invitalia to the Company' AM InvestCo Italia S.p.A. (now ADIH) 'from the date of the written request of the Company until the date of actual full fulfilment', to be calculated on the basis of 'a rate equal to the 6-month EURIBOR plus 750 (seven hundred and fifty) basis points (bps)'.*

Invitalia did not subscribe the first capital increase on 5 February nor within the further terms granted to it, as it had not received the relevant funding from the Ministry of Economy and Finance.

AM InvestCo Italy S.p.A. requested payment of default interest and a mediation procedure was commenced in March 2021 before the International Centre for ADR of the International Chamber of Commerce ('Mediation'), as provided for by the Agreement, in order to attempt to reach an amicable settlement of the dispute.

Pending the Mediation, on 14 April 2021, Invitalia, having acquired the availability of the relevant sums from the Ministry of Economy and Finance, subscribed and paid the first capital increase without paying the default interest; therefore, the mediation continued only with regard to the payment of such interest on the sum of EUR 400,000,000 at a rate equal to the 6-month EURIBOR plus 750 basis points, for a total of EUR 3,365,698.63.

The mediation procedure having failed, and the Parties having failed to reach an agreement, AMSA, AMIH and ADIH filed the arbitration proceedings on 17/05/2021 by invoking the arbitration clause set forth in the Co-Investment Agreement.

In the arbitration proceedings, the counterparties requested that Invitalia S.p.A. be ordered to pay default interest of EUR 3,365,698.63, plus legal interest from the claim, due to the delay (of 45 days) in subscribing and paying for the EUR 400 million capital increase of Acciaierie d'Italia Holding S.p.A. in 2021. The order for Invitalia S.p.A. to pay the costs and fees of the Arbitration Board and the defence costs was also requested.

Invitalia S.p.A. denies any default, even if only negligent, contesting the existence of the conditions for the application of default interest: and this is because the payment was made immediately after receiving the necessary funds from the Ministry of Economy and Finance.

There is no liability on the part of Invitalia S.p.A., since the 2020 Co-investment Agreement, pursuant to which the payment was to be made, had to be implemented in compliance with the provisions of regulatory provisions and ministerial acts.

Invitalia S.p.A. consequently requested, with the rejection of the opposing claims, the payment of costs and

fees, but an arbitration award was issued against Invitalia, against which an appeal was lodged on both procedural grounds and the substantive grounds mentioned above.

Recently, an order was obtained to suspend the enforceability of the arbitration award by the Court of Appeal competent to decide on the proposed appeal.

The latter circumstance, together with the substantive reasons already expounded in the award and reiterated in the appeal, determine the only possible riskiness of the liability.

At present, the case is pending in the Court of Appeal with the hearing postponed to 10 September 2025 for referral for decision.

Fincalabra

An appeal is pending before the Court of Rome for damages for contractual liability and image damages in connection with the divestment of the regional shareholdings in the territorial companies formerly held by Sviluppo Italia. The claim for damages amounts approximately to EUR 2.5 million. At the hearing for clarification of the conclusions of 02.02.2021, the case was retained for decision. The case is still pending.

Consorzio Stabile Sinergica

The state of the litigation is determining the *quantum debeatur* in compliance with ruling No 608 of 24 June 2021 (CGA), between the 'Special Commissioner for the coordination and implementation of interventions functional to compliance with the conviction rulings of the Court of Justice of the European Union (case c-565/10 and case c-85) regarding the collection, sewerage and purification of waste water', Invitalia and the Consorzio Stabile Sinergica. In relation to the provisions of the aforementioned ruling, Invitalia is obliged to compensate, in equivalent terms, Consorzio Stabile Sinergica due to the failure to take over the contract for the works for the 'Construction of the sewerage system for sewage water serving the Tonnarella, Trasmazzaro area and connection to the existing network of Lungomare Mazzini - Municipality of Mazara del Vallo (TP) - INTERVENTO ID 33505'. The dispute was resolved with a settlement agreement between the parties.

Minerva Restauri

Following ruling No 8148 of 6 December 2021, with which the Council of State upheld the appeal brought by Minerva Restauri (the company second in the ranking list), in addition to the takeover, Invitalia was also ordered to pay compensation for the non-performance of the works carried out. This sum must be quantified according to the procedure outlined in the ruling itself, according to which it is necessary to verify any *aliunde perceptum* and the state of the works. In defining the judgement, the Council of State declared that damages must be paid by the Library and therefore the ruling was concluded.

Teseco 2 and Teseco 3

These disputes were resolved with settlement agreement between the parties. These cases were dismissed.

INFRATEL LEGAL DISPUTES

Legal disputes related to contracted works

Infratel is party to a large and minute litigation arising from claims for damages brought by private parties for accidents occurring on roads affected by excavation works contracted out to third parties.

In this regard, it should be noted that there are specific contractual guarantees that the contractors have provided in favour of Infratel Italia with the signing of the Framework Agreements. Such guarantees consist in the indemnity that each contractor or temporary grouping of companies (ATI) has undertaken to provide in favour of Infratel Italia under the terms of the Framework Agreement with reference to: i) all direct and indirect damages that may arise from the performance of the works and/or the materials used as well as from the late or incorrect restoration of the state of the sites affected by the works; ii) any claim for compensation made by third parties or entities by way of judicial or extrajudicial proceedings for any reason whatsoever arising from or in connection with the performance of the Framework Agreement. For these reasons, in the event of losing the case in court, the related costs should not be definitively borne by Infratel Italia by virtue of the indemnity obligation incumbent upon the contractors.

The validity of the aforesaid indemnity obligation has been recognised to date in almost all judgements, with the exception of a case settled with a ruling by the Court of Caltanissetta, which Infratel Italia, precisely for this reason, decided to appeal before the Court of Appeal of Caltanissetta; the hearing for the clarification of the conclusions was held, after an initial postponement, on 30/11/2023. With a ruling on 28/11/2024, the Court of Appeal of Caltanissetta rejected the opposition proposed by Infratel.

Administrative legal disputes related to Infratel Italia's tenders

All of the numerous disputes relating to tenders tendered by Infratel Italia since 2005 have been settled by judicial rulings in favour of Infratel.

Since 2016, Infratel has carried out the following three restricted tender procedures according to the new so-called 'concession' model:

1. BUL 1. Invitation to Tender published in the Official Gazette of the Italian Republic (GURI) 5th Special Series - Public Contracts no 63 of 03/06/16, for the award of a concession for the construction, maintenance and operation of the publicly owned Ultra Broadband (BUL) passive network in the white areas of the territory of the Regions: Abruzzo and Molise, Emilia-Romagna, Lombardy, Tuscany and Veneto;
2. BUL 2. Invitation to tender published in the Official Gazette of the Italian Republic 5th Special Series - Public Contracts no 91 of 8 August 2016, for the award of a concession for the construction, maintenance and operation of the publicly owned Ultra Broadband passive network in the white areas of the territory of the Regions: Piedmont, Valle D'Aosta, Liguria, Autonomous Province of Trento, Marche, Umbria, Lazio, Campania, Basilicata, Sicily and Friuli-Venezia Giulia;
3. BUL 3. Invitation to tender published in the Official Gazette of the Italian Republic 5th Special Series - no 46 of 20/04/18 for the award of a concession for the construction and management of a passive Ultra Broadband infrastructure in the white areas of the territory of the Regions: Calabria, Puglia and Sardinia.

The first two procedures were affected by significant litigation, mainly promoted by the dominant operator Telecom Italia. There are no pending judgements at the moment. In particular, it is specified that for BUL 1: cases were dismissed with rulings No 17386/2022 for lot 1, No 00875/2023 for lot 2, No 17375/2022 for lot 4, No 01596/2023 for lot 3 and No 04470/2023 for lot 5. There are no pending issues for BUL 2 and BUL 3.

From a procedural point of view, the appeal proceedings concerning Open Fiber's admission decision for Lots No 1-2-3-4 and 5 (BUL 1) were suspended on 19 October 2017 for a preliminary reference to the Court of Justice of the European Union, which was referred by the Court of Appeal with order no 5621/2017.

The same appeals lodged by Telecom against the Lazio Regional Administrative Court's (TAR) rulings admitting the case were dismissed due to failure to resume proceedings after the ruling of the Court of Justice in July 2019.

On 27 June 2022, Fastweb, with regard to judgement R.G. no 2678/2017 (for the annulment of Agcom opinion no 43317 of 02/08/16, concerning the approval, pursuant to resolution 120/16/cons, of the prices of wholesale access services to ultra broadband infrastructures receiving public funding), filed a petition to set a hearing pursuant to Art. 82 of the Italian Code of Administrative Procedure. An extraordinary hearing was held on 15/11/24, following which Fastweb filed a request for adjournment to 15/01/25. With ruling No 01000/2025 of 20/01/25 the Lazio TAR accepted Infratel's objections and declared the appeal inadmissible.

Extraordinary Appeal to the Head of State

Infratel Italia, together with the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa, filed an Extraordinary Appeal to the Head of State, notified on 16 June 2017, against the Departmental Decrees of 11 November 2016, 17 February 2017 and 31 May 2017, by which the MISE (now MIMIT) censured the resolution to distribute to the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa the profits accrued by Infratel Italia for the financial years 2013, 2014 and 2015.

These profits have been approved but not yet paid to the Parent Company, also due to the alleged need to recalculate the amounts payable to Infratel Italia to cover management requirements, based on the periodic reports under the existing agreement, for broadband expansion and deployment, on which the MISE (now MIMIT) withheld the amounts in question.

The dispute concerns the allocation of profits, whereas Infratel Italia's ability to realise balance sheet profits is not at issue.

This dispute was settled by Presidential Decree of 10 January 2020, which declared it partially inadmissible due to late notification, in the part in which the above-mentioned measures and acts are challenged insofar as they reduce the amount of operating profits earned by Infratel Italia in the years 2013, 2014 and 2015 and distributed to its sole shareholder Invitalia. Presidential Decree of 10 January 2020 also declared the appeal inadmissible due to lack of interest insofar as it challenges Ministerial Note No 12473 of 17 February 2017, in the part in which it requests 'the accounting reacquisition of the "Broadband Programme Reserve" amounting to EUR 3,628,336.00 in the DGSCERP Report to the XLIV Report- 9 Infratel, given the non-provisional nature of this note, which is unsuitable to adversely affect the legal sphere of the appellants.

Infratel Italia also filed in January 2019, together with the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa, a further Extraordinary Appeal to the Head of State against the Departmental Decree

of 28 September 2018 by which the MISE (now MIMIT) withheld the 2016 budgetary profits.

In the period following the initiation of the proceedings instituted with the above-mentioned Extraordinary Appeals, for the sole purpose of overcoming the disagreement on the accounting of the profits earned by the Company from activities other than those governed by the Programme Agreement, Infratel Italia and the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa initiated discussions aimed at adjusting and supplementing the rules contained in the Programme Agreement of 20 October 2015. The talks between the parties ended with the signing, in October 2020, of the new Programme Agreement, in which Article 12 sets out the rules on income from Infratel Italia's activities in an even clearer way than before, to clear up any confusion caused by the wording of the previous Programme Agreement. The new Programme Agreement was therefore signed with the aim of clarifying, rather than changing, the previous rules on the treatment of profits, with a view to overcoming the disputes that had arisen between the parties on this point and preventing new disputes from arising.

In consideration of the signing of the new Programme Agreement, the waiver of the Extraordinary Appeal to the Head of State was formalised on 6 March 2024.

The dispute is therefore resolved. It should be noted that, due to its nature, even an unfavourable outcome of the pending litigation would not have had any economic impact, as it would have resulted in the reclassification of certain items in the balance sheet.

Disputes before the Civil Court of Rome relating to penalties applied by Infratel Italia

Three disputes are currently pending before the Civil Court of Rome regarding penalties applied by Infratel Italia, two of which were initiated by the licensee Open Fiber in 2022 later merged into a single lawsuit as better described below) and the third by Fastweb in January 2023 within the scope of the 'Piano Scuola Connessa (Connected Schools Plan), Phase 1'. These are:

- a first dispute, instituted by the licensee Open Fiber against the grantor Infratel Italia by means of a writ of summons dated 6 July 2022, to request: (1) primarily, to ascertain and declare the nullity of art. 33 – entitled 'Penalties' – of the concession agreements; (2) alternatively, to ascertain and declare that the penalties applied by Infratel Italia are manifestly excessive and, as a result, to reduce them to equity pursuant to Art. 1384 of the Italian Civil Code. Infratel Italia appeared before the court with a counter-claim filed on 21 November 2022. At the hearing of 08/07/24 for the admission of the evidence, the Judge reserved his decision. Next hearing: not yet scheduled.
- a second dispute, instituted by the licensee Open Fiber against the grantor Infratel Italia by means of a writ of summons dated 28 October 2022, to request: (1) primarily, to ascertain and declare the nullity of Art. 33 – entitled 'Penalties' – of the concession agreements; (2) also primarily, to ascertain and declare the non-existence of the credit claimed by Infratel Italia by virtue of the invoices charged, as penalties, starting from 6 July 2022, as well as having regard to any future invoices that may be charged under the same title; (3) alternatively, to ascertain and declare that the penalties applied by Infratel Italia are manifestly excessive and, as a result, to proceed with their equitable reduction pursuant to Art. 1384 of the Italian Civil Code. Infratel Italia appeared before the court with a counter-claim filed on 31 January 2023. At the hearing of 08/07/24 for the admission of the evidence, the Judge reserved his decision. Next hearing: not yet scheduled.

The two aforementioned disputes with the concessionaire Open Fiber have been merged into a single judgement.

- a third dispute, initiated by Fastweb against Infratel Italia by means of a writ of summons dated 16 January 2023, to request: (1) primarily, to ascertain and declare the non-existence of the contested contractual breaches and, consequently, to ascertain and declare the illegitimacy of the penalties imposed by Infratel Italia within the framework agreements relating to lots 3 and 5 of the 'Piano Scuola Connessa, fase 1', and, consequently, to declare that nothing is owed by Fastweb to Infratel Italia by way of penalties; (2) also primarily, to order Infratel Italia to return to Fastweb the sum of EUR 3,480,000 paid by the plaintiff by way of penalties, plus interest and revaluation at the legal rate from the date of the legal action to the actual settlement; (3) alternatively, to ascertain and declare that the penalties applied by Infratel Italia are manifestly excessive and, consequently, to reduce the penalties imposed overall on an equitable basis; (4) also alternatively, to order Infratel Italia to return to Fastweb the amount of EUR 3,480,000 or in the alternative EUR 3,182,460 or the different amount to be established by the court following an equitable reduction, because paid to date by the plaintiff as excess penalties, plus interest and revaluation at the legal rate from the date of the legal action to the actual settlement. Infratel Italia appeared in court with an appearance filed on 19 April 2023. At the hearing on 25/03/24 for the admission of evidence, the Judge set a hearing for the clarification of the conclusions. Next hearing: 11/11/25.

Disputes before the Regional Administrative Court (TAR) of Lazio in relation to the mapping of neighbouring

street numbers

With reference to the 2024 Mapping and Consultation procedure for fixed ultra-broadband networks on neighbouring street numbers, two proceedings are currently pending before the Lazio TAR, brought by Open Fiber for the annulment of refusals of access to documents by Infratel Italia. FiberCop appears as a counter-interested party. Below are the main information on the two proceedings:

LAZIO TAR, sect. IV, R.G.N. 11981/2024

With an appeal notified on 13 November 2024, Open Fiber requested:

- the annulment of the provision of 14 October 2024, with which Infratel Italia denied access to the documents to the request submitted by Open Fiber with communication of 26 September 2024, in reference to (i) the reasons given by FiberCop as the basis for the decision not to transmit to Infratel Italia the list of neighbouring street numbers of its relevance, (ii) the communications exchanged between FiberCop and Infratel Italia in this regard and (iii) the subsequent decisions taken by Infratel Italia;
- the verification of the appellant's right of access and the condemnation of the respondent to exhibit the documents requested pursuant to Art. 116(4) of the Italian Code of Administrative Procedure.

With the appeal filed, Open Fiber also requested the adoption, as a precautionary measure, of an order to expedite the setting of a hearing date for the merits of the case.

LAZIO TAR, sect. IV, R.G.N. 12929/2024

With an appeal notified on 29 November 2024, Open Fiber requested:

- the annulment of the provision of 31 October 2024 rejecting the request for access to documents submitted by Open Fiber on 9 October 2024 in reference to the documentation and information produced with regard to neighbouring street numbers by third-party economic operators;
- the verification of the appellant's right of access and the condemnation of the respondent to exhibit the documents requested pursuant to Art. 116(4) of the Italian Code of Administrative Procedure.

With the appeal filed, Open Fiber also requested the adoption, as a precautionary measure, of an order to expedite the setting of a hearing date for the merits of the case.

The TAR set the hearings in chambers for 18 December 2024, to discuss the precautionary requests. The precautionary requests were waived by Open Fiber, with documents notified on 11 December 2024. At the hearing of 18 December 2024, the TAR acknowledged the waiver of the precautionary requests and adjourned the council chamber to 26 February 2025. At the hearing of 26 February, with specific reference to proceedings R.G.N. 12929/2024, Open Fiber waived its right to access documents relating to operators other than FiberCop. Following the discussion between the parties, the TAR reserved judgement on both cases.

MEDIOCREDITO CENTRALE LEGAL DISPUTES

The legal disputes for which specific provisions have been set aside relate to four disputes with customers. Furthermore, there are some disputes with customers for which no provisions have been made, as a defeat is not currently known or probable.

Furthermore, with reference to a tax dispute, which, as a result of what was agreed with the contractual counterparties in the context of extraordinary transactions (split or transfer of business branches, transfer of legal relationships en bloc), completed from 1 July 2008 to 1 September 2010 with UniCredit Group companies, would have been the responsibility of the latter, it should be noted that it was dismissed by effect of an order of the Court of Cassation of March 2022.

Finally, in relation to the facilities managed by the Bank on behalf of the Public Administrations, there are several disputes for which no provisions were made as any adverse outcomes are the responsibility of the Public Administrations and will therefore be borne out of the funds under management.

Information on contingent liabilities

With deed notified on 23 June 2021, *Tradinvest Srl* has, inter alia, sued BdM Banca S.p.A. (formerly Banca Popolare di Bari S.p.A.) and Mediocredito Centrale S.p.A., before the Court of Bari, acting as assignee of disputed debts assigned to it by Eurowind Orta Nova S.r.l., requesting that the defendant banks be sentenced, jointly and severally, to return the sum of EUR 9.1 million in respect of a financing contract granted in pool to Eurowind Orta Nova S.r.l.

In this regard, MCC duly appeared in court within the terms established by law, contesting the validity of the opposing claims in their entirety. Resolving the reservation assumed at the hearing of 18/10/23, the Judge ordered the performance of a technical accounting consultancy (both in relation to the loan relationship and in

relation to the shares and bonds issued by BdM Banca S.p.A.). The case, therefore, was postponed for the swearing in of the court-appointed expert to 12 June 2024. The final court-appointed expert appraisal was filed on 24 February 2025. It did not detect any exceeding of the usury threshold rate applicable to this loan category, neither with reference to the interest paid nor with reference to the default interest. The hearing was further postponed to December 2025.

By deed notified on 23 December 2022, Società Italiana per Condotte d'Acqua S.p.A. in extraordinary administration, represented by its extraordinary commissioners, brought legal proceedings against Mediocredito Centrale S.p.A. and other natural and legal persons (approximately 50 entities in total) for alleged liability of the aforementioned entities in aggravating the company's state of crisis, which was subsequently formally declared insolvent. With regard to MCC, the case originates from a EUR 15 million loan granted by the Bank to the Company in 2016, ie before the Company was admitted to the extraordinary administration procedure in 2018, pursuant to Art. 2(2) of Decree-Law No 347/2003. For the sake of completeness, it should be noted that - in relation to the position in question - a dispute initiated by the Commissioners aimed at declaring the ineffectiveness and consequent revocation of the payments made to MCC is already pending. In short, for the purposes of this judgement, the Company summons the defendants in order to have them condemned - jointly and severally - to compensate for the damage caused by them in various ways.

Specifically, MCC (and the other defendant banks) are accused of being aware of the company's state of crisis since 1 January 2016, and of contributing to its collapse by opening and maintaining credit lines in favour of the Company. The initial hearing was set for 22 April 2024. At the first hearing, the plaintiff's lawyer requested a postponement of approximately three months in order to provide proof that the notification had been completed with Banco do Brasil, and the judge ordered a postponement until 1 July 2025.

With regard to both of the above disputes, as part of the assessments carried out in accordance with the current internal policy on dispute management, the Bank believes that, at present, the conditions set out in IAS 37 for making a provision do not exist.

CASSA DI RISPARMIO DI ORVIETO LEGAL DISPUTES

As of the date of this financial statement, there are no pending legal or arbitration proceedings whose outcome could significantly affect Cassa di Risparmio di Orvieto's (CRO) financial position and economic situation.

It should be noted that Cassa di Risparmio di Orvieto has availed itself of the option granted by IAS 37, paragraph 92, not to provide detailed information on provisions allocated in the financial statements for individual risks if such information could seriously affect and/or weaken its position in litigation and/or potential settlement agreements.

In particular, the legal claims in progress mainly relate to:

- anatocism and usury;
- shares in the former Banca Popolare di Bari S.C.p.A. (now BdM Banca S.p.A.) placed with customers.

In these proceedings, the main objections raised against CRO's actions concern:

- the alleged invalidity of the framework agreement (and of the individual investment transactions), pursuant to Art. 23 of Legislative Decree No 58 of 24 February 1998 (Consolidated Law on Finance, 'TUF'), due to the lack of a written framework agreement;
- the alleged breach of disclosure obligations regarding the characteristics, risk profiles, and liquidity of the shares of (the former) Banca Popolare di Bari;
- the alleged incorrect profiling of customers and CRO's alleged breaches of conduct with regard to the assessment of the suitability/appropriateness of investments in Banca Popolare di Bari securities in relation to the risk profile of customers;
- (in limited cases) alleged defects in consent (fraud, error) that would invalidate the contractual relationships and the investment transactions concluded;
- the alleged violation of the chronological order in the execution of orders to sell shares of (the former) Banca Popolare di Bari given by shareholders;
- (in limited cases) the alleged liability of (the former) Banca Popolare di Bari pursuant to Art. 94(7) of the TUF.

In this regard, CRO, taking into account the progress of the aforementioned disputes, has available funds based on the best estimate of the provision in accordance with IAS 37 at the reporting date.

It is also acknowledged that two legal proceedings have been brought against CRO by Fondazione Cassa di Risparmio di Orvieto:

- 1) challenge of the resolution passed by the shareholders' meeting of Cassa di Risparmio di Orvieto on 8 November 2022, concerning the capital increase of the bank entirely carried out by Mediocredito Centrale following the refusal of the plaintiff shareholder to exercise its option rights, with a request for suspension. CRO duly appeared in court contesting the validity of the opposing claims; the Court rejected the Fondazione's request for an injunction to suspend the resolution and the judgement on the merits, which continued, was reserved for decision;
- 2) challenge of the resolutions of the shareholders' meeting of 17 June 2024 concerning the appointment of the members of the Board of Directors and the Board of Statutory Auditors of the bank, with a request for suspension; first hearing set for 17 January 2025. CRO duly appeared in court contesting the validity of the opposing claims; the Court rejected the request for a precautionary suspension of the effectiveness of the resolutions and the Fondazione filed an appeal against the Court's order. The hearing is scheduled for 24 January 2025. At the hearing on 24 January 2025, the lawyers of the Fondazione requested an adjournment to respond to the briefs filed by CRO and the Panel postponed the hearing to 28 February 2025. Following the hearing, the judge reserved his decision.

INVITALIA PARTECIPAZIONI LEGAL DISPUTES

Pla.Sa. S.p.A.

The dispute ended with an order published on 9 April 2024, which rejected the appeal filed by Invitalia Partecipazioni, resulting in the latter being ordered to pay damages to the former Plasa workers for EUR 170,192.68, plus legal interest and monetary revaluation. The opposing counsel requested payment of the sums awarded in the ruling with interest calculated from 1985 (the date of the workers' intervention in the proceedings) for a total of EUR 963,786.19. Invitalia Partecipazioni, on the other hand, considering the claim against the former Plasa workers to be exclusively compensatory in nature, agreed to pay the sums as settled by the judge, plus interest calculated from 2018 (the date of the first-instance ruling) for a total of EUR 217,346.47. At present, only two writs of payment have been served on Invitalia Partecipazioni relating to the claims of Messrs. Lampis and Cannas. An objection has been filed to contest the method used to calculate the interest.

The proceedings before the Court of Terni, on the other hand, concern the request for termination of a settlement agreement entered into on 14 January 2003, by the predecessor in interest of Invitalia Partecipazioni, Pla.Sa. S.p.A., by virtue of an express termination clause contained in the aforementioned settlement agreement, whereby Sicel S.r.l. undertook to indemnify Pla.Sa. S.p.A. from any claim brought against Pla.Sa. S.p.A. by sixteen dismissed workers who, at the time, were seeking compensation for damages from Pla.Sa. S.p.A. and Sicel S.r.l. itself; however, the latter company not only failed to obtain the withdrawal of the workers' claims for compensation but was also liquidated and dissolved by the same parties who had signed the settlement agreement and guaranteed its fulfilment. The aim of the proceedings brought before the Court of Terni is revive the personal liabilities asserted in the previous proceedings, which were settled following the transaction between Sicel S.r.l. and Pla.Sa. S.p.A. These parties will be held liable for the original breaches that led to the dismissal of the workers. The case was settled with ruling No 830 of 8 November 2022, with a negative outcome. The ruling was appealed by Invitalia Partecipazioni before the Court of Appeal of Perugia, and the case is pending.

Disputes relating to labour law services provided by third parties

During the period, settlement agreements were finalised, with the related payments covered by the provision for risks set aside at the time. Where, on the other hand, Invitalia Partecipazioni was successful in obtaining recognition of a credit, the latter is proceeding with enforcement proceedings to recover the amount recognised by the court. Furthermore, with regard to the lawsuit for damages brought by Sviluppo Campania S.p.A. against Invitalia Partecipazioni S.p.A. and the Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa S.p.A. for costs arising from the so-called 'labour law dispute', relating to the proceedings brought by former employees of Sviluppo Italia Campania S.p.A. in liquidation, it should be noted that the ruling published on 04/04/24, which rejected the claim of Sviluppo Campania S.p.A., has been appealed before the Court of Appeal of Rome. The case has been adjourned until 08/10/26, pending the decision.

Tax disputes

During 2023, the Company was subject to an assessment by the Municipality of Pozzuoli (No 158 of 5 June 2023, IMU 2018) regarding a partial payment of the 2018 municipal property tax (IMU) relating to a property classified as category D/7 and located in Via Luciano snc. The dispute arose due to an incorrect registration of the cadastre-based appraisal at the time of transfer. The Company took prompt action to correct the aforementioned cadastre-based appraisal through a DOCFA (cadastre building documents) procedure submitted on 27 December 2018, but effective as of 10 January 2019. Specifically, the DOCFA procedure amended the incorrectly registered cadastre-based appraisal from EUR 335,497 to EUR 103,896. As a

precautionary measure, the Company set aside approximately EUR 122,000 in the Tax Fund, calculating the difference between the original provision made in 2018 (approximately EUR 16,000) and the amount requested by the Municipality (approximately EUR 138,000). The Municipality of Pozzuoli considered that the entry in the records dated 10 January 2019, of the new and lower cadastre-based appraisal should be considered effective from 2019, even though the Company had not agreed to it.

The Company appealed against the above IMU assessment for the year 2018 to the Provincial Tax Court of Naples, which rejected the appeal, compensating the costs, with ruling No 1695/2024 (Section 29) of 15 January 2024, filed on 30 January 2024. As a result, the Company paid the amount ordered of approximately EUR 138,000, plus interest and charges of additional EUR 3,000. The Company appealed against the aforementioned ruling to the Campania Regional Tax Court of Appeal, which again rejected the appeal, but compensated the costs, with ruling No 1755/2025 (Section 13) of 4 February 2025, filed on 25 February 2025. The Municipality of Pozzuoli notified the ruling to the defence counsel's certified email address on 12/03/25. The Company is currently considering the possibility of appealing to the Court of Cassation within the legal deadline from the date of notification.

Other tax disputes:

- The Company has challenged the refusal issued on 10 January 2024, by the Agenzia delle Entrate - Provincial Directorate I of Rome regarding the refund of a 2018 VAT credit amounting to approximately EUR 93,000. This credit originated from the liquidation of the company Trapani Navigando and was already prudentially written down in 2019. With ruling No 655/2024 of 26 September 2024, the Provincial Tax Court of Rome upheld the Company's appeal, ordering the Agenzia delle Entrate to pay legal fees:
- on 17 January 2025, an appeal was filed against the refusal issued by the Agenzia delle Entrate - Provincial Directorate of Siracusa concerning the refund of a VAT credit for 2022 amounting to approximately EUR 56,000, acquired from the liquidation of Siculiana Navigando S.r.l.;
- finally, the Company challenged the tax assessment notice no 2023/003/LO/000014453/0/001 notified on 07/10/24, requesting payment of the registration fee for the Arbitration Award issued in the arbitration proceedings between Invitalia Partecipazioni and Messrs. Vittorio and Luigi Palermo, for EUR 75,840. The appeal, aimed at avoiding the possible risk of defeat, seeks to have the settlement notice declared unlawful due to the incorrect application of Art. 8 of Presidential Decree No 131/1986, as the registration tax was applied on a proportional basis instead of the fixed rate specifically provided for arbitration awards.

ADDITIONAL INFORMATION (DISCLOSURE PURSUANT TO ART. 2428(3) OF THE ITALIAN CIVIL CODE)

Management and Coordination

We would like to point out that, pursuant to the provisions of Art. 19(6) of Law 102/2009, the Company is not to be considered subject to Management and Coordination by other Companies or Entities pursuant to Art. 2497 of the Italian Civil Code.

The companies Infratel Italia S.p.A., Italia Turismo S.p.A., Invitalia Partecipazioni S.p.A., Mediocredito Centrale S.p.A., 100% owned by the Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa, are subject to management and coordination activities by the latter.

Cassa di Risparmio di Orvieto is subject to indirect management and coordination by Invitalia, by virtue of the legal control held by the latter (85.32% of the share capital), through MedioCredito Centrale S.p.A.

Research and Development activities

During the year, no Group company carried out research and development activities.

Treasury shares

Neither the Parent Company nor the Group companies own, directly or indirectly, their own shares.

Headquarters and branches

Invitalia has its headquarters in Rome, Via Calabria 46, and two operational offices at Via Pietro Boccanelli 30 and Viale Europa 172 (at the MIMIT offices). The other offices are in: Acireale, Ancona, Ascoli Piceno, Bologna, Brindisi, Campobasso, Caserta, Catanzaro, Foligno, Iglesias, L'Aquila, Macerata, Naples - Bagnoli, Novara, Nuoro, Rieti, Salerno, Serrapetrona, Teramo, Verona.

Invitalia Partecipazioni and Italia Turismo have their offices at the Parent Company's premises: head office in via Calabria 46 and operational office in via Pietro Boccanelli 30.

Mediocredito Centrale has one office in Rome, Viale America 351.

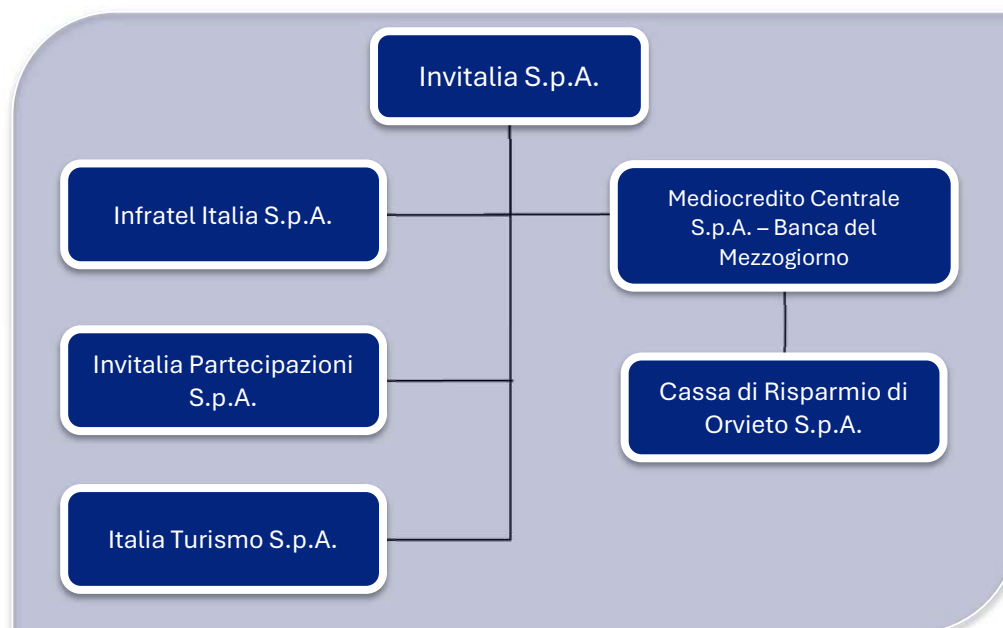
Cassa di Risparmio di Orvieto has its registered office and General Administrative Office in Orvieto, Piazza della Repubblica 21, and 41 branches in the following Regions: Lazio (Rome, Viterbo), Tuscany (Pistoia) and Umbria (Perugia, Terni).

CONSOLIDATED SUSTAINABILITY REPORT GENERAL INFORMATION

ESRS 2 BP-1 General basis for preparation of sustainability statements

The sustainability report (hereinafter also referred to as 'Report') was prepared on a consolidated basis pursuant to Legislative Decree No 125/2024.

In compliance with Legislative Decree 125/2024, which implements the Corporate Sustainability Reporting Directive (CSRD), the Invitalia Group (hereinafter also referred to as the 'Group')⁶ conducted an assessment starting from the Consolidated Financial Statements as at 31 December 2023 in order to identify the companies that, as at 31 December 2024, should be included in the scope of sustainability reporting. This analysis led to the inclusion in the reporting scope of all subsidiaries fully consolidated in the consolidated financial statements.



The assessment of the scope of the report will be conducted annually in order to verify its consistency with the Consolidated Financial Statements and identify any additional companies subject to reporting requirements and assessing the applicability of the exemptions provided for by law.

As things stand, the evaluations carried out have resulted in the exclusion from the scope of consolidation of the following types of investments:

- investments purchased with public funding/third-party funds (not consolidated in the consolidated financial statements).** Although these investments formally have the characteristics of an equity instrument (IAS 32:11), as they were acquired using public or third-party resources and in compliance with specific regulatory provisions which provide for specific rights to the entity providing the funding/third-party funds and impose specific obligations on the Agency, in substance, do not confer on the Agency either the economic effects typical of an equity instrument (dividends, write-downs, etc.) or the power to take specific actions typical of ownership (e.g., the sale of the investment purchased with the funding received o third-party funds), despite having legal ownership of the shares representing the share capital of a company. Consequently, it can be stated that Invitalia does not have full authority to introduce and implement its own operating policies, as it acts as an agent of the entity that made the resources available and provides guidelines for the management of the investment.

⁶ Please note that for the purposes of this Report, the term:

- 'Agency' refers to 'Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa - Invitalia S.p.A.', also referred to as the 'Parent Company' or 'Invitalia';
- 'Invitalia Group' refers to the Parent Company, Infratel, Invitalia Partecipazioni and Italia Turismo;
- 'Group' refers to the Parent Company and all its subsidiaries;
- 'Infratel' refers to the subsidiary Infratel Italia S.p.A., also referred to as 'Infratel S.p.A.';
- 'Invitalia Partecipazioni' refers to the subsidiary Invitalia Partecipazioni S.p.A., also referred to as 'IP';
- 'Italia Turismo' refers to the subsidiary Italia Turismo S.p.A., also referred to as 'IT';
- 'MedioCredito Centrale' or 'MCC' refers to the subsidiary MedioCredito Centrale S.p.A.;
- 'Cassa di Risparmio di Orvieto' or 'CRO' refers to the subsidiary Cassa di Risparmio di Orvieto S.p.A.

Holdings acquired by means of:

- funds under Decree-law No 142 of 16 December 2019 (BdM Banca S.p.A - Banca del Mezzogiorno S.p.A., DRI d'Italia S.p.A. and Acciaierie d'Italia Holding S.p.A.).

With reference to the equity investment in BdM Banca S.p.A., in 2020 Invitalia S.p.A. made a capital contribution to Mediocredito Centrale using funds disbursed by the Ministry of the Economy and Finance in order for MCC to acquire 96.8% of the share capital of Banca Popolare di Bari under extraordinary administration (now BdM Banca). Considering, therefore, that Invitalia acted on the instructions of the Ministry and used funds provided by the latter, it does not hold control over BdM Banca. However, it should be noted that MCC, in exercising its management and coordination role as parent company of the Banking Group in BdM Banca, is also responsible for its sustainability strategy and includes it within the scope of sustainability reporting in accordance with the CSRD.

With regard to the investment in DRI d'Italia S.p.A., although the company is under the management and coordination of Invitalia S.p.A., in view of the current developments of the DRI project and taking into account the discussions initiated with the MEF (Italian Ministry of Economy and Finance) regarding Invitalia's role in the transaction, the company is excluded from the scope of financial consolidation and of the CSRD as, as already highlighted, this investment was acquired by Invitalia in compliance with specific regulatory provisions which essentially prevent Invitalia from exercising full autonomy in the management and operational control of the company.

With regard to Acciaierie d'Italia Holding S.p.A. it should be noted that in 2021, Invitalia acquired 38% of the share capital of Acciaierie d'Italia Holding S.p.A. with 50% of the voting rights, upon indication and with funds provided by the MEF, which intended to start a new phase of environmentally sustainable development for Ilva in Taranto. Subsequently, pursuant to Decree-Law 2/2023, Chapter I 'Provisions relating to the steel sector', the MEF required Invitalia to implement measures to strengthen the company's capital by providing additional financial sources. It is also noted that in 2024 ADIH went into receivership, which led to a definitive lack of management control by the Agency.

- funds under Decree-Law No 104 of 14 August 2020, converted into Law No. 126 of 13 October 2020, used to purchase minority interests in Reithera S.r.l. and TLS Sviluppo S.r.l., and since these are companies acquired pursuant to a regulatory provision, Invitalia does not independently exercise any operational control;
- funds under Law 181/89 for the relaunch of areas affected by industrial and industry crisis. From the start of the fund's operation until the end of 2024, Invitalia was left with only a residual asset involving a minority interest;
- companies in bankruptcy (CMS S.r.l., ELA S.p.A., Fonderie S.p.A., Gustavo De Negri & ZA.MA. S.r.l., Jonica impianti S.r.l., PRO.S.IT. S.r.l., SIMPE S.p.A., Tirrena Macchine S.r.l.) and awaiting definitive removal from the register of companies and which, therefore, were already non-operational prior to 2024 and over which Invitalia was unable to exercise any management power or participate in shareholders' meetings;
- companies in liquidation/extraordinary administration, but at the same time also in litigation with the Agency (Elmirad Service S.r.l. in liquidation/litigation and SIE-Soc. ittica Europea in extraordinary administration/litigation), which is why Invitalia is not called to the meetings.

2. **other investments (measured at equity in the consolidated financial statements)** The item 'other investments' includes: (i) *Investments in associates* and (ii) *Joint ventures* not included in other clusters. According to the provisions of IAS 28, these companies are not fully consolidated in the financial statements as no joint control or significant influence is exercised over them.

Invitalia does not exercise operational control on any of these 'other investments':

- a) the equity investments in CDP Venture Capital SGR S.p.A., Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A. and ItaliaCamp S.r.l. consist in stakes that do not allow Invitalia to exercise control and implement operational policies;
- b) the equity investments in Eletra - Sincrotrone Trieste S.c.p.A., Marina di Villa Ignea S.r.l., Meccano S.p.A. and Società per Cornigliano S.p.A. are held by the subsidiary Invitalia Partecipazioni with the aim of reallocating them to the market in line with its mission.

Although 'investments purchased with public funding/third-party funds' and 'other investments' are not included in the scope of the Report, they are instead included in the downstream part of the value chain and, therefore,

taken into account for the calculation of scope 3 greenhouse gas emissions.

Pursuant to Art. 7 of Legislative Decree 125/2024, which provides for the rules for exemption from preparing consolidated sustainability reports at an individual level, it should be noted that:

- Infratel Italia S.p.A (hereinafter also 'Infratel'), Invitalia Partecipazioni S.p.A. (hereinafter also 'IP') and Italia Turismo S.p.A. (hereinafter also 'IT'), which are included in the consolidated reporting of the Parent Company Invitalia, are exempt from individual sustainability reporting;
- Mediocredito Centrale S.p.A. (hereinafter also 'MCC'), as the parent company of Gruppo Bancario Mediocredito Centrale and a public interest entity required to report on sustainability in accordance with the CSRD and Legislative Decree 125/2024, does not fall within the parameters established for the purposes of the exemption and is therefore obliged to publish a consolidated sustainability report. The scope identified by MCC for the purposes of sustainability reporting includes the subsidiaries Cassa di Risparmio di Orvieto S.p.A. and BdM Banca S.p.A. (the latter not included by Invitalia in the reporting perimeter pursuant to the CSRD as indicated above).

In line with regulatory requirements, this Report covers the upstream and downstream segments of the value chain. In particular, the value chain is broken into the following segments:

- *own operations*: the set of processes of the Group as a company, independent of the core business, which involves internal stakeholders such as, for example, staff;
- *upstream*: the set of relationships pertaining to the Group's supply chain and the management of new opportunities;
- *downstream*: the Group's business processes, which involve external stakeholders such as beneficiaries, communities, territories.

The Group did not omit any specific information on relevant topics, such as intellectual property, know-how or innovation results.

ESRS 2 BP-2 Disclosure in relation to specific circumstances

In line with the corporate strategy and risk management framework, the definition of time horizons differs from the requirements of ESRS 1 - 6.4 Definition of short, medium and long term for reporting purposes. Specifically, Invitalia adopts the following time horizons:

- short term: the reference period of the financial statements,
- medium term: up to three years after the end of the short-term,
- long term: more than three years.

In order to ensure the reliability of the information reported, the use of estimates has been limited as much as possible. Any estimates are based on the best information available, either internally or publicly.

Reporting standards require the inclusion of some quantitative value chain data (upstream and downstream) with reference to certain metrics and in particular reporting on value chain emissions (scope 3).

Therefore, the Invitalia Group used estimates in relation to scope 3 greenhouse gas emission metrics for each significant category along the value chain. The estimation of scope 3 emissions is subject to greater uncertainties than scope 1 and 2 emissions, due to the limited availability and accuracy of the information used for calculation purposes, as described in more detail in disclosure requirement 'E1-6 Gross scope 1, 2, 3 and total GHG emissions'.

The Group's recourse to estimates is mainly due to the specificity of the activities carried out by the Group, the characteristics of the players involved (such as central administrations, SMEs, etc.), the limited availability of precise data and information pertaining to the value chain and some processes related to the Group's own operations with the consequent need to resort to estimates and proxies.

Forward-looking information - including future targets and objectives - is inherently uncertain and therefore, even if reported, it may be subject to change. In line with the provisions of the regulations, this Report does not include information involving a comparison between the financial year under examination (N) and the previous financial year (N-1) and the disclosure of material errors and corrections with respect to previous years, as they are based on different methodologies derived from the non-financial statement prepared pursuant to Legislative Decree 254/2016.

This Report does not include any additional information provided for by other regulations containing sustainability reporting requirements or by generally accepted sustainability provisions, with the exception of the information referred to in Article 8 of EU Regulation 2020/852 of the European Parliament.

For the reporting year in question, the company did not make use of the option of including further documentation.

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

Invitalia's governance model is the ordinary model, also known as the traditional model, which includes the Board of Directors and Board of Statutory Auditors. Moreover, Invitalia is subject to the control of the Court of Auditors exercised through a delegated magistrate who attends the meetings of the corporate bodies, while the statutory auditing of the accounts is entrusted to an auditing company.

Pursuant to its Articles of Association, the Company is managed by a Board of Directors (BoD) consisting of five members, the composition of which ensures gender balance in accordance with the applicable legislation. In fact, the Board of Directors consists of 5 members⁷, of which 40%, i.e. 2 members, are men, and 60%, i.e. 3 members, are women. The Board of Auditors consists of 2 men and 1 woman⁸.



Pursuant to art. 2 (6) of Legislative Decree No 1 of 9 January 1999 and subsequent amendments, the Minister of Economic Development (now Minister of Enterprises and Made in Italy), in agreement with the Minister of Economy and Finance, appoints the Company's bodies and reports thereon to Parliament. Furthermore, appointment to the position of Director is subject to the following requirements set forth in the Articles of Association: professionalism, integrity, eligibility, interlocking, ineligibility and incompatibility.

There are two executive members with operational mandates: Chairman and Chief Executive Officer, and three non-executive members: the Directors who also make up the two internal board committees. Independent BoD members make up 60% of the Board. In addition, there is no provision for the presence of employee and other workers' representatives in corporate bodies.

Two internal committees support the Board of Directors' evaluations and decisions on issues within its competence with adequate preparatory, proposal-making and advisory activities:

- The *Nomination and Remuneration Committee* deals with the appointments by the Board of Directors and its policies on the remuneration of Directors and senior executives.
- The *ESG, Risks and Related Parties Committee* deals with the application of the sustainability policy and the related strategic plan, the corporate risk management system and the assessment of related party transactions.

Skills and experience of the members of the Board of Directors

All BoD members meet the requirements and have the expertise provided for by current legislation. Also according to the Articles of Association, board members are to be chosen from among persons who have at least three years' overall experience in at least one of the following activities:

- administration or control activities, or management tasks in a company;
- professional activities or university teaching in legal, economic, financial or technical and scientific subjects relating to or otherwise functional to the business activity;
- administrative or managerial functions in public bodies or public administrations operating in sectors related to that of the company's activity, or in bodies or public administrations that are not related to the aforementioned sectors, provided that said functions involve the management of economic and financial resources.

The expertise needed to ensure that the administrative body can oversee the management of significant risks to the sustainability of the Group's business, including the related impacts and opportunities, are concentrated and entrusted to the ESG, Risks and Related Parties Committee. The latter, in fact, supports the Board of

⁷ For every male member there are 1.5 female members.

⁸ The percentage of women on the Board of Statutory Auditors has been calculated considering the Chairman and statutory auditors only. The female ratio is therefore 0.33.

Directors with investigative functions, of a propositional and advisory nature, in the assessments and decisions relating to the implementation and monitoring of the sustainability policy and the related strategic plan, and the definition of the guidelines of the internal control and risk management system, consistent with the strategic objectives identified by Invitalia. The Committee expresses opinions on sustainability matters (ESG policy) with particular reference to material issues and the Non-Financial Statement (now Sustainability Statement or Consolidated Sustainability Report).

Monitoring and management of IROs, sustainability strategy and reporting

The process of monitoring impacts, risks and opportunities involves various bodies and organisational structures of the Agency.

The BoD is responsible for the final approval of sustainability issues considered material downstream of the double materiality analysis, to be understood both in terms of impacts on external stakeholders (inside-out) and in terms of financial economic impacts (outside-in).

The ESG, Risks and Related Parties Committee formulates reasoned opinions on specific requests from the proposing and/or competent bodies in the field of sustainability, with particular reference to material issues, Policies, the Strategic Sustainability Plan and Plan monitoring reports.

The Chief Risk Officer (CRO) is responsible for the integrated management of corporate risks that may have an influence on the strategic goals set by top management. The CRO reports to the ESG, Risks and Related Parties Committee, acts directly under the CEO and supports top management and the CEO himself in the definition of the strategy. The CRO ensures visibility of the main business risks, including ESG risks and their impact on strategic targets, integrating the definition of the strategy with the proposal of appropriate risk appetite thresholds, identifying any risks inherent in the planning, and ensuring awareness and dissemination of a risk culture within the strategic process. In particular, the CRO assesses the scale/magnitude of risks, considering the impacts they have on the Group's main economic and financial figures.

The Strategy, Industrial Policies and Sustainability (hereafter also SPIS) organisational unit (hereafter also OU), in cooperation with the Chief Financial Officer (hereafter also CFO), ensures the monitoring of the ongoing assessment of impacts, risks and opportunities (IROs). This responsibility includes the periodic assessment of internal and external conditions that may affect the Group, to ensure that information is always current and relevant. In particular, the SPIS and the CFO assess the scale/magnitude of opportunities, considering their effects on the Group's key economic and financial figures. For more details on the methodology adopted, see ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities.

Top management assesses the materiality of all actual and potential positive and negative impacts the Group has on its stakeholders. Therefore, they are periodically required to assess the scope, irremediable nature and probability of each identified impact.

Responsibility for assessing the company's sustainability strategy, policies and targets lies with the SPIS OU, which draws up the Sustainability Policy and Strategic Plan and monitors activities aimed at achieving ESG goals in collaboration with the other organisational units involved. The SPIS reports directly to the BoD and the ESG, Risks and Related Parties Committee on a regular basis on the monitoring of the objectives of the Sustainability Strategy Plan, ensuring adequate supervision.

The SPIS, the administrative, management and supervisory bodies, together with top management, manage the definition of objectives related to relevant impacts, risks and opportunities through strategic alignment.

As far as consolidated sustainability reporting is concerned, the CFO, in collaboration with SPIS, ensures as the Manager in charge of preparing the corporate accounting documents:

- review of the reporting scope proposed by the SPIS OU, taking into account the content of the financial reporting;
- preparation and/or updating of data collection forms according to reporting standards (ESRS) and to what is reported in the Report on operations - sharing them with the SPIS to collect any feedback - and the management of the process of acquiring data and information on sustainability in line with the timing of the reporting process and the closing of the financial statements;
- verification, aggregation and reprocessing of data received from Data Approvers/Data Contributors, as well as requesting clarifications where necessary, and sharing data with the SPIS organisational unit;
- drafting of the Consolidated Sustainability Report and its consolidation within the Report on operations attached to the Financial Statements.

Finally, the BoD approves the double materiality analysis and the Financial Statements, including the

Consolidated Sustainability Report.

The role of the Board of Directors in relation to corporate conduct

The BoD has a crucial role in defining and supervising corporate conduct. It approves both the Organisation, Management and Control Model (MOGC) and the Code of Ethics, which forms an integral part of it. In particular, the Code of Ethics identifies the corporate values and highlights the set of rights and duties of all those who, in any capacity, work in the organisation, establishing rules of conduct to be observed towards all stakeholders. For more details on the Organisation, Management and Control Model and the Code of Ethics, please refer to disclosure requirement G1-1 Corporate culture and business conduct policies.

ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

In 2024, a double materiality analysis fully aligned with CSRD requirements was carried out for the first time. In particular, the Board of Directors approved the results of the double materiality analysis, including the process of identifying material IROs and Consolidated Sustainability Report.

Furthermore, in order to keep the administrative, management and supervisory bodies informed, a process for managing sustainability objectives has been formalised through the communication to the BoD and the ESG, Risks and Related Parties Committee of half-yearly reports on the progress of the objectives set out in the Strategic Sustainability Plan.

For a list of material IROs, please refer to disclosure requirement 'Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)'.

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

Remuneration policies are key strategic levers for corporate value creation. For this reason, they are defined with the aim of pursuing corporate strategies and objectives, including sustainability objectives that take into account environmental, social and governance (ESG) factors.

To date, no incentive systems and remuneration policies linked to sustainability issues are envisaged within the Group for members of the administration, management and supervisory bodies, with the exception of the CEO of Invitalia.

However, in line with the goal of the Strategic Sustainability Plan 'Steering business processes towards ESG sustainability objectives through the management reward system', the Board of Directors approved the Remuneration Guidelines in 2024 that provide for the application of an 'ESG Score' corrective factor according to the achievement of specific environmental, social and governance impact objectives. This corrective factor is applied to the Achievement Indicator (AI) of the MBO management incentive scheme as of the year 2024.

The MBO system assigns individual economic, financial, strategic or organisational objectives to staff with organisational responsibilities in order to measure improvements in organisational performance and alignment with strategic guidelines.

The payout is determined as follows:

- the weighted average result of the degree of achievement of each objective is summarised in the AI;
- the 'ESG Score' corrective factor is applied to the AI, resulting in an 'adjusted achievement indicator' that defines the payout.

The ESG indicator is based on 10 sustainability goals, including 1 environmental, 6 social and 3 governance goals. The result of (equally weighted) each indicator is summarised in the ESG indicator with normalised range of variation 0.95-1.05.

Specifically, for the definition of the ESG Indicator, 10 goals of the Strategic Sustainability Plan were selected in 2024, broken down by ESG pillar as follows:

Pillar	Goal of the Strategic Sustainability Plan ⁹	KPI
Environmental	Virtuous consumption behaviour	% reduction in printed paper and toner consumption vs 2023
Social	Reducing gaps with respect to senior figures	% reduction in the ratio gross total annual salary (RTA) of higher earners (average last decile) /

⁹ All the goals set out in the table are detailed in the reference sections. Except for the first goal, as it is not associated to ESRS E1 Climate change. However, it should be noted that 480 reams of paper were purchased in 2024, with an 81% reduction in paper consumption compared to 2023, thus reaching the spending target of -80%.

		average RTA (first decile) - excluding the CEO
	Promoting gender pay equality	% inter-gender gap between gross annual salaries (RALs) within each pay grade
	Bottom-up evaluation systems	% adherence to the evaluation model not only top down
	Training processes focused on self-learning	Development of a training platform
	Work inclusion of people in difficult socio-economic conditions	Number of resources from situations of socio-economic hardship
	Reducing precarious forms of work	% number of fixed-term employees + agency workers / total number of employees
Governance	Training on conflict of interest, anti-money laundering and anti-corruption	% employee training on anti-money laundering and conflict of interest
	Monitoring of beneficiaries with innovative technologies	% beneficiaries of measures monitored
	ESG policy in the management of Invitalia events and participation in external events	Policy adoption with guidelines

The terms and conditions of the incentive systems are laid down annually in the Remuneration Guidelines, approved by the Board of Directors.

Climate-related remuneration policies

The ESG Indicator does not include a specific target regarding climate and greenhouse gas (GHG) emissions in 2024. However, an environmental goal contributes to the formulation of the corrective factor applied to management incentive schemes, namely an 80% reduction in paper consumption.

ESRS 2 GOV-4 Statement on due diligence

Due diligence principles are fully integrated into Invitalia's strategic framework and business model, although no separate procedure has been formalised. This approach not only ensures the integrity and transparency of the information reported but, in accordance with reporting standards, also aims to identify, assess and manage potential and actual negative impacts related to environmental, social and governance (ESG) issues. The purpose of the Group's due diligence is to avoid causing and prevent negative impacts on people, the environment and society, related to its activities and services.

During the 2024 double materiality analysis process, a list of positive and negative impacts that could affect people and the environment was prepared. This list was thoroughly evaluated by top management, as well as external and internal stakeholders in order to determine its materiality. The process and the results of the analysis were communicated to the Board of Directors.

As indicated in the table 'List of material IROs' (see disclosure requirement 'SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model'), material negative impacts are associated with the issues of climate change and own workforce. Furthermore, for each issue, the Group has developed specific policies, actions, goals and targets (described in the relevant sections) to effectively monitor and manage these impacts over time.

In the following table the process steps are shown in which the Group applied the main aspects of the due diligence:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE CONSOLIDATED SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 SBM-2 Interests and views of stakeholders ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts ESRS S3-2 Processes for engaging with affected communities about impacts ESRS S4-2 Processes for engaging with consumers and end-users about impacts
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	ESRS E1-3 Actions and resources in relation to climate change policies ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-3 Actions and resources in relation to climate change policies ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions ESRS S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting

At present, the Group has not formalised and adopted ad hoc internal control and management processes and systems related to Consolidated Sustainability Report and ESG disclosure. However, for the year 2024, the first year of application of the CSRD, in order to ensure compliance of the Consolidated Sustainability Report, Invitalia integrated specific controls pursuant to the provisions of Law 262/05.

In particular, these controls focus on the following stages of sustainability reporting:

- definition of the scope;
- preparation of data collection forms in accordance with the new reference legislation;
- preparation of the draft Consolidated Sustainability Report and its subsequent consolidation within the Report on operations.

In addition, the Manager in Charge of preparing the corporate accounting certifies the completeness and integrity of the data, as well as the compliance of the Report with the applicable reporting standards through the verification and monitoring of the reporting process.

In particular, the CFO, in his capacity as Manager in Charge of preparing the corporate accounting documents, ensures:

- review of the reporting scope proposed by the SPIS OU, taking into account the content of the financial reporting;
- preparation and/or updating of data collection forms in line with the reporting standards (ESRS) and with what is reported in the Consolidated Financial Statements, including the Report on operations - sharing them with the SPIS to collect any feedback - and the management of the process of acquiring sustainability data and information in line with the reporting and financial statement closing deadlines; the verification, aggregation and reprocessing of data received from Data Approvers/Data Contributors, as well as requesting clarifications where necessary, and sharing data with the SPIS organisational unit;
- drafting of the Consolidated Sustainability Report and its consolidation within the Report on operations attached to the Financial Statements, including disclosure in accordance with the requirements of Article 8 of the Taxonomy Regulation;
- verification that the information contained in the report is consistent with that reported in the consolidated financial statements;
- management of the verification activities on the process of preparing the sustainability statement with the appointed independent auditors.

Finally, the Financial Statements, which includes the Consolidated Sustainability Report, is approved by the Board of Directors of the Parent Company.

ESRS 2 SBM-1 Strategy, business model and value chain

The Invitalia Group operates in Italy and has always worked to contribute to the growth and strengthening of the national economy and increase the country's competitiveness, particularly in the South. Invitalia is primarily a player in the flow of actions, resources and information needed to implement the provisions of laws, political decisions and administrative measures. It is also committed to maximising the environmental, social and economic impacts of its activities on businesses, individuals, institutions and communities, within the limits of the rules governing its activities.

Invitalia is the Parent Company of MCC and CRO (the latter indirectly controlled through MCC), as well as Infratel, Invitalia Partecipazioni and Italia Turismo.

It should be noted that the Parent Company is an in-house company for central administrations and operates on behalf of the Italian government. The sole shareholder is the Ministry of Economy and Finance (hereinafter also referred to as 'MEF'), which exercises its rights in agreement with the Ministry of Enterprise and Made in Italy (hereinafter also referred to as 'MIMIT'), which has the function of directing and controlling the company.

Invitalia's activity is carried out mainly through the use of financial resources made available to the companies by the central Public Administration for specific purposes, on which the Group acts substantially with the responsibility of the agent. The funds managed by Invitalia come from public resources and are intended to support the achievement of objectives of national interest. The use of these funds is subject to strict regulations and controls, to ensure that they are used in accordance with the objectives set by government policies. Transparency and traceability of decisions, guaranteed by public supervision, ensures that every measure taken by the financed companies is in the public interest. The use of these public resources therefore does not give Invitalia the authority to introduce and implement its own operating policies and consequently, to define levers to act directly on the players in the value chain.

In return for these financial resources, the Agency provides non-repayable grants and subsidised loans, which support the establishment of new enterprises and the strengthening of existing ones, as well as the implementation of large-scale strategic and innovative projects, such as Contratti di Sviluppo. It may acquire equity investments either directly or through the establishment and management of appropriate investment funds such as the Fondo Cresci al Sud and Fondo Salvaguardia Imprese. It may be called upon to directly implement interventions deemed strategic in the territory.

Again, by means of agreements, Invitalia also provides important technical, administrative and legal support to Public Administrations in defining, managing and implementing EU programmes and national public investment policies for development, with the aim of strengthening administrative capacity, including through the transition to digital technology.

Invitalia supports foreign companies that want to start or expand a business in our country with information and accompaniment services, from the preliminary phase to post-settlement.

Under specific agreements, Invitalia works alongside the Public Administration to accelerate and facilitate the implementation of strategic investments for territorial development and cohesion. It is in fact the Central Purchasing Agency for the award of public contracts and can act as Contracting Authority for their execution.

Invitalia is the Parent Company of MCC and CRO (the latter indirectly controlled through MCC), as well as Infratel, Invitalia Partecipazioni and Italia Turismo.

In addition to the activities carried out by the Parent Company, the main services provided by the subsidiaries are described below:

- *Mediocredito Centrale* is mainly dedicated to supporting investments and the development of enterprises, particularly in the South of Italy (Mezzogiorno), through the management of the Guarantee Fund and incentives aimed at increasing the competitiveness of businesses, factoring services and medium/long-term financing to enterprises.
- *Cassa di Risparmio di Orvieto* is a retail commercial bank serving local communities, with close ties to the business community in its catchment area and new areas of central Italy through factoring and medium/long-term financing services for businesses and loans for households.
- *Infratel* works to reduce the existing digital divide in the country through the integrated development of telecommunications infrastructure that extend access to fast Internet by citizens, businesses and institutions. It is the implementing body of the Broadband Plan and Ultra Broadband Plan (Piano BUL), as well as the plans financed by the NRRP: Italia 1 Giga, Piano Italia 5G, Piano Scuola Connessa (Connected Schools Plan), Piano Sanità connessa (Connected Health Plan), and Piano Isole Minori (Minor Islands Plan).

- *Invitalia Partecipazioni* collaborates in the process of divestment of the Group's equity investments deemed no longer strategic, in implementation of the reorganisation plan prepared by Invitalia and approved by the MISE (now MIMIT). The activity includes the management of residual investments, corporate liquidation processes, old litigations, and the disposal of contributed real estate, with a view to optimising the costs and time involved.
- *Italia Turismo* develops and renovates tourist accommodation facilities, mainly in southern Italy.

Below is a breakdown of employees by geographical area.

Number of employees (number of persons) by geographical area	
Northern Italy	53
Central Italy	3,771
Southern Italy and Islands	99

With regard to the allocation of total revenues to significant ESRS sectors, the Group has opted for the 'phase-in' option. For further details on sector reporting required by IFRS 8, see the Explanatory Notes to the Financial Statements.

The Group does not operate in the sectors listed in paragraph 40 (d), namely fossil fuels, chemicals, controversial weapons, and tobacco cultivation and production.

The Parent Company has drawn up its own strategic sustainability plan for the three-year period 2024-2026, which aims to maximise environmental, social and economic impacts, also in line with the provisions of the Sustainability Policy. This plan is based on the following strategic guidelines:

- making Invitalia's internal processes more sustainable;
- orienting business activities towards sustainability;
- introducing new sustainable business services.

On the basis of these strategic guidelines, the Parent Company identified 6 sustainability areas on which to act, and defined 34 goals, the details and results of which will be reported in specific sections of this Report.

These six sustainability areas are presented below:

- 'Integrity, Transparency and Responsibility' (hereinafter also ITR) to ensure fairness and transparency in the company's operations and strengthen dialogue with stakeholders;
- 'Value for People' (hereinafter also P), to strengthen employees' loyalty to the company by pursuing objectives to reduce pay gaps, promote a working environment that enhances skills, and develop policies to ensure employment inclusion;
- 'Value for Enterprises' (hereinafter also IM) through which the company makes strategic commitments aimed at spreading a sustainable entrepreneurial culture and supporting technology transfer and sustainable innovation for the country;
- 'Value for Institutions' (hereinafter also IS) through which the Agency undertakes to support the allocation of resources to sustainable public investments, strengthen ESG expertise of the Public Administration and develop sustainable public procurement;
- 'Value for the Environment' (hereinafter also A) to raise awareness of sustainability issues among Agency employees, eg by promoting virtuous behaviour in the use of resources;
- 'Value for Communities and Territories' (hereinafter also CT) to reinforce the Parent Company's commitment to helping reduce economic, cultural and social gaps within the country.

These commitments represent the main sustainability challenges of the Agency in the future. From a project implementation perspective, Invitalia is increasingly focused on developing strategic partnerships to develop innovative and sustainable solutions, creating synergies that can amplify the positive impact of its interventions.

Invitalia's value chain encompasses all activities, resources and relationships related to its business model and the context in which it operates. Based on the activities in the value chain, the main players with whom Invitalia has relationships, and their main characteristics have been identified.

The upstream value chain mainly includes the central and local Public Administration, as contractor and owner of the financial resources needed to implement public policies. Furthermore, upstream players also include providers of goods and services that the Group uses to carry out its activities.

Own operations include all the Group's processes independent of the core business, which involve internal stakeholders such as, for example, human resources management, OSH, facility management and CRM.

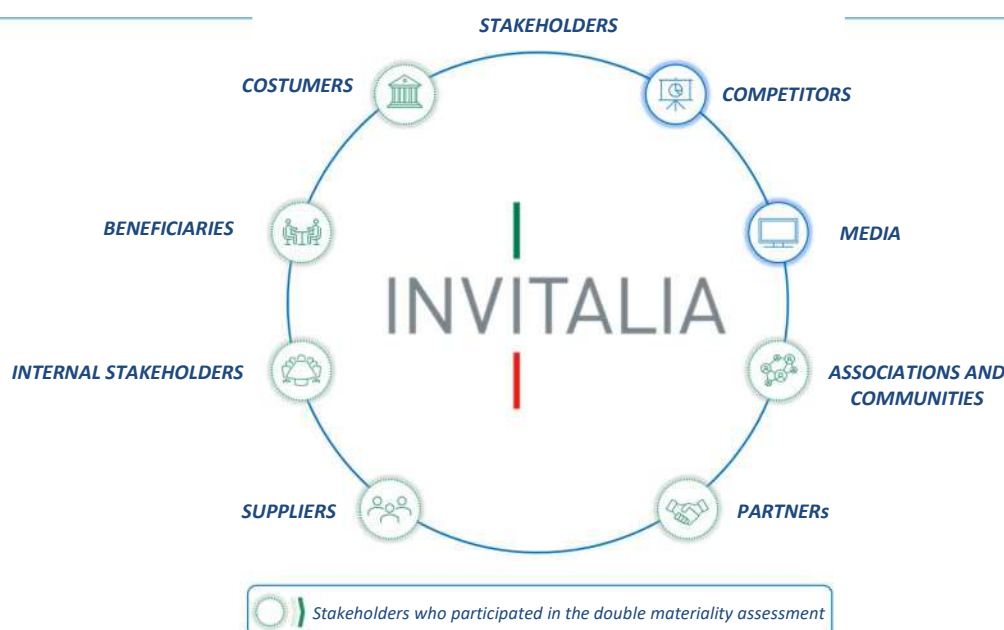
The Group's downstream distribution model is characterised by technical support services, the use of digital platforms and regional offices, as well as collaborations with trade associations, partners and institutions. Through these channels, the Group provides services to its end users, which include the central and local Public Administration, companies, start-ups, public and private entities, as well as citizens.

With reference to the value chain, Invitalia collected the value chain data needed to quantify Scope 3 emissions. For details, please refer to disclosure requirement 'E1-6 Gross scope 1, 2, 3 and total GHG emissions'. This data was processed with the utmost protection in accordance with privacy.

ESRS 2 SBM-2 Interests and views of stakeholders

The Group recognises the importance of the interests and opinions of its key stakeholders by means of a structured process of engagement and dialogue. This process is integrated into Invitalia's strategy and business model, ensuring that strategic decisions take stakeholder expectations into account. As part of the listening and engagement process, the Group analyses stakeholders' interests and opinions in order to identify relevant sustainability issues.

In January 2024, Invitalia updated its "Stakeholder Map" with the involvement of a working group composed of internal representatives who identified the categories of stakeholders considered significant for the Agency. This activity made it possible to identify the parties to be involved in the double materiality analysis process, as shown below.



The engagement of the most relevant stakeholders leads to the creation of panels or working groups aimed at gathering their input and suggestions on various issues, valuing their diverse perspectives and relationships with Invitalia. This engagement is essential to ensure alignment between the Group's sustainability goals and stakeholder expectations. To this end, in the Strategic Sustainability Plan the Parent Company formalises its commitment to strengthen relations with highly relevant stakeholders. In addition, stakeholders are asked for their input in the assessment of the materiality of sustainability issues, which is done through the illustration of supporting methodologies and the administration of questionnaires.

The main ways of engaging with highly relevant internal and external stakeholders are outlined below:

Stakeholders' panel: a channel for listening and dialogue, through which the Parent Company aims to foster the exchange of opinions and identification of best practices to contribute to sustainable and responsible development, as well as to maximise the relationship with stakeholders in the consolidation of a community committed to the creation of a more resilient and responsible economy. The panel, which involves both the CEO and the Parent Company's top management, represents an opportunity to discuss strategic issues from which useful insights also emerge for the identification of Invitalia's impact on its external stakeholders. The topics proposed for analysis and discussion in the working groups concern the various areas in which Invitalia interacts with public administrations, businesses and other actors in the value chain, and which are being

examined with a view to improving its sustainability strategy. This approach promotes greater transparency and accountability, while also ensuring that the Strategic Sustainability Plan remains a dynamic document, subject to periodic reviews to adapt to internal and external changes. The Parent Company has committed to holding an annual meeting with stakeholders, in the form of a panel or working groups on specific issues, in order to ensure the continuous improvement of its strategic sustainability decisions.

In this context, the affected communities, i.e. administrations, trade associations and other institutional stakeholders, as well as end users as relevant stakeholders are also involved.

Focus groups: Invitalia is aware that its workforce is a key stakeholder group. The interests, opinions and rights of workers are therefore given priority when defining the company's strategy and business model. In this regard, for the 2024 Consolidated Sustainability Report, the Parent Company has embarked on a process of strengthening dialogue with its workers by means of focus groups of employees, which have provided feedback and suggestions on strategic sustainability issues. This activity is expected to be repeated, as it provides an opportunity for in-depth and interactive discussion on various aspects of the company's impact. During these meetings, employees have the opportunity to express their opinions and share comments and suggestions. This method is particularly useful for obtaining detailed feedback and for identifying any areas for improvement or opportunities that may not emerge from online questionnaires.

Invitalia's administrative, management and supervisory bodies are regularly informed of stakeholders' opinions and interests through various communication channels, including final reports aimed at representing the suggestions and observations arising from the panels and focus groups and periodic reports on the progress of the Strategic Sustainability Plan.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Based on the double materiality analysis process, Invitalia has identified the Impacts, Risks and Opportunities (IRO) associated with its operations and value chain.

Details of the impacts considered to be significant are outlined below:

Topic	Sub-Topic	Sub-sub topics	Impacts	Type	Own operations/ value chain	Time horizons
E1 Climate change	Climate change mitigation	-	Management of environmental transition investments for the PA Supporting PA in the realisation of investments aimed at the environmental transition and decarbonisation of the country	Positive Actual	Upstream and downstream value chain	Long-term
E1 Climate change	Climate change mitigation	-	GHG emissions Scope 1, 2 and 3 emissions from the Group's activities and its value chain	Negative Actual	Own operations; upstream and downstream value chain	Medium-term
E1 Climate change	Energy	-	Lower consumption of energy resources Adoption of good practices in the use of energy resources	Positive Actual	Own operations	Short-term
S1 Own workforce	Working conditions	Secure employment	Contractual stability of the workforce Increased contractual stability of the workforce through an increase in permanent employment contracts compared to fixed-term contracts	Positive Actual	Own operations	Short-term
S1 Own workforce	Working conditions	Secure employment	High turnover rate Increased employee turnover rate resulting from inadequate/ineffective management of resources	Negative Potential	Own operations	Medium-term
S1 Own workforce	Working conditions	Work-life balance	Work-life balance Enhancing work-life balance through the adoption of appropriate policies and programmes (eg corporate welfare, flexible working hours, increased parental leave)	Positive Actual	Own operations	Short-term
S1 Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Remuneration policies that respect gender equality Failure to adopt remuneration policies that ensure gender equality, reduction of gaps between different organisational levels as well as pay adjustments in line with the cost of living	Negative Potential	Own operations	Short-term
S1 Own workforce	Equal treatment and opportunities for all	Training and skills development	Performance appraisal based on meritocratic systems Employee dissatisfaction due to the lack of merit-based appraisal and development systems	Negative Potential	Own operations	Medium-term
S1 Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Inclusive work environment for people with disabilities Integration of people with disabilities within the organisation	Positive Actual	Own operations	Medium-term
S1 Own workforce	Equal treatment and opportunities for all	Diversity	Inclusive corporate culture Lack of protection of UN human rights principles and diversity and occurrence of incidents of discrimination	Negative Potential	Own operations	Short-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Support for the strengthening and innovation of the production system Support to the PA in the planning and implementation of measures aimed at strengthening and innovating production chains also by favouring technology transfer from research to enterprise	Positive Actual	Downstream value chain	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Supporting PA in digitalisation Supporting PA in the planning and implementation of interventions aimed at digitalising processes and services to citizens	Positive Actual	Downstream value chain	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Support for the redevelopment of areas characterised by social and economic crisis or natural disaster Support to PA in managing interventions to support territories for the redevelopment of areas characterised by social and economic crisis or natural disasters	Positive Actual	Upstream and downstream value chain	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Support for the protection of the country's cultural heritage Support to PA in the planning and implementation of interventions to safeguard and enhance the national cultural heritage	Positive Actual	Downstream value chain	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Strengthening relations with territories Supporting the development of partnerships with different players in the value chain that favour the achievement of the corporate mission	Positive Actual	Own operations; upstream and downstream value chain	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Support for the improvement of access to information and communication technologies in less developed areas of the country Support for the realisation of technological	Positive Actual	Downstream value chain	Long-term

Topic	Sub-Topic	Sub-sub topics	Impacts	Type	Own operations/ value chain	Time horizons
			infrastructures aimed at favouring the reduction of digital divide in less developed areas of Italy			
S4 Consumers and end- users	Social inclusion of consumers and/or end-users	Non-discrimination	Supporting the PA in creating and safeguarding jobs across the country's different geographical areas Increase in and safeguarding of jobs in different geographical areas and of female and youth employment, through the support of the PA in the effective management	Positive Actual	Downstream value chain	Long-term
G1 Business conduct	Corporate culture	-	Spreading the culture of sustainability among value chain players Adopting programmes aimed at fostering social, environmental and governance sustainability skills and the dissemination of sustainable business models through the adoption of programmes with these aims	Positive Actual	Own operations; upstream and downstream value chain	Long-term
G1 Business conduct	Corporate culture	-	Fostering trust and credibility of public institutions Promoting the strengthening of trust and reputation of public institutions among various internal and external stakeholders	Positive Actual	Upstream and downstream value chain	Long-term
G1 Business conduct	Corruption and bribery	Prevention and detection including training	Promotion of correct and lawful conduct inside and outside the organisation Prevention of unlawful acts and corruptive behaviour through the adoption of control measures, technologies and targeted training	Positive Actual	Own operations; upstream and downstream value chain	Short-term

With reference, on the other hand, to financial materiality, the following relevant Risks and Opportunities are identified:

Topic	Sub-Topic	Sub-sub topics	Risks	Own operations/ value chain	Time horizons
E1 Climate change	Climate change mitigation	-	Strategic risk arising from the Agency's shrinking volume of activities aimed at the environmental and digital transition	Own operations; downstream value chain	Long-term
E1 Climate change	Climate change mitigation	-	Reputation risk arising from potential greenwashing practices by Group companies	Own operations	Medium-term
S1 Own workforce	Working conditions	Health and safety	Operational and compliance risk linked to accidents and illnesses due to working conditions of the own workforce	Own operations	Medium-term
S1 Forza lavoro propria	Other work-related rights	Privacy	Compliance risk arising from loss of sensitive data of own workforce	Own operations	Long-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Risk of non-compliance related to irregularities/breaches and/or violations of public procurement obligations resulting in reputation losses	Own operations; upstream value chain	Short-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Strategic risk arising from the Agency's shrinking volume of activities related to supporting the redevelopment of socially deprived and run-down areas	Own operations; downstream value chain	Medium-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Operational risk related to the misuse of national and EU public funds allocated to the Agency for the implementation of programmes and projects	Own operations	Short-term
S4 Consumers and end- users	Information-related impacts for consumers and/or end-users	Privacy	Risk of non-compliance with external stakeholder data privacy legislation	Own operations; downstream value chain	Long-term
S4 Consumers and end- users	Social inclusion of consumers and/or end-users	Non-discrimination	Strategic risk arising from the Agency's shrinking volume of activities aimed at supporting employment	Own operations; downstream value chain	Medium-term
S4 Consumers and end- users	Social inclusion of consumers and/or end-users	Access to products and services	Operational risk arising from low quality and/or low effectiveness/efficiency of the service offered	Own operations; downstream value chain	Short-term
G1 Condotta delle imprese	Corporate culture	-	Reputation risk arising from behaviour not aligned with principles of transparency and integrity	Own operations	Medium-term
G1 Business conduct	Corruption and bribery	Prevention and detection including training	Risk of non-compliance arising from violation of anti-corruption legislation	Own operations	Medium-term
G1 Business conduct	Corruption and bribery	Incidents	Operational risk related to the occurrence of internal and external misconduct, corruption and/or fraud	Own operations	Medium-term

Topic	Sub-Topic	Sub-sub topics	Opportunities	Own operations/ value chain	Time horizons
S1 Own workforce	Equal treatment and opportunities for all	Training and skills development	Strengthen the supporting role of the PA in the management of the country's development policies	Own operations	Short-term
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Strengthen the role of proactive support for innovation and digitalisation of the PA	Own operations; downstream value chain	Short-term

Topic	Sub-Topic	Sub-sub topics	Opportunities	Own operations/ value chain	Time horizons
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Strengthen the supporting role of the PA in policies for promoting research and its transfer to the production system	Own operations; downstream value chain	Short-term
S4 Consumers and end- users	Social inclusion of consumers and/or end-users	Non-discrimination	Strengthen the supporting role of the PA in policies to reduce inequalities in the territory and support employment	Own operations; downstream value chain	Short-term
S4 Consumers and end- users	Social inclusion of consumers and/or end-users	Access to products and services	Increased efficiency and effectiveness of services through digitalisation of measurement management processes	Own operations; downstream value chain	Short-term

The Impacts, Risks and Opportunities identified by Invitalia are closely related to the Group's strategic choices and decision-making process, as well as having significant effects on the business model and value chain.

The issue of climate change was assessed as relevant in relation to climate change mitigation and energy. Specifically, the impacts focus on Invitalia's own operations and along the value chain. Material risks focus on climate change mitigation and involve not only own operations but also the downstream value chain. In this context, Invitalia has progressively integrated sustainable practices into its business model in order to reduce GHG emissions and strengthen its role in supporting the public administration in managing investments related to environmental and digital transition.

With reference to its own workforce, Invitalia has identified relevant Impacts, Risks and Opportunities associated with its operations. In this respect, relevant impacts related to working conditions and equal treatment and opportunities for all were identified. In the area of financial materiality, on the other hand, Invitalia identified material risks associated with working conditions and other labour-related rights, as well as a relevant opportunity related to strategic skills enhancement. In relation to these aspects, Invitalia has already adopted policies promoting inclusiveness and diversity as well as remuneration policies aimed at ensuring gender equality, improving equity and employee satisfaction. In addition, the integration of people with disabilities and the promotion of an inclusive corporate culture are part of Invitalia's staff management strategy.

With regard to affected communities, relevant Impacts, Risks and Opportunities concern the economic, social and cultural rights of the community, with particular reference to the sub-topic 'Land-related impacts'. In this context, both impacts and risks deemed material involve the Agency's own operations and the entire value chain. Opportunities, on the other hand, are concentrated in own operations and in the downstream value chain. Considering the Group's operating context, impacts, risks and opportunities are mainly associated with its role in supporting the Public Administration in managing development policies aimed at strengthening the country's production system, redeveloping areas in social and economic crisis and victims of natural disasters, protecting the country's cultural heritage, digitalising services to citizens and improving access to information and communication technologies.

As far as end-users are concerned, Invitalia identifies a relevant impact related to the sub-topic of non-discrimination, inherent in the downstream value chain. The material risks identified related to the sub-sub-topics of confidentiality, non-discrimination and access to products and services derive from own operations and activities along the downstream value chain. On the other hand, material opportunities linked to the sub-topics of non-discrimination and access to services also involve both own operations and the downstream value chain. Impacts, risks and opportunities considered material take into account the Group's operations and refer to the implementation of supported policies.

In the area of business conduct, relevant impacts and risks relating to corporate culture and corruption and bribery were identified. Specifically, material impacts are related to upstream and downstream value chain activities and own operations. Material risks, on the other hand, are concentrated in Invitalia's own operations. In this regard, Invitalia has introduced strict policies aimed at preventing corruption and conflicts of interest, promoting transparency and integrity in its activities.

With reference to the assessment of risks and opportunities, Invitalia conducted a qualitative analysis based on the current 'Enterprise Risk Management' model adopted, with the aim of assessing the magnitude of risks and opportunities, considering their effects on the main economic-financial aspects, with particular regard to shareholders' equity, used as a reference parameter for the materiality analysis. Using the risk and opportunity magnitude scales adopted as part of the double materiality analysis, the current financial effects of these risks and opportunities on the financial position were examined. As a purely qualitative analysis of risks and opportunities has been carried out, at present it is not possible to quantify the financial effects on assets in a precise manner.

For the purpose of the current Consolidated Sustainability Report, a resilience analysis was not conducted. This will be planned in the future in order to understand whether the strategy and business model can cope

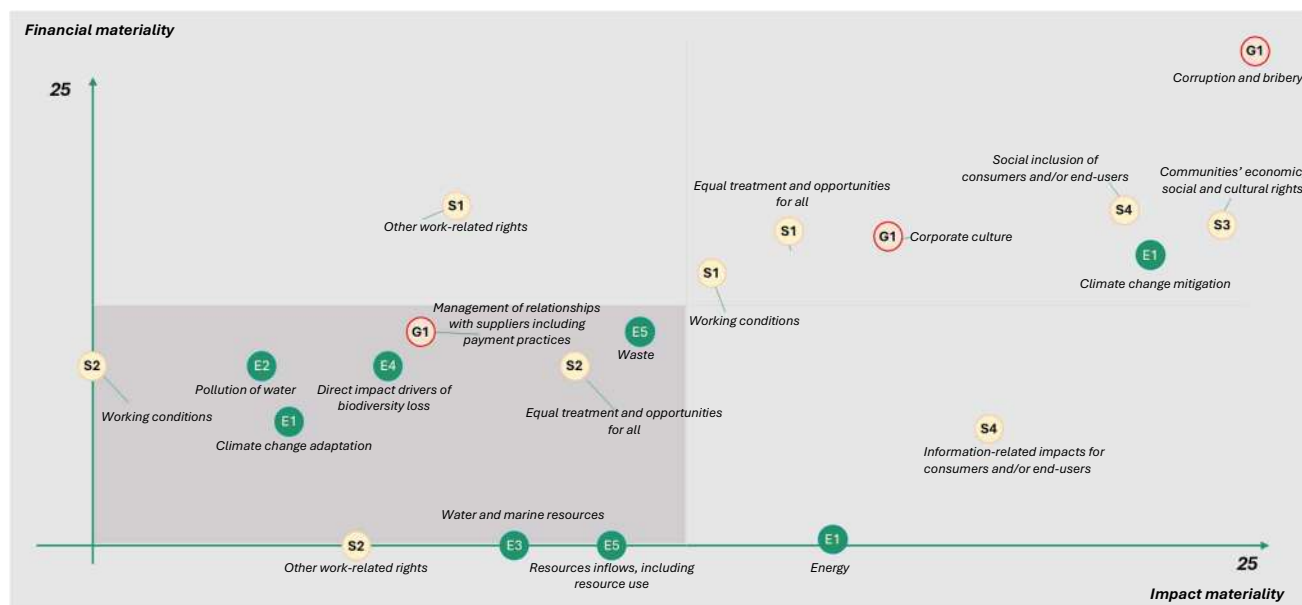
with relevant impacts and risks and exploit material opportunities.

In accordance with the new regulations and methodologies introduced by the new Legislative Decree 125/2024, Invitalia updated the double materiality analysis performed in 2024 compared to the analysis performed in 2023 with the following updates:

- inclusion of economic and financial analysis with reference to risks and opportunities,
- integration of the value chain concept into the entire double materiality process.

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Below is Invitalia's double materiality matrix organised by sub-topic:



The process of identifying and assessing material Impacts, Risks and Opportunities, which incorporates the indications provided by the Materiality Assessment Implementation Guidance (hereinafter referred to as Guideline IG 1 MAIG)¹⁰ of the EFRAG (European Financial Reporting Advisory Group), is comprised of the following steps:

- understanding of the context and selection of sustainability issues;
- identification of Impacts, Risks and Opportunities (IRO) related to sustainability issues;
- assessment and determination of material IROs associated with sustainability issues.

Firstly, an analysis was conducted to understand the context in which the Group operates and to select the sustainability issues to be taken into account in the double materiality process. During this analysis, market trends with regard to sustainability aspects, current regulations (eg EU Taxonomy, SFDR, Climate Law) and stakeholder expectations considered relevant by Invitalia were therefore assessed. For more details in this respect, please refer to the mapping of relevant stakeholders under ESRS 2 SBM-1 Strategy, business model and value chain.

In the second phase, impacts, risks and opportunities related to the selected sustainability issues were identified by gathering information through various methods, including market analysis, stakeholder consultation and internal assessments. Each Impact, Risk and Opportunity identified was linked to the ESRS topics, sub-topics and sub-sub-topics, also in coherence with the degree of their applicability to the business reality and associated to the players of the value chain.

Subsequently, a double materiality analysis was carried out to determine relevant Impacts, Risks and Opportunities. Specifically, the Group assessed the materiality of IROs by means of materiality criteria and by engaging the internal and external stakeholders considered most relevant. In relation to impacts, the assessment took into account the severity and likelihood of occurrence. Impact severity was defined on the basis of three criteria: a) scale, b) scope; c) degree of irremediability¹⁰. Sustainability-related risks and opportunities were analysed based on their probability of occurrence and the potential scale of their financial effects in the short, medium and long term.

¹⁰ In line with current regulations, in the case of positive impacts, severity was assessed solely on the basis of scale and scope.

The Group adopts a structured and systematic approach to identifying, assessing and monitoring actual and potential impacts on people and the environment, prioritising them on the basis of due diligence procedures for corporate sustainability. Specifically, this approach initially involves mapping the stakeholders engaged in the Group's processes, in order to understand how they might be impacted, also in view of relevant regulations. Invitalia engages internal and external stakeholders through direct interviews, panels and focus groups, collecting direct feedback on their experiences and perceptions (for more details see SBM-2 Interests and views of stakeholders).

With specific reference to impacts, the Group assessed, in compliance with regulatory requirements, the value of scale, scope, irremediable nature (only for negative impacts), and probability in order to determine the final significance of the impact through the engagement of internal and external stakeholders, assigning top management a greater weight than the other categories of stakeholders.

With reference to the process used to identify and assess material risks and opportunities, shareholders' equity was used as the measure underlying the materiality analyses. In this regard, it should be noted that, in light of the nature of the business and consistent with the relevant regulations, qualitative assessments were conducted and confirmed, where possible, by quantitative information for each individual risk and opportunity.

With specific reference to the assessment of risks, the materiality analysis was carried out consistently with the current Enterprise Risk Management (ERM) model applied to the Parent Company, which also integrates sustainability risks. In fact, Invitalia has an internal control and risk management system, integrated and spread across the various levels of the organisational and corporate structure, which reinforces awareness of the risks to which Invitalia is potentially exposed, in order to promote their efficient management according to criteria based on prudence and good governance. This system consists of the set of rules, procedures and organisational structures aimed at ensuring an effective and efficient process of identifying, monitoring and managing the main risks.

Within the context of the company's internal control system, the Enterprise Risk Management (ERM) process is aimed at ensuring that the management is risk-informed when making certain decisions, through the assessment and analysis of risks with an integrated view, ensuring i) the alignment of risk with corporate strategies, ii) the safeguarding of tangible and intangible (data, information) company assets, iii) the efficiency and effectiveness of company processes, and iv) compliance with laws and regulations, as well as the company's Articles of Association and internal procedures.

Parent Company's ERM model is inspired by international best practices and relies on a methodological system and skills that leverage criteria that ensure assessment consistency, proper support for the main decision-making processes and suitable reporting to administrative and control bodies.

As far as opportunities are concerned, the assessment started from Invitalia's strategic planning, with particular reference to the Parent Company's Strategic Sustainability Plan.

In order to identify material IROs, each variable under assessment was given a score on a scale of 1 to 5, where 1 indicates the minimum level and 5 the maximum level attributed to the variable. At the end of the assessment process, two separate materiality thresholds were identified: one for impacts and one for risks and opportunities. In both cases, the materiality threshold was defined as the average value of the scores minus 1, with the aim of ensuring a better representation of sustainability issues pertaining to Group's activities.

Upon completion of the double materiality analysis, the Group identified the following as relevant:

- 20 impacts;
- 13 risks;
- 5 opportunities.

The double materiality analysis is approved by Invitalia's administrative, management and supervisory bodies. With regard to the decision-making process to identify impacts, risks and opportunities, as well as to assess the materiality of each of them and the related internal control procedures, please refer to sections ESRS 2 GOV-1 and ESRS 2 GOV-5, respectively.

The current reporting period is the first year of implementation of the double materiality analysis process. Therefore, net of new regulatory requirements, there are no identifiable changes in the assessment of impacts, risks and opportunities compared to the previous reporting period. For the coming years, Invitalia will monitor any regulatory updates in order to incorporate any changes in the double materiality process.

Climate-related Impacts, Risks and Opportunities

As part of the process of identifying and assessing climate-related IROs in the Group's own activities, IROs related to GHG emissions, fossil fuel energy savings and the protection of company assets from physical climate risks were considered. In addition, IROs related to supporting Public Administration in the management

of environmental transition funds were assessed. With reference to exposure to climate-related hazards, Invitalia also considered the operational risk of business interruption due to extreme weather events. In relation to climate-related opportunities, Invitalia identified an opportunity relating to resource optimisation arising from the development of a transition plan for climate change mitigation. In this context, considering the nature of the specialist technical services provided by the Group and the activities it carries out, the double materiality analysis has determined that the impacts related to GHG emissions, energy savings and support activities for the PA in managing funds for the environmental transition are material.

Impacts, Risks and Opportunities related to business conduct

With regard to issues related to the conduct of business, the Invitalia Group works to contribute to the growth and strengthening of the national economy and increase the country's competitiveness. The double materiality analysis considered the Group's sector, as well as the scope of operations limited to the Italian territory and the safeguards implemented to date by Invitalia to address any impacts, risks and opportunities that might arise. With this in mind, the impacts related to the promotion of legal and transparent behaviour and the spreading of a culture of sustainability, also with reference to the players in the value chain, were considered material. At the same time, the Group considered risks related to corruption, non-compliance with regulations and reputation risks as material.

ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The information covered in this Report was defined by the Group from the results of the double materiality analysis process. These disclosures are made in accordance with the Disclosure Requirements and related disclosure elements of thematic ESRS standards, as well as the information pertaining to the double materiality analysis process itself, in accordance with ESRS 2, IRO-1, IRO-2 and SBM-3.

According to the guidance provided in ESRS 1, and therefore irrespective of the results of the double materiality analysis, the Report also contains the information required by ESRS 2 General Disclosures and Disclosure Requirements listed in Appendix C of ESRS 2.

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	BP-2 Disclosures in relation to specific circumstances	ESRS 2 BP-2
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	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS 2 GOV-2
	GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS 2 GOV-3
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	SBM-1 Strategy, business model and value chain	ESRS 2 SBM-1
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	E1-4 Targets related to climate change mitigation and adaptation	ESRS E1-4
	E1-5 Energy consumption and mix	ESRS E1-5
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	ESRS E1-6

TOPIC	DISCLOSURE REQUIREMENTS		PARAGRAPH
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not applicable ¹¹
	E1-8	Internal carbon pricing	Not applicable
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
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	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	ESRS S1-7
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	S1-9	Diversity metrics	ESRS S1-9
	S1-10	Adequate wages	Not material
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	S1-13	Training and skills development metrics	ESRS S1-13
	S1-14	Health and safety metrics	ESRS S1-14
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	S1-16	Compensation metrics (pay gap and total compensation)	ESRS S1-16
	S1-17	Incidents, complaints and severe human rights impacts	ESRS S1-17
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	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	S3.ESRS 2 SBM-3
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	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S4-5
GOVERNANCE			

¹¹ To date, the Group does not purchase/use carbon credits.
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TOPIC	DISCLOSURE REQUIREMENTS		PARAGRAPH
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	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 IRO-1
	G1-1	Business conduct policies and corporate culture	ESRS G1-1
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	G1-4	Confirmed incidents of corruption or bribery	ESRS G1-4

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Materiality/ Paragraph	SFDR ¹² reference	Pillar 3 ¹³ reference	Benchmark Regulation ¹⁴ reference	EU Climate Law ¹⁵ reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	par. ESRS 2 GOV-1	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 ¹⁶ , annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	par. ESRS 2 GOV-1			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	par. ESRS 2 GOV-4	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	not applicable	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 ¹⁷ , Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	not applicable	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	not applicable	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 ¹⁸ , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	not applicable			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	not applicable				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	not applicable		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk:	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	

¹² Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

¹³ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

¹⁴ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

¹⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

¹⁶ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

¹⁷ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1).

¹⁸ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Disclosure Requirement and related datapoint	Materiality/ Paragraph	SFDR ¹² reference	Pillar 3 ¹³ reference	Benchmark Regulation ¹⁴ reference	EU Climate Law ¹⁵ reference
			Credit quality of exposures by sector, emissions and residual maturity		
ESRS E1-4 GHG emission reduction targets paragraph 34	par. ESRS E1-4	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	not applicable	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	par. ESRS E1-5	Indicator number 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	not applicable	Indicator number 6 Table #1 of Annex 1			
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ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	par. ESRS E1-6	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56	not applicable				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	phased-in			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	phased-in		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	phased-in		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	phased-in			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	not material	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			

Disclosure Requirement and related datapoint	Materiality/ Paragraph	SFDR ¹² reference	Pillar 3 ¹³ reference	Benchmark Regulation ¹⁴ reference	EU Climate Law ¹⁵ reference
ESRS E3-1 Water and marine resources paragraph 9	not material	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	not material	Indicator number 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	not material	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	not material	Indicator number 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	not material	Indicator number 6.1 Table #2 of Annex 1			
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	not material	Indicator number 7 Table #1 of Annex 1			
ESRS 2- IRO 1 - E4 paragraph 16 (b)	not material	Indicator number 10 Table #2 of Annex 1			
ESRS 2- IRO 1 - E4 paragraph 16 (c)	not material	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	not material	Indicator number 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	not material	Indicator number 12 Table #2 of Annex 1			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	not material	Indicator number 15 Table #2 of Annex 1			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	not material	Indicator number 13 Table #2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	not material	Indicator number 9 Table #1 of Annex 1			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	not material	Indicator number 13 Table #3 of Annex I			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	not material	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy commitments paragraph 20	par. ESRS S1-1	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	not material			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 processes and measures for preventing trafficking in human beings' paragraph 22	not applicable	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	par. ESRS S1-1	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	par. ESRS S1-3	Indicator number 5 Table #3 of Annex I			
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Disclosure Requirement and related datapoint	Materiality/ Paragraph	SFDR ¹² reference	Pillar 3 ¹³ reference	Benchmark Regulation ¹⁴ reference	EU Climate Law ¹⁵ reference
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ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	par. ESRS S1-16	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	par. ESRS S1-17	Indicator number 7 Table #3 of Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	par. ESRS S1-1	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	not material	Indicators number 12 and n. 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	not material	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers paragraph 18	not material	Indicator number 11 and n. 4 Table #3 of Annex 1			
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ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	not material			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	not material	Indicator number 14 Table #3 of Annex 1			
ESRS S3-1 Human rights policy commitments paragraph 16	non materiale	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	not material	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
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ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	not material	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	not applicable	Indicator number 14 Table #3 of Annex 1			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	par. ESRS G1-1	Indicator number 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	par. ESRS G1-1	Indicator number 6 Table #3 of Annex 1			

Disclosure Requirement and related datapoint	Materiality/ Paragraph	SFDR ¹² reference	Pillar 3 ¹³ reference	Benchmark Regulation ¹⁴ reference	EU Climate Law ¹⁵ reference
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	par. ESRS G1-4	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	par. ESRS G1-4	Indicator number 16 Table #3 of Annex 1			

Group's KPI Entity Specific reported in the Consolidated Sustainability Report

In line with its mission, the Group has identified a number of specific metrics to be included in the Report with the aim of highlighting and making measurable the main activities carried out during 2024 in relation to S3 Affected communities and S4 Consumers and end-users topics. Although not required by legislation, these indicators provide relevant information to understand the Group's commitment to generating positive social impacts, particularly on affected communities, consumers and end-users. The selected KPIs are summarised below:

KPI Entity Specific	OU/Subsidiary	Paragraph
Number and value of tenders launched and awarded with details on: - territorial distribution (North, Centre, South and Islands, Multi-regional) - focus on prevailing impact 'Infrastructure and Public Services' and 'Territorial Cohesion'	Invitalia (Public Investment OU)	par. ESRS S3-4 Actions related to territorial cohesion Tender management
Number of appeals submitted in tenders, of which successful/unsuccessful		
Total number and value of tenders launched and awarded	Infratel	
Total number and value of tenders launched and awarded	Invitalia (Public Investments OU) and Infratel	
Number of programmes/projects for the reconstruction of areas affected by natural disasters as part of the services provided	Invitalia (Public Advisory OU)	par. ESRS S3-4 Actions to support areas affected by natural disasters Project management
Number of entities supported in projects for the reconstruction of areas affected by natural disasters		
Number of businesses supported, value of facilities granted, and investments set up by measures with prevalent impact on areas affected by natural disasters	Invitalia (Incentives and Innovation OU and Public Advisory OU) and MCC	par. ESRS S3-4 Actions to support areas affected by natural disasters Incentive management
Number of supported programmes, of which with a predominant impact on culture, tourism and heritage protection	Invitalia (Public Advisory OU and Public Investments OU)	par. ESRS S3-4 Actions related to the protection of cultural heritage
Number of one-to-one meetings, number of requests for support, number of Invitalia Startup system partners who used the service	Invitalia (Institutional Relations and Communication OU)	par. ESRS S3-4 Actions related to strengthening relations with territories
Number of connected real estate units; Number of connected street numbers; Number of connected schools and school sites; Number of connected hospitals and health facilities; Number of connected municipal authorities and institutional offices; Connected islands	Infratel	par. ESRS S3-4 Actions related to reducing the digital divide
Total number of projects, of which projects and value of resources aimed at digitalising services and strengthening the administrative capacity of the PA	Invitalia (Public Advisory OU)	par. ESRS S3-4 Actions related to supporting PA in digitalisation Project management
Number of jobs created and safeguarded with regional distribution (North, Centre, South and Islands, Multi-regional)	Invitalia (Incentives and Innovation OU)	par. ESRS S4-4 Actions related to PA support for employment
Number of businesses supported, value of investments set up and facilities granted (of which grants, subsidised loans) and facilities disbursed	Invitalia (Incentives and Innovation OU and Public Advisory OU) and MCC	par. ESRS S4-4 Actions related to strengthening the PA's supporting role in enhancing the country's business community Incentives Management
Number of businesses supported, value of investments set up and facilities granted (grants and subsidised loans) and facilities disbursed broken down by objective, i.e. Large Investments, Creation of New Enterprises, Strengthening of Existing Enterprises and Areas of Industrial Crisis.	Invitalia (Incentives and Innovation OU)	
Facilities granted through measures with a predominant impact on digitalisation and technological innovation	Invitalia (Incentives and Innovation OU and Public Advisory OU) and MCC	

KPI Entity Specific	OU/Subsidiary	Paragraph
Number of businesses supported, value of facilities granted (grants and subsidised loans) for start-ups with Smart&Start Italia measure	Invitalia (Incentives and Innovation OU)	
Facilities granted through measures with a predominant impact on the competitiveness of businesses	Invitalia (Incentives and Innovation OU and Public Advisory UO) and MCC	
Number of businesses supported, value of investments set up and facilities granted (grants and subsidised loans) and facilities disbursed by measures with impact Environmental and energy transition	Invitalia (Incentives and Innovation OU and Public Advisory UO) and MCC	
Number of businesses supported by geographical area (North, Centre, South and Islands, Multi-regional)	Invitalia (Incentives and Innovation OU)	
Number of businesses supported, value of investments set up and facilities granted (grants, subsidised loans) and facilities disbursed to women's enterprises		
Number of businesses supported, value of investments set up and facilities granted (grants, subsidised loans) and facilities disbursed to Youth enterprises (< 36 years)		
Number of businesses and value of guaranteed investments (with focus on the Mezzogiorno)	MCC	par. ESRS S4-4 Actions related to strengthening the PA's supporting role in enhancing the country's business community Liquidity for enterprises
Number of enterprises and value of secured credit (with focus on the Mezzogiorno)	MCC	
Value of medium/long-term loans at market rates	MCC - CRO	
Number of investee companies (as at 31/12/2024 and in 2024) with the Salvaguardia and Cresci al Sud funds	Invitalia (Investment Management OU)	par. ESRS S4-4 Actions related to strengthening the PA's supporting role in enhancing the country's business community Management of Investment Funds
Number of investee companies' funds that have undertaken ESG assessment		
Number of controls carried out and values of controlled expenditure; percentage of controls carried out on expenditure through a simplified procedure	Invitalia (Public Advisory OU)	par. ESRS S4-4 Actions related to the improvement of the quality and effectiveness of the services offered
Number of tender procedures launched and their value		
Number of assessments carried out against EU and national operational programmes		
Number of Framework Agreements and their value of tenders awarded	Invitalia (Public Investment OU)	
Number of CIS managed by Invitalia; number of interventions carried out with CIS and their value (subject to assessment in 2024) with territorial distribution		

ENVIRONMENTAL INFORMATION

DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

EU Regulation 2020/852 (hereafter also 'Taxonomy'), which came into force on 12 July 2020, introduces a classification system for climate and environmentally sustainable economic activities with the aim of reducing the risk of greenwashing, carrying out sustainability assessments by investors, companies and policymakers, and steer investment decisions towards 'green' activities. It therefore defines six environmental objectives:

1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (CE);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

For each of the above objectives, there is a list of '*eligible*' economic activities that are considered environmentally sustainable because they can contribute to their achievement. To define whether an activity is environmentally sustainable, the European Commission has defined 'technical screening criteria' to be taken into account in order to assess whether the activity in question is '*aligned*' with the EU Taxonomy. Therefore, all activities for which an exact correspondence with the list provided for in the Taxonomy Regulation exists are classified as eligible, while eligible economic activities that comply with the specific technical screening criteria provided for in the relevant Delegated Regulations¹⁹ are defined as aligned.

In January 2022, the first Delegated Regulation (EU) 2021/2139 on environmentally sustainable activities with reference to the first two environmental objectives (i.e. climate change mitigation and adaptation) came into force. In July 2022, the Regulation was amended by the Commission's Delegated Regulation (EU) 2022/1214 in order to include in the scope of sustainable activities pertaining to the 'Energy' sector also economic activities related to gas and nuclear power, which can contribute to climate change mitigation or adaptation. With regard to the other four environmental objectives, the European Commission adopted the Delegated Act of 27 June 2023, through which criteria are set to enable sustainability assessment of related activities.

The EU Taxonomy Regulation aims to standardise the assessment of investments and promote the comparability of the information gathered for financial market participants and all other stakeholders in order to make informed decisions. In addition to regulating the transparency of financial products, Article 8 also defines the transparency requirements to which companies that prepare non-financial reporting (NFRD) are subject.

Delegated Regulation (EU) 2021/2178 complements the EU Taxonomy Regulation on transparency for companies subject to NFRD, as it establishes the content, methodology, and information set to be disclosed in the non-financial statement depending on the type of company. With respect to credit institutions, the Regulation requires, among other performance indicators (hereinafter referred to as 'KPIs'), the publication of the Green Asset Ratio (hereinafter referred to as 'GAR'), which measures the ratio of the credit institution's assets that finance economic activities aligned with the EU Taxonomy or are invested in such activities to the credit institution's total balance sheet assets. The trading book and exposures to central governments, central banks and supranational issuers are excluded from the Covered Asset for GAR calculation.

Depending on the type of company, the disclosure obligations introduced by the EU Taxonomy Regulation come into force with different timing and modalities. With particular reference to financial corporations, Article 10 of EU Regulation 2021/2178 provides for a reduced information content for the first two years of application, considering the timeframe for the adoption of delegated acts.

From 1 January 2024 until 31 December 2025 (reporting year 2023 - 2024), disclosure must also be provided regarding the portion of economic activities eligible and not eligible for the Taxonomy in terms of turnover and capital expenditure (CapEx) with reference to the other four environmental objectives introduced by Delegated Regulation 2023/2486, as well as for the new activities introduced by Delegated Regulation 2023/2485 with reference to climate objectives (i.e. climate change mitigation and climate change adaptation).

Application of Taxonomy to Invitalia Group

The Invitalia Group qualifies as a 'credit institution' for Taxonomy purposes. Credit institutions are required by regulation to disclose the Green Asset Ratio (GAR), i.e. the ratio of the credit institution's assets that finance

¹⁹ For the purposes of assessing alignment, verification of compliance with the technical screening criteria is required only for exposures for which the use of proceeds is known. On the contrary, for general purpose exposures, the regulation provides for the recovery of the indicators declared by the financed counterparty within the Non-Financial Statement.

economic activities aligned with the taxonomy or are invested in such activities to total covered assets. In detail, exposures related to the companies within the scope will be included in the GAR denominator. These exposures will also be included in the numerator of the indicator if the alignment criteria in the EU Taxonomy are met. The manner in which Group companies calculate KPIs for the purpose of reporting the tables required by Delegated Regulation (EU) 2021/2178 may differ depending on the type of financial instruments disclosed in the financial statements.

General purpose exposures

The alignment assessment of General Purpose loans, for which the use of proceeds is not known, to counterparties subject to NFRD was performed by weighting the exposure by the eligibility and alignment indicators declared by the counterparty within the Non-Financial Statement, using, where available, the most recent eligibility and alignment information reported by the counterparties.

Specialised exposures

With reference to specialised exposures, Delegated Regulation 2021/2178 provides that the assessment of eligibility and alignment shall be made on the basis of the contribution that the funded project makes to the financing of an environmentally sustainable activity envisaged by the aforementioned Delegated Regulation as amended.

Eligibility for the European Taxonomy for specialised lending is determined through:

- identification of one or more lending purposes;
- bringing the aims back to the environmentally sustainable activities provided by Delegated Regulations.

The alignment assessment of exposures belonging to the Household cluster is conducted:

- if the funding is granted for one of the activities 7.2 to 7.7 of Delegated Regulation 2021/2139 or for activity 6.5 of Delegated Regulation 2021/2139, by verifying that the funded activity exceeds the specific technical screening criteria set out in the relevant Regulations;
- if the funding is collateralised by residential immovable property, by verifying that the collateralised immovable property meets the technical screening criteria provided for in activity 7.7 of Delegated Regulation 2021/2139.

In the case of loans to other counterparties within the GAR's reporting scope, the evaluation of loans for which the use of proceeds is known is based on the verification of compliance with the technical screening criteria specific to the activity being funded.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Main KPI	Total environmentally sustainable assets	KPI (Based on the Turnover KPI of the counterparty)	KPI (Based on the CapEx KPI of the counterparty)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Green asset ratio (GAR) stock	7,83	0,07%	0,07%	90,92%	84,32%	9,08%

Additional KPIs	Total environmentally sustainable assets	KPI (Based on the Turnover KPI of the counterparty)	KPI (Based on the CapEx KPI of the counterparty)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
GAR (flow)	3,10	0,04%	0,04%	86,26%	85,19%	13,74%
Trading book						
Financial guarantees	8,99	21,33%	33,43%			
Assets under management						
Fees and commissions income						

1. Assets for the calculation of GAR – Stock (Turnover) - below

Million EUR	Total (gross) carrying amount	31/12/2024																											
		CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			
	GAR – Covered assets in both numerator and denominator																												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	869,30	20,73	6,33		1,19	0,40	0,62	0,06		0,00		0,01		0,06	0,00		2,53	1,43		0,01			23,96	7,83		1,19	0,40	
2	Financial undertakings	451,57	6,47	0,75		0,05	0,01	0,10	0,00			0,01		0,06	0,00		0,00			0,00				6,64	0,76		0,05	0,01	
3	Credit institutions	429,97	4,80	0,25		0,01	0,01	0,01																4,80	0,25		0,01	0,01	
4	Loans and advances	0,00																											
5	Debt securities, including UoP	10,68	2,50	0,18	0,00	0,01	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,50	0,18		0,01	0,01	
6	Equity instruments	419,29	2,30	0,07		0,00	0,00	0,01	0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00		2,31	0,07				
7	Other financial corporations	21,60	1,67	0,50		0,04	0,01	0,10	0,00			0,01		0,06	0,00		0,00			0,00				1,83	0,50		0,04	0,01	
8	of which investment enterprises																												
9	Loans and advances	0,00																											
10	Debt securities, including UoP	0,00																											
11	Equity instruments	0,00																											
12	of which management companies																												
13	Loans and advances	0,00																											
14	Debt securities, including UoP	0,00																											
15	Equity instruments	0,00																											
16	of which insurance undertakings	2,56	0,30	0,03																				0,30	0,03				
17	Loans and advances	2,56	0,30	0,03																				0,30	0,03				
18	Debt securities, including UoP	0,00																											
19	Equity instruments	0,00																											
20	Non-Financial undertakings	105,47	14,26	5,58		1,13	0,39	0,52	0,06		0,00		0,00		2,53	1,43		0,01					17,32	7,07		1,13	0,39		
21	Loans and advances	105,47	14,26	5,58	0,00	1,13	0,39	0,52	0,06	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,01	0,00	0,00	0,00		17,32	7,07		1,13	0,39		
22	Debt securities, including UoP	0,00																											
23	Equity instruments	0,00																											
24	Households	312,26																											
25	of which loans collateralised by residential immovable property	301,99																											
26	of which building renovation loans	0,00																											
27	of which motor vehicle loans	0,00																											
28	Local Government Financing	0,00																											
29	Housing financing	0,00																											
30	Other local government financing	0,00																											
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00																											
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	11.099,27																											
33	Financial and non-financial corporations	4.394,38																											
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	4.394,38																											
35	Loans and advances	4.265,03																											
36	of which loans secured by non-residential property	0,00																											
37	of which building renovation loans	0,00																											
38	Debt securities	61,88																											
39	Equity instruments	67,48																											

Million EUR		Total (gross) carrying amount	31/12/2024																													
			CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
			Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
				Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		
40	Third country counterparties not subject to NFRD reporting requirements																															
41	Loans and advances	0,00																														
42	Debt securities	0,00																														
43	Equity instruments	0,00																														
44	Derivatives	28,22																														
45	Interbank sight loans	541,57																														
46	Cash and cash assets	57,21																														
47	Other asset categories (e.g. Goodwill, goods, etc.)	6.077,89																														
48	Total GAR assets	11.968,57	20,73	6,33	1,19	0,40	0,62	0,06		0,00		0,01				0,06	0,00			2,53	1,43			0,01				23,96	7,83		1,19	0,40
49	Assets not covered for GAR calculation	1.194,91																														
50	Central governments and supranational issuers	947,15																														
51	Central banks exposure	247,76																														
52	Trading book	0,00																														
53	Total assets	13.163,48	20,73	6,33	1,19	0,40	0,62	0,06		0,00		0,01			0,06	0,00			2,53	1,43			0,01				23,96	7,83		1,19	0,40	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	42,15	19,24	12,01	0,0	0,05	6,86	3,64	2,08	0,00	0,00	0,01	0,00	0,0	0,00	0,00	0,02	0,00	0,0	0,0	0,00	0,00	0,00	0,00	0,00	0,00	22,91	14,09		0,05	6,87	
55	Assets under management																										0	0	0	0	0	
56	Of which debt securities																										0	0	0	0	0	
57	Of which equity instruments																										0	0	0	0	0	

1. Assets for the calculation of GAR – Stock (Turnover) - below

[illegible]

Million EUR		31/12/2023																															
		T Total (gross) carrying amount	CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
			Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)						
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling					
45	Interbank sight loans	262,22																															
46	Cash and cash assets	1.111,22																															
47	Other asset categories (e.g. Goodwill, goods, etc.)	2.336,69																															
48	Total GAR assets	10.006,87	28,05	2,50	-	0,01	0,01	0,08	0,00	-	0,00	0,00	-	-	-	0,02	0,00	-	-	0,00	-	-	-	0,00	-	-	-	28,16	2,50	-	0,01	0,01	
49	Assets not covered for GAR calculation	1.425,05																															
50	Central governments and supranational issuers	1.234,73																															
51	Central banks exposure	185,26																															
52	Trading book	5,060																															
53	Total assets	11.431,92	1	28,053	2,498	-	0,010	0,015	0,076	0,001	-	0,000	0,004	-	-	-	0,023	0,003	-	-	0,001	-	-	-	0,001	-	-	-	28,159	2,502	-	0,010	0,015
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																	
54	Financial guarantees																																
55	Assets under management																																
56	Of which debt securities																																
57	Of which equity instruments																																

1. Assets for the calculation of GAR – Stock (CapEx) - below

	Million EUR	Total (gross) carrying amount	31/12/2024																											
			CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)			
	Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling			
	GAR – Covered assets in both numerator and denominator																													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	869,30	29,73	8,29		1,60	0,49	0,75	0,08					0,01												33,24	8,37		1,60	0,49
2	Financial undertakings	451,57	8,26	1,26		0,04	0,10	0,29	0,01					0,01												8,59	1,26		0,04	0,10
3	Credit institutions	429,97	4,72	0,28		0,01	0,00	0,01	0,00																	4,73	0,28		0,01	0,00
4	Loans and advances	0,00																												
5	Debt securities, including UoP	10,68	2,50	0,20	0,00	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,51	0,20		0,01	0,00	
6	Equity instruments	419,29	2,22	0,08		0,00	0,00	0,01	0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00		0,00	0,00	2,23	0,08			
7	Other financial corporations of which investment enterprises	21,60	3,53	0,97		0,02	0,10	0,28	0,00					0,01												3,86	0,98		0,02	0,10
8																														
9	Loans and advances	0,00																												
10	Debt securities, including UoP	0,00																												
11	Equity instruments	0,00																												
12	of which management companies																													
13	Loans and advances	0,00																												
14	Debt securities, including UoP	0,00																												
15	Equity instruments	0,00																												
16	of which insurance undertakings	2,56	0,37	0,08			0,03																			0,37	0,08			0,03
17	Loans and advances	2,56																												
18	Debt securities, including UoP	0,00																												
19	Equity instruments	0,00																												
20	Non-Financial undertakings	105,47	21,47	7,03		1,56	0,39	0,47	0,08					0,00												24,64	7,11		1,56	0,39
21	Loans and advances	105,47	21,47	7,03		1,56	0,39	0,47	0,08					0,00												24,64	7,11		1,56	0,39
22	Debt securities, including UoP	0,00																												
23	Equity instruments	0,00																												
24	Households	312,26																												
25	of which loans collateralised by residential immovable property	301,99																												
26	of which building renovation loans	0,00																												
27	of which motor vehicle loans	0,00																												
28	Local Government Financing	0,00																												
29	Housing financing	0,00																												
30	Other local government financing	0,00																												
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00																												
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	11.099,27																												
33	Financial and non-financial corporations	4.394,38																												
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	4.394,38																												
35	Loans and advances	4.265,03																												
36	of which loans secured by non-residential property	0,00																												
37	of which building renovation loans	0,00																												
38	Debt securities	61,88																												
39	Equity instruments	67,48																												
40	Third country counterparties																													

Million EUR		Total (gross) carrying amount	31/12/2024																								
			CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			CIRCULAR ECONOMY (CE)			POLLUTION (PPC)			BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)			Of which to taxonomy-relevant sectors (Taxonomy-eligible)			Of which to taxonomy-relevant sectors (Taxonomy-eligible)			Of which to taxonomy-relevant sectors (Taxonomy-eligible)							
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
				Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling				
	not subject to NFRD reporting requirements																										
41	Loans and advances	0,00																									
42	Debt securities	0,00																									
43	Equity instruments	0,00																									
44	Derivatives	28,22																									
45	Interbank sight loans	541,57																									
46	Cash and cash assets	57,21																									
47	Other asset categories (e.g. Goodwill, goods, etc.)	6.077,89																									
48	Total GAR assets	11.968,57	29,73	8,29	1,60	0,49	0,75	0,08		0,01			0,12	0,00		2,56			0,07				33,24	8,37	1,60	0,49	
49	Assets not covered for GAR calculation	1.194,91																									
50	Central governments and supranational issuers	947,15																									
51	Central banks exposure	247,76																									
52	Trading book	0,00																									
53	Total assets	13.163,48	29,73	8,29	1,60	0,49	0,75	0,08		0,01			0,12	0,00		2,56			0,07				33,24	8,37	1,60	0,49	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																											
54	Financial guarantees	42,15	24,36	8,85		0,00	2,92	0,39	0,14				0,00	0,00								24,75	8,99			3,06	
55	Assets under management																					0	0	0	0	0	
56	Of which debt securities																					0	0	0	0	0	
57	Of which equity instruments																					0	0	0	0	0	

1. Assets for the calculation of GAR – Stock (CapEx) - below

Million EUR	Total (gross) carrying amount	31/12/2023																													
		CLIMATE CHANGE MITIGATION (CCM)						CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which to taxonomy-relevant sectors (Taxonomy-eligible)						Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which use of proceeds	Of which transitional	Of which enabling				Of which use of proceeds	Of which enabling				Of which use of proceeds	Of which enabling				Of which use of proceeds	Of which enabling				Of which use of proceeds	Of which enabling				Of which use of proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	1,509.70	25,9617	3,0488	-	0,0460	0,0284	0,1966	0,0040	-	0,0003	0,0037	-	-	-	0,0190	-	-	-	0,0007	-	-	-	0,0015	-	-	-	26,183 ₂	3,0527	-	0,0460	0,0287
2 Financial undertakings	451.98	6,0877	0,7602	-	0,0460	0,0284	0,1966	0,0040	-	0,0003	0,0037	-	-	-	0,0190	-	-	-	0,0007	-	-	-	0,0015	-	-	-	6,3092	0,7642	-	0,0460	0,0287
3 Credit institutions	434.23	4,2422	0,1884	-	0,0016	0,0085	0,0015	0,0012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,2437	0,1897	-	0,0016	0,0085	
4 Loans and advances	7.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	8.06	2,0257	0,1046	-	0,0016	0,0085	0,0015	0,0012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,0272	0,1059	-	0,0016	0,0085	
6 Equity instruments	419.00	2,2165	0,0838		-	-	-	-		-	-	-		-	-		-	-		-	-		-	-		2,2165	0,0838		-	-	-
7 Other financial corporations	17.75	1,8455	0,5717	-	0,0444	0,0199	0,1951	0,0028	-	0,0003	0,0037	-	-	-	0,0190	-	-	-	0,0007	-	-	-	0,0015	-	-	-	2,0655	0,5745	-	0,0444	0,0202
8 of which investment enterprises																										-	-	-	-	-	-
9 Loans and advances																										-	-	-	-	-	-
10 Debt securities, including UoP																										-	-	-	-	-	-
11 Equity instruments																										-	-	-	-	-	-
12 of which management companies																										-	-	-	-	-	-
13 Loans and advances																										-	-	-	-	-	-
14 Debt securities, including UoP																										-	-	-	-	-	-
15 Equity instruments																										-	-	-	-	-	-
16 of which insurance undertakings	2.76	0,7005	0,0807	-	-	-	0,0003	0,0003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0,7007	0,0810	-	-	-	-
17 Loans and advances	2.76	0,7005	0,0807	-	-	-	0,0003	0,0003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0,7007	0,0810	-	-	-	-
18 Debt securities, including UoP	-																									-	-	-	-	-	-
19 Equity instruments																										-	-	-	-	-	-
20 Non-Financial undertakings	81.30	11,5172	2,2886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,517 ₂	2,2886	-	-	-	-
21 Loans and advances	81.30	11,5172	2,2886																							11,517 ₂	2,2886	-	-	-	-
22 Debt securities, including UoP	-																									-	-	-	-	-	-
23 Equity instruments																										-	-	-	-	-	-
24 Households	976.42	8,3568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,3568	-	-	-	-	-
25 of which loans collateralised by residential immovable property	976.42	8,3568																								8,3568	-	-	-	-	-
26 of which building renovation loans	0.00																									-	-	-	-	-	-
27 of which motor vehicle loans	0.00																														
28 Local Government Financing	0.00																														
29 Housing financing	0.00																														
30 Other local government financing	0.00																														
31 Collateral obtained by taking possession: residential and commercial immovable properties	0.00																														
32 Other assets excluded from the numerator for GAR calculation (included in the denominator)	8,497.17																														
33 Financial and non-financial corporations	4,756.55																														
34 SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	4,756.55																														
35 Loans and advances	4,128.53																														
36 of which loans secured by non-residential property																															
37 of which building renovation loans																															
38 Debt securities	50.15																														
39 Equity instruments	72.64																														
40 Third country counterparties not subject to NFRD reporting requirements	0.00																														
41 Loans and advances	0.00																														
42 Debt securities																															
43 Equity instruments																															

Million EUR		31/12/2023																														
		Total (gross) carrying amount	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which to taxonomy-relevant sectors (Taxonomy-eligible)					Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)				Of which to taxonomy-relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)								
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
44	Derivatives	30,50																														
45	Interbank sight loans	262,22																														
46	Cash and cash assets	1.111,22																														
47	Other asset categories (e.g. Goodwill, goods, etc.)	2.336,69																														
48	Total GAR assets	10.006,87	25,9617	3,0488	-	0,0460	0,0284	0,1966	0,0040	-	0,0003	0,0037	-	-	-	0,0190	-	-	-	0,0007	-	-	-	0,0015	-	-	-	26,183 2	3,0527	-	0,0460	0,0287
49	Assets not covered for GAR calculation	1.425,05																														
50	Central governments and supranational issuers	1.234,73																														
51	Central banks exposure	185,26																														
52	Trading book	5,06																														
53	Total assets	11.431,92	25,9617	3,0488	-	0,0460	0,0284	0,1966	0,0040	-	0,0003	0,0037	-	-	-	0,0190	-	-	-	0,0007	-	-	-	0,0015	-	-	-	26,183 2	3,0527	-	0,0460	0,0287
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees																															
55	Assets under management																															
56	Of which debt securities																															
57	Of which equity instruments																															

2. GAR Sector Information (Turnover)

Breakdown by sector – NACE 4 digits level (code and label)	CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD	
	(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
	mln EUR	Of which environmentally sustainable (CCM)	mln EUR	Of which environmentally sustainable (CCM)	mln EUR	Of which environmentally sustainable (CCA)	mln EUR	Of which environmentally sustainable (CCA)	mln EUR	Of which environmentally sustainable (WTR)	mln EUR	Of which environmentally sustainable (WTR)	mln EUR	Of which environmentally sustainable (CE)	mln EUR	Of which environmentally sustainable (CE)	mln EUR	Of which environmentally sustainable (PPC)	mln EUR	Of which environmentally sustainable (PPC)	mln EUR	Of which environmentally sustainable (BIO)	mln EUR	Of which environmentally sustainable (BIO)	mln EUR	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)	mln EUR	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)
1	C25.62 Machining	2,53	1,31		0,00	0,00			0,00	0,00			0,00	0,00			2,53	1,31			0,00	0,00			5,06	2,61		
2	C29.32 Manufacture of other parts and accessories for motor vehicles	0,00	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00			
3	C30.91 Manufacture of motorcycles and bicycles	2,00	0,13		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			2,00	0,13		
4	F41.20 Construction of residential and non-residential buildings	0,17	0,11		0,00	0,00			0,00	0,00			0,02	0,00			0,00	0,00			0,00	0,00			0,19	0,11		
5	H53.10 Postal delivery of letters, parcels, and packages (excluding e-commerce)	2,22	0,02		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			2,22	0,02		
6	J63.11 Data processing, hosting and related activities	2,76	1,13		2,76	0,06			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			5,52	1,19		
7	K61.00 Wireless telecommunications, cellular networks, satellite communications	0,26	0,00		0,08	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,34	0,00		
8	K61.10 Wired telecommunications, such as telephone lines and internet cables	0,00	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00			
9	L 64.19 Other monetary intermediation	6,00	0,61		0,10	0,00			0,01	0,00			0,03	0,00			0,00	0,00			0,00	0,00			6,14	0,62		
10	L.64.20 Activities of holding companies	0,00	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00						
11	L65.12 Insurance other than life insurance	0,30	0,03		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,30	0,03		

2. GAR Sector Information (CapEx)

Breakdown by sector – NACE 4 digits level (code and label)	CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Non-financial corporations (subject to NFRD)		SMEs and other non-financial corporations not subject to the NFRD	
	(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
	min EUR	Of which environmentally sustainable (CCM)	min EUR	Of which environmentally sustainable (CCM)	min EUR	Of which environmentally sustainable (CCA)	min EUR	Of which environmentally sustainable (CCA)	min EUR	Of which environmentally sustainable (WTR)	min EUR	Of which environmentally sustainable (WTR)	min EUR	Of which environmentally sustainable (CE)	min EUR	Of which environmentally sustainable (CE)	min EUR	Of which environmentally sustainable (PPC)	min EUR	Of which environmentally sustainable (PPC)	min EUR	Of which environmentally sustainable (BIO)	min EUR	Of which environmentally sustainable (BIO)	min EUR	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)	min EUR	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)
1	C25.62 Machining	2,53	1,22		0,00	0,00			0,00	0,00			0,00	0,00			2,53	0,00			0,00	0,00			5,06	1,22		
2	C29.32 Manufacture of other parts and accessories for motor vehicles	0,00	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00			
3	C30.91 Manufacture of motorcycles and bicycles	2,00	0,31		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			2,00	0,31		
4	F41.20 Construction of residential and non-residential buildings	0,32	0,22		0,00	0,00			0,00	0,00			0,01	0,00			0,00	0,00			0,00	0,00			0,33	0,22		
5	H53.10 Postal delivery of letters, parcels, and packages (excluding e-commerce)	2,22	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			2,22			
6	J63.11 Data processing, hosting and related activities	2,76	1,51		2,76	0,07			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			5,52	1,59		
7	K61.00 Wireless telecommunications, cellular networks, satellite communications	0,26	0,00		0,08	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,34	0,00		
8	K61.10 Wired telecommunications, such as telephone lines and internet cables	0,00	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00						
9	L 64.19 Other monetary intermediation	6,24	0,94		0,29	0,01			0,01	0,00			0,03	0,00			0,00	0,00			0,00	0,00			6,57	0,94		
10	L 64.20 Activities of holding companies	0,19	0,00		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,19	0,00		
11	L65.12 Insurance other than life insurance	0,37	0,08		0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,37	0,08		

3. KPI GAR – Stock (Turnover)

[illegible]

3. KPI GAR Stock (Fatturato)

% (compared to total covered assets in the denominator)		31.12.2023																												Proportion of total assets covered			
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0,280%	0,025%	0%	0%	0%	0,001%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,281%	0,025%	0%	0%	0%	13,206%	
2	Financial undertakings	0,058%	0,005%	0%	0%	0%	0,01%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,059%	0,005%	0%	0%	0%	3,954%	
3	Credit institutions	0,043%	0,002%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,043%	0,005%	0%	0%	0%	3,789%	
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,002%	0%	0%	0%	0,063%	
5	Debt securities, including UoP	0,020%	0,001%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,020%	0%	0%	0%	0,070%	
6	Equity instruments	0,023%	0,001%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,023%	0,001%	0%	0%	3,665%	
7	Other financial corporations	0,015%	0,003%	0%	0%	0%	0,01%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,016%	0,001%	0%	0%	0%	1,155%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,003%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
16	of which insurance undertakings	0,006%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,006%	0%	0%	0%	0,024%	
17	Loans and advances	0,006%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,006%	0%	0%	0%	0,024%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
20	Non-Financial undertakings	0,139%	0,020%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,711%	
21	Loans and advances	0,139%	0,020%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,139%	0,020%	0%	0%	0%	0,711%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,139%	0,020%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
24	Households	0,084%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,084%	0%	0%	0%	8,541%	
25	of which loans collateralised by residential immovable property	0,084%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,084%	0%	0%	0%	8,541%	
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
28	Local Government Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%														

3. KPI GAR - Stock (CapEx)

% (compared to total covered assets in the denominator)		31/12/2024																												Proportion of total assets covered				
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling				
	GAR - Covered assets in both numerator and denominator																																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.25%	0.07%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.07%	0.00%	0.01%	0.00%	7.26%		
2	Financial undertakings	0.07%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.01%	0.00%	0.00%	0.00%	3.77%			
3	Credit institutions	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	3.59%			
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
5	Debt securities, including UoP	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.09%			
6	Equity instruments	0.02%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%		0.00%	0.00%	3.50%			
7	Other financial corporations	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.18%			
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%			
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%			
20	Non-Financial undertakings	0.18%	0.06%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.06%	0.00%	0.01%	0.00%	0.88%			
21	Loans and advances	0.18%	0.06%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.06%	0.00%	0.01%	0.00%	0.88%			
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%			
24	Households	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.61%			
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%								0.00%	0.00%	0.00%	0.00%	0.00%	2.52%			
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%								0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%																				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
28	Local Government Financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
32	Total GAR Assets	0.25%	0.07%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.07%	0.00%	0.01%	0.00%	7.26%			

3. KPI GAR – Stock (CapEx)

% (compared to total covered assets in the denominator)		31.12.2023																												Proportion of total assets covered							
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)					CIRCULAR ECONOMY (CE)					POLLUTION (PPC)					BIODIVERSITY AND ECOSYSTEMS (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			
	GAR - Covered assets in both numerator and denominator																																				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation		0,259%	0,030%	0%	0%	0%	0,002%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13,206%			
2	Financial undertakings		0,061%	0,008%	0%	0%	0%	0,02%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,954%			
3	Credit institutions		0,042%	0,002%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,789%			
4	Loans and advances		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,063%			
5	Debt securities, including UoP		0,020%	0,001%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,070%			
6	Equity instruments		0,022%	0,001%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,665%			
7	Other financial corporations		0,018%	0,006%	0%	0%	0%	0,002%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,155%			
8	of which investment firms		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
9	Loans and advances		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
10	Debt securities, including UoP		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
11	Equity instruments		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
12	of which management companies		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
13	Loans and advances		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
14	Debt securities, including UoP		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
15	Equity instruments		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
16	of which insurance undertakings		0,007%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,024%			
17	Loans and advances		0,007%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,024%			
18	Debt securities, including UoP		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
19	Equity instruments		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
20	Non-Financial undertakings		0,115%	0,023%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,711%			
21	Loans and advances		0,115%	0,023%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,711%			
22	Debt securities, including UoP		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%																					

4. KPI GAR – Flow (Turnover)

[illegible]

4. KPI GAR – Flow (Turnover)

[illegible]

4.KPI GAR - Flow (CapEx)

% (compared to flow of total eligible assets)		31/12/2024																															Proportion of total assets covered
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling			
	GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	1,24%		
2	Financial undertakings	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,04%		
3	Credit institutions	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,04%		
4	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
5	Debt securities, including UoP	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,04%		
6	Equity instruments	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%		0,00%	0,04%	0,00%		
7	Other financial corporations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
8	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
9	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
10	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
11	Equity instruments	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%		0,00%	0,04%	0,00%		
12	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
13	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
14	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
15	Equity instruments	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%		0,00%	0,04%	0,00%		
16	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
17	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
18	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
19	Equity instruments	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%		0,00%	0,04%	0,00%		
20	Non-Financial undertakings	0,27%	0,04%	0,00%	0,00%	0,04%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,69%		
21	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,69%		
22	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
23	Equity instruments	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%		0,00%	0,04%	0,00%		
24	Households	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%				0,00%	0,00%	0,00%	0,00%				0,00%	0,00%		0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,50%		
25	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%				0,00%	0,00%	0,00%	0,00%							0,28%	0,04%	0,00%	0,00%	0,04%	0,49%			
26	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%				0,00%	0,00%	0,00%	0,00%							0,28%	0,04%	0,00%	0,00%	0,04%	0,00%			
27	of which motor vehicle loans	0,00%	0,00%	0,00%	0,00%	0,00%																			0,28%	0,04%	0,00%	0,00%	0,04%	0,00%			
28	Local Government Financing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
29	Housing financing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
30	Other local government financing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%		
32	Total GAR Assets	0,28%	0,04%	0,00%	0,00%	0,04%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,28%	0,04%	0,00%	0,00%	0,04%	1,24%		

4. KPI GAR – Flusso (CapEx)

% (compared to flow of total eligible assets)		31.12.2023																												Q Proportion of total assets covered			
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling				
	GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0,148%	0,016%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,148%	0,016%	0%	0%	0%	0%	7,295%
2	Financial undertakings	0,009%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,009%	0%	0%	0%	0%	0%	0,039%
3	Credit institutions	0,009%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,009%	0%	0%	0%	0%	0%	0,039%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,009%
5	Debt securities, including UoP	0,009%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,009%	0%	0%	0%	0%	0%	0,030%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Non-Financial undertakings	0,123%	0,016%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,123%	0,016%	0%	0%	0%	0%	0,495%
21	Loans and advances	0,123%	0,016%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,123%	0,016%	0%	0%	0%	0%	0,495%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	Households	0,016%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,016%	0%	0%	0%	0%	0%	6,761%
25	of which loans collateralised by residential immovable property	0,016%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0,016%	0%	0%	0%	0%	0%	6,761%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	Local Government Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%															

5. KPI off-balance-sheet exposures – Stock (Turnover)

% (compared to total eligible off-balance-sheet assets)	31/12/2024																												
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)			CIRCULAR ECONOMY (CE)			POLLUTION (PPC)			BIODIVERSITY AND ECOSYSTEMS (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					
		Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds		Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional		Of which enabling	Of which use of proceeds	Of which transitional		Of which enabling	Of which use of proceeds	Of which transitional		Of which enabling									
Financial guarantees (FINGuar KPI)	57,79%	20,99%			6,92%	0,93%	0,34%			0,33%				0,00%	0,00%									58,72%	21,33%				7,26%
Assets under management (AuM KPI)																													

5. KPI off-balance-sheet exposures – Stock (CapEx)

% (compared to total eligible off-balance-sheet assets)	31/12/2024																													
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling						
Financial guarantees (FINGuar KPI)	45,66%	28,49%		0,12%	16,27%	8,65%	4,94%			0,03%					0,04%									54,35%	33,43%		0,12%	16,30%		
Assets under management (AuM KPI)																														

5. KPI off-balance-sheet exposures – Flow (Turnover)

% (compared to total eligible off-balance-sheet assets)	31/12/2024																														
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds		Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional		Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling		Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds		Of which transitional	Of which enabling								
Financial guarantees (FINGuar KPI)	0,00%	0,00%	0,0 0%	0,0 0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,0 0%	0,0 0%	0,00%
Assets under management (AuM KPI)	0,00%	0,00%	0,0 0%	0,0 0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,0 0%	0,0 0%	0,00%

5. KPI off-balance-sheet exposures – Flow (CapEx)

% (compared to total eligible off-balance-sheet assets)	31/12/2024																													
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)				CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- eligible)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)		Of which use of proceeds Of which transitional Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)		Of which use of proceeds Of which transitional Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)		Of which use of proceeds Of which transitional Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)		Of which use of proceeds Of which transitional Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)		Of which use of proceeds Of which transitional Of which enabling							
Financial guarantees (FINGuar KPI)	0,00%	0,00%	0,0 0%	0,0 0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,0 0%	0,0 0%	0,00%
Assets under management (AuM KPI)	0,00%	0,00%	0,0 0%	0,0 0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,0 0%	0,0 0%	0,00%

Nuclear and fossil gas related activities (pursuant to the Delegated Regulation (EU) 2022/1214)

Nuclear energy related activities		
1	The undertaking carries out funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CLIMATE CHANGE

ESRS E1-1 Transition plan for climate change mitigation

For the current reporting year, the Group did not prepare a transition plan for climate change mitigation. In the course of the next few years, feasibility analyses and all necessary considerations will be carried out to evaluate the development of a transition plan.

E1. ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Relevant climate-related impacts, risks and opportunities are reported and described in the general section under ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

As part of the double materiality analysis, two material risks were identified, mainly related to environmental transition risk:

- strategic risk arising from the Agency's shrinking volume of activities aimed at the environmental and digital transition;
- reputation risk arising from potential greenwashing practices by Group companies.

During 2024, the Invitalia Group did not conduct an analysis of the resilience of the business model against climate-related risks. However, in order to understand whether the strategy and business model are able to tackle material impacts and risks and exploit material opportunities, the Group will plan such analysis for the future.

ESRS E1-2 Policies related to climate change mitigation and adaptation

The Group sets out the fundamental principles and values related to sustainability and environmental responsibility in its Code of Ethics, which also aims to ensure that high ethical standards are maintained in managing environmental impacts in a responsible manner. Specifically, the Group conducts its business and pursues its objectives with respect for the environment and the relevant legislation in force, recognising that the latter plays a pre-eminent role in all decisions relating to its business activities. Furthermore, the Code of Ethics establishes that the Company shall promote respect for the environment by identifying it as a qualifying and rewarding element for each type of project.

Furthermore, in 2023, the Parent Company approved the Sustainability Policy with the aim of regulating sustainability principles and commitments and strengthening environmental, social and economic impact objectives within the Agency's strategy and business processes.

The Policy outlines the values and guidelines to be followed to promote sustainability in Invitalia's activities, actively engaging with corporate bodies, improving ESG risk management and the system for monitoring and analysing environmental, social and economic impacts.

By adopting the Sustainability Policy, Invitalia is committed to spreading a culture of sustainability among employees and all other stakeholders, promoting awareness and the adoption of responsible behaviour in the workplace and in society in general.

Through this Policy, Invitalia is committed to implementing strategies and initiatives aimed at promoting the responsible use of resources and fostering the process of decarbonisation, eg by:

- adopting sustainable behaviour, promoting responsible use of energy resources and containing consumption in their facilities;
- encouraging the stakeholders it deals with to adopt sustainable consumption and production practices and to integrate sustainability information into their reporting cycle;
- supporting institutions and local communities in the energy and environmental transition, facilitating decarbonisation processes and preventing or removing factors that may hinder them.

The Code of Ethics and the Sustainability Policy are approved by the Board of Directors and made available to all stakeholders on the Company's official website²⁰.

Lastly, the Group carries out its mandate in compliance with the provisions of the Procurement Code (ref: Legislative Decree 36/2023), which incorporates the Minimum Environmental Criteria (CAMs) into procurement, ensuring that suppliers and contracts comply with sustainability standards. CAMs are the environmental requirements defined for the various stages of the purchasing process, aimed at identifying the best design solution, product or service from an environmental point of view along the life cycle, taking into account market availability. CAMs are defined within the framework of the Plan for the environmental sustainability of consumption in the Public Administration sector and are adopted by Decree of the Minister.

The policies described above take the form of transversal policies aimed at defining the principles governing Invitalia's activities also from the perspective of environmental sustainability not directly related to climate change mitigation.

ESRS E1-3 Actions and resources in relation to climate change policies and ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.

Consistent with the policies described above, a series of initiatives were undertaken to promote a sustainability-oriented culture both within the organisation and towards the actors in the value chain. These initiatives, while not strictly related to sustainability goals, aim to raise stakeholder awareness of these issues.

In pursuit of its commitment to disseminating a culture of sustainability inside and outside the organisation, in 2024, the Parent Company approved the ESG Guidelines for the putting on events. These guidelines promote equality, inclusiveness and reduction of environmental impact at all stages of event planning and implementation.

The Parent Company adopts the ESG Guidelines for all events organised by the Agency and assesses the possible application of the same principles when organising events for the Contractor.

With specific reference to environmental sustainability, the guidelines foresee:

- the adoption of organisational solutions with a low environmental impact: the Agency undertakes to reduce as far as possible the production and distribution of paper documentation, the use of plastic, and energy consumption, including for any travel by participants.
- the identification of criteria for selecting suppliers: the Agency selects suppliers taking into consideration the environmental impact of the services and facilities proposed and prioritises sustainable accommodation for guests, also verifying the possession of any certifications;
- the reduction of waste: the Agency requires suppliers to use cutlery and crockery that are washable and reusable or made of biodegradable and compostable material; to separate waste and to dispose of it correctly; to avoid wasting food and to evaluate the possible donation of food not consumed to charitable organisations that distribute uneaten meals free of charge.

Moreover, in 2023, in implementation of the Sustainability Policy, Invitalia approved the Strategic Sustainability Plan 2024-26, whose main environmental objective concerns the launch of a project to develop a framework for CO2 emissions and aimed at defining a model for calculating Scope 3 GHG emissions. In addition to the reporting of emissions for the relevant categories, this framework has made it possible for the Company to perform emissions monitoring in future years with the potential setting of emissions reduction targets consistent with the Group's operations. In this context and for this first year of reporting, Invitalia conducted an assessment aimed at developing a methodological model for identifying the Scope 3 categories relevant to the Group, as well as the related measurement methods.

In addition to this objective of the Plan, there are other best practices of environmental sustainability

²⁰ Please note that the Code of Ethics is available in its full version, while a summary of the Sustainability Policy is published.

implemented by the Parent Company and described below.

Plastic free project: the introduction of water dispensers to replace plastic bottles in 2024 enabled:

- the supply of 170,441.16 litres of water;
- savings of 340,882 1/2 litre plastic bottles.

Domotics: we continued to use the motion sensors to turn on lights at Invitalia's premises installed in 2023. We continued with the gradual replacement of neon lamps with LED lamps and the replacement and continuous monitoring of drains with the aim of further limiting water wastage from leaks.

Gas consumption: in line with recent regulatory introductions, we delayed switching on heating systems by one month and brought forward switching off heating systems by one month. On 16 February, for the International Energy Saving Day, Invitalia supported and promoted the initiative 'M'illumino di meno'.

Sustainable mobility: in 2024, we further boosted initiatives to reduce emissions generated by commuting and increase awareness of sustainable travel. We can divide the measures into:

- tangible: creation of changing rooms at all sites for employees who use sustainable transport (e.g. bicycles or kick scooters); creation of parking spaces in company garages reserved for 'green' transport (kick scooters, bikes, motor scooters, electric cars, etc.) and free power supply for recharging; incentives for travel between sites using company vehicles; provision of a hybrid vehicle for the post delivery person to travel between sites; organisation of bike rides for employees; organisation of site-based training days on electric vehicles aimed at promoting special company agreements for purchase at discounted prices. Three free electric recharging points have been installed at the headquarters in Via Boccanelli for staff cars;
- intangible: the company House Organ known as 'Mobility' was implemented within the intranet with information aimed at raising staff awareness on the use of 'green' vehicles, on the existence of agreements stipulated by Invitalia for the purchase, rental, sharing of electric cars, on zero-emission travel, sustainability initiatives, physical exercise, dietary education, cycle touring routes and road traffic news.

Although the Group has undertaken the above-mentioned initiatives, there are no specific current or prospective CapEx and OpEx expenses for investments in this area.

ESRS E1-4 Targets related to climate change mitigation and adaptation and E1. ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets

For the current reporting period, the Group has not defined specific GHG emissions reduction targets, however, as described in the previous paragraphs, it has undertaken a path of awareness-raising towards these issues addressed to both its own workforce and other stakeholders.

ESRS E1-5 Energy consumption and mix

The Group's energy consumption broken down by energy source is shown below:

Energy consumption and mix	31/12/2024
1) Fuel consumption from coal and coal products (MWh)	-
2) Fuel consumption from crude oil and petroleum products (MWh)	1,282
3) Fuel consumption from natural gas (MWh)	933
4) Fuel consumption from other fossil sources (MWh)	-
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,218
6) Total fossil energy consumption (MWh)	4,432
Share of fossil sources in total energy consumption (%)	99.98%
7) Consumption from nuclear sources (MWh)	-
Share of consumption from nuclear sources in total energy consumption (%)	-
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0.95
10) The consumption of self-generated non-fuel renewable energy (MWh)	-
11) Total renewable energy consumption (MWh)	0.95
Share of renewable sources in total energy consumption (%)	0.02%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	4,433

The reporting boundary includes the Parent Company and all subsidiaries, consistent with the consolidation perimeter explained in section BP-1.

The buildings included in the calculation of energy consumption and energy mix were identified in line with the financial consolidation perimeter, and the conversion coefficients of the ABI LAB Guidelines were used for calculation purposes.

For reporting purposes, the indicator for total energy consumption relative to net revenues from activities in high impact climate sectors was not calculated, as the Invitalia Group does not operate in such sectors.

ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Below are the GHG emissions of Scope 1, Scope 2 and Scope 3:

Total GHG emissions	31/12/2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO ₂ eq)	913.91
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	1,277.69
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	1,938.43
Significant scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	3,657,635.67
1. Purchased goods and services	9,133.96
Optional sub-category: Cloud computing and data centre services	-
2. Capital goods	746.39
3. Fuel and energy-related activities (not included in Scope1 or Scope 2)	-
4. Upstream transportation and distribution	-
5. Waste generated in operations	53.29
6. Business traveling	228.03
7. Employee commuting	3,992.15
8. Upstream leased assets	23.97
9. Downstream transportation	2.21
10. Processing of sold products	-
11. Use of sold products	-
12. End-of-life treatment of sold products	-
13. Downstream leased assets	-
14. Franchises	-
15. Investments	3,643,709.67
Total GHG emissions	
Total GHG emissions (location- based) (tCO ₂ eq)	3,660,081.27
Total GHG emissions (market- based) (tCO ₂ eq)	3,660,742.00

Scopes 1 and 2 are calculated for the entire Invitalia Group, consisting of Invitalia S.p.A. and its subsidiaries in line with the scope of consolidation indicated in the general disclosures (ESRS 2 BP-1 General basis for preparation of sustainability statements), consistent with that reported for energy consumption and mix (E1-5).

For reporting purposes, Scope 1 and Scope 2 emissions include the following types of assets:

- properties identified within the financial consolidation perimeter;
- company car fleet.

With regard to buildings, emissions are calculated based on the use of emission factors, with reference to Scope 2 emissions, which take into account the national energy mix, in order to produce estimates consistent with the situation in Italy. In detail, starting from the gas and electricity consumption recorded during the year, the emission factors indicated in the ABI LAB Guidelines were applied.

In addition, the requirements of the ABILAB Guidelines were also followed for the company car fleet. For these

assets, emissions are calculated exclusively for the share of travel for business purposes, identified by means of the fuel cards used by employees owning a car for mixed use.

Overall, the proportion of Scope 3 emissions calculated using primary data collected from suppliers or other partners along the value chain is around 93%.

In assessing relevant Scope 3 categories, the Group considers the requirements defined in the Corporate Value Chain Accounting and Reporting Standard of the GHG Protocol and, as a Financial Institution, takes into account the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financial (PCAF).

Specifically, the calculation methodologies used to estimate emissions are detailed below:

- **Category 1 Purchased goods and services:** the Group used the 'spend-based' calculation method, applying the emission factors provided by Official Statistics - UK and England's carbon footprint to calculate emissions;
- **Category 2 Capital goods:** the Group used the 'spend-based' method and applied the emission coefficients provided by Official Statistics - UK and England's carbon footprint to calculate emissions.

For both categories, the calculations made are based on the tables found in the consolidated financial statements.

- **Category 5 Waste generated in operations:** based on the available data, the Group used the 'waste-type-specific' method to calculate emissions, applying the average emission factors by waste type and disposal type. The emission coefficients used to estimate emissions are those provided by DEFRA;
- **Category 6 Business traveling²¹:** the Group uses, where available, emission factors provided directly by the travel service provider (e.g. Cisalpina), which use the 'distance-based' method. Where the Group did not have the point emission coefficient, the factors made available by DEFRA, again according to the 'distance-based' method, were used for estimation purposes;
- **Category 7 Employee commuting:** the Group conducted the emission estimation based on the answers to the survey as part of the Employee Commuting Plan (PSCL), distributed by Mobility Management. The calculation uses the 'distance-based' method and applies the emission factors provided by DEFRA. Please note that annual mileage values are expressed in **km/day**. Therefore, these were multiplied by the average number of working days in order to reflect the actual annual mileage;
- **Category 8 Upstream leased assets:** this category includes the property in which Infratel operates on a gratuitous loan for use. In the absence of data for this building, the surface area was estimated from the number of employees using the minimum m² per employee (2 m² / employee) according to the Consolidated Law on Occupational Health and Safety²². To estimate emissions, the 'office' emission coefficient (kgCO₂/m²) was used, as given within the *European Building Emission Factor Database* of the PCAF;
- **Category 9 Downstream transportation²³:** for the Parent Company, the emissions made available by the supplier are reported. In contrast, for the subsidiary Infratel, emissions are estimated based on the quantities shipped and kilometres travelled using the 'distance-based' method.
- **Category 15 Investments²⁴:** the Group reports financed emissions referring to financial and non-financial counterparties, of the portfolio (i) loans, (ii) equity investments and (iii) securities, with the following levels of data prioritisation:
 - a) **Counterparty point data:** Scope 1 and 2 emissions of counterparties in the portfolio, retrieved from sustainability reports where available;
 - b) **ISTAT estimates:** in the absence of counterparty data, a 'spend-based' emission coefficient is derived from the CO₂e emissions and turnover of the economic sectors (tCO₂e/€ turnover), derived from ISTAT databases.
 - c) **Exclusion from the calculations** of counterparties for which the dimensional data (turnover and

²¹ This category does not include the subsidiaries MCC and Infratel Italia, as no data is available to estimate emissions.

²² Source: [Leg. Decree 81/2008](#)

²³ The Group reports on this category taking into account only the information of the Parent Company and Infratel, as the other subsidiaries do not carry out any activities that can be attributed to it.

²⁴ The reporting scope of this category does not include the subsidiaries Infratel and Italia Turismo, which do not carry out activities attributable to category 15.

assets) necessary for the application of the proxies and the calculation of the allocation factor according to the PCAF are not available.

With reference to **government bonds**, the reporting scope only includes Italian government bonds. For the purpose of the calculations, the UNFCCC emission factor was used, taking into account exposures towards the state relative to GDP, adjusted for purchasing power.

It should be noted that, as of the date of this report, the Group has not assessed biogenic CO₂ emissions from the combustion or biodegradation of biomass for Scopes 1, 2 and 3.

Below are the categories excluded from the calculations, as they were found not to be significant following the materiality analysis conducted by the Invitalia Group:

- *Category 3 Fuel- and energy-related activities not included in Scopes 1 and 2*: The Group assessed this category as not significant compared to the energy consumption already reported in Scopes 1 and 2;
- *Category 4 Upstream transportation and distribution*: the Group does not report any relevant services falling into this category;
- *Category 10 Processing of sold products*: due to the characteristics of the Group's business, this category was deemed not applicable;
- *Category 11 Use of sold products*: due to the characteristics of the Group's business, this category was deemed not applicable;
- *Category 12 End-of-life treatment of sold products*: due to the characteristics of the Group's business, this category was deemed not applicable;
- *Category 13 Downstream leased assets*: the Group does not own any non-operating properties leased to third parties;
- *Category 14 Franchises*: the Group does not engage in franchising activities.

GHG intensity per net revenue	31/12/2024
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	3.9789
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	3.9796

Below is a reconciliation of the net revenues used for the calculation of GHG intensity and the financial statements:

Income Statement items art. 27 Directive 86/635/EEC	Income Statement items Circular 262/2005 Banks' financial statements	31/12/2024
1. Interest receivable and similar income	10. Interest income and similar income	192,252
3. Income from securities	70. Dividends and similar income	321
4. Commissions receivables	220. Gains (~~Losses~~) from equity investments	-
6. Net profit (loss) on financial operations	40. Fees and commissions income	507,885
	80. Net income from trading activities	4,434
	90. Net income from hedging activities	-
	100. Gains (~~loss~~) on disposal or repurchase	13,775
	110. Net result of other financial assets and liabilities measured at fair value through profit or loss (FVTPL)	6,424
7. Other operating income	200. Other operating ~~expenses~~ /income	104,147
	250. Profits (~~losses~~) on disposal of investments	-
	290. Profit (~~Loss~~) from discontinued operations after tax	90,630
Total net revenue (consolidated financial statements)		919,868

SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

S1.ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the dual materiality process, impacts that refer to all own workers were identified, assessing as material the impacts related to working conditions in terms of secure employment and work-life balance; as well as impacts associated with equal treatment and opportunities for all, such as gender equality, respect for diversity, inclusion of persons with disabilities and training and skills development.

The group identifies two types of office workers: employee workers and non-employee workers.

The first category includes employee workers on both fixed-term and permanent contracts, either full-time or part-time. The second category, on the other hand, refers to non-employee workers, and includes the following types of employment relationships: internships, agency workers and freelancers

Internships are an employment relationship aimed at facilitating vocational choices and promoting the employability of young people in the transition from education to employment. Generally, traineeships are set up in favour of persons who graduated within the preceding 12 months. In this regard, it should be noted that, as at 31 December 2024, no Group company had any internships in progress. Agency workers are comparable to employees on fixed-term contracts. In particular, the collective bargaining agreement in force at Invitalia, with the exclusion of supplementary health insurance policies/pension funds, is applied to agency workers. Freelancers, on the other hand, are contracted in response to specific internal or job requirements. This relationship is established for projects or orders that require highly specialised skills. For more detail in this regard, see ESRS S1-7 Characteristics of non-employee in the undertaking's own workforce.

The negative impacts identified by the Group as relevant are related to the high turnover rate, the possibility of workforce management policies that are not based on meritocratic systems and fail to promote inclusiveness and respect for diversity. Therefore, the impacts identified as material refer both to possible generalised events arising from the context in which Invitalia operates, and to isolated cases related to company choices.

The Group, which carries out its activities in Italy, has identified among the relevant positive impacts the commitment to guarantee contractual stability for workers, initiatives favouring work-life balance, the creation of an inclusive work environment for people with disabilities, and the commitment to promote the inclusive employment for young people, women and people from socially disadvantaged backgrounds within the organisation.

In the area of financial relevance, the risks of accidents and work-related ill health, as well as the possibility of loss of sensitive workforce data, were identified as relevant. On the other hand, by virtue of the role played by the Parent Company, the company considers it relevant to strengthen the strategic skills of its own workforce in order to consolidate its role in supporting Public Administration in managing the country's development and employment policies.

At present, in view of the absence of a transition plan developed by the company for the current reporting year, there are no significant impacts on the company's own workforce that could result from transition plans aimed at reducing the negative impact on the environment and achieving greener and climate-neutral operations.

With regard to the identification of relevant impacts, Invitalia gave special consideration to the needs of young workers, women and anyone who may suffer discrimination in the company.

With reference to the material risks and opportunities, Invitalia took into account the entire workforce, with no specific reference to particular groups of workers.

In view of the activities carried out by the Group and the context in which it operates, with reference to its own workforce, there are no operations with a serious risk of forced or compulsory labour, nor operations with a serious risk of child labour.

ESRS S1-1 Policies related to own workforce

The Invitalia Group addresses and manages the relevant impacts, risks and opportunities related to its own workforce through an internal set of rules based on the principles set out in the Code of Ethics and illustrated below.

Furthermore, the Group acts in accordance with the Italian legal system and in compliance with current legislation on the protection and promotion of human rights in line with its international obligations on the support of civil, political, economic, social and cultural rights, not identifying any particular risk profiles related

to the respect of these rights.

Although not applicable to the context of the Group's operations and the business conducted, the Code of Ethics and the Organisation, Management and Control Model are applied to monitor human rights issues, including the prevention of child labour and human trafficking.

Code of Ethics

The Group's Code of Ethics identifies the corporate values and highlights the set of rights, duties and rules of conduct to be observed with regard to all stakeholders and, more generally, all those who operate in the name of or on behalf of the company or the Group in any capacity. Members of corporate bodies, employees and internal or external contractors of Group companies, or in any case those acting on their behalf, are required to observe and comply with the Code of Ethics.

Through the Code of Ethics, Invitalia guarantees the protection of labour and its employees. In particular, in ensuring the fundamental value of workers, Invitalia does not allow any form of discrimination against its employees and contractors. It undertakes to avoid any discrimination on the basis of age, gender, sexuality, state of health, race, nationality, political opinions and religious beliefs in all decisions affecting relations with its shareholders.

In addition, the Group is committed to providing its employees and contractors with working environments that safeguard their health, safety and physical and moral integrity, in compliance with applicable laws and regulations. In this respect, decisions of all kinds and at all levels, both top management and operational, are taken and implemented on the basis of the following fundamental principles and criteria (as per Art. 6(1) and (2) of European Directive No. 89/391)

- avoiding risks;
- evaluating the risks which cannot be avoided;
- combating the risks at source;
- adapting the work to the individual, especially as regards the design of work places, the choice of work equipment and the choice of working and production methods, with a view, in particular, to alleviating monotonous work and work at a predetermined work-rate and to reducing their effect on health;
- adapting to technical progress;
- replacing the dangerous by the non-dangerous or the less dangerous;
- developing a coherent overall prevention policy which covers technology, organization of work, working conditions, social relationships and the influence of factors related to the working environment;
- giving collective protective measures priority over individual protective measures;
- giving appropriate instructions to the workers.

These principles are used to take the necessary measures to protect the safety and health of workers, including risk prevention activities.

Each individual company belonging to the Group ensures that all employees and contractors are provided with an adequate training and awareness programme on the Code of Ethics and related issues. Specifically, in order to ensure the full and correct understanding of the Code of Ethics by all employees, the Organisation and Human Resources Development Department prepares and organises, also on the basis of the indications of the Supervisory Board, a training plan aimed at fostering awareness of ethical rules.

In addition, the Group is committed to protecting the information of its employees and contractors, preventing any improper and unauthorised use of such information.

For further details on the Code of Ethics, please refer to section ESRS G1-1 Business conduct policies and corporate culture.

Management Systems: for Quality and Occupational Health and Safety

In accordance with the principles set out in 45001:2023, through the Occupational Health and Safety Management System, the Invitalia Group is committed to ensuring a safe and healthy working environment for all employees. In particular, pursuing the following purposes:

- preventing work-related accidents and ill health through the identification, assessment and control of risks in the workplace;
- ensuring compliance with current occupational health and safety legislation, going beyond mere legislative compliance to promote continuous improvement;
- involving and actively training workers, ensuring their participation in safety-related decision-making processes and providing continuous training on prevention best practices;
- monitoring and analysing incidents and *near misses* to identify the causes and implement effective

corrective and preventive actions;

- continuously improving health and safety performance through internal audits, data analysis and regular reviews of the management system.

In addition, the Parent Company obtained ISO 9001:15 certification, now operating through an Integrated Management System for Quality and Occupational Health and Safety (hereinafter 'IMS'). Consistent with the organisational structure, the IMS is structured according to a matrix model that includes responsibilities and authority exercised by internal departments. The top management (BoD and Managing Director), through the system of powers of attorney and proxies, defines roles and responsibilities, which are communicated to internal staff and parties concerned.

Within the scope of the activities envisaged by its IMS, specific company procedures are defined that allow for the continuous and proactive identification of dangers linked to its processes and activities carried out directly or indirectly (through third parties, including suppliers, contractors, etc.), both routine and non-routine, and the assessment of risks and opportunities to eliminate hazards, reduce risks and improve performance in the field of Occupational Health and Safety, also assessing any impacts resulting from changes and/or the implementation of adaptation measures. These activities are conducted in accordance with the relevant mandatory regulations, taking into account the results of the context analysis and the needs and expectations of the parties involved. Based on the outcome of the risk assessment, the process is activated for defining and preparing the criteria and operational controls to be followed, including procedures, operating instructions or provisions. This ensures the continuous and constant monitoring of the workplace, the evolution of work processes and company organisation and the identification of possible strategies for implementing prevention and protection policies.

Invitalia is committed to a periodic review of the IMS to ensure its adequacy, effectiveness, efficiency and full application, also ensuring adequate dissemination of this document to all workers through its publication on the company intranet.

With reference to the companies Invitalia Partecipazioni and Italia Turismo, by virtue of the service contract, the activities concerning the Occupational Health and Safety System required by Legislative Decree 81/08 are delegated to the competent divisions of the Parent Company.

Infratel, on the other hand, has a Management System for Occupational Health and Safety, certified according to UNI ISO 45001:2023, aimed at ensuring the prevention of accidents at work. This policy is based on proper information and training of internal staff, as well as communication and awareness-raising among all parties concerned. In addition to the system set up by INAIL, the management system also uses a special module for managing accidents at work.

National Collective Labour Agreement (CCNL)

The CCNL²⁵ adopted by Invitalia transposes the legal provisions and offers a solid system of social protection for workers in the event of ill health, accidents and disability. It also guarantees job retention for long periods of absence and provides support measures for parents. Insurance and supplementary pension coverage with a contribution paid by the company complete the employment security framework, ensuring economic continuity in situations of vulnerability. In addition, the agreement introduces a cap on fixed-term contracts and promotes agile working.

The CCNL recognises the freedom of trade union association and the opportunity to adopt a system of labour relations aimed at ensuring the achievement of the Group's objectives and guaranteeing the valuing and development of professional skills. A structured two-tier system of labour relations is adopted: one at Group level and one at individual company level. The company trade union representatives (RSA) are assigned, on the basis of the provisions of the CCNL, the functions of: negotiation, confrontation and verification. In order to organise trade union activities, the company guarantees the trade union organisations appropriate spaces for discussion and adequate forms of flexibility in the form of special leave. The company also allows meetings to be held even outside working hours, on company premises.

As provided for in Article 34 of Invitalia's CCNL, and on the basis of the principles dictated by the Code of Ethics, the approach to continuous training is based on the following three dimensions, which guide the planning, design and delivery of the training plan over the course of the years:

- learning the basic skills that are an essential requirement for the construction of the organisation's professional profiles;
- evolutionary maintenance of the skills learnt, to facilitate constant adaptation to the evolution of the

²⁵ The CCNL for Middle Managers and Employees of Invitalia Group companies is not applied to the Group banks, i.e. MCC and CRO, which apply the CCNL for banks.

- organisation and roles;
- individual empowerment, to develop potential that serves towards mobility to more technically complex roles or managers.

The training initiatives, as set out in the Invitalia CCNL, involve:

- all staff, with regard to general and technical/specialist regulatory and procedural updates that have an impact on the economic and organisational context of reference;
- new hires, to ensure effective integration and to transfer the organisational culture, understood as knowledge of the core business, the regulatory system of reference and the organisational models of contractors;
- staff in positions of managerial or technical responsibility, in order to create professional figures capable of governing complex situations;
- the staff most affected by technological innovation and/or obsolescence of skills, in order to ensure an effective and constant upgrading of skills/professional roles, with a view to profitable reskilling.

Information Technology Management System

The Group has adopted the Information Technology Management System to establish the necessary security measures for data protection and cybersecurity, to prevent the commission of the computer crime offences covered by the administrative liability of the company pursuant to Legislative Decree No 231/2001 and to define the guidelines and procedures to be followed for the proper management of the IT infrastructure. This policy, therefore, aims to manage impacts on internal stakeholder data, as well as protection against cyber attacks and system disruptions. The policy also establishes specific procedures for monitoring data security and business continuity, with a focus on managing data loss incidents due to systemic vulnerabilities, including preventive planning to minimise the risks of cyber attacks and temporary disruptions, including recovery and restoring measures.

The objective of the information security process is to ensure the proper management of corporate data in relation to their importance, therefore, the Group has defined a holistic approach that requires the consideration of technical, strategic, organisational, economic and legal aspects. In fact, the following requirements must be ensured for each item of information:

- confidentiality, i.e. counteracting the unauthorised acquisition of information;
- integrity, i.e. counteracting the loss of accuracy, completeness and substance of managed information;
- availability, i.e. countering the risk that an authorised user may not be able to access information due to intentional or accidental causes or due to malfunctioning of hardware and software devices.

In order to achieve the pre-established security objectives, the system first of all foresees the definition and formalisation of the responsibilities, authority and reciprocal relationships of the staff who direct, execute and monitor activities affecting safety. Furthermore, the pillars on which the system is founded are:

- Security Awareness:** aimed at defining roles and responsibilities at the level of individual work processes, as well as developing appropriate training plans for staff;
- Physical and Environmental Security:** this is the set of controls implemented to protect the environments in which all the equipment used to support the operation of business and business support applications is found;
- Logical security:** aimed at ensuring the security of information assets and their correct use.

The policy is drafted on the basis of the principles set out in the Code of Ethics, applies to the entire Invitalia Group and is approved by the CEO. It is also made available to all employees within the company intranet.

Specific monitoring measures were put in place to contain security risks arising from potential misuse of systems and loss of data/disruption of business continuity. More precisely, the Monitoring and Control of services is based on a continuous cycle of monitoring, reporting and activation of consequent actions. This cycle is essential to deliver, support and improve services as well as to have a basis on which to define the strategy, design, tests and implement significant improvements. Processing resources should be used in a way that ensures benefits for the entire organisation. Monitoring and control of IT services includes:

- Hardware (on-prem/on cloud);
- Software (on-prem/on cloud);
- Network equipment.

In this context, the key activities are:

- monitoring** - activities designed to ensure proper monitoring of a process by measuring one or more indicators; the process is implemented to assess trends, to identify potential problems and opportunities

for improvement and to measure results.

- **reporting** - analysis, production and distribution of outputs (reports and statistics) of monitored activities.
- **control** - verification of the behaviour of an item of equipment, system and/or device. The controls performed can be proactive and reactive. The frequency with which measurements are to be taken, as well as the number and level of accuracy of the indicators, may be defined on a case-by-case basis, based on the criticality of the phenomena to be monitored and the amount of resources required, or may be planned and carried out daily/weekly/monthly. Three different situations can occur:
 - the action must ensure that the behaviour adheres to a defined norm or standard;
 - the conditions giving rise to the action must be defined, understood or confirmed;
 - the action must be defined, approved and suitable for such conditions.

The concept of a monitoring/control cycle can be used to manage:

- the behaviour of the activities of a process or procedure;
- the effectiveness of the process or procedure in its entirety;
- the behaviour of a device or a series of devices.

IT management system monitoring is designed to identify, prevent and mitigate cybersecurity risks, ensuring the protection of corporate data and critical infrastructure. A multi-layered approach is adopted that integrates tools and procedures aimed at strengthening resilience against cyber threats and ensuring business continuity. This approach is based on a combination of automated processes and manual interventions, designed to ensure continuous surveillance and timely response to security incidents. More specifically, the monitoring and control cycle, based on Security Operations Centres (SOCs) operational 24/7/365, consists of the following activities:

- **Continuous monitoring of cloud infrastructures:** dedicated SOC's detect and analyse suspicious events, ensuring proactive protection of the infrastructure perimeter. Monitoring systems include advanced threat intelligence tools to identify recurring attack patterns, zero-day vulnerabilities and network anomalies.
- **Incident Management:** security incidents are managed through a structured process, including analysis, escalation, resolution and reporting of anomalies. For each incident, a playbook is activated that defines the procedures to be followed to minimise the impact on business operations.
- **Identity Access Management (IAM):** implemented to control and monitor access to critical resources, the process includes user identification, authorisation verification and activity tracking. In support of IAM, multi-factor authentication (MFA) solutions and credential management systems are used to prevent unauthorised access.
- **Performance Monitoring:** measuring hardware and software performance ensures optimisation of resources and early detection of functional problems. Monitoring systems include interactive dashboards that provide real-time KPIs (Key Performance Indicators), ensuring a complete view of the operational status.
- **Backup & Restore:** data is protected through periodic backup and recovery processes, following defined retention policies to reduce the risk of losing critical information. Backup strategies also include the creation of automatic snapshots and the storage of redundant copies in geographically separated data centres.
- **Endpoint Protection:** edge devices (PDL and mobile) are monitored via Extended Detection and Response (XDR) tools and advanced antivirus. These systems are designed to detect malicious activities such as ransomware, phishing and spyware, ensuring a high level of protection for end users.

The implemented controls include:

- ongoing verification of compliance with the defined security standards, NIS2 (currently being implemented) and the GDPR;
- centralised detection and management of systemic vulnerabilities through periodic scans and penetration testing simulations;
- supervision of the behaviour of users, processes and devices to prevent unauthorised use or deviation from company policies. Machine learning systems are used to identify anomalous patterns that could indicate malicious activity.

In addition to the activities listed above, the Agency invests in continuous training programmes for IT staff and users to raise awareness of cyber risks and promote security best practices. Collaboration with external agencies and providers of advanced technology solutions enables it to stay abreast of the latest innovations in cybersecurity.

All processes are supported by scheduled reporting and advanced IT tools that facilitate execution, analysis and continuous improvement. The ultimate goal is to ensure maximum protection for corporate data and IT infrastructure, minimising operational risks and strengthening security standards.

IT Process Monitoring with Azure Monitor and Application Insights

The Group has adopted advanced IT monitoring tools to ensure the stability, security and efficiency of applications and services. Azure Monitor and Application Insights provide a comprehensive platform for collecting, analysing and visualising data on infrastructure performance and operations.

Sustainability Policy

Within the Sustainability Policy, the parent company establishes the pillars for promoting a safe and stimulating working environment, introducing the most appropriate tools to foster the well-being and inclusion of people, professional growth and the enhancement of skills. In this sense, therefore, Invitalia aims to pursue gender equality, inclusion, diversity and, more generally, the protection of human rights, not only within the corporate population, but also by guiding and raising awareness among stakeholders participating in the value chain.

The Policy was drafted in line with the principles of the Code of Ethics, the Charter of Diversity and Inclusion Principles and Invitalia's other policies associated with sustainability, and also refers to the SDGs of the United Nations 2030 Agenda and the OECD guidelines. In addition, it is approved by the Board of Directors and made available to stakeholders via the corporate website in summary form and within the corporate intranet in extended form for employees.

ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts

The Group promotes the engagement of own workers by conducting focus groups and distributing questionnaires to assess identified sustainability impacts. Sustainability impacts are assessed annually through the administration of questionnaires to employees. A structured focus group was also conducted for the Consolidated Sustainability Report 2024.

Focus groups with employees provide an opportunity for in-depth and interactive discussions on various aspects of business impact, allowing employees to express their opinions, share observations and suggestions. This tool is particularly useful for obtaining detailed feedback and identifying any problems or opportunities that might not emerge through online questionnaires. In addition, focus groups allow Invitalia to understand the perspectives of workers vulnerable to impacts and/or marginalised workers, such as women, young people and people with disabilities. The evaluation of the effectiveness of the focus groups was not planned for the 2024 report. However, the integration of this evaluation into the workforce engagement process could be considered in future reporting. For more detail, please refer to the paragraph in the general section ESRS 2 SBM-2 Interests and view of stakeholders.

The operational responsibility for ensuring the involvement of the workforce and that the results guide the company's approach lies with the SPIS and COO (Human Resources and Organisation) departments, which coordinate to best manage the engagement of workers and to ensure that workers' opinions and interests are integrated into the company's decision-making processes. At present, the Group does not evaluate the effectiveness of the engagement of own workers.

In addition to this type of engagement of own workers, the company also provides other channels of engagement, which will be described in detail in the following section.

ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

The Group adopts an approach of continuous willingness to listen to all staff from the perspective of caring and development.

In this regard, all Group companies have adopted a Whistleblowing procedure that regulates the system for reporting offences and violations of the determinations foreseen by the PPCT (Prevention of Corruption and Transparency Plan), the MOGC (Organisation, Management and Control Model) and the Code of Ethics, as well as, more generally, unlawful situations of which employees have become aware in the course of their activities and duties. This procedure ensures the confidentiality of the whistleblower's identity at all stages of handling the report, as well as protection against retaliatory or discriminatory action as a result of the report. Likewise, the reported person is guaranteed confidentiality with respect to his or her identity and protection against reports made in bad faith. For further details, please refer to the description under 'ESRS G1-1 Corporate culture and business conduct policies'.

In addition, during 2024, with the aim of providing support and ensuring a constant dialogue with all staff, the Agency implemented the following initiatives:

- monthly controls of each Organisational Unit;
- the project 'Parliamoci - Colazione di Pensieri e Parole' (Let's talk - Breakfast of Thoughts and Words);

- 'Viva Engage' community to support convenient, fast and cross-communication.

Monthly controls consist of day-visits by Human Resources Business Partners (HRBPs), i.e. the staff of the two teams *People Care Public Advisory, Public Investments and Subsidiaries* and *People Care Incentives and Innovation, Investment Management, Support and Governance*) at the various company locations, during which they listen and respond to employees who need support and/or in-depth information on various issues or company projects. In particular, each employee is informed monthly by e-mail of the day on which the HRBP will be visiting. In this context, it should be noted that precise competence perimeters have been defined within the People Care division, assigning each Organisational Unit a reference HRBP. These monthly control visits are intended to ensure constant monitoring and prompt resolution of problems reported by employees during these supervision sessions.

With the 'Parliamoci - Colazione di Pensieri e Parole' initiative, the Chief Operating Officer created a space for those who wished to participate in the initiative, through 19 meetings held in person in the locations in Rome and online, with the aim of creating an open and constant discussion with all workers. The problems reported are analysed and evaluated in order to initiate the necessary actions for their resolution. The initiative was proposed by an e-mail sent to all staff, to which 304 people responded, all of whom were involved in the initiative.

The above initiatives and/or projects were communicated by e-mail and/or news published on the company intranet.

ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

As mentioned in the previous paragraphs, the Group adopts a number of policies aimed at mitigating negative impacts on workers and ensuring a fair and safe working environment. In addition, it is committed to providing social protection for its workers, demonstrating a high level of social responsibility by providing benefits such as health insurance and other forms of economic support.

Policies, such as the Sustainability Policy, the Code of Ethics and the Organisation, Management and Control Model, are key tools that guide the company in maintaining high ethical and operational standards. These tools not only help prevent and manage negative impacts, but also create an environment in which workers can raise concerns in a safe and confidential manner, ensuring that they are handled with due care.

Specifically, the Parent Company is committed to mitigating the negative impacts of turnover rates and non-meritocracy by promoting inclusiveness and diversity, reducing the pay gap, particularly between women and men, and creating assessment systems that foster skills development. In addition, Invitalia strives to reduce precarious forms of employment, promote healthy work-life balance, and create an inclusive work environment for young people, women, people with disabilities, and people from socially disadvantaged backgrounds. In this sense, therefore, Invitalia has set specific objectives related to its own workforce, for which please refer to section 'S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities'.

With reference to risks, through the adoption of quality systems as reported in section 'S1-1 Policies related to own workforce', Invitalia manages the risks of work-related injury and ill health, as well as the possibility of loss of sensitive data.

In addition, it manages the opportunity to strengthen strategic competencies in order to consolidate its role in supporting Public Administration through the establishment of training processes that favour self-learning and at the same time ensure the development of a system of competencies in harmony with corporate objectives and personal aptitudes. In this case, too, Invitalia has set objectives as outlined in 'S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities'.

The Group adopts a systematic approach to identifying and responding to negative impacts that could occur and affect its workforce, including processes for monitoring and analysing data, staff assessment and development, and engagement and communication.

With regard to data monitoring and analysis, employee turnover rates are monitored through regular HR data analyses. In addition, regular reviews of compensation policies are carried out to ensure gender equality and pay equity. Any discrepancies are addressed through salary adjustments and policies to promote equality.

In terms of staff assessment and development, on the other hand, the Agency implements performance appraisal systems based on meritocratic criteria (performance management, Magellano) and regular feedback,

and promotes training and awareness-raising initiatives on human rights and diversity. Invitalia adopts a Sustainability Policy and a Code of Ethics, promoting an inclusive and respectful working environment is against all forms of discrimination.

Finally, the Group maintains open and transparent communication with employees regarding company policies, organisational changes and growth opportunities.

To ensure business practices geared towards preventing and mitigating possible significant negative impacts, dedicated departments are identified as described below. However, it should be noted that at present, the Group does not have detailed information that would allow it to quantify the financial resources allocated for the implementation of the measures described.

Organisational Development and Compensation

- ensures, develops and maintains the organisational set-up, in terms of divisions, processes, roles and related repertoire of competencies;
- defines selection methodologies and tools;
- ensures the development model for managerial and professional roles;
- ensures the definition and implementation of potential and skills assessment tools and performance appraisal models;
- defines compensation logics, models and tools that guarantee competitiveness to the Group's compensation system and favour the alignment of behaviour to the strategic needs of the Agency.

Engagement&Academy

- redesigns the Group's training model, with a logic of integration between purpose - content - channels, satisfaction of the recipients of skills development actions, establishment of Invitalia Academy, through a close connection with Italian academia;
- develops engagement initiatives aimed at increasing the commitment and trust of the Agency's staff.

People Care

- ensures the satisfaction of professional needs, through the supervision of search and selection activities;
- adopts the HR management tools prepared by Organisational Development and Compensation, in order to optimise the alignment of available competencies to the current and prospective needs of the Agency and the Group's in-service businesses;
- ensures the dissemination of the managerial culture dedicated to caring for People, as a fundamental asset for the competitiveness of organisational systems;
- verifies the monitoring of sustainability objectives in the area of human resource management;
- ensures the monitoring of labour litigation issues.

Industrial Relations and Administrative Services

- ensures industrial relations, in terms of studies of relevant legislation, coordination of trade union issues, and labour disputes;
- ensures the payroll of the Group's staff, in order to guarantee compliance with labour regulations and related social security aspects and manage employee benefits and related insurance policies, as well as ensure end-to-end administrative processes, reinforcing approaches of transparency and reducing information asymmetries on competency issues.

Actions related to Occupational Health and Safety

Through the Integrated Management System for Quality and Occupational Health and Safety, the Parent Company engages in the following activities:

- consolidating the process of active engagement of own workers, in order to integrate their needs in terms of Quality, Health and Safety into its strategies;
- promoting, through the planning of Quality, Health and Safety objectives, a culture of continuous improvement of the services provided to customers, and, more widely, so society, as well as a culture of prevention and well-being;

- promoting the implementation of an Integrated Management System development programme that disseminates the analysis of risks and opportunities in each process included in the scope in order to achieve knowledge improvement;
- using safe and efficient ways of working, supported by appropriate procedures and compliance audits, in line with UNI EN ISO 9001:15 and UNI EN ISO 45001:23;
- ensuring the timely definition, application and compliance with applicable legislative requirements, current industry standards and other provisions subscribed to by Invitalia, including through the adoption of principles and solutions deemed to be best practices in the areas of Quality, Health and Safety;
- informing, consulting, educating and involving the entire company staff, also through the Workers' Safety Representatives, on the Integrated Management System and disseminating its Policy;
- pursuing generalised staff awareness on the subject, with particular focus on the impact of individual behaviour on the overall effectiveness of the Integrated Management System and the need for continuous improvement that this implies;
- implementing tools for managing, developing, assessing and enhancing staff knowledge and skills in the areas of Quality, Health and Safety, in order to pursue Invitalia's organisational development and competitive advantage;
- pursuing, in all company activities, the continuous improvement of performance and results relating to Quality, Health and Safety, as well as the effectiveness of the Integrated Management System, also through the periodic review of its components;
- Identify transversal organisational roles dedicated to Quality, Health and Safety management to which to delegate responsibility for planning and checking every aspect of Quality, Health and Safety;
- monitor the company's activities and implement the technical, organisational and procedural protective measures necessary to minimise all risks present in offices, on building sites and on third party premises. removing any factors that endanger the Health and Safety of workers and third parties;
- constantly consulting employees and contractors in relation to any changes in the workplace that may have an impact on Health and Safety;
- analysing activities that may influence or be influenced by climate change, in order to assess and reduce their impacts on the performance of Quality and Health and Safety processes.

In this context, Invitalia makes effective use of company resources to fulfil its Quality, Health and Safety commitments.

As part of the Improvement/Non-Compliance/Incident/Corrective Action Management Plan²⁶ envisaged within the UNI ISO 45001:2023-certified Occupational Health and Safety Management and Control System, improvement actions have been taken up for 2024 and 2025 that cover various aspects such as staff awareness-raising, education, participation and skills development.

In the area of awareness-raising, the Parent Company takes various actions according to the hierarchical level of reference:

- middle management/heads of Organisational Units: awareness-raising and additional training for supervisors on OH&S issues;
- staff: building awareness among own workers of the ticketing system available for whistleblowing;
- plan contact person: raising awareness on how to report anomalies, and on the monitoring activities of the IMS Team.

In order to keep all employees informed, Invitalia planned the implementation of the OH&S/IMS section of the company intranet with a new layout and new content and meetings between the Health & Safety Officer (RSPP) and the IMS Manager/IMS Team to share regulatory updates and assess any impacts and opportunities.

Continuing with skills development, OH&S training activities are planned for staff in addition to the compulsory courses provided. In addition, ordinary training and advanced training initiatives are planned (with a special focus on activities within its sphere of competence) for the dedicated IMA team.

²⁶ Further information on the Group's procedure in this regard can be found in section S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns.

The Group also promotes a participative culture through the active participation of workers in safety. With regard to accidents, through the activation of the near-miss reporting system, workers have the opportunity to report risks and possible improvements. There was a decrease in commuting accidents, probably due to a greater use of smart-working and thus fewer home-work journeys. Smart-working practices and flexible working hours have also contributed to a reduction in commuting-related stress and risks as well as an improvement in work-life balance.

With the aim of greater digitalisation in OH&S, Invitalia has developed tools to support the monitoring process. In this context, therefore, the Parent Company has developed monitoring sheets in Excel format, available in a folder shared with all pivots involved in monitoring the system. The folder is managed and controlled centrally by the IMS Manager and monitoring is coordinated by the IMS Team Coordinator, a support figure to the IMS Manager.

Infratel also has an action plan for the management of activities aimed at achieving the objectives in line with the health and safety policy. In particular, this action plan provides for each individual objective reference processes, resources involved, implementation timeframe and year, and monitoring time. For the year 2024-2025, Infratel has defined four objectives for which 11 actions have been identified.

For example, with reference to the objective concerning the 'Improvement and streamlining, of the Occupational Health & Safety Management System (SGSSL), in order to achieve the expected target performance', the following actions were planned:

- supplementing the structure of the risk and opportunity assessment document by making explicit the inherent risk and residual risk, as well as expanding on the significance of the risk and opportunity assessment for the organisation, by diversifying the parameters in order to obtain greater detail. To achieve this action, the additions and changes were made as requested in document INF-SSL-CONPIAN 001-03 Risk/Opportunity Analysis. The document was approved by the Safety Delegate.
- integrating indicators and targets in order to make them increasingly meaningful for the performance of the SGSSL. In order to achieve this action, the additions and changes were made as required in document ID 17 – Performance Indexes of the SGSSL annexed to the SGSSL Monitoring Plan.

Actions related to employment

Within the Invitalia Group's CCNL²⁷, specific protections are offered for workers absent due to ill health or injury by providing for job retention for a period of 15 months over three years from the occurrence of the first event. After this period has expired, employees may request up to 9 months of unpaid leave. The above terms for time off and unpaid leave are increased by 50% in the case of specific illnesses.

For accidents, job retention is guaranteed until clinical recovery, with INAIL (national insurance) allowance supplemented to reach 100% of compensation from the first day of absence in the case of absolute temporary disability.

In the event of supervening unfitness for work, the possibility of reallocation of the employee to different tasks is examined.

With regard to unpaid leave, it is possible to request up to 6 months of unpaid leave for personal or family reasons, with the possibility of renewal for up to 12 months within a three-year period. For workers with disabilities or caregivers, there is the option of specific, customised agreements.

During maternity leave, the company supplements the statutory allowance to reach 100% of salary, guaranteeing full economic support. Parents of severely disabled children are entitled to extended parental leave for up to three years.

There are also more favourable solutions involving agile work for new parents in the six months following the end of maternity leave (including in cases of adoption), as well as for workers with disabled children and for immunocompromised workers and caregivers.

Fixed-term contracts and staff leasing contracts are regulated within the CCNL, which allows their use up to 30% of the workforce calculated on an average annual basis.

In 2024, the *People Sustainability Observatory* was set up, consisting of one full member from each signatory trade union and an equivalent number of members chosen by the Agency. This observatory aims to create a constant point of reference within the organisation for the analysis and monitoring of national best practices in

²⁷ The CCNL for Middle Managers and Employees of Invitalia Group companies is not applied to the Group banks, i.e. MCC and CRO, which apply the CCNL for banks.

the area of staff initiatives, along the following lines:

- engagement, understood as the involvement of the corporate population in collective and participatory initiatives;
- empowerment, understood as a social process favouring the acquisition of greater awareness in order to foster effectiveness and control over one's personal and professional life;
- social responsibility, understood as the engagement of the population in the ethical implications within the strategic corporate vision.

The observatory analyses phenomena, models, initiatives and best practices in the field of sustainability, with particular reference to:

- employee well-being and health (sports, cultural services, team building, healthy food and refreshment areas, reorganisation of spaces, support to achieve healthy work-life balance, respect for human rights, working hours, working from home, safety at work, etc.);
- environmental awareness (green initiatives, car sharing, reduction of private vehicles, impact of commuting on the planet and the individual, reduction of consumption, etc.);
- social awareness (volunteering, social initiatives, donations, etc.).

In addition, on the occasion of the renewal of the Invitalia CCNL, we set up the *Equal Opportunities Committee*, which upholds principles of equality and non-discrimination among all people – in terms, by way of example and not taxonomy, of age, sexual orientation, ethnicity, physical condition and economic situation, political and religious orientation – in order to create conditions and organisational context that allow everyone to express their uniqueness.

The committee is composed of one full member of each trade union signatory to the CCNL and an equivalent number of members chosen by the Agency; it meets at least once every six months and at the request of one of the parties, within 15 days of the request.

In the meetings, ex-ante discussions are held on the logics and tools aimed at implementing equal opportunities dynamics in order to assess ex-post the effect of the application of the presented logics also with a view to evaluating possible proposals for improvement made by the trade union members.

Specifically, discussions include:

- the methods and strategies for building and disseminating a culture based on valuing the characteristics of the individual;
- ways of promoting behaviour fostering equal access to the opportunities offered by the organisation;
- the introduction of instruments for freedom of expression in all its forms;
- the removal of obstacles to effective equality in terms of integration in the company, professional and career development, as well as in working conditions and economic treatment by valuing the aspirations of each individual;
- the results achieved over time.

Actions to promote work-life balance

Aware of the importance of its actions on the entire community, the Group pays great attention to the needs of the business community, recognising the social, environmental and economic impacts generated.

With this in mind, since 2017, with the introduction of the 'Welfare Plan', employees have been offered the possibility of converting the company bonus into welfare credit, obtaining tax and social welfare benefits. In 2024, we also consolidated services to increase the purchasing power of staff, both with corporate benefits and with neighbouring establishments. These are complemented by benefits such as meal vouchers and a range of initiatives aimed at physical, mental and emotional well-being.

To promote savings and security, employees can access supplementary pension funds, subsidised mortgages, accident insurance and long-term care.

The welfare offered takes the form of a comprehensive set of services and institutions to support its employees on a daily basis, promoting well-being and security both within the working environment and in private life.

With regard to personal safety, additional health cover is provided for the employees and their households, in addition to the services offered by the National Health Service. In addition, Invitalia contributes to the insurance policies of its employees such as life insurance, occupational and non-occupational accident insurance and long term care policies. Defined contribution, individually funded pension plans are also provided for employees with permanent contracts. In support of psychophysical well-being, Invitalia promotes initiatives

such as conventions with leading gym circuits as an incentive for employees to engage in physical activity.

With a view to supporting purchasing power, the Group provides meal vouchers for each day of actual attendance, including agile working. In addition, employees benefit from welfare credit, proportioned according to the months of service in one of the Group companies applying the CCNL, and a production bonus, as provided for in Article 58 of the CCNL, if the eligibility parameters are reached, with the possibility of converting the bonus into welfare services, with tax and contribution benefits. Through an agreement with MCC, Invitalia employees can also access mortgages and loans on special conditions.

To support the reconciliation of work and private life, Invitalia offers flexible working hours and provides social spaces, such as the canteens in the via Calabria site and outdoor areas, thus promoting social interaction among employees.

Actions related to equal treatment and opportunities

Through its performance management system, Invitalia implements staff development policies aimed at incentivising performance quality, skills growth and productivity. The performance management system is constantly updated to make it more effective in steering the performance of individuals and groups towards corporate and individual growth objectives. All assessments are annual and cover all staff present in the company as at 31 August. At the end of the process, staff members receive a report summarising the assessment results and have a meeting with their manager.

In 2024, the Performance Management system was also opened to Infratel, Invitalia Partecipazioni and Italia Turismo, maintaining the comprehensive model already adopted in the Parent Company in 2023, with the option for staff of being assessed – in addition to by their manager – also by colleagues in their Organisational Unit (hereinafter also 'OU' or 'Unit') and by peers, i.e. colleagues in other OUs. In this regard, it should be noted that MCC also refers to the performance management system foreseen by the Parent Company.

The adoption of this 'extended' assessment model is based on the possibility, for the person being assessed, to combine the assessment of the different colleagues with a self-assessment in order to construct a complementary and complete profile of views. This system complements the 'assessment of performed behaviour' and the 'assessment of results achieved' on objectives assigned by their manager and gives people a central role in guiding their own assessment path, allowing them to choose between several assessment options. This method also gives managers the option of customising the assessment of each staff member by assigning specific weights to centrally assigned HR objectives and assigning customised objectives to each person. The aim of the system is to give people as broad, complete and transparent a view as possible of their personal contribution, as well as to foster a good organisational climate, collaboration and convergence towards meeting targets, according to a model that focuses on key areas highly integrated with Invitalia's strategic objectives.

Actions related to training

Through the training activities carried out during 2024, the Invitalia Group pursued the following goals:

- alignment with organisational strategies, through the adaptation of skills in accordance with Invitalia's orientations and evolution, and the updating of specific skills considered fundamental to the organisational role covered;
- organisational development, providing people with the necessary skills to contribute to the development of company-specific know-how, promoting continuous learning and skills enhancement, and improving people's satisfaction and motivation.

In order to encourage orientation towards self-learning and ensure the development of a system of skills in harmony with corporate objectives and personal aptitudes, we have designed a learning platform called *AcadeMy Invitalia*, which is made available to all Invitalia and other Group companies, in line with the initiative set out in the Strategic Plan. The platform was made available on 20 November 2024 with a continuously updated catalogue of 27 training items, including 22 training video clips from Skilla and 5 courses produced in-house. As at 31 December 2024, 93% of the company population (or 3,076 persons) had logged onto AcadeMy, of whom 62% (1,903 persons) had started at least one course.

Three major training initiatives open to all Invitalia staff were implemented in 2024, with voluntary registration:

- *Invitalia si racconta*: a series of live webinars created in response to requests that emerged during the meetings under the initiative 'Parliamoci - Colazione di Pensieri e Parole', with the aim of enabling people to get to know Invitalia and its identity better through the accounts of Invitalia's Senior Management, highlighting the mission of the divisions they lead and the value of a complex entity such as Invitalia. All webinars were held live on Teams between June and December 2024 and the recordings can be accessed

from the AcadeMy platform;

- *Il valore dell'incentivo*: a series of live webinars created in response to requests that emerged from the survey on training, carried out in April 2024, during which people from the various areas of the Incentives and Innovation Unit talked about their activities, which are fundamental and strategic for the Agency in understanding how Invitalia contributes to the creation and development of new companies and the strengthening of businesses. All webinars were held live on Teams between October and November 2024 and the recordings can be accessed from the AcadeMy platform;
- *Intelligenza Artificiale Generativa*: a course created as part of the path towards the adoption of Artificial Intelligence techniques and tools undertaken by our Agency, structured as an interactive webinar, lasting 2.5 hours, in synchronous live mode on Teams.

In addition, in 2024, we held a management training course, lasting a total of five days per person, involving all Organisational Unit Managers, aimed at strengthening management through alignment with the institutional context, greater awareness of their role, and the development of leadership skills, strategic vision, and the design and implementation of new ways of managing activities and people. This process alternated in-depth theoretical study, aimed at building the common learning base, and practical work, focused on the production of ideas, encouraging the active and productive participation of managers in the definition of feasible work proposals and clear action plans.

With respect to the total training provided during 2024, 17% was in response to regulatory obligations, 29% to strengthen technical/specialist skills, 46% to improve soft skills, and the remaining 8% concerned training for new recruits as part of their onboarding process.

Actions related to confidentiality

In the reporting period, the Group implemented and updated the processes Identity & Access Management, Data Breach Notification, Backup & Restore, Company IT Equipment Management, and IT Management System Manual. The Agency's current level of cybersecurity was also analysed by means of questionnaires and interviews to define its Current Security Profile, and cybersecurity training was initiated for the benefit of the entire corporate population.

Invitalia has joined Measure #55, an initiative promoted by the National Cybersecurity Agency (ACN) and by the Ministry of Economy and Finance (MEF), aimed at strengthening digitalisation and security in Public Administration. As part of the planned operations, Invitalia has been assigned the Fund for the Implementation of the National Cybersecurity Strategy, which is intended to ensure technological autonomy and raise cybersecurity levels, and the Fund for Cybersecurity Management, which ensures coverage of the operational activities necessary to maintain high security standards. By joining the project and obtaining the funds, the Invitalia Group provided specific cybersecurity training for the entire corporate population.

ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In Invitalia's Strategic Sustainability Plan, the Agency has made commitments and adopted targets to reduce negative impacts and manage material risks and opportunities for its own workforce. These objectives were identified and defined on the basis of the strategic sustainability guidelines and through dialogue with the HR department and other stakeholders.

In particular, in order to reduce the negative impacts linked to the high turnover rate, the possibility of workforce management policies that are not based on meritocratic systems and fail to promote inclusiveness and respect for diversity, Invitalia has made the following commitments:

- P1: develop a staff compensation model that narrows the gap with top management by reducing the current pay ratio between the first and last decile of employees by 20% by 2026. The ratio was reduced by 9.5% in 2024;
- P2: develop a staff compensation model that promotes gender pay parity by eliminating the gender pay gap for each company position by 2026. The gross annual pay (RAL) gap between genders for each company position was eliminated in 2024;
- P4: create assessment systems that enable the construction of skills development paths and that are not limited to judgement or the fulfilment of tasks, with 100% of the corporate population opting for the not-only-top-down assessment model by 2026. In 2024, 92% of the Invitalia population opted for an assessment model that was not only top-down;
- P6: steer business processes towards ESG sustainability goals through the management reward system

and the application of an ESG correction factor to variable management compensation by 2025. The ESG Indicator correction factor was introduced in 2024.

Furthermore, in order to consolidate its role in creating positive impacts for its workforce, the Parent Company is committed to ensuring the contractual stability of workers, healthy work-life balance, the creation of an inclusive work environment for people with disabilities, and the inclusion in employment of young people, women and people from socially disadvantaged backgrounds within the organisation, through the following objectives of the Strategic Sustainability Plan:

- P3: promote gender equality in all corporate positions and in particular in managerial positions by reducing the disparity in executive and managerial positions as a ratio of total women to men;
- P5: develop staff training, through the implementation of a new training platform that aims to reach 60% of the corporate population, who register on the platform independently, by 2026. In 2024, the platform was launched;
- P7: Develop corporate policies to foster the inclusive employment of people with socio-economic difficulties, taking on 20 people falling under this category by 2026. In this regard, we inform you that Invitalia hired 10 socially disadvantaged people in 2024;
- P8: reduce precarious forms of skills acquisition by 5% by 2026. In 2024, we already recorded a reduction of more than 4%.

ID	Strategic Sustainability Plan Objective	KPIs / monitoring indicators	Target
P.1	Develop a staff compensation model that favours the reduction of pay gaps in relation to top management	% reduction in ratio average RTA ²⁸ last decile / average RTA first decile	Reduction of the current pay ratio between the first and last decile of employees by 20% by 2026 (in 2024 the ratio was reduced by 9.5%)
P.2	Develop a staff remuneration model that favours gender pay equality	% gender gap in RAL ²⁹ for each company position	Elimination of the pay gap between women and men within each company position by 2026 (target achieved in 2024)
P.3	Promote gender equality in all company positions and in particular in managerial positions	Reduce the gender gap among Executives and Middle Managers in relation to the total gender ratio	Reduce the gender gap in management and executive positions
P.4	Create assessment systems that enable the construction of paths of skills development and that they are not limited to judgement or performance of tasks	% uptake of the not-only-top-down assessment model	100% uptake of the corporate population to the not-only-top-down assessment model by 2026 (in 2024, 92% of the corporate population opted for an assessment model that was not only top-down)
P.5	Build training processes that favour self-learning and at the same time ensure the development of a system of competencies in harmony with corporate objectives and personal aptitudes	% employees using the training platform independently	Development and consolidation of the training platform with heuristic learning and 60% of independently registered employees by 2026 (in 2024 the platform was launched)
P.6	Steer business processes towards ESG sustainability goals through the management reward system	Application of the ESG correction factor to variable compensation	Application of an ESG correction factor to variable management compensation by 2025 (in 2024 the ESG Indicator correction factor was introduced)
P.7	Development of company policies to foster inclusive employment of socio-economically disadvantaged people	No of employees from situations of socio-economic hardship	Inclusive employment of 20 socio-economically disadvantaged people by 2026 (in 2024 the Agency hired 10 socially disadvantaged people)

²⁸ Total Annual Remuneration

²⁹ Gross Annual Remuneration

P.8	Reduce precarious forms of skills acquisition	% fixed-term employees + agency workers/total workforce	5% reduction in temporary contracts by 2026 (in 2024 there was already a reduction of more than 4%)

The SPIS OU monitors the progress of the objectives defined with the offices involved, providing a quarterly report to the front lines and to the ESG, Risk and Related Parties Committee, which plays an advisory role to the Board of Directors. In addition to the drafting of the reports to be submitted to the supervisory bodies (ESG, Risk and Related Parties Committee and Board of Directors), the monitoring of objectives ensures the maximum involvement of the company departments in the achievement of the objectives and the possibility of making possible changes and updates to the plan. The Strategic Sustainability Plan and its updates are approved by the Board of Directors.

ESRS S1-6 Characteristics of the undertaking's employees

The following criteria are considered for all the below tables:

- number of employees at the end of the reporting period;
- employees understood as those on the payroll.

The relative number of employees corresponds to what is reported within the Consolidated Financial Statements as at 31 December 2024 for all Group Companies.

Table 1 (ESRS S1-6 par. RA 55 50a)

Gender	Number of employees (head count)
Male	1,919
Female	2,004
Other	-
Not reported	-
Total employees	3,923

Table 2 (ESRS S1-6 – par. RA 55)

Country	Number of employees (head count)
Italy	3,923

Table 3 (ESRS S1-6 – par. RA 55)

Number of employees by contract type, broken down by gender	Female	Male	Other	Not reported	TOTAL
Number of employees	2,004	1,919	-	-	3,923
Number of permanent employees	1,541	1,487	-	-	3,028
Number of temporary employees	463	432	-	-	895
Number of non-guaranteed hours employees	-	-	-	-	-
Number of full-time employees	1,921	1,914	-	-	3,835
Number of part-time employees	83	5	-	-	88

Table 4 (ESRS S1-6 par. RA 55)

Number of employees by contract type, broken down by region	North	Center	South	TOTAL
Number of employees	53	3,771	99	3,923
Number of permanent employees	36	2,942	50	3,028
Number of temporary employees	17	829	49	895
Number of non-guaranteed hours employees	-	-	-	-
Number of full-time employees	53	3,684	98	3,835
Number of part-time employees	-	87	1	88

Table (ESRS S1-6 par. 50c)

Terminations	Number of employees as at 31.12.2024	Employee turnover rate
306	3,923	8%

ESRS S1-7 Characteristics of non-employee workers in the undertaking's own workforce

Non-employees workers	Interns	Temporary agency workers	Collaborators	TOTAL
	4	21	186	211

ESRS S1-9 Diversity metrics

Table ESRS S1-9 par. 66

Gender	Gender distribution (number) of top management level	Gender distribution (percentage) of top management level
Male	64	83%
Female	13	17%
other	-	-
Not reported	-	-

The term top management is understood to mean the first and second levels below the administrative and supervisory bodies.

Table ESRS S1-9 par. 66

Age group	Distribution of employees (number) by age group	Distribution of employees (percentage) by age group
under 30 years old;	692	18%
30-50 years old	2,225	57%
over 50 years old	1,006	26%

ESRS S1-11 Social protection

In addition to the institutes and/or forms of social shock absorbers already provided for by law and transposed by the Invitalia Group's CCNL, the best favourable conditions governed by Collective Bargaining are detailed below.

For sick leave, the Invitalia Group CCNL provides for a longer protected period (maximum period of abstention from work due to ill health during which the employer cannot proceed with dismissal). In fact, employees who have passed the probationary period are guaranteed job retention for a period of 15 months over three years from the occurrence of the first sickness event. During this period, seniority of service continues to run to the fullest extent. The above terms are increased by 50% in the case of tuberculosis, cancer or other equally severe illness. An employee who has passed the probationary period shall be paid the full salary for the first twelve months; from the thirteenth to the fifteenth month (twenty-second in the case of tuberculosis, cancer or other equally severe illness) the salary shall be reduced by one third.

In addition, in cases of sick leave or paid leave, supplementary health care coverage is maintained, extended also to children and family members belonging to the household, and the relative premium is paid for in full by the company.

In the case of maternity leave, the Invitalia Group CCNL foresees that the Company pays a supplement to that provided for by law in economic terms and paid by social security institutes, so that the full compensation is guaranteed.

Moreover, the Invitalia Group CCNL provides insurance cover for cases of permanent disability caused by occupational and non-occupational accidents, or in the event of death from any cause.

Finally, in terms of retirement, the CCNL foresees an incentive formula for supplementary pension schemes with a company contribution for workers hired on a permanent contract.

ESRS S1-12 Persons with disabilities

Table ESRS S1-12 par. 79

Number of persons with disabilities amongst its employees subject to legal restrictions on the collection of data	Percentage of persons with disabilities amongst its employees subject to legal restrictions on the collection of data
141	4%

ESRS S1-13 Training and skills development metrics

Table ESRS S1-13 par.83 b)

Gender	Number of employees that participated in training	Total training hours	Average number of training hours
Male	1,926	40,927	21
Female	1,993	44,117	22
Other	-	-	-
Not reported	-	-	-

The above tables refer to the total hours of training used by own workforce in 2024. In particular, the number of people who participated in at least one training activity in the year in question is indicated, with each participant counted only once. The average is calculated as the number of people who participated in at least one training course as a proportion of the total number of staff by gender.

For the first year of reporting, the Group exercised the option to omit the information required by DR S1-13 datapoint 83 a, therefore the percentage of employees who participated in regular performance and career development reviews is not stated.

ESRS S1-14 Health and safety metrics

The Group is ISO 45001:2023 certified and adopts an Occupational Health and Safety Management System (SGSSL) that applies to all its own workers, in accordance with current regulations.

All workers also with reference to Art. 3 'Scope' of Leg. Decree 81/08, as well as external parties that interact with the organisation in accordance with national legal requirements, fall within the scope of the SGSSL, regardless of their role, location or type of contract. Compliance is ensured through regular internal and external audits, analysis of incident data and management reviews.

The Occupational Health and Safety Management System, which is the subject of continuous development and implementation, is designed to meet the requirements of paragraphs 2, 3 and 4 of Art. 30 of Leg. Decree 81/2008, as amended, and to ensure compliance with paragraph 1 of the same article. UNI EN ISO 45001:2023-certified, the system serves as an exemption instrument for administrative liability under Leg. Decree 231/2001 and aims to ensure a safe working environment and to continuously improve health and safety conditions for all workers.

In 2024, the Parent Company continued to pursue the goal of an Integrated Management System (IMS) for Quality and Safety. The IMS is subject to periodic internal audits with documentary checks, on-site inspections and interviews with workers. It is also subject to external third-party audits, performed by an accredited certification body, which confirm compliance with ISO 45001:2023 requirements. The audit results are analysed in the periodic management review to identify opportunities for improvement.

The dynamic, proactive and integrated system ensures the fulfilment of all legal obligations related to occupational health and safety through the following activities:

- Verification of compliance with legal technical and structural standards for equipment, facilities, workplaces, chemical, physical and biological agents;
- risk assessment and provision of appropriate prevention and protection measures;
- emergency and first aid management, tender contract management, periodic safety meetings, consultation of Workers' Safety Representatives (RLS), and organisational activities in general;
- health surveillance;
- information and training for workers;
- supervision of workers' compliance with safe working procedures and instructions;
- acquisition of documents and certifications required by law.

A system of reporting near misses and risks is in place, promoting the active engagement of workers.

Table ESRS S1-14 par.88	Employee
Percentage of its own workforce who are covered by the undertaking's health and safety management system	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of recordable work-related accidents	17
Number of total hours worked	5,991,003.26
Rate of work-related injuries	2.84
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	416 ³⁰

Accident rates were calculated on the basis of 1,000,000 hours worked.

The days reported relate to accidents. No work-related ill health or work-related fatalities were reported.

For the reporting year 2024, the Group recorded no fatalities due to work-related injuries or ill health. Furthermore, the Group recorded no cases of work-related ill health and working days lost due to work-related injuries, ill health and fatalities from ill health.

ESRS S1-15 Work-life balance

All employment relationships of Invitalia Group employees are regulated by national collective agreements. Therefore, 100% of employees are entitled to the family leave provided for by law and by collective bargaining.

The institutions considered for the purposes of the analysis are: maternity leave, parental leave, paternity leave, special leave under Law 388/2000, care for a family member with serious temporary disability under Law 53/2000, care for a family member under Law 104/1992.

The percentages are determined in relation to the number of employees on the payroll as at 31/12/2024 in the respective companies.

Gender	Number of entitled employees that took family-related leave	Percentage of entitled employees that took family-related leave
Male	114	3%
Female	266	7%
Other	-	-
Not reported	-	-

ESRS S1-16 Remuneration metrics (pay gap and total remuneration)

The table below summarises the indicators relating to the gender pay gap and the total remuneration ratio:

Indicator	31.12.2024
(1) Gender pay gap	11.89%
(2) Annual total remuneration ratio	18.37

Gender Pay Gap

For the purpose of calculating the gender pay gap indicator, the Group considered the average gross hourly earnings of employees, including both the fixed and variable components in the definition of salaries.

The above indicator was calculated by subtracting the average gross hourly earnings of female employees from the average gross hourly earnings of male employees and expressing this result as a percentage of average gross hourly earnings of male employees.

It should also be noted that, for personnel employed under the Invitalia Group national collective bargaining agreement, equal gross annual compensation between genders employed at the same level was achieved.

Total remuneration ratio

For the purpose of calculating the indicator relating to the rate of compensation, the Group considered the

³⁰ This number also includes 110 days lost due to an accident that occurred to a CRO employee on 20/12/2023, with sick leave running through to 2024.

gross fixed annual compensation received by each employee, as well as the variable compensation paid in cash accrued during the year and any benefits³¹ received by the employee, such as benefits in kind (e.g. health insurance, life insurance policy).

The indicator was calculated as the ratio of the annual total compensation of the highest paid person to the median annual total compensation of all employees, excluding the highest paid person.

ESRS S1-17 Incidents, complaints and severe human rights impacts

There were no incidents related to discriminatory practices in the reporting period. Therefore, there were no reports or complaints during this reporting period and consequently no sanctions were reported.

³¹ Benefits have not been calculated for MCC and CRO.

ESRS S3 AFFECTED COMMUNITIES

S3. ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Invitalia Group operates with the primary objective of generating value for communities and local areas, promoting the development and implementation of programmes aimed at supporting collective well-being and reducing social gaps.

In this context, following the dual materiality analysis, referred to in paragraph ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model, Invitalia identifies among the main positive impacts the creation of value through support to Public Administration in the implementation of development policies. These policies are geared towards strengthening the national production system, redeveloping areas hit by social and economic crises or natural disasters, protecting the cultural heritage, and digitalising public services and improving access to information and communication technologies.

Material risks and opportunities related to the communities concerned were identified in the course of its activities. The main risks concern the possible contraction of business volumes related to supporting the Public Administration in the redevelopment of distressed and disrupted areas, as well as risks related to transparency in the management of public tenders and in the use of national and European funds allocated for the implementation of programmes and projects. As for opportunities, the Parent Company recognises the possibility of strengthening its role as a facilitator of innovation and digitalisation of Public Administration, as well as consolidating its role in supporting Public Administration in policies to enhance research and knowledge transfer.

Material impacts, risks and opportunities were identified through the stakeholder engagement process described in the general section under ESRS 2 SBM-2 Interests and views of stakeholders. Specifically, the Group plans to engage communities through discussion panels or face-to-face interviews to obtain feedback on their experiences, expectations and perceptions of the risks to which they are exposed. This engagement identified, among the categories potentially exposed to risk, the communities and areas that are disadvantaged or in situations of industrial and social crisis, as well as communities and areas affected by natural disasters. In particular, this refers to the strategic risk arising from the contraction of the Agency's volume of activities in support of the redevelopment of socially deprived and distressed areas.

ESRS S3-1 Policies related to affected communities

Invitalia's Sustainability Policy governs the principles and commitments — also identified on the basis of dialogue with stakeholders — regarding sustainability and aims to consolidate the objectives of environmental, social and economic impact within the company's strategy and processes.

With specific reference to communities, the Parent Company is committed to the creation of value for communities and local areas and, in this sense, supports the development and implementation of programmes of investment in the development of infrastructures and the enhancement of local cultural and natural heritage. In particular:

- it participates in the protection of Italy's cultural and natural heritage;
- it supports the development of sustainable tourism that creates jobs and promotes local culture;
- it promotes access to information and communication technologies also in less developed areas of Italy;
- it supports the regeneration of areas affected by natural disasters and areas and sectors in crisis;
- it promotes the reduction of economic, cultural and social gaps between areas with a focus on disadvantaged communities.

The Sustainability Policy is a transversal policy that takes into account different aspects related to environmental, social and governance issues, which also includes principles and commitments on 'Value for Communities and Local Areas'. The Policy was drafted in line with the principles of the Code of Ethics, the Charter of Diversity and Inclusion Principles and Invitalia's other policies associated with sustainability, and also refers to the SDGs of the United Nations 2030 Agenda and the OECD guidelines. In addition, it is approved by the Board of Directors and made available to stakeholders via the corporate website in summary form and within the corporate intranet in extended form for employees.

The commitments made in the policy are translated into concrete objectives in the Strategic Sustainability Plan. This plan, drawn up by the Strategy, Industrial Policy and Sustainability Office in cooperation with the organisational units, is monitored quarterly with the offices responsible for the relative targets. For more details

on the monitoring of the objectives set out in the Strategic Plan, please refer to section ESRS S3-5.

As defined in the 2024-2026 Sustainability Plan, Invitalia is committed to helping to reduce economic, cultural and social gaps in the areas in which it operates by adhering to the principles of the UN Global Compact. In relation to human rights, the Global Compact provides for the following two principles:

- respect for and support of universally recognised human rights, within the respective spheres of influence;
- commitment to avoid even indirect complicity in human rights abuses.

For further details, please refer to 'ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions'.

With the aim of gaining a greater awareness of the needs and interests of affected communities, Invitalia promotes active listening initiatives in the form of discussion panels and direct interviews. Moreover, in line with its commitment to provide value for the communities and areas in which the Agency operates, Invitalia is committed to disseminating an appropriate entrepreneurial culture. For more details on how it engages affected communities, please refer to the section below, as well as to the section 'ESRS 2 SBM-2 Interests and views of stakeholders'.

The dual materiality analysis conducted for this report found that there were no negative impacts on affected communities. However, the Group oversees issues related to affected communities and human rights within the Code of Ethics for which you may refer to section G1-1 Business conduct policies and corporate culture.

ESRS S3-2 Processes for engaging with affected communities about impacts

As part of the dual materiality analysis, and in order to ensure that the company's decisions and activities are informed and guided by the needs and concerns of the affected communities, the Group provides for both direct and indirect involvement, including legitimate representatives and trusted delegates who are informed and more aware of the situation of the affected stakeholders. These include national and local public administrations, companies, trade associations, citizens' associations and local stakeholders.

The method of engagement, as well as the frequency, may vary depending on the nature of the activities. Public consultations, regular meetings, surveys and working groups are recognised as the main methods. In any case, the engagement process aims to ensure continuous and transparent communication, so the operational responsibility for ensuring that community engagement takes place and that the results guide the company's approach lies with all offices that interact with local communities, institutions, businesses and civil society. These include the Business Units (ININN, PA, IP) and the Institutional Relations and Communication Office. In order to assess the effectiveness of the community engagement process, Invitalia conducts analyses of the results of consultations and monitors the agreements reached.

ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

The dual materiality analysis revealed no significant negative impacts on the affected communities. However, the Group has procedures and channels in place to remediate or help remediate any negative impacts that may occur.

Specifically, the Parent Company uses the organisational procedure 'Complaint and Information Request Management' (updated in 2024), which defines the methods for the identification, management and collection of Complaints, Non-Compliance (NC), Corrective Actions (CAs), and Improvement Actions (IAs) with the identification of the relative responsibilities and the definition of appropriate records. This procedure is applied to all complaints received from stakeholders (such as customers, users, supervisory bodies and other interested parties) and to all confirmed or potential non-conformities identified both internally within the scope of service delivery and externally and therefore reported by external stakeholders during service delivery.

In this context, Invitalia ensures the management and tracking of contacts of clients and other external stakeholders and records all types of contacts as they are considered relevant to the IMS (Integrated Management System³²). In particular, the contacts serving service delivery are considered crucial for monitoring the level of quality and ensuring and enhancing user satisfaction.

Specifically, the above-mentioned procedure envisages that Invitalia's Contact Centre, certified UNI EN ISO 18295:2017-1 and UNI EN ISO 18295:2018-2, manages two contact channels: the synchronous contact channel, entrusted to a third-party co-sourcing provider and available via the toll-free number 800 775397, and

³² For further details, please refer to section S1-1.

the asynchronous contact channel, managed directly by the CRM (Customer Relationship Management) unit with the support of the level 3 back office (BO) through the contact forms published on the site. In order to best meet the needs of stakeholders, Invitalia has created three types of contact forms:

- complaint form through which to lodge a formal complaint;
- technical assistance form to request support in using the platforms;
- information contact form designed for each incentive in order to request information and further details pre- and post-submission of the application.

In addition, as of October 2024, the CallMeBack (CMB) service was activated, allowing interested stakeholders to request a callback from an operator. This request can be made during the Contact Centre's operations (peak times when all operators are busy) or out-of-hours, i.e. between 6:01 pm and 8:59 am the next day, at weekends and on public holidays. The primary objective of setting up the CMB service was to increase the standard of quality of the service, reducing waiting time and improving the overall user experience.

In order to control and monitor the issues raised, the procedure requires users to fill in the 'Contact Form' in their personal area of the Invitalia website, so that the ticket automatically reaches the CRM Dynamics system. Once the ticket is received, CRM processes and analyses the request, verifying, in relation to the complexity of the issue/problem reported, the possibility of handling it independently or through the support of other departments, consequently activating the process of

- Direct Management: CRM handles the request independently within 24 hours of receipt, records the outcome of the request on the CRM Dynamics system, classifies the ticket, formulates the response and closes the ticket. The response to the user is published in their personal area of the Invitalia.it website;
- Escalation Management: CRM shares the request with the Organisational Unit's Level 3 Back Office, considering the type of request received and the processes affected. As a result, the Level 3 BO assesses and analyses the request and provides an opinion to the CRM, which then sends a response to the user and includes the opinion in the Knowledge Base in the event that it is of common interest and useful for answering similar questions. Through a special dashboard, the CRM monitors the handling of tickets escalated to the Level 3 BO and checks with BO colleagues that they have been closed.

In both cases, upon receipt of the user's ticket, the system automatically sends an e-mail to the user via their e-mail address (info@invitalia.it), notifying them of the reply available in their personal area of Invitalia.it.

With regard to monitoring, in line with the described procedure, on a quarterly basis the CRM unit prepares the qualitative and quantitative 'Complaints Report', which is forwarded to the heads of the OUs involved and to Organisational Development. The purpose of these reports is to summarise the main causes underlying the complaints received, how they were handled, and the actions taken by Invitalia to resolve them.

Finally, to monitor the quality of the complaint management service, Invitalia:

- provides stakeholders with the Net Promoter Score (NPS) Survey formalised in three questions intended to measure the degree of overall satisfaction, how well the response by the operator resolved the query, and the level of satisfaction with how the operator handled the call. In July 2024, we also launched a dashboard in PowerBI to enable constant monitoring of the NPS KPI results and to view changes in the indicator's performance;
- in September 2024, the synergy between CRM and Operations was intensified through the integration of the CRM Dynamics system and the Service Now system in use in Operations. In addition, the flow of managing technical support requests from users through the Call Centre escalation and the special contact form published in the personal area of the website www.invitalia.it was designed to increase the effectiveness of the service provided by the CRM UO and the Service Desk.

Infratel Italia

Within the framework of its activities and in line with the principles of transparency and accountability, Infratel Italia identifies, manages and, where necessary, remedies possible negative impacts arising from its initiatives, ensuring a constant dialogue with all stakeholders.

Specifically, the company makes available to all stakeholders various channels through which they can request information and assistance for the activities for which it is responsible, and to ensure that the affected communities are fully aware of and can rely on the support and assistance mechanisms; Infratel Italia has set up clear and easily accessible communication processes and tools.

The channels of contact with customers and affected communities are:

- e-mail address;
- toll-free number for Voucher Contact Centre operators 800-938890;
- personal area on the Infratel website.

The e-mail handles each request received with the aim of providing feedback whenever possible, diverting it to the relevant offices to identify the most relevant response. Times may vary depending on the type of request. Within a shared database, the details of each request are entered, classified by: subject, sender, competent department, response.

The response procedure is structured into three process steps:

- immediate feedback is provided, indicating the tools to be used to obtain the information required (address verification via the BUL portal or via the Open Fiber or Fibercop portals);
- the request is analysed and forwarded to the relevant department, which provides direct feedback to the sender;
- the request is analysed and forwarded to the relevant department, which replies to the info e-mail address. The reply is processed and forwarded to the sender from e-mail address info@infratelitalia.it.

The toll-free number 800-938890, dedicated to Voucher Contact Centre operators, provides information and operational support:

- to telecommunications operators, who will have to enter their VAT number to access the service;
- concerning the registration and accreditation on the platform for managing the voucher;
- regarding the voucher, the periodic mapping of ultra-broadband network coverage and the management of orders made to Infratel Italia.

The Infratel Italia website has a section for personal areas, accessed using certified credentials, where there is also a contact form, with fields for the subject of the request and the details. The request is processed and managed by the CRM of the Parent Company; therefore, it follows the procedure described in the previous paragraph.

For the purpose of monitoring and rating the quality of service, Infratel uses the Flash Report provided by the company in charge of managing the Contact Centre. Specifically, for the year 2024, Flash Report data show that there was a decrease in the overall volume of contacts, mainly due to the closure of the Voucher Plan in December 2023.

In order to protect those who make reports or requests, the Group adopts specific measures to protect against retaliation, which are further detailed in section G1-1 Business conduct policies and corporate culture.

ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The Group's objective is to create value for communities and local areas and, to this end, it supports Public Administration in the development and implementation of programmes to support communities and reduce social gaps, investing in infrastructure development and redevelopment and reclamation, supporting the reconstruction of areas hit by natural disasters, promoting Italy's cultural heritage, and supporting research.

As reported in the previous paragraphs, the dual materiality analysis did not reveal any significant negative impacts in relation to the affected communities.

The actions implemented by Invitalia with reference to the affected communities are mainly related to the objectives of the Parent Company's Strategic Sustainability Plan, and are therefore identified in line with the strategic choices and mission, as well as with business activities.

In this context, it should be noted that the Group carries out its activities through the use of financial resources made available by central Public Administration for specific purposes, on which the Group acts essentially with the responsibility of agent, which influence the positive impact of material results. Regarding the monitoring of actions related to the Plan, reference is made to section ESRS S3-5 below, while the results of actions related to business activities are monitored by the individual companies and Organisational Units.

In order to manage the material risks associated with affected communities, which mainly involve regulatory compliance in the field of public procurement and the misuse of funds managed by the Agency for the implementation of programmes and projects, it should be noted that the funds managed by the Group come from public funds and are intended to support the achievement of objectives of national interest. The use of these funds is subject to strict regulations and controls to ensure that they are used in accordance with the objectives set by government policies. Transparency and traceability of decisions, guaranteed by public oversight, ensure that every action taken by the financed companies is in the public interest.

On the other hand, as far as opportunities are concerned, with the aim of strengthening its role in supporting innovation, the digitalisation of Public Administration and managing policies to strengthen research, Invitalia aims to grow its internal strategic skills and innovate its services.

In relation to affected communities, the Group found no reports of serious human rights problems or incidents.

At present, the Group does not have detailed information that would allow it to quantify the financial resources allocated for the implementation of the measures described.

United Nations Global Compact

Consistent with its strategic sustainability choices, the Parent Company joined the UN Global Compact Network in 2024, in order to consolidate its commitment to promoting a more inclusive and sustainable global economy.

Membership of the UN Global Compact places Invitalia among the over 500 Italian organisations that have chosen to actively engage in the promotion of the 10 Universal Principles on human rights, labour, environment and anti-corruption. This important step is not only a formal recognition, but implies a concrete commitment by Invitalia to:

- integrate the Ten Principles of the UN Global Compact into business strategies and daily operations;
- actively support the UN Sustainable Development Goals;
- promote responsible business practices among all stakeholders.

Through its membership of the Global Compact, the Parent Company is also committed to strengthening its role in supporting communities, with the aim of, for example, countering the social divide and redeveloping areas affected by natural disasters.

Actions to counter the social divide

In line with its strategic sustainability choices, Invitalia has launched a project aimed at countering the social divide and promoting the reduction of economic, cultural and social inequalities in the areas in which it operates. In 2024, the Agency selected the Fondazione Albero della Vita (Tree of Life Foundation) as project partner based on strict criteria of reliability, multi-regional presence, proven experience and alignment of activities with the 2030 Agenda goals.

The project set up by the Agency aims at activating a system of engagement and personalised training for 20 NEETs in the Ponticelli area (Naples) and is designed to meet the needs of young NEETs in situations of vulnerability in the Mezzogiorno (southern Italy) and their entry into the world of work.

Actions related to territorial cohesion

Tender management

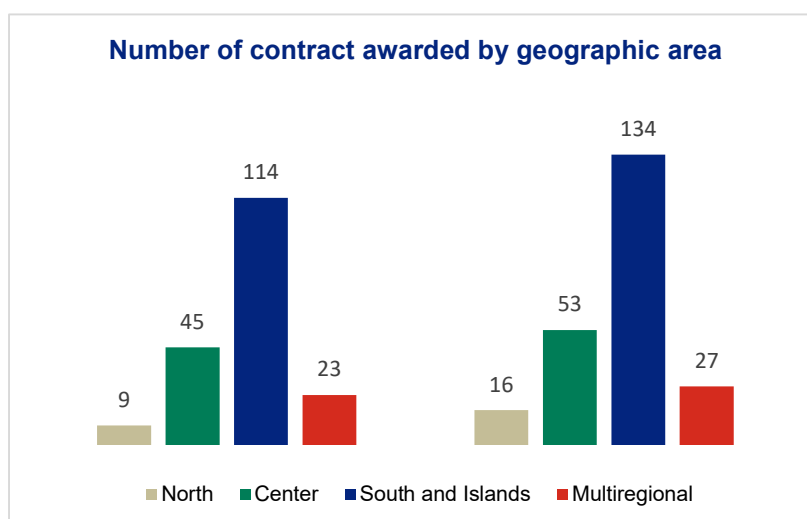
Through the activities carried out by the Public Investment Unit (UO IP), Invitalia continues to support the implementation of territorial cohesion policies with the aim of bridging the economic and infrastructural gap between the various areas of the country, particularly through projects in areas affected by hydrogeological instability and economic crisis.

In 2024, the Public Investment Unit launched 191 tender procedures³³ worth approximately EUR 1.9 billion. A total of 230³⁴ contracts worth EUR 3.87 billion were awarded.

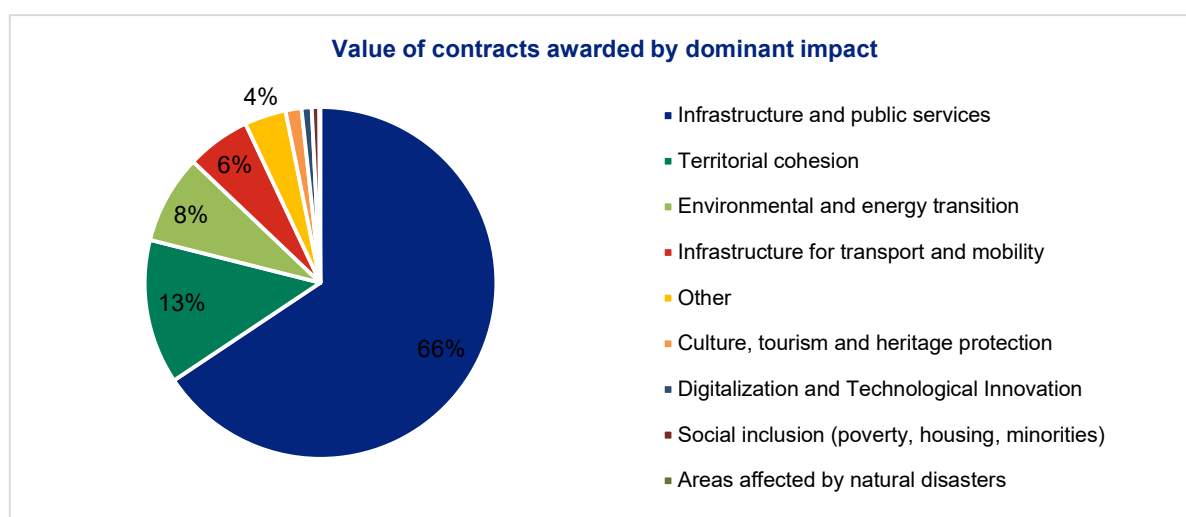
³³ The data also takes into account the tenders managed for COO and ININN.

³⁴ The data relating to the tenders won also takes into account the tender procedures published prior to 1 January 2024 and awarded during the 2024 financial year. Furthermore, the data does not take into account tender procedures that were unsuccessful or revoked.

The interventions were mainly concentrated in the South and the Islands:



With regard to the impacts generated, the most significant concern infrastructure and public services and territorial cohesion.



Of the contracts awarded, in terms of value, 66% concern the area of infrastructure and public services (e.g. healthcare buildings, schools), of which 32% concern contracts for the construction of new, modern and sustainable school facilities and for the construction of new nursery and preschools or making safety improvements to existing ones, in order to improve the educational offering and the quality of service. There is also significant support in the area of public investments for territorial cohesion (13% of the value of contracts awarded), i.e. the construction of infrastructures and drainage, water treatment and remediation of hydro-geological disruption.

The Group manages tenders in full transparency and lawfulness in order to prevent or mitigate the risk of non-compliance due to irregularities/infringements and/or violations of public procurement obligations resulting in loss of reputation. In fact, during 2024, the improved efficiency of tender processes resulted in just 23 appeals, of which 16 were successful, 2 unsuccessful and others pending.

With regard to the subsidiary Infratel, in 2024 there were 8 tenders launched and 7 public contracts awarded, with the value of tenders launched of EUR 30 million and contracts awarded EUR 23.7 million.

This leads to the following overall Group result:

	Tendering procedures 2024		Awarded contracts 2024 ³⁵	
	Number	Value	Number	Value
Public Investments	191	1,868,854,325	230	3,877,944,131
<i>Qualified Contracting Station</i>	27	58,841,751	27	369,804,569
<i>Central Contracting Authority</i>	164	1,810,012,574	203	3,508,139,562
Infratel (Contracting Station)	8	30,071,112	7	23,663,092
Total	199	1,898,925,437	237	3,901,607,223

Actions to support areas affected by natural disasters

Project management

Through the Public Advisory Unit (UO PA), Invitalia supports the NRRP coordination units of certain Ministries (UdMs) and the Prime Minister's Office and supports the Extraordinary Government Commissioners appointed to carry out reconstruction work in areas hit by natural disasters in projects that assign the Agency the role of action Implementing Body or authorisation for the implementation of technical-specialist services.

Also, in 2024, 10 entities and 23 reconstruction programmes were supported through specialised technical support services aimed at accelerating the implementation of actions in areas hit by natural disasters, such as earthquakes and floods.

Incentive management

In 2024, through the Incentives and Innovation Unit (UO INNIN), Invitalia managed incentives to support the creation and development of enterprises in the areas affected by earthquakes, promoting innovation, supporting high-level producers, the service system, local districts, and supporting employment growth with 200 enterprises supported for a total of EUR 21 million in facilities granted and EUR 39 million in investments made.

Actions related to the protection of cultural heritage

The Group supports the sustainable growth of local areas through the redevelopment of their artistic heritage and the development of sustainable tourism, also aimed at job creation and the promotion of local culture.

Also, in 2024, through its Public Advisory and Public Investment OUs, Invitalia continued to support 53 programmes in total, 4 of which aimed to support the PA in the planning and implementation of actions to safeguard and enhance the national cultural heritage.

Actions related to strengthening relations with territories

In 2024, collaboration continued with schools, universities, research centers, associations, incubators and other public and private entities to network and to bring the players in the innovation ecosystem closer to the available incentives, making available to the country the knowledge and professional experience acquired over decades of activity in business creation and development.

Invitalia offers a free mentoring service to potential entrepreneurs to develop their business projects. The mentoring, which is carried out through remote meetings, does not constitute a fast-track to the admission of the application, but provides clarification on facilitation measures and useful support in the definition of the business idea.

In 2024, 2,178 one-to-one mentoring meetings were organised following a total of 1,705 requests for support. A total of 1,314 companies from the Sistema Invitalia Startup network have benefited from the mentoring service, confirming the positive contribution of the network created and the consolidation of customer care and, above all, the clearer perception of a group attentive to the needs of aspiring entrepreneurs based on a transparent and constructive dialogue.

Actions related to reducing the digital divide

Infratel

In terms of the operations of Invitalia Group, it is important to point out that, in recent years, the subsidiary Infratel has acquired a new centrality in public strategies for the deployment of ultra-broadband services, and

³⁵ The data relating to the tenders won also takes into account the tender procedures published prior to 1 January 2024 and awarded during the 2024 financial year. Furthermore, the data does not take into account tender procedures that were unsuccessful or revoked.

digital services more generally, and 2024 was a year of consolidation of the company during which Infratel developed effectively and with commitment its organisation and resources.

Indeed, Infratel supports the improvement of access to information and communication technologies also in less developed areas of Italy. Bridging the digital divide means removing a significant obstacle to social inclusion by facilitating access to information, communication, knowledge, and participation in the life of communities and the country, regardless of economic status and location.

Also in 2024, through Infratel, the Group worked to promote the country's digital infrastructure, with a focus on the most disadvantaged and peripheral areas. Below are the main achievements of Infratel in 2024:

Plan/activity	Main results of 2024
Piano BUL	702,279 real estate units connected
Piano Italia 1G	937,068 households and 1.421.343 housing units connected
Piano Scuole fase 1 e 2	6,694 schools and school sites connected
Piano Sanità connessa	3,850 hospitals and health facilities connected
Piano 5G Backhauling	2,910 operations for innovative and high-performance mobile networks
Piano 5G Densificazione	351 interventions for innovative and high-performance mobile networks
Piano Isole Minori	21 tracts completed
Wi-Fi Italia	9 Municipalities and institutional venues connected

In 2024, several initiatives were undertaken to enhance the positive impact on target communities and mitigate the risks associated with infrastructure and digital projects. Thanks to constant monitoring of (qualitative and quantitative) progress indicators, most of the actions achieved the expected results. In addition, every year Infratel plans to implement a number of initiatives aimed at improving the use of digital services and promoting the digital growth of the national economic system. In 2024, the initiative 'Infratel meets the Regional Authorities: Digital Freedom and Democracy' took place, involving a series of events providing information and updates on the completion dates of the NRRP plans. Infratel promoted and supported meetings and discussions with local authorities to the benefit of completing the plans during national events as well as local activities with the relevant authorities. To handle possible disruptions or negative impacts (e.g. temporary slowdowns on plant construction), the company has set up specific remedial plans, with timely technical support and continuous dialogue with stakeholders. The approach adopted, based on transparency and dialogue, has helped to strengthen the relationship of trust with the community, creating new opportunities for local development and generating lasting social impact.

Actions related to supporting PA in digitalisation

Project management

As a partner of Public Administration, Invitalia makes available its specialised technical and project management skills to support the implementation of programmes and create innovative and digital solutions to support the management and implementation of national and EU programmes.

In 2024, through UO PA, Invitalia continued to offer consultancy and technical-specialist services, digital administration, modernisation and digitalisation of PA for a total of 31 projects, of these:

- 8 projects are earmarked for the development of networks and the digitalisation of public services;
- 6 projects aimed at strengthening the administrative capacity of PA.

Through these activities, Invitalia aims to consolidate its role in proactively supporting the innovation and digitalisation of public administration.

ESRS S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In Invitalia's Strategic Sustainability Plan, the Agency has made commitments and adopted targets to create positive impacts and manage material risks and opportunities related to affected communities. These objectives were identified and defined in line with the strategic sustainability guidelines.

In particular, the Parent Company made the following commitments:

CT.1: Strengthen Invitalia's social responsibility on the ground by supporting projects to counter the social divide, with the aim of launching one project a year until 2026. In 2024, we launched a social responsibility project, for which please refer to 'ESRS S3-4 Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions'.

CT.2: Join international networks to promote the creation of a more inclusive and sustainable global economy. In 2024, Invitalia officially joined the UN Global Compact Network, pledging to integrate the 10 Universal Principles into corporate strategies and actively support the Sustainable Development Goals.

ID	Strategic Sustainability Plan Objective	KPIs / monitoring indicators	Target
CT.1	Strengthen Invitalia's social responsibility on the ground by supporting projects to counter the social divide	Launch social responsibility projects	Implementation of at least one social responsibility project per year (the project started in 2024 and, due to its nature, is still ongoing in 2025)
CT.2	Join international networks to promote the creation of a more inclusive and sustainable global economy.	Accession	Join the United Nations Global Compact Network (accession in 2024)

The Parent Company's monitoring of the commitments and actions identified in the Strategic Sustainability Plan is supervised by the SPIS Office with the competent offices. Monitoring takes place quarterly with reporting to the supervisory bodies (ESG, Risk and Related Parties Committee and BoD) on the achievement of targets.

ESRS S4 CONSUMERS AND END-USERS

S4.ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Group uses financial resources made available by central Public Administration to provide services to consumers and end users such as businesses, private individuals and Public Administration.

In identifying the Impacts, Risks and Opportunities, Invitalia has taken into consideration the areas of operation in which it can act as a support to Public Administration in the implementation of policies to safeguard jobs, as well as the effective and efficient management of public funds and the protection of sensitive data of the final recipients of public policies.

In the course of its business, the Invitalia Group does not produce or distribute products that are inherently harmful to people or that increase the risks of chronic illness, and does not directly engage vulnerable consumers such as children. We also point out, in this area, that Invitalia is not involved in the production of manuals or product labels.

In view of the potential negative impacts on privacy and data protection rights that the Group could generate in its activities towards end recipients, it is ensured that all activities are carried out in compliance with applicable data protection and human rights regulations and avoid incidents of discrimination.

Following the dual materiality analysis, Invitalia Group did not identify any significant negative impacts on consumers and/or end users.

The technical and management assistance offered by Invitalia helps to improve the efficiency and effectiveness of projects promoted by public administration, fostering economic and social development in different geographical areas of the country. In this context, the dual materiality analysis revealed the significant positive impact of supporting public administration in creating and safeguarding jobs in the various geographical areas, and in female and youth employment.

The main beneficiaries of the positive impacts generated by the Group's activities are:

- enterprises: through the use of resources made available by public administration, the Group supports the creation, strengthening and development of enterprises;
- private individuals: the Group helps to reduce unemployment by supporting PA in managing policies aimed at safeguarding and creating jobs;
- Public Administrations, which benefit from specialised technical consultancy, programme management and public policy evaluation by Invitalia.

The positive impacts of the activities occur in different geographical areas of the country, with a focus on less developed regions or regions in economic difficulty. This approach helps to reduce regional disparities and promote balanced and inclusive development.

With reference to financial materiality, the Group has identified risks and opportunities considered material for consumers and/or end users. In this context, Invitalia ensures an adequate understanding of the risks for consumers and/or end-users, such as enterprises, private individuals and PAs, through their direct engagement in dialogue and discussion panels, in order to obtain direct feedback on their experiences and perceptions of the risks.

Specifically, one risk for the Group is failure to comply with regulations on the confidentiality of the data of external stakeholders, in view of the serious legal and reputational consequences that the occurrence of such a risk could entail. In this respect, therefore, the loss or breach of sensitive data could negatively affect stakeholder trust, leading to significant penalties for Invitalia.

Secondly, a reduction in the volume of Invitalia's activities aimed at supporting employment could jeopardise the Group's ability to effectively contribute to the creation and safeguarding of jobs, adversely affecting its mission and perception by stakeholders.

Finally, the risk of inadequate quality or ineffectiveness of the service offered could affect customer satisfaction and the achievement of objectives. This operational risk could lead to a decrease in stakeholder confidence and reduced business opportunities.

For the purposes of the dual materiality analysis conducted for the current year, risks were identified without taking into account specific categories of end users and/or consumers.

In the area of opportunities, on the other hand, the possibility of strengthening its role in supporting Public

Administration in managing policies aimed at reducing inequalities and promoting employment were identified as material. We also point out that this opportunity refers to certain categories of end-users, i.e. women, young people, the unemployed and companies located in less developed regions.

The Parent Company has identified the digitalisation of measurement management processes as a further material opportunity, given the improvements this would bring to the efficiency and effectiveness of its services. This would enable it to provide faster solutions and better respond to the needs of end users, such as companies, contractors, private individuals, administrations and research organisations.

ESRS S4-1 Policies related to consumers and end-users

In order to address and manage the material impacts, risks and opportunities related to the consumers and/or end-users outlined above, the Group relies on an internal set of rules and regulations detailed below.

Furthermore, with regard to the human rights of consumers and/or end users, although the Group does not currently have a specific policy, it is committed to the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Furthermore, in 2024, the Parent Company joined the UN Global Compact in confirmation of its commitment to the protection of human rights, including those pertaining to consumers and/or end users.

To this end, clear and transparent information is provided on the services, including their impact on human rights. The Parent Company also guarantees the protection of end-users' personal data and ensures that the services are accessible to all, without discrimination.

The Group has no evidence in 2024 of violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises in the downstream value chain that involved customers.

Information Technology Management System

In the area of data protection and cybersecurity, the Group has adopted an Information Technology Management System to manage the impacts on the data of external stakeholders, as well as protection against cyber attacks and system disruptions.

For more detail on these internal regulations, please refer to section 'ESRS S1-1 Policies related to own workforce'.

Policies relating to the privacy management system

The Group complies with the provisions on the protection of personal data, pursuant to Regulation (EU) 679 of 2016 (hereinafter also referred to as the 'GDPR') and Leg. Decree No 196/2003, as amended (Personal Data Protection Code).

In order to best comply with the requirements of the GDPR, the Agency, as Data Controller, has prepared a 'Handbook for privacy system management', which summarises the technical and organisational measures relating to security and the controls put in place to protect the information and data of its stakeholders. Moreover, in accordance with the principle of accountability, it has adopted an organisational chart that, in line with the Agency's organisational structure, identifies the roles of the 'Privacy Management System'. In particular, this organisational chart identifies the 'Designated Persons with special functions' who correspond to the Heads of the level 1 Organisational Units, authorised to process data, with the task of supervising the processing operations carried out within the Organisational Units to which they belong, in order to ensure the correct application of personal data protection legislation. Uniquely in view of the type of information and related personal data processing operations, the following are identified as Designated Persons with special functions: the 'Chief Operating Officer', and the Head of the OUs 'Application Management', 'Augmented Intelligence, Data & Security Officer' and 'Human Resources & Organisation'. On the other hand, 'Privacy reference persons', duly trained according to the instructions of the designated person or directly of the Data Controller, are the point of reference for their particular OU.

In addition, since the GDPR came into force, Invitalia has appointed a Data Protection Officer (DPO, pursuant to Art. 37 of the GDPR) who is responsible for monitoring the updating of and compliance with the 'Privacy Management System', which includes procedures and operating instructions, in relation to the processing of personal data. The DPO employs a special team of staff to carry out this task, including through assessments of the Agency's Organisational Units and through audits of external providers appointed as data processors, pursuant to Article 28 of the GDPR. The DPO has the task of keeping senior management constantly updated with an annual report detailing the activities carried out during the reporting period, and submitted for approval to the Invitalia Board of Directors.

The Privacy Unit, on the other hand, has the task of:

- ensuring compliance with current legislation on the processing and protection of personal data and the conformity of the activities carried out by the Agency, under the constant supervision of the DPO;
- ensuring compliance with and updating of the Privacy Management System, related procedures, operating instructions and forms prepared in relation to the processing of personal data carried out by the Agency;
- providing consultancy, assistance and support to the Agency's OUs on privacy relating to agreements with Public Administration and Group Companies, contractual relations, procedures and acts of various kinds requiring the processing of personal data, as well as supervision of the processing registers published in the dedicated Teams channel 'Privacy Invitalia'. Data subjects may request to exercise their rights under Art. 15 et seq. of the GDPR, using the form accessible from the Privacy Policy published on the Agency's official website.

The organisational set-up of Infratel incorporates the provisions on the protection of personal data. Infratel's Privacy Model is based on the definition of roles and responsibilities, the implementation of policies and procedures, including IT policies and procedures defined at Group level, and the fulfilment of ordinary and non-ordinary obligations (related to specific projects) as required by current legislation. One significant activity among the ordinary obligations is the training delivered to staff on privacy. In addition, in 2024, the procedure for handling data breaches was approved and work began on a new Privacy Organisational Model, which implies changes to the definitions of roles and responsibilities, also in line with the roles of responsibility within the organisation. Infratel's commitment to privacy compliance has also been strengthened because of the correlation between the protection of personal data, the safeguarding of the rights and freedoms of data subjects and the SDGs.

The other companies belonging to the Group, on the other hand, comply with the provisions established and applied by the Parent Company on the protection of personal data.

Sustainability Policy

The Sustainability Policy governs and identifies Invitalia's environmental, social and economic principles and commitments, identified on the basis of dialogue with stakeholders. In this context, Invitalia places compliance with the rules and fairness at the heart of its activities and communicates them effectively and in line with the principles of transparency, in order to establish and maintain channels of dialogue with all key stakeholders.

With reference to consumers and/or end users, the policy focuses on Invitalia's activities in support of Public Administration for the development of Italy. In particular, with reference to the subject of 'Value for Institutions', Invitalia works to strengthen administrative capacity by supporting Public Administration in the efficient and effective use of public funds, the digitalisation of processes, and the development of innovative public services, thereby enhancing the image and reputation of public institutions. Under 'Value for Enterprises', on the other hand, Invitalia aims to foster sustainable growth throughout the country, with a focus on areas in crisis or lagging behind in development and on strengthening strategic supply chains. Specifically, it contributes to the management of initiatives aimed at creating or safeguarding quality jobs, i.e. for young people and women and in different geographical areas of the country. It also fosters the growth of competitiveness and the preservation of businesses, through increased access to finance, technology transfer and by spreading the culture and adoption of sustainable practices that do no harm and respect social rights.

The commitments made in the policy are translated into concrete objectives in the Strategic Sustainability Plan. This plan, drawn up by the Strategy, Industrial Policy and Sustainability Office in cooperation with the organisational units, is monitored quarterly with the offices responsible for the relative targets. For more details on the monitoring of the objectives set out in the Strategic Plan, please refer to section ESRS S4-5.

For more details on the Sustainability Policy, please refer to section 'ESRS S1-1 Policies related to own workforce'.

ESRS S4-2 Processes for engaging with consumers and end-users about impacts

In order to ensure that the Group's activities take due account of the interests and expectations of its stakeholders, and to ensure that its decisions and activities are informed and guided by the needs and concerns of consumers and end-users, the Group provides for the direct engagement of consumers and/or end-users, which include the beneficiaries of incentives, enterprises, contractors, private individuals, authorities and research organisations.

With reference to the dual materiality analysis conducted for the purposes of this report, this category of stakeholders was involved through the administration of questionnaires assessing the sustainability impacts identified by Invitalia. However, with the aim of identifying any problems or opportunities that might not emerge

from the mere sharing of online questionnaires, the Group also envisages direct involvement in specific discussion panels or working tables, during which stakeholders can express their opinions, share observations and suggestions on the issues dealt with and within their areas of expertise.

Operational responsibility for ensuring that consumer and/or end-user engagement takes place and that the results guide the company's approach lies with the SPIS and Communications and Institutional Relations departments of the Parent Company. Furthermore, the effectiveness of end-user engagement is evaluated through various methods, including direct feedback, analysis of consultation results and monitoring of agreements reached.

For further details on engagement methods, please refer to the section 'ESRS 2 SBM-2 Interests and views of stakeholders'.

ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Please refer to 'ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns'.

ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

This section will outline the Group's business activities aimed at enhancing positive impacts and managing material risks and opportunities for consumers and/or end users.

Invitalia supports Public Administration in the effective and efficient management of measures to create or safeguard employment. As noted above, this activity is carried out through the use of financial resources made available by central Public Administration for specific purposes, over which the Group has no independent decision-making power.

As part of the management of material risks related to consumers and/or end users, Invitalia adopts advanced security systems and processes for data protection, invests in the quality of services offered, improving staff training and process innovation to ensure high standards of efficiency and effectiveness, and consolidates its role in supporting PA in policies to reduce inequalities in Italy and support employment.

The Group manages this opportunity of consolidation also by strengthening strategic partnerships and automating processes. In particular, it aims to make services more accessible and user-friendly for consumers and end-users, while also adopting advanced technologies to monitor and continuously improve the quality of services offered and ensure high standards of effectiveness.

In relation to consumers and end users, the Group found no reports of serious human rights problems or incidents.

At present, the Group does not have detailed information that would allow it to quantify the financial resources allocated for the implementation of the measures described.

Actions related to cyber security

In the reporting period, the Group implemented and updated the processes Identity & Access Management, Data Breach Notification, Backup & Restore, Company IT Equipment Management, and IT Management System Manual. In addition, the Agency analysed its current level of cybersecurity level by means of questionnaires and interviews to define the Current Security Profile, purchased Threat Intelligence platforms and renewed the agreement with the Security Operation Centre (SOC).

Invitalia has joined Measure #55, an initiative promoted by the National Cybersecurity Agency (ACN) and by the Ministry of Economy and Finance (MEF), aimed at strengthening digitalisation and security in Public Administration. As part of the planned operations, Invitalia has been assigned the Fund for the Implementation of the National Cybersecurity Strategy, which is intended to ensure technological autonomy and raise cybersecurity levels, and the Fund for Cybersecurity Management, which ensures coverage of the operational activities necessary to maintain high security standards.

Actions related to Privacy (GDPR)

Invitalia's body of internal regulations on the 'Privacy Management System' is currently composed of the 'Privacy Management System Manual', already mentioned in the section on policies, and various procedures relating to the 'Management of data subject requests', 'Management of personal data breaches' and 'Management of inspections'.

In accordance with the provisions of the GDPR, the Group has implemented staff awareness initiatives and training on personal data protection by sharing within the ad hoc section of the company intranet 'Personal Data Protection - Regulation (EU) 679/2016' operational documents, such as the 'Vademecum for compiling the Processing Register' and the brochure 'Data Protection: compliance and precautions, Regulation (EU) 679/2016 and Leg. Decree 101/2018', as well as references to articles drafted by the Data Protection Authority.

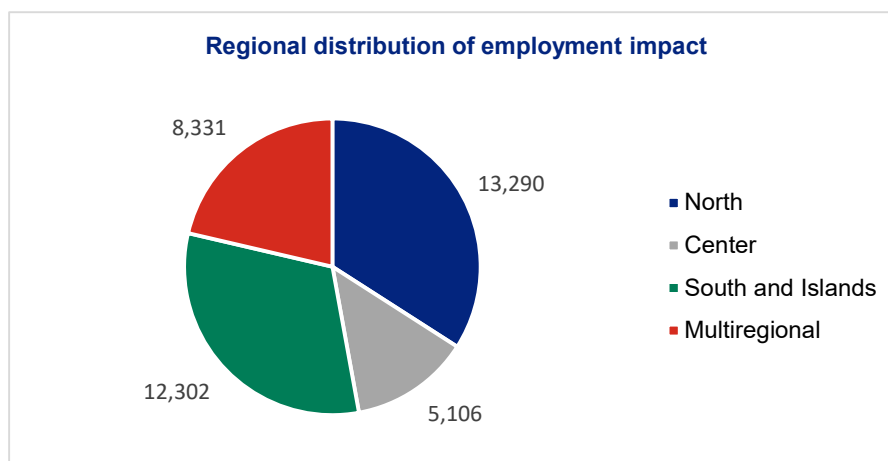
No personal data Incidents or Data Breaches were recorded in 2024. In any case, we point out that within the dedicated Teams platform 'Privacy Invitalia' - 'Data Breach Register', you can view the history of Incidents or Data Breaches perpetrated against the Agency. Access to the channel is restricted exclusively to Designated Persons with special functions, the Privacy Reference Persons, the DPO of the Agency, and the Data Protection Authority, upon request, in case of inspections or audits.

With regard to the subsidiary Infratel, an IT-related incident concerning the WiFi Italia app was brought to the attention of the DPO in 2024. The checks carried out revealed that this incident did not lead to any breach of personal data related to the WiFi Italia service provided by Infratel Italia.

Actions related to PA support for employment

In 2024, the Group continued its commitment to growth and safeguarding employment, particularly in the southern regions of Italy (known as the Mezzogiorno). Investments set up during the year by subsidised companies will help create new jobs and in many cases safeguard employment.

In 2024, 39,029³⁶ jobs will be created or safeguarded, of which 12,302 (32%) will be in southern Italy.



Actions related to strengthening the PA's supporting role in enhancing the country's business community Incentives management

Incentive management

Through the INNIN and PA UOs of the Parent Company and MCC, the Group supports the growth of the entrepreneurial economic fabric through the direct management of or via technical support to Public Administration in managing incentives to create and strengthen enterprises and overcome industrial crises.

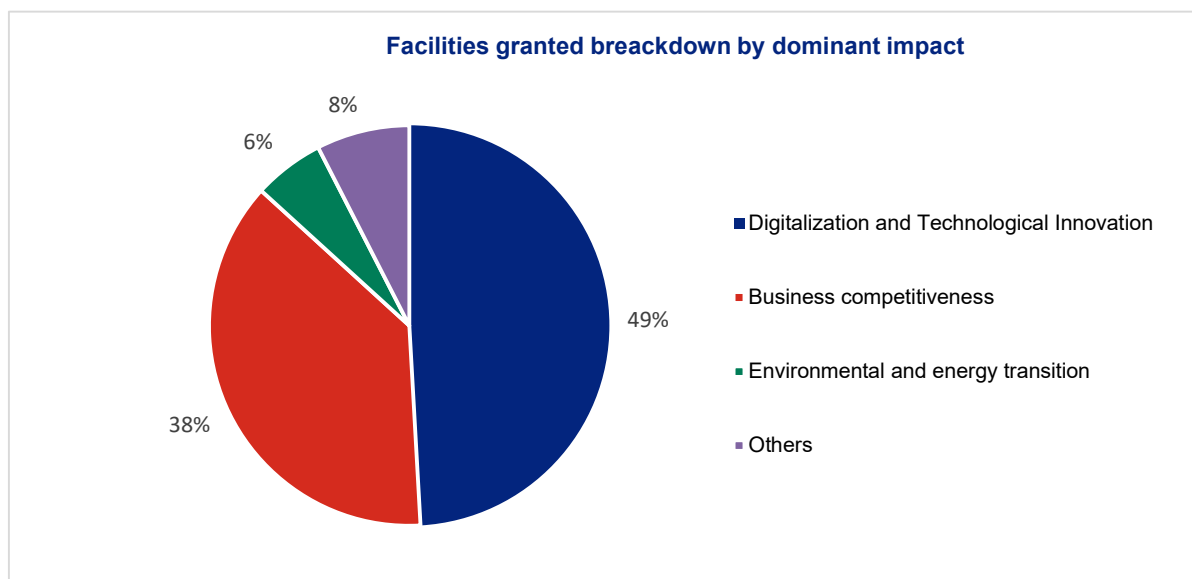
In 2024, support activities for enterprises, including third sector entities, through the management of incentives included:

OU	Businesses supported	Investments set up	Facilities granted	Subsidised loans	Grants	Facilities disbursed
INNIN	57,932	13,095,630,579	3,667,408,380	715,107,499	2,952,300,881	1,893,326,634
Large Investments	148	3,731,930,792	1,344,673,414	91,447,482	1,253,225,931	498,832,522
Creation of new businesses	4,114	510,855,569	413,287,062	141,792,809	271,494,253	249,726,754

³⁶ The number of jobs created or safeguarded is estimated only for incentives whose main objective is to create jobs and reduce unemployment, namely: Smart&Start Italia, Contratti di Sviluppo, Imprenditorialità femminile, Italia Economia Sociale, Resto al Sud and Nuovo Regime L.181/89. The estimate is made on the basis of the Business Plan's indication of the job creation and/or a report based on the proposed investment.

Strengthening existing businesses	53,476	8,739,230,694	1,843,093,736	459,738,366	1,383,355,369	1,064,374,274
Areas of Industrial Crisis	194	113,613,522	66,354,168	22,128,840	44,225,327	80,393,083
PA	4,480	3,622,224,399	1,962,933,659	-	1,962,933,659	433,334,515
MCC	842	679,271,335	307,024,815	91,238,507	215,786,307	461,160,316
TOTAL	63,254	17,397,126,314	5,937,366,855	806,346,007	5,131,020,848	2,787,821,466

In 2024, the Group continued its support for business innovation and research technology transfer into the country's production system, through technical assistance and direct management of incentives, for research and development of innovative solutions, support for innovative and sustainable investments and for innovative start-ups and SMEs.



In particular, it supported EUR 2,914 million (49% of the total) of facilities granted with a prevailing impact on digitalisation and technological innovation:

- EUR 1,834 million to support administrations in the implementation of incentives for the development of hydrogen and microelectronics supply chains (IPCEI);
- EUR 1,001 million to support investments that foster technological and digital transformation and sustainable innovation (Investimenti sostenibili 4.0, Voucher per consulenza in innovazione, Accordi di innovazione, Fondo Crescita Sostenibile, DIT – Digital Transformation);
- EUR 70 million in facilities granted (of which EUR 62 million in subsidised loans and 7.7 million in grants) for the 135 start-ups and innovative SMEs supported by the Smart & Start Italia measure;
- EUR 9,6 million devoted to the implementation of capacity building projects with the aim of accompanying cultural operators in the digital and technological upgrading of the value chain (NRRP Capacity building - digital transition).

The impact on the competitiveness of enterprises is also considerable with EUR 2,237 million (38% of the total) of facilities granted, the largest of which are outlined below:

- EUR 1,200 million for large-scale investments in the industrial, agro-industrial, tourism, environmental protection and agri-food sectors to support innovation in production processes and to reduce costs (Contratti di Sviluppo);
- EUR 619 million for investments in the purchase or leasing of innovative machinery, plant and equipment (Nuova Sabatini);
- EUR 200 million for investments to support the start-up of new entrepreneurial activities and the development of existing activities, with a special focus on certain areas (Resto al Sud) and on Imprenditoria Femminile (IF).

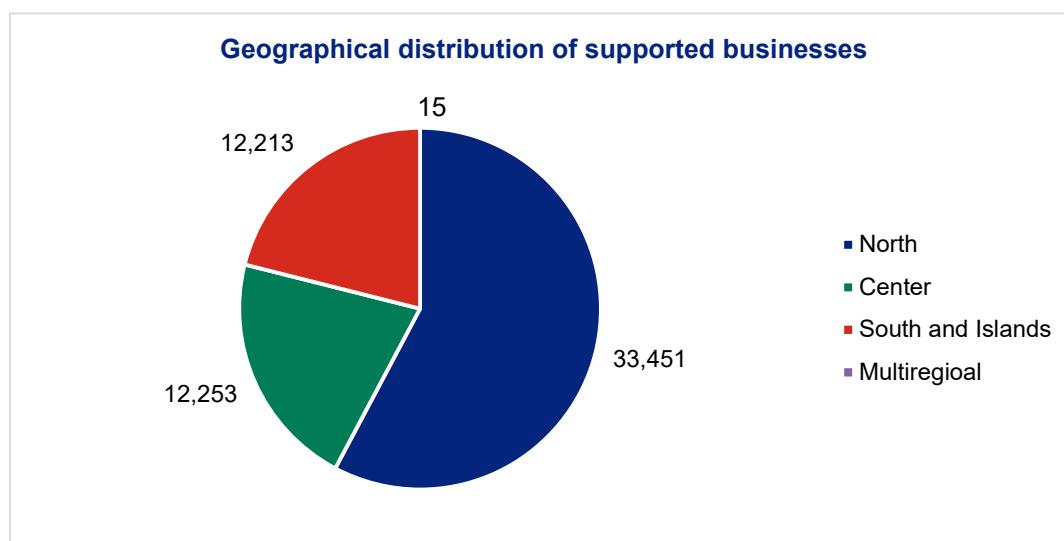
A further EUR 339,2 million in facilities were allocated to investments towards environmental and energy transition:

- EUR 259,4 million for investments to upgrade tourist accommodation in terms of digitalisation and environmental sustainability and, in general, the upgrading of facilities in the tourism sector in

implementation of the NRRP (FRI-Tur, IFIT);

- EUR 35,7 million in facilities for companies investing in environmental protection with the aim of promoting the adaptation of the Italian production system to EU policies on combating climate change (FTI);
- EUR 17,6 million in bonuses and tax credits for the installation of electric charging stations, cost recovery and recycled products;
- EUR 14,5 million for projects of investment, research and development for the decarbonisation of industrial processes, mainly through the use of low-carbon hydrogen (HTA);
- EUR 9,6 million for capacity building projects in the field of ecological transition (NRRP Capacity building - Ecological transition);
- EUR 1,7 million for actions to achieve national energy efficiency targets in line with the Kyoto Protocol (FNEE);
- EUR 0,7 million for innovation and green projects (NRRP TOCC).

Of the businesses³⁷ supported through the Incentives and Innovation Unit (57,932), 58% are concentrated in the North, with the remaining 42% distributed between the Centre, South and Islands and multi-regionally.



With regard to support for female and youth entrepreneurship, the results achieved by the measures for which monitoring is foreseen are reported below.

Measures (Focus on women's enterprises)	Businesses supported	Investments set up	Facilities granted	Subsidised loans	Grants	Facilities disbursed
Brevetti	23	2,765,103	1,507,276	-	1,507,276	1,024,278
Cultura Crea	1	201,500	181,350	-	181,350	1,017,321
Imprenditorialità femminile - IF	1,157	147,150,918	97,374,312	13,717,110	83,657,202	40,399,391
Imprese Femminili Innovative Montane - IFIM	45	4,060,070	2,842,049	-	2,842,049	140,000
Nuove Imprese a Tasso Zero 2 - NIT2	172	56,782,693	47,733,265	40,783,364	6,949,901	21,300,834
Resto al Sud	634	43,635,628	38,963,234	-	38,963,234	57,060,533
Smart&Start Italia	9	3,913,546	3,321,990	2,465,741	856,250	1,567,413
Taranto Crea	4	898,379	803,447	434,157	369,291	288,268
Total	2,045	259,407,837	192,726,925	57,400,371	135,326,553	122,798,036

³⁷ The data also include the territorial distribution of 25 third sector entities financed through the measure 'Italia Economia Sociale – IES'.

Measure (Focus on youth enterprises)	Businesses supported	Investments set up	Facilities granted	Subsidised loans	Grants	Facilities disbursed
Brevetti	22	2,932,392	1,673,054	-	1,673,054	-
Imprenditorialità femminile - IF	352	39,234,986	25,748,887	2,513,667	23,235,220	153
Nuove Imprese a Tasso Zero 2 - NIT2	172	65,561,685	56,633,937	47,647,355	8,986,583	18,665,918
Resto al Sud	981	72,239,050	63,967,827	-	63,967,827	95,928,290
Smart&Start Italia	16	11,159,268	9,191,365	7,762,198	1,429,167	8,522,951
Taranto Crea	2	327,499	294,750	147,375	147,375	-
Total	1,545	191,454,880	157,509,820	58,070,595	99,439,225	123,117,312

Liquidity for enterprises

The Group also made a very significant contribution to the injection of liquidity into the system implemented by MedioCredito Centrale thanks to the guarantees granted through the Guarantee Fund. In 2024, the fund supported loans and investments for more than 153,000 enterprises and the liquidity injected into the system amounted to approximately EUR 39,518 million, of which:

- EUR 17,120 m in guaranteed loans for liquidity (33% in the Mezzogiorno) for over 107,000 enterprises;
- EUR 22,398 m in guaranteed investments (31% in the Mezzogiorno) for over 57,000 enterprises.

In addition, through the banks MedioCredito Centrale and Cassa di Risparmio di Orvieto, the Group also supports the liquidity of companies through medium- and long-term loans at market rates amounting to EUR 1,075 million (of which 17% in the Mezzogiorno).

Investment Fund management

In addition, through its Investment Management Unit, Invitalia promotes the growth in size and/or the relaunch of enterprises through the management of investment funds made available by the government that invest in the equity and/or equity-like instruments of enterprises.

In 2024, six new equity investments were acquired (of which two with the Fondo Cresci al Sud and four with the Fondo Salvaguardia Imprese), which together with the 22 equity investments (of which 9 with the Fondo Cresci al Sud and 13 with the Fondo Salvaguardia Imprese) acquired in previous years, result in a total of 28 equity investments in the portfolio.

In 2024, ESG assessment was initiated for a further five investee companies acquired through the Fondo Salvaguardia and for five acquired through the Fondo Cresci al Sud. Downstream of this assessment, the situation of the as-is target was qualified, the strengths and weaknesses were identified, and the medium-term roadmap was defined with the definition of objectives and KPIs useful to implement a virtuous path of improvement, starting from the as-is situation and modulated with respect to the sector of activity and the specific characteristics of the target.

Actions related to the improvement of the quality and effectiveness of the services offered

Invitalia works to strengthen administrative capacity in the creation of strategic infrastructure and the management of national and EU funds. Accelerating the spending of EU and national funds is an important contribution to the country's growth.

Invitalia provides technical assistance to administrations for the management and implementation of the NRRP, EU and national Operational Programmes, by drafting programmes, planning actions, monitoring, inspections and certifying expenditure.

In particular, through the work of the PA OU, in 2024:

- 7,830 inspections (52% by simplified procedure) were carried out with a value of EUR 1.7 billion in expenditure on 9 programmes;
- 26 tenders were launched, for a total value of EUR 6.7 billion.

Programme evaluations

Evaluation is a fundamental element of the public policy life cycle and can help to identify the priorities for programming and implementation. It is based on a wide range of tools and methodologies designed to provide an in-depth examination of the effectiveness of public policies. This includes impact assessments, thematic

and sectoral analyses, management of evaluation activities and coordination with socio-economic statistical indicators and European and national policy guidelines.

In particular, in 2024, the PA Unit carried out 3 evaluations on EU programmes.

Framework Agreements

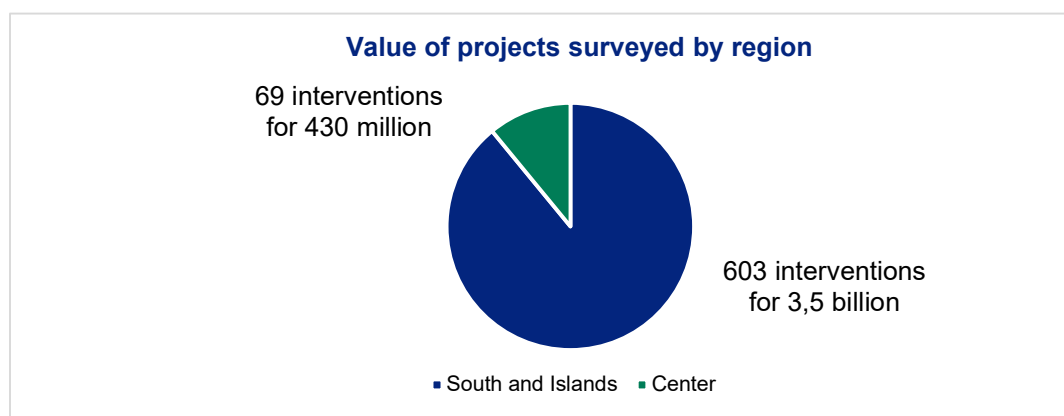
At the urging of the administrations in charge of NRRP investments and the National Association of Italian Municipal Authorities (ANCI), Invitalia has developed new methods for the launch and management of centralised and flexible awarding procedures, such as Framework Agreements. This mode of operation sees Invitalia involved, through the Public Investment Unit, both in managing the awarding procedures and in supporting the implementing bodies in identifying the best technical and procedural solutions.

In 2024, 34 Framework Agreements were managed to award tenders worth EUR 1.48 billion, including: AQ Stromboli, AQ Asili, AQ Salute Sicilia and AQ Nuove Scuole.

Framework Agreements are a procedural innovation developed by sharing the content and timing of tenders with all interested economic operators, professional bodies and trade associations, making the management of procedures more transparent and thus ensuring the maximum participation of professionals and enterprises.

Contratti Istituzionali di Sviluppo - CIS

Decree-Law 60 of 7 May 2024, aimed at accelerating and strengthening the implementation of the actions financed by the 2021-2027 cohesion policy, provided for a survey by the Department for Cohesion Policies and for the South of the Presidency of the Council of Ministers (DPCoes) on the progress of the actions included in the Institutional Development Contracts (CISs,) as well as the review of the institutional governance and implementation methods of the CISs. Investimenti Pubblici therefore supported the DPCoes in this survey, which covered 672 actions over 15 CISs managed by Invitalia (Matera, Cosenza, Svelare Bellezza, Calabria volare, Naples, Terra dei Fuochi, Vesuvius Naples Pompei, Rome, Ventotene, earthquake areas, Molise, Brindisi Lecce, Capitanata, Taranto and Palermo) for a total value of approximately EUR 3.9 billion.



ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In Invitalia's Strategic Sustainability Plan, the Agency has made commitments and adopted targets to create positive impacts and manage material risks and opportunities related to consumers and/or end-users. These objectives were identified and defined on the basis of the strategic guidelines set out in the Sustainability Policy and in line with the role of agent vis-à-vis Public Administration. Therefore, Invitalia has made commitments and adopted targets within its scope of action.

In particular, as part of the Agency's Strategic Sustainability Plan, in order to consolidate its role in generating value for consumers and end users, Invitalia has made the following commitments:

- ITR.3: Adopt innovative technologies to identify anomalous behaviour in the management of incentives, with the aim of monitoring 100% of the beneficiaries of the measures managed by Invitalia by 2026. In 2024, more than 60 measures were monitored through innovative technologies to identify potential abnormal behaviour of beneficiaries;
- IM.3: Monitor, through an ESG reporting system, that all investee companies under the Fondo Salvaguardia Italia and Fondo Cresci al Sud achieve their targets by 2026. In 2024, ESG monitoring began for a further 10 fund investee companies;
- IM.5: Encourage, through the mentoring service, the support of female and youth entrepreneurship, with the aim of supporting 40% female teams and 30% youth teams out of the total number of teams supported with mentoring services by 2026.

ID	Strategic Sustainability Plan Objective	KPIs / monitoring indicators	Target
ITR.3	Adopt innovative technologies, within Invitalia's IT platforms, to identify anomalous behaviour in the management of incentives	% Invitalia measures monitored with innovative technologies to identify abnormal behaviour of beneficiaries as a proportion of total measures	Monitoring of 100% of the beneficiaries of the measures by 2026 (in 2024, more than 60 measures were monitored using innovative technologies to identify potential abnormal behaviour of beneficiaries)
IM.3	Monitor, through an ESG reporting system, that all investee companies under FSI and FCS Invitalia achieve the set targets	% investee companies monitored using ESG performance indicators as a proportion of total investee companies as at 31/12/2025	Implementation of ESG monitoring for 100% of the investee companies by 2026 (in 2024, ESG monitoring began for a further 10 fund investee companies)
IM.5	Supporting female and youth entrepreneurship through the mentoring service	% female and youth teams which received mentoring services as a proportion of the total number of applications for mentoring	40% of women's teams and 30% of youth teams supported with mentoring services by 2026

The Parent Company's monitoring of the commitments and actions identified in the Strategic Sustainability Plan is supervised by the SPIS Office with the competent offices. Monitoring takes place quarterly with reporting to the supervisory bodies (ESG, Risk and Related Parties Committee and BoD) on the achievement of targets. The BoD approves the plan and its updates.

GOVERNANCE

G1.ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies

For details, please refer to section 'ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies' in the 'General information' section of this report.

G1.ESRS 2 MDR-P Policies adopted to manage material sustainability issues

In order to manage the impacts and risks that have emerged as material in terms of 'business conduct and corporate culture', the Group has adopted:

- the Organisational and Control Model pursuant to Leg. Decree 231/2001;
- the Code of Ethics;
- the Anti-Money Laundering Policy;
- the Regulation on Conflicts of Interest;
- the Whistleblowing procedure.

For details of the relative policies listed above, see the next section.

ESRS G1-1 Business conduct policies and corporate culture

The Invitalia Group bases its activities on a corporate culture characterised by respect for rules, integrity, fairness and transparency. In order to ensure the transformation of the stated principles into concrete activities, a series of internal regulations have been adopted to prevent, identify and manage any behaviour not in line with the Group's values.

These include, in particular, the Organisation, Management and Control Model, the Code of Ethics, the policy 'Management of the Disclosure of Transactions Suspected of Money Laundering and Terrorist Financing' and the 'Regulation on Conflicts of Interest'.

Organisation, Management and Control Model

The model adopted by all Group companies in compliance with Leg. Decree No 231/2001 (Modello 231) is intended not only to exempt the company from administrative liability in the event of certain offences committed by directors or employees in the performance of their duties, but is also an opportunity to regulate company processes not only by focusing on the phases that are sensitive to the decree, but by adopting an integrated and widespread risk management and control system at various levels of the organisational and corporate structure, to ensure the safeguarding of company assets, shareholder protection, transparency and integrity of conduct. This model was also adopted with a view to protecting the corporate image, the interests and expectations of its employees, shareholders, clients and the public, and to raise awareness among all collaborators and all those working in the name and on behalf of Invitalia and the Group companies of the need to adopt correct behaviour.

The model was prepared on the basis of the dictates of Leg. Decree 231/01 and the guidelines drawn up by Confindustria and describes:

- basic principles and objectives;
- tasks of the Supervisory Board;
- methods of dissemination and application of content on society;
- offences and the relative disciplinary system;
- organisational procedures and control protocols, drawn up on the basis of the mapping of risk areas and aimed at ensuring adequate preventive supervision.

It is also divided into two sections: the general part indicates how the company has implemented the contents of the decree; the special part describes the company's control protocols and organisational procedures in more detail.

The individual BoDs of the Group companies ensure the adoption of the Modello 231 and the appointment of a Supervisory Board (also SB), granted autonomy and independence, which is responsible for verifying the adequacy, effectiveness, efficacy and updating of the model.

The Parent Company's Supervisory Board promotes and coordinates the application of Model 231 itself within all Group companies to ensure its homogeneity and the correct implementation of the basic principles.

Over the years, the Group has progressively adapted the Organisation, Management and Control Model to the various intervening regulations on administrative/accounting processes, anti-money laundering, workplace

safety and personal data processing. Indeed, the models adopted by the Group companies were enhanced with additional control systems in order to strengthen the supervision of the prevention of corruption and related risk management, in compliance with Law 190/2012.

Code of Ethics

In carrying out the mission entrusted to it by the government, Invitalia and its subsidiaries pursue their objectives through corporate action that respects legality and people's fundamental rights, based on clear, transparent rules in harmony with the external environment and community objectives.

To this end, each Group company has adopted its own Code of Ethics (an integral part of the Organisation, Management and Control Model pursuant to Leg. 231/01) aimed at recalling corporate values and regulating corporate activities by means of rules of conduct to be observed towards all stakeholders, highlighting the rights and duties of all those who, in any capacity, operate within the Group.

The Code of Ethics, therefore, sets out the rules of conduct to be adopted towards shareholders, employees, contractors, consultants, agents, partners, Public Administration and all parties linked by a relationship of collaboration with the Group, promoting the quality of services, the prevention of corruption, and respect for the duties of diligence, loyalty, impartiality and exclusive orientation towards the care of the public interest. Each Group company also guarantees all employees and contractors an adequate programme of training and awareness on the content of the Code of Ethics and related issues.

Both Modello 231 and the Code of Ethics, as well as their updates in 2024, have been approved by the BoD of each Group company, and, with a view to integrity and transparency, are made available on the company intranet and official website.

Anti-money laundering policy 'Management of the Disclosure of Transactions Suspected of Money Laundering and Terrorist Financing'

The policy, provisionally approved in 2023 and definitively approved by Legal and Corporate Affairs, in line with the provisions of Legislative Decree No 231/2007, in particular Article 10, aims to facilitate the Agency's staff in the detection of suspected money laundering and terrorist financing transactions and the subsequent reporting of these transactions to the Financial Intelligence Unit for Italy (FIU) at the Bank of Italy. This policy is addressed to all employees of the Parent Company who carry out activities related to procedures for the selection of contractors for the awarding of works, supplies and services, as well as procedures for granting and disbursing subsidies, grants, financial aid and the allocation of economic benefits of any kind to individuals and public and private entities. The policy is made available to employees on the company intranet.

Regulation on conflicts of interest

The regulation, approved by the BoD in 2023, is in addition to the crime prevention tools adopted by the Agency and serves as a guide for those involved in Invitalia's processes in order to avoid any situation and activity in which a conflict of interest with the Agency may arise or which may tend to (or potentially) interfere with the employee's or contractor's ability to act in accordance with their duties and responsibilities in compliance with the principles and content of the Code of Ethics, Modello 231 and the Three-year Plan for Transparency and the Prevention of Corruption (PPCT) adopted by the Company. The regulation, which is intended for all employees of the Parent Company, can be found on the company intranet.

Whistleblowing procedures

All Group companies have adopted a Whistleblowing procedure that regulates the system for reporting offences and violations of the determinations set out in the plan, the MOGC and the Code of Ethics, as well as, more generally, unlawful situations of which employees, workers and contractors of companies supplying goods or services and carrying out works in favour of the Group, have become aware in the course of their activities and duties. The procedure is designed to guarantee the whistleblower anonymity at all stages of the handling of the report and protection against retaliation or discrimination as a result of the report, and to guarantee the reported person anonymity and protection against reports made in bad faith.

Specifically, in 2024, following the issuance of Legislative Decree No 24/2023, which introduced new rules on Whistleblowing, the group issued the Guidelines on Whistleblowing, published on the corporate intranet, intended for Invitalia and all Group companies, with the exception of MCC, which has its own system, as indicated below.

Subsequently, the Parent Company issued the Procedure for the Management of Reports of Corruption, Irregularities, and Offences specifically intended for Invitalia and available on the corporate intranet. In this context, Invitalia makes available the whistleblowing platform to individuals (e.g. employees, supplier companies and its workers and/or contractors) who become aware of unlawful situations that should be

reported, in accordance with the indications issued by the Italian Anticorruption Authority (ANAC). The platform can be accessed both via the company intranet and also using the following link: <https://invitalia.segnalazioni.net>, available on the Parent Company's official website. In addition, as an alternative to the platform, reports can also be sent via e-mail to anticorruzione@invitalia.it.

Consistent with the Parent Company's requirements, each subsidiary has adopted a specific Operating Procedure (OP) in this area and has set up various whistleblowing channels.

In 2024, Invitalia incorporated the 'Invitalia Group Guidelines' issued by the parent company Invitalia on the subject of whistleblowing and updated its 'Whistleblowing OP' accordingly to the version adopted by the BoD in March 2024.³⁸ However, it is necessary to point out that, as things stand, the whistleblowing channels can only be used for reports that fall within the objective and subjective scope of application of the reference legislation.

Infratel provides the following whistleblowing channels:

- the 'Whistleblowing' platform,³⁹ which allows people, anonymously or after registering, to send either a written report or an oral report using the voice messaging system;
- ordinary mail, by sending the report in a double sealed envelope, inside a third envelope, specifying that it is a 'Whistleblowing Communication' and 'Personal and Confidential' for the attention of the Corruption Prevention and Transparency Officer (RPCT) of Infratel Italia S.p.A., Via Calabria, n. 46 – 00187 Rome. There is a Whistleblowing Form that can be used for this purpose;
- whistleblowers can also submit an oral report through one of the channels indicated above, or via a direct meeting with the RPCT.

Invitalia Partecipazioni provides its stakeholders with the following whistleblowing channels:

- the 'Whistleblowing' platform,⁴⁰ with access granted exclusively to the whistleblower via login (for registered users) or by entering the codes associated with the report (for non-registered users);
- ordinary mail, for sending written reports, in a double sealed envelope, inside a third envelope, specifying that it is a 'Whistleblowing Communication' and 'Personal and Confidential' for the attention of the Corruption Prevention and Transparency Officer (RPCT) of Invitalia Partecipazioni S.p.A., Via P. Boccanelli n. 12/30 – 00138 Rome.
- whistleblowers can also submit an oral report through one of the channels indicated above, or via a direct meeting with the RPCT.

For Italia Turismo the channels are:

- the 'Whistleblowing' platform⁴¹;
- ordinary mail, for sending written reports, in a double sealed envelope, inside a third envelope, specifying that it is a 'Whistleblowing Communication' and 'Personal and Confidential' for the attention of the Corruption Prevention and Transparency Officer (RPCT) of Italia Turismo S.p.A., Via P. Boccanelli n. 12/30 – 00138 Rome.
- whistleblowers can also submit an oral report through one of the channels indicated above, or via a direct meeting with the RPCT.

The procedures for sending reports, as well as clarifications on the subject of the reports, are in any case accessible to the public via the 'Whistleblowing' platform and via the Transparency section of the official websites of the respective companies.

The Group banks have set up their own Internal Whistleblowing System aimed at intercepting acts or events that may constitute a violation of the relevant regulations. These systems encourage and protect the positive behaviour of the whistleblower who decides to report alleged offences or events to the relevant divisions within the Company. The whistleblowing channels available are the following:

- the OpenSiS app accessible from the intranet;

³⁸ This information is made available to employees on the company intranet and to external stakeholders in the 'Transparency' section of the company website.

³⁹ <https://infratelitealia.segnalazioni.net/>

⁴⁰ <https://invitaliapartecipazioni.segnalazioni.net/>

⁴¹ <https://italiaturismo.segnalazioni.net/>

- the special IT platform accessible from the website (implemented in 2024 and allowing individuals who do not have a company account but who work for the company to submit whistleblowing reports in a secure manner);
- for oral reports, via telephone or, at the request of the whistleblower, through a face-to-face meeting set within a reasonable period of time.

In 2024, MCC and CRO also implemented a special whistleblowing channel for each bank for reporting violations of the Modello 231 directly addressed to the Supervisory Board.

Business Conduct Training

As provided for in the Code of Ethics, in order to ensure the full and correct understanding of the principles governing business conduct, training plans are prepared and organised, also on the basis of the indications of the Supervisory Board, to foster awareness of ethical rules. Training is differentiated according to the role and responsibility of workers.

With regard to the business conduct training delivered in 2024, please refer to section 'G1-3 Prevention and detection of corruption and bribery'.

In the area of corruption, the Parent Company has identified the following functions as being most at risk:

- Incentives and Innovation;
- Investment Management;
- Public Investments;
- Public Advisory;
- Chief Financial Officer;
- Legal and Corporate Affairs;
- Chief Operating Officer.

For Group banks, all corporate functions are considered to be potentially at risk. While, for other Group companies, no functions are reported to be more at risk than others.

G1.ESRS 2 MDR-A Actions and resources in relation to material sustainability issues

The Invitalia Group aims to provide services in compliance with the values of integrity and transparency, in line with the main corporate policies and regulations in force. In this context, during 2024, the Group implemented various training initiatives and initiatives to combat corruption.

With specific reference to training, it is worth mentioning that in 2024 the Agency launched an inter-institutional collaboration with the Italian National School of Administration (SNA) to develop and promote training courses intended to strengthen administrative skills in the field of anti-money laundering and also provide opportunities for dialogue and exchange of best practices also through the launch of communities of practice. For this reason, a Framework Agreement was finalised between Invitalia and SNA on 11 September 2024.

In addition, Invitalia plans to work with SNA lecturers to deliver special training on corruption prevention in both the 2025-2027 Corruption Prevention and Transparency Plan and the 2024-2026 Strategic Sustainability Plan. As part of these training sessions, the Group also plans to devote space to training on Modello 231. Also in line with the 2024-2026 Strategic Sustainability Plan, Invitalia will deliver specific training sessions in 2026 on the subject of 'Whistleblowing'.

With reference to the fight against corruption, as part of the 6th 'National Action Plan for Open Government' coordinated by the Department of Public Administration, the Financial Intelligence Unit (FIU) and SNA, Invitalia participated, through its Money Laundering Report Manager and Corruption Prevention and Transparency Officer (RPCT), in a number of initiatives on the protection of integrity and transparency aimed at fostering cooperation between the main actors of prevention in order to develop a Community of Practice of the Corruption Prevention Officers set up at SNA, which also includes the Money Laundering Report Managers.

Also in 2024, Invitalia continued to work with the Bank of Italy's Financial Intelligence Unit, in the context of anti-money laundering activities related to the finalisation of the process of reporting suspected money laundering and terrorist financing transactions to the FIU. This ensures the effectiveness of transaction detection and the timeliness of subsequent reporting.

As part of the 2025-2027 Corruption Prevention and Transparency Plan (PPCT), the Agency has identified different targets to be set and/or achieved in 2025. Specifically, it envisages:

- obtaining the UNI ISO 37001 'Anti-Bribery Management System' certification for a standard of management that helps the organisation combat the various forms of corruption and promote an ethical

organisational culture. This certification is expected to be obtained by 2026;

- the identification and appointment of anti-money laundering contact persons in the various operating units, recognised as figures that will make up a corporate supervisory body that will work alongside the Manager of Suspicious Transaction Reports to the FIU already existing at Invitalia.
- the planning and execution of monitoring actions instrumental in ensuring the effectiveness and efficiency of corruption prevention measures.

It should also be noted that, in November 2023, Invitalia signed a Memorandum of Understanding with the Guardia di Finanza (Italian Finance Police) for investigating and countering violations to the detriment of the economic and financial interests of the State in relation to financing disbursed by the Agency.

ESRS G1-3 Prevention and detection of corruption and bribery

In line with regulatory provisions, each Group company has identified its own Corruption Prevention and Transparency Officer (RPCT), who draws up the Corruption Prevention and Transparency Plan (PPCT) and the report on the corruption prevention activities carried out, both of which are published on the respective official websites.

The RPCT, appointed for each Group company by the respective BoD, is entrusted with the following activities:

- drafting and preparing the annual PPCT;
- verifying the effective implementation of the PPCT and its suitability, proposing amendments in the event of ascertained significant violations or in the event of changes in the organisation or in the activities carried out;
- monitoring the implementation of and compliance with the protocols and measures set out in the plan within the areas of competence;
- promoting 'anti-corruption' training for staff and verifying its effective implementation;
- verifying the effective segregation of roles, where appropriate and provided for, in the offices/departments responsible for carrying out the activities in which there is a greater risk of corruption offences being committed; promoting, in agreement with the SB, the dissemination and awareness of the Modello 231 and the Code of Ethics;
- managing communication channels for reporting unlawful and/or suspicious conduct and/or conduct not in line with the determinations/protocols established by the Code of Ethics and Modello 231;
- managing anomalies, breaches or any reports received, also through appropriate channels of cooperation/communication with the Supervisory Board, via specific inspections;
- reporting annually on its activities to the President and the CEO, in fulfilment of their duty of reporting to the BoD, or whenever deemed appropriate.

The RPCT cooperates with all the department managers, relying in particular on the support of Internal Auditing and of the Corporate Legal Affairs for aspects falling within their specific areas of expertise. Lastly, all Invitalia's employees, contractors and suppliers are responsible, within the scope of their respective activities, duties and responsibilities, for corruption resulting from ineffective oversight of their activities and/or elusive conduct and/or conduct not in line with the relative corporate prescriptions. Therefore, in order to fulfil the mandate comprehensively, the role of RPCT is supported and coordinated with everyone who works in the corporate organisation.

The PPCT – drafted in compliance with ANAC indications and in line with the general principles defined in the Code of Ethics and with the measures and indicators aimed at preventing corruption pursuant to Law No 190/2012 – is the tool used by the Group to prevent conduct potentially exposed to corruption and to strengthen the principles of legality, fairness and transparency in the management of corporate activities, as well as to promote, more generally, the proper functioning of corporate divisions and protect the reputation and credibility of the Group's action with regard to multiple stakeholders.

In this context, the PPCT is aimed at:

- generating full awareness that the occurrence of corruption exposes the companies to serious risks, especially in terms of image, and may produce criminal consequences for the person committing the offence;

- raising awareness among all recipients of the importance of actively and consistently complying with internal procedures and rules, implementing any action useful to prevent and contain the risk of corruption, and adapting and improving the relative company control measures over time;
- strengthening the tools useful for identifying and managing possible (including potential) situations of conflict of interest by staff and anyone working with the companies;
- ensuring the fairness of relations between Invitalia and persons who have relations of any kind with the Agency, including by verifying and reporting any situations that could give rise to conflicts of interest or corruption;
- integrating, simplifying and adapting the corruption prevention measures with safeguards and methods that form the basis of the company's internal control system.

The essential prerequisite for drawing up the plan is the analysis of the level of exposure to the risk of corruption of the company's activities, divided into the following stages:

- identification and mapping of areas at risk of offences and 'sensitive' activities;
- analysis of the risk profile for each 'sensitive' activity, by identifying the offences that can potentially be committed and the ways in which unlawful conduct can be implemented;
- definition of prevention and control measures to guard against the risks identified.

The annual report by the RPCT is approved annually by the BoD, which then approves the adoption of the plan. The last such update was made in January 2025, when the Annual Report on Corruption Prevention and Transparency 2024 was approved, leading to the adoption of the PPCT 2025-2027.

Training on combating corruption and bribery

During the financial year 2024, the Group provided training on various compliance issues, including:

- Basic anti-money laundering course, aimed at the entire company population, thus implementing the specific training obligation provided for in Article 10(5) of Leg. Decree 231/2007. This activity took place in cooperation with the National School of Administration (SNA), which was identified as an authoritative interlocutor able to offer high-level training in line with the anti-money laundering requirements for Public Administration.
- The 3-hour course with compulsory attendance took place live on Teams and provided an overview of the regulatory context and framework, the functions of the Anti-Money Laundering Authorities, the role of public administrations in the fight against money laundering and the reporting of suspicious transactions to the Financial Intelligence Unit (FIU) at the Bank of Italy. 100% of the existing company population as at 31/12/2024 took the course. In addition, the webinar recording and course content continues to be available to everyone within the AcadeMy platform.
- Specialised anti-money laundering course, dedicated to 98 heads of Organisational Units at risk, focusing on the operational tools for identifying, analysing and handling suspected money laundering and terrorist financing transactions, so that they can be reported to the Financial Intelligence Unit for Italy (FIU), at the Bank of Italy. The 8-hour course was held in person at Invitalia's headquarters.
- Training video clips on Modello 231, Anti-corruption Law 190, Conflict of Interest and Whistleblowing for all newly hired employees as part of the Welcome Training pathway in the first months of joining the company. The course content was designed and developed with the in-house competence centres and are accessible asynchronously on the AcadeMy learning platform.

Details of the training provided during the year are shown in the table below:

TABLE 2024 (AR 8) - Invitalia	At-risk functions	Managers	AMSB ⁴²	Other own workers
Training coverage				
Total (participants)	3,270	51	-	87
Total receiving training (invited)	3,314	54	-	87
Delivery method and duration				
Classroom training ⁴³	1,332	258	-	12
Computer-based training ⁴⁴	9,953	148.55	-	210
Voluntary computer-based training ⁴⁵	302	-	-	13
Frequency				
How often training is required	variable	variable	-	variable
Topics covered				
Anti-money laundering, conflicts of interest, administrative liability, whistleblowing				

Courses are not held on a regular basis but are delivered according to business needs or regulatory updates that require supplementary training.

All members of the Group's governing bodies constantly follow the update of the Organisation, Management and Control Model (MOGC) and approve both the plan and the report by the RPCT, even though no training is provided to members of the administrative, management and control bodies.

ESRS G1-4 Incidents of corruption or bribery

In 2024, there were no cases of corruption or bribery; there were no reported sanctions or convictions for violations of the law in this area.

⁴² Administrative, management and supervisory bodies.

⁴³ Synchronous mode. Training delivered in person.

⁴⁴ Synchronous mode. Training delivered via webinars on Teams.

⁴⁵ Asynchronous mode. Training delivered via the AcadeMy platform

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

The following are significant events that occurred after the financial statements date which, however, do not have a significant impact on the financial and economic results represented therein.

INVITALIA

BEKO

As part of the resolution of the business crisis of BEKO Europe, the MIMIT, represented by the Minister, formally requested Invitalia, together with the Municipality of Siena, to initiate a collaboration aimed at strengthening the attractiveness of the industrial area of Siena, with a view to reindustrialising the plant, including through the acquisition of the property by Invitalia. On 3 April, a Memorandum of Understanding was signed whereby the Agency and the aforementioned Municipality agreed to evaluate the acquisition of the plant owned by DUCCIO IMMOBILIARE 1 S.r.l. Due Diligence on the property is currently underway.

Assignment of the transitional management of the integrated water service - ATI Trapani

With a resolution dated December 23, 2024, exercising the substitute powers provided for in Art. 14 of Decree-Law No 115 of 3 August 2022, the Council of Ministers temporarily entrusted Invitalia with the management of the integrated water service in the Assemblée territoriale idrica (ATI, ie Territorial Water Assembly) of Trapani. Not yet published in the Official Gazette, the resolution was adopted by the Presidency of the Council of Ministers (PCM), upon proposal of the Minister of the Environment and Energy Security after consulting the President of the Sicilian Region. In summary, the Resolution provides:

- for the temporary assignment (4 years, renewable) directly to Invitalia of the management of the integrated water service (SII) of the Trapani ATI;
- that the role assigned to Invitalia may only be carried out following the conclusion of a specific agreement with the Sicilian Region, which shall clearly define the tasks, prerogatives, tools, and responsibilities of Invitalia for the transitional management of the SII, for the benefit of the municipalities of the ATI Trapani, for the next 4 years;
- that the water infrastructure owned by local authorities pursuant to Art. 143 of Legislative Decree No 152 of 3 April 2006 be entrusted to Invitalia under a free concession for the entire duration of the management.

Social bond

In view of the maturity in November 2025 of the Social Bond issued in 2022, the Board of Directors authorised going ahead with the formal and instrumental formalities for the early issuance of the Bond, scheduled for the second half of June. The social bond is a financial instrument aimed at raising funds to achieve specific social outcomes. In particular, the purpose of this class of bonds is to generate positive social outcomes by raising funds to finance new and/or existing projects in the areas of basic infrastructure (eg, healthcare, transportation, energy), job creation, and socio-economic progress and strengthening, including through financing and micro-financing for SMEs. The advantages of issuing a social bond rather than a traditional bond are both reputational and economic.

INFRATEL

In February 2025, Infratel S.p.A. signed additional agreements with Open Fiber S.p.A. relating to the Piano Aree Bianche (White Areas Plan). These agreements have no economic or financial impact on Infratel S.p.A., as the rebalancing measures, totalling approximately EUR 900 million, are fully covered by public funds allocated by the Ministry of Enterprise and Made in Italy, with no

direct burdens on the company and will therefore have no direct economic or financial effects on the company.

These acts implemented the revision of the Piani Economici Finanziari (PEF, ie Economic and Financial Plans) and regulated the rebalancing procedures following the disputes between Infratel and Open Fiber for the implementation of the BUL plan, which led to the establishment, on 02/05/24, of a Technical Advisory Board (CCT), as required by the new Procurement Code, made up of representatives appointed by both companies, whose decisions are considered arbitration awards pursuant to Art. 808 ter of the Italian Civil Code.

On 9 May 2024, the parties jointly notified the CCT of two technical questions regarding 'increased material costs, namely whether this can be classified as a force majeure event and, therefore, whether it can be dealt with under the Piano Economico Finanziario rebalancing procedure' and 'reduction of the price due to the Concessionaire, proportional to the lower number of Real Estate Units actually covered'.

In the meeting of 29 May 2024, the CCT ruled in favour of both questions: unanimously for the first question,

with a consequent probable rebalancing of the Piano Economico Finanziario, and by a majority for the second question, with the important clarification that none of the costs of the larger network compared to the budgeted total value of the work can be claimed or considered due to O.F. which assumed and continues to assume the risk of the contract, which is far greater than that ascertained in the aforementioned dispute. Also for this second point, the CCT considered that the conditions existed for providing for the deduction as part of the procedure for rebalancing the Piano Economico Finanziario of the offer.

These decisions constituted the prerequisite and were preparatory to the procedure of rebalancing the Piano Economico Finanziario of the offer.

MEDIOCREDITO CENTRALE

Purchase of minority stakes from shareholdings from subsidiary banks

Mediocredito Centrale has initiated a process of centralised management of the obligations related to certain minority interests held by the Group banks. Therefore, on 12 February 2025, it acquired from its subsidiary BdM the minority interests held by the latter in the share capital of MTS S.p.A. and Banca di Italia, at a total carrying amount of EUR 3.1 million. Also on 12 February 2025, Mediocredito Centrale purchased from its subsidiary CRO the minority interest held by the latter in the share capital of Banca di Italia, at a book value of EUR 5.9 million.

Social bond placement

On 25 February 2025, Mediocredito Centrale successfully completed the placement of an unsecured senior preferred social bond for a total amount of EUR 500 million, with a fixed-rate annual coupon of 3.25% (re-offer yield 3.285%) and maturity on 4 March 2030 (BTP rate 3.5% 03/01/30 +50bps). This is the second bond issue under the EUR 1 billion EMTN (Euro Medium Term Note) programme, whose base prospectus was approved on 2 August 2020 (subject to subsequent supplements dated 6 September 2024 and 21 February 2025). The new placement, intended for institutional investors, saw a more diversified range of Italian and foreign subscribers compared to the previous placement, with an increase in total orders, which exceeded 1.2 billion. The bond was issued on 4 March 2025 and, as of that date, the securities representing it are listed on the regulated market of the Luxembourg Stock Exchange.

Signing of the sales contract for the transfer of Cassa di Risparmio di Orvieto

In January 2025, Mediocredito Centrale and Banca del Fucino signed a sale agreement for the disposal of their stake in Cassa di Risparmio di Orvieto for a provisional consideration of EUR 90.4 million (subject to adjustment based on the equity of the investee at the closing date).

The transaction is expected to be completed by the first half of 2025, subject to the fulfilment of all conditions precedent set forth in the agreement and the obtaining of authorisations from the relevant regulatory authorities.

INVITALIA PARTECIPAZIONI

In the first few months of 2025, activities continued to safeguard the company's real estate assets and manage its shareholdings with a view to disposing of them.

With regard to the disposal of Invitalia Partecipazioni's shareholding in Marina D'Arechi on 30/12/20, on 14/03/25, a new agreement was formalised between the transferee Giuseppe Gallozzi & Figli, Invitalia, and Invitalia Partecipazioni, which provides, limited to the share held by Invitalia Partecipazioni, for the full payment, in advance of the contractual provisions, of its obligation for the residual amount of EUR 4,866,920, plus interest from 01/01/25, and, consequently, the termination of all guarantees granted. The agreement was signed on 26 March 2025, and on the same date, the amount of EUR 4,866,920 plus interest was transferred to Invitalia Partecipazioni, thereby extinguishing the credit towards Giuseppe Gallozzi & Figli.

As regards the foreseeable future, in addition to ensuring the continuation of its ordinary activities relating to the management of its investments and litigation, the Company is committed to finalising the sale of its assets to the Real Estate Fund managed by Invimit SGR S.p.A., which is expected to be completed by the end of 2025.

ITALIA TURISMO

In these first months of 2025, the Company is engaged in activities aimed at managing and enhancing the value of its remaining assets, consisting entirely of non-income-generating assets intended for sale during the plan period, in line with the guidelines provided by the Shareholder. At the end of 2024, procedures were initiated for the sale of the assets in Simeri and Sciacca, as part of which the verification and accreditation of parties that have expressed interest in the purchase are underway, in order to start the final phase of requesting

irrevocable offers. Furthermore, in the coming months, preliminary activities are expected to begin to verify the market's interest in the remaining assets, in order to be able to start the relative selection procedures for the sale, starting in the second half of this year. At the same time, there are continuing technical activities to enhance the value of the assets, through the completion and/or start-up of administrative procedures aimed at maintaining the building capacity, whose timescales for approval by the local authorities are not easily predictable.

The plan to implement the entire disposal of the corporate assets by 2026 is confirmed, even if difficulties caused by the global economic context, characterised by geopolitical tensions and uncertainties due to protectionist measures and unpredictable restrictive measures issued by local administrative authorities, must be taken into account.

MAIN UNCERTAINTIES AND FORESEEABLE EVOLUTION OF OPERATIONS

The trade tariffs imposed by the Trump administration and the retaliatory measures adopted by other countries prompted the International Monetary Fund (IMF) to revise downwards its growth forecasts for Italy, along with those for the eurozone and the global economy, and even more so for the United States.

Tariffs, trade barriers and the resulting countermeasures represent a major shock to the economy. The unpredictability of these measures and the following announcements had a negative impact on economic activity and prospects and, at the same time, made forecasting objectively more difficult than usual.

In the latest reports, global GDP growth is set at +2.8% this year, and +3% in 2026. These figures represent a 0.5 percentage point cut for this year and a 0.3 percentage point cut for next one compared to the IMF's estimates updated in January.

For Italy, the revised GDP growth is limited to +0.4% this year (compared to 0.6% in the Bank of Italy's forecast), and +0.8% in 2026, with economic growth expected to remain below 1% at least until 2030.

The forecasts for the global economy in 2025 therefore point to a slowdown in real growth, and monetary policies should consequently be eased in the main developed countries. Markets have priced in a path of lower European policy rates, but concerns about inflation make a significant rate cut by the Fed more complicated.

Geopolitical tensions, including trade tariffs and wars, will continue to impact the global economy. Increasing tensions in the Middle East, as well as the prolonged conflict in Ukraine, are disrupting development and fuelling price volatility, weakening confidence, which has been severely tested in recent years.

The global economic and political context therefore has still a significant impact on the Italian economy:

- conflicts and wars in general and those in Ukraine and the Middle East in particular have an impact on the price level;
- the semiconductor crisis continues to strain numerous supply chains;
- demand for credit remains weak, given the difficulty of accessing credit due to still high interest rates and the perception of risk generated by the geopolitical scenario.

The current context as outlined above calls for reflection on the main challenges facing the country and to which Invitalia will be called upon to contribute.

Invitalia is involved in the planning and management of **strategic investments**, including as an implementer of measures financed by the NRRP, and collaborates with central and local administrations to carry out projects aimed at economic recovery and resilience. The NRRP also promotes the **digitalisation of processes and services**, and Invitalia is implementing advanced technological solutions to improve the efficiency and accessibility of its services.

For **Business Support**: it offers technical and financial support to facilitate access to NRRP funds, helping companies to grow and innovate.

For the **Ecological Transition**: Invitalia is involved in projects that promote environmental sustainability and green energy.

Finally, with regard to **Social Inclusion**: the NRRP includes initiatives for social inclusion and territorial cohesion, and Invitalia is working to ensure that these objectives are achieved through targeted interventions.

The resources made available by the NRRP are essential to begin a thorough infrastructural and management renewal. Among the challenges facing our country in the coming years are the modernisation and reform of the Public Administration (PA), with the objectives of completing the digitalisation process, increasing human capital through new hires and training, and simplifying administrative processes. The digitalisation of the Italian PA suffers from the lack of investments in ICT, despite the acceleration in the last two years. All categories of entities report skills and training deficits among the main obstacles to digitalisation. Although the health emergency has led to a general improvement in the availability and familiarity of online public services, there remains a significant gap with the EU average in terms of uptake of these services by the population, particularly among the least educated.

In addition to new challenges, in the coming years the Agency will continue to operate within its area of competence, specifically in programme management, as a contracting authority and central purchasing agency, and as an implementing body for complex interventions, focusing its attention and expertise on activities aimed at rescuing areas and businesses in crisis in order to implement the programmes approved by the CIPE (Interministerial Committee for Economic Development) for the redevelopment of the supply chain and the fight against industrial relocation. The public investment programmes already launched under the NRRP and the new 2021-2027 planning see Invitalia as a key player and accelerator both in spending

programmes and in its established capacity to strengthen the Public Administration in supporting these commitments.

The Agency will focus its efforts on supporting the strengthening of collaboration with all administrations for activities ranging from the planning, management, and monitoring of financial resources to the management of calls for proposals to local authorities and businesses, including: Ministry of the Interior, Ministry of Health, Ministry of Labour and Social Policies, Ministry of the Environment and Energy Security, Ministry of University and Research, Department for Economic Policy Planning and Coordination (DIPE), Ministry of Infrastructure and Transport, Ministry of Agriculture, Food Sovereignty and Forestry, Ministry of Tourism, Commissioners for Reconstruction.

The evolution of Operations Management therefore confirms the following operational guidelines:

- **Digitalisation and Automation:** Enterprises will continue to adopt digital technologies and automation solutions to improve operational efficiency and reduce costs. This includes the use of artificial intelligence, machine learning and the Internet of Things (IoT).
- **Sustainability and Ecological Transition:** Sustainability will become central in operations management, with a focus on green practices and reducing environmental impact. Companies will invest in renewable energy and green technologies.
- **Supply Chain Resilience:** Businesses will work to make their supply chains more resilient and flexible in response to global disruptions and geopolitical tensions. This could include diversifying suppliers and adopting nearshoring strategies.
- **Innovation and Research and Development (R&D):** Innovation will be crucial to maintaining competitiveness. Companies, especially SMEs, will invest more in R&D to develop new products and services.
- **Training and Skills Development:** Employees' continuous training and skills development for will be essential to address new technological and operational challenges. Companies will invest in training programmes to improve digital and managerial skills.

For 2025, Invitalia expects:

- confirmation of an increase in the Value of Production (EUR 16.4 million, +6% compared to 2024) driven both by the further intensification of activities on the orders in the portfolio and by the scouting of new opportunities;
- a substantial stability in terms of headcount at the end of the period and a slight increase in the cost of labour, due to the average increase in the workforce as well as the recent contractual adjustment, accompanied however by a more efficient allocation of resources;
- an improvement in the results of subsidiaries, with particular reference to Gruppo Mediocredito Centrale also due to interest rate dynamics;
- a positive net result in line with budget forecasts.

For further details on the main business developments, please refer to the chapters commenting on the economic and financial results and risk factors.

FINANCIAL STATEMENT AS AT 31/12/2024

FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

	Items	2024		2023	
10	Cash and cash equivalents		27,318,930		142,730,072
20	Financial assets measured at fair value through profit or loss		141,408,072		137,383,508
	(a) financial assets held for trading	-		5,059,751	
	(b) financial assets designated at fair value	-		-	
	(c) other financial assets mandatorily measured at fair value	141,408,072		132,323,757	
30	Financial assets measured at fair value through other comprehensive income				
40	Financial assets measured at amortised cost		1,871,500,143		1,775,065,443
	(a) loans to banks	499,001,750		503,248,247	
	(b) loans to financial companies	5,654,492		10,681,576	
	(c) loans to customers	1,366,843,901		1,261,135,620	
50	Hedging derivatives				
60	Changes in fair value of portfolio hedged items				
70	Equity investments		1,074,776,333		1,020,442,324
80	Property, plant and equipment		130,500,082		128,576,708
90	Intangible assets		16,048,310		16,071,189
100	Tax assets		11,804,171		10,353,292
	(a) current	11,804,171		10,353,292	
	(b) deferred	-		-	
110	Non-current assets and disposal groups classified as held for sale		36,482,210		42,530,828
120	Other assets		233,931,925		244,895,580
	TOTAL ASSETS		3,543,770,176		3,518,048,944

BALANCE SHEET LIABILITIES

	Items	2024		2023	
10	Financial liabilities measured at amortised cost		674,840,964		703,303,694
	(a) payables	323,055,754		352,161,885	
	(b) securities issued	351,785,210		351,141,809	
20	Financial liabilities held for trading				
30	Financial liabilities designated at fair value				
40	Hedging derivatives				
50	Changes in fair value of portfolio hedged items				
60	Tax liabilities		3,436,769		3,977,230
	(a) current	3,436,769		3,977,230	
	(b) deferred	-		-	
70	Liabilities associated with assets classified as held for sale		-		
80	Other liabilities		1,950,446,017		1,937,610,198
90	Employee termination indemnities		4,918,483		5,107,496
100	Provisions for risks and charges		29,353,118		21,371,683
	(a) commitments and guarantees given	250,000		600,000	
	(b) <i>post- retirement benefit obligation</i>	-		-	
	c) other provisions for risks and charges	29,103,118		20,771,683	
110	Capital		836,383,864		836,383,864
120	Treasury shares				
130	Equity instruments				
140	Additional paid-in capital				
150	Reserves		20,889,610		6,919,789
160	Valuation reserves		1,108,373		(8,931,171)
170	Profit (loss) for the year		22,392,978		12,306,161
	TOTAL		3,543,770,176		3,518,048,944

INCOME STATEMENT

	Items	2024		2023	
10	Interest income and similar income		9,388,977		9,883,676
	<i>of which: interest income using the effective interest method</i>		9,388,977		9,883,676
20	Interest expenses and similar charges		(22,171,818)		(23,734,480)
30	Net interest income		(12,782,841)		(13,850,804)
40	Fees and commissions income		278,461,207		226,824,838
50	Fees and commissions payable		(32,475,423)		(26,272,259)
60	Net commissions income		245,985,784		200,552,579
70	Dividends and similar income		-		-
80	Net income from trading activities		28,500		678,168
90	Net income from hedging activities		-		-
100	Gains (loss) on disposal or repurchase of:		(43,790)		1,835
	(a) financial assets measured at amortised cost	(43,790)		1,835	
	(b) financial assets measured at fair value through other comprehensive income				
	(c) financial liabilities				
110	Net result of other financial assets and liabilities measured at fair value through profit or loss (FVTPL)		5,560,392		5,981,256
	(a) financial assets and liabilities designated at fair value	-		-	
	(b) other financial assets mandatorily measured at fair value	5,560,392		5,981,256	
120	Net interest and other banking income		238,748,045		193,363,034
130	Net losses/recoveries for credit risks associated with:		(3,502,587)		(10,193,857)
	(a) financial assets measured at amortised cost	(3,502,587)		(10,193,857)	
	(b) financial assets measured at fair value through other comprehensive income				
140	Gains/losses from contract changes without derecognition				
150	Net income from financial activities		235,245,458		183,169,177
160	Administrative expenses:		(233,855,168)		(195,103,782)
	(a) personnel expenses	(205,487,413)		(169,470,217)	
	(b) other administrative expenses	(28,367,755)		(25,633,565)	
170	Net provisions for risks and charges		(9,146,851)		(2,739,300)
	(a) commitments and guarantees given				
	(b) other net provisions	(9,146,851)		(2,739,300)	
180	Net adjustments/write-backs to property, plant and equipment		(5,294,938)		(5,395,759)
190	Net adjustments/write-backs to intangible assets		(5,784,165)		(3,379,626)
200	Other operating expenses/income		8,232,056		16,691,696
210	Operating costs		(245,849,066)		(189,926,771)
220	Gains (Losses) from equity investments		41,915,506		26,066,759
230	Net result of fair value measurement of property, plant and equipment and intangible assets				
240	Goodwill value adjustments				
250	Profits (losses) on disposal of investments				
260	Profit (Loss) from current operations before tax		31,311,898		19,309,165
270	Income taxes for the year on current operations		(2,870,302)		(2,712,634)
280	Profit (Loss) from current operations after tax		28,441,596		16,596,531
290	Profit (Loss) from discontinued operations after tax		(6,048,618)		(4,290,370)
	Profit (loss) of the year		22,392,978		12,306,161

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Items	2024	2023
10.	Net profit (loss) for the year	22,392,978	12,306,161
	Other comprehensive income after tax not reclassified to profit or loss		
20.	Equity instruments designated at fair value through other comprehensive income		
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)		
40.	Hedges of equity instruments measured at fair value through other comprehensive income		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit plans	29,605	(84,007)
80.	Non-current assets and disposal groups held for sale		
90.	Portion of valuation reserves from investments valued at equity method	10,009,938	20,057,199
	Reserve pursuant to Art. 47	(95,000)	-
	Other comprehensive income after tax not reclassified to profit or loss		
100.	Foreign investments hedging		
110.	Foreign exchange differences		
120.	Cash flow hedging		
130.	Hedging instruments (non-designated items)		
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income		
150.	Non-current assets and disposal groups held for sale		
160.	Part of valuation reserves from investments valued at equity method		
170.	Total other comprehensive income after tax	9,944,543	19,973,192
180.	Comprehensive income (Item 10+170)	32,337,521	32,279,352

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (31.12.2022- 31.12.2023)													
				Allocation of previous year's result			Changes in the financial year						
	Balance as at 31/12/2022	changes in opening balances	Balance as at 01/01/2023	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	Comprehensiv e income - 2023	Equity as at 31/12/2023
Capital	836,383,864		836,383,864										836,383,864
Additional paid-in capital	-		-										-
Reserves:													
- of profits	78,169,781		78,169,781	(50,415,187)		(5,488,919)							22,265,675
- other	(38,437,380)		(38,437,380)			23,091,494							(15,345,886)
- referred to in Art. 47 of Decree-Law No 77 of 19/05/2020	(23,091,494)		(23,091,494)			23,091,494							
Valuation reserves	(28,904,363)		(28,904,363)									19,973,192	(8,931,171)
Equity instruments													
Treasury shares													
Profit (loss) for the year	(50,415,187)		(50,415,187)	50,415,187								12,306,161	12,306,161
Equity	796,796,714		796,796,714			17,602,575						32,279,353	846,678,643

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (31.12.2023- 31.12.2024)													
				Allocation of previous year's result			Changes in the financial year						
	Balance as at 31/12/2023	changes of opening balances	Balance as at 01/01/2024	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	Comprehensiv e income - 2023	Equity as at 31/12/2024
Capital	836,383,864		836,383,864										836,383,864
Additional paid-in capital	-		-										-
Reserves:													
- of profits	22,265,675		22,265,675	12,306,161		1,758,660						(95,000)	36,235,496
- other	(15,345,886)		(15,345,886)										(15,345,886)
- referred to in Art. 47 of Decree-Law No 77 of 19/05/2020												(95,000)	(95,000)
Valuation reserves	(8,931,171)		(8,931,171)									10,039,543	1,108,373
Equity instruments													
Treasury shares													
Profit (loss) for the year	12,306,161		12,306,161	(12,306,161)								22,392,978	22,392,978
Equity	846,678,643		846,678,643			1,758,660						32,337,521	880,774,824

CASH FLOW STATEMENT (INDIRECT METHOD)

A.	OPERATING ACTIVITIES	2024	2023
1.	Cash flow from operations	8,604,226	10,357,083
	- result for the year (+/-)	22,392,978	12,306,161
	- capital gains/losses on financial assets held for trading and on other assets/liabilities at fair value through profit or loss (-/+)	(5,595,580)	(6,005,594)
	- net losses/recoveries for credit risk (+/-)	3,502,587	10,193,857
	- net value adjustments/reversals on property, plant and equipment and on intangible fixed assets (+/-)	11,079,103	8,775,385
	- net provisions for risks and charges and other costs/revenues (+/-)	(31,723,480)	(22,103,095)
	- taxes and tax credit not liquidated (+/-)	2,900,000	2,900,000
	- net value adjustments/write-backs of discontinued operations after tax effects (+/-)	6,048,618.00	4,290,370
	- other adjustments (+/-)		
2.	Cash generated/absorbed by financial assets	(89,261,734)	194,993,268
	- financial assets held for trading	5,059,751	8,296,281
	- financial assets designated at fair value	-	-
	- other financial assets mandatorily measured at fair value	(3,488,735)	32,991,854
	- financial assets measured at amortised cost	(100,345,526)	85,033,678
	- other assets	9,512,776	68,671,454
3.	Cash generated/absorbed by financial liabilities	(21,058,736)	(80,725,661)
	- financial liabilities measured at amortised cost	(29,099,666)	152,535,399
	- financial liabilities held for trading	-	-
	- financial liabilities designated at fair value	-	-
	- other liabilities	8,040,930	(233,261,060)
	Net cash generated/absorbed by operating activities	(101,716,244)	124,624,690
B.	INVESTING ACTIVITIES		
1.	Cash generated by	-	-
	- sales of equity investments		
	- sales of property, plant and equipment		
	- sales of intangible assets		
2.	Cash absorbed by	(13,694,897)	(9,933,201)
	- purchases of equity investments	29,606	-
	- purchases of property, plant and equipment	(7,963,217)	(406,831)
	- purchases of intangible assets	(5,761,286)	(9,526,370)
	Net cash generated/absorbed by investing activities	(13,694,897)	(9,933,201)
C.	FUNDING ACTIVITIES		
	- dividend distribution and other purposes	-	-
	Net cash generated/absorbed by funding activities	-	-
	NET CASH GENERATED/ABSORBED DURING THE YEAR	(115,411,142)	114,691,489

Key: (+) generated (-) absorbed

RECONCILIATION		
Cash and cash equivalents at the beginning of the year	142,730,072	28,038,583
Total net liquidity generated/absorbed during the year	(115,411,142)	114,691,489
Cash and cash equivalents at year-end	27,318,930	142,730,072

NOTES TO THE FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission as provided for in Regulation (EU) No 1606/2002. 'IFRS' shall mean all International Financial Reporting Standards, all International Accounting Standards (IAS), all interpretations by the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC), adopted by the European Union and contained in the relevant EU Regulations in force as of 31 December 2024, with the exception of the exemption to the application of these standards used by the Company as provided for by Art. 47 of Decree-Law No 77 of 19 May 2020 converted by Law No 77 of 17 July 2020 (hereinafter 'Art. 47') and described below, for the purposes of preparing these Financial Statements in compliance with the provisions set in para. 19 of IAS 1 for exceptional cases.

In this regard, in application of the provisions of para. 20 of IAS 1, the Directors:

1. believe that the Financial Statements fairly present the Company's financial position, results of operations and cash flows;
2. have complied with the applicable IFRS, except for the provisions of IFRS 5 and IAS 28 in order to obtain a reliable presentation. The impacts of their application have been recognised in the Statement of Comprehensive Income and not in the Income Statement, as instead required by Art. 47; the total of the "Reserve Art. 47" as at 31/12/2024 is equal to €95,000 (related to Equity method valuation of to the Equity investment of Invitalia Partecipazioni).

In preparing the Financial Statements, the formats and compilation rules set forth in the Bank of Italy Governor's Order of 17 November 2022 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries' (hereinafter the Instructions) have been observed.

In this regard, it should be noted that the Agency was exempted from the application of the rules under Title V of the Italian Consolidated Law on Banking (hereinafter 'TUB') by a MEF decree dated 10 October 2012, as it is subject to other equivalent forms of supervision (MEF, Court of Auditors). This exemption does not change its nature as a "Financial Intermediary" and, consequently, has no impact on the balance sheet discipline previously indicated and applied with continuity over time.

In particular, for the purposes of the preparation of its financial statements, Invitalia considered the use of the Instructions to be the preferable solution, the result of a specific choice rather than an obligation: in fact, the obligation to use the Bank of Italy's Instructions for the preparation of financial statements falls exclusively on the entities listed in paragraph 1.1 of the Instructions. Since Invitalia's name does not appear on the aforementioned list, it has the option, not the obligation, to prepare its financial statements in accordance with the aforementioned Instructions. Instead, it is obliged to use IAS/IFRS as an issuer of listed debt securities. This approach was also confirmed by a legal opinion pro veritate issued by a qualified professional.

Article 47 of Decree-Law No 77 of 19 May 2020

During the 2020 financial year, a specific legal provision was introduced to regulate certain accounting profiles related to the disposal of real estate by the Agenzia Nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia. In particular, Article 47 of Decree-Law No 77 of 19 May 2020 converted by Law No 77 of 17 July 2020 (the 'Decreto Rilancio'), provides as follows: *'In order to ensure the full and effective performance of the company's mission and the achievement of the objectives set out in the business plan and in current legislation, Invitalia is authorised to recognise exclusively in its balance sheet accounts any decreases in value resulting from real estate rationalisation and disposal, including through newly established companies or companies under public or indirect control. The provisions of the last sentence of Article 1(461) of Law No 296 of 27 December 2006 apply to the reorganisation and transfer operations'*.

This article regulates certain accounting profiles related to real estate disposal transactions by Invitalia in order to ensure the full and effective performance of the company's mission and the achievement of the objectives set forth in the business plan and in current regulations, providing for the recognising of the effects of such transactions in the Statement of Other Comprehensive Income instead of in the Income Statement. As formulated and approved by the Parent Company Invitalia and the MISE (now MIMIT), having a Group-wide scope, indicates actions to be implemented by both Invitalia and its subsidiaries Italia Turismo SpA and

Invitalia Partecipazioni SpA, and is also binding on these subsidiaries, which own most of the assets being reorganised.

In this context, Invitalia entered into an agreement with Investimenti Immobiliari Italiani SGR SpA – subject to numerous amendments and additions (the last of which took place on 21 April 2023) to both the scope of the assets included in the aforementioned agreement and the reference timeframe – also controlled, like Invitalia, by the MEF, which defined all the main areas of the overall real estate rationalisation and disposal transactions. This scope consists of assets mostly held by the wholly-owned subsidiaries Italia Turismo SpA and Invitalia Partecipazioni SpA.

In the preparation of the financial statements subsequent to the entry into force of the aforementioned regulations, having found the prerequisites of the exceptional circumstances set forth in paragraph 19 of IAS 1, we proceeded, limited to the aspects and for the reasons described above, to depart from the accounting standards issued by the International Accounting Standards Board (IASB), and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission, as provided for by European Union Regulation No. 1606/2002, implemented in Italy by Legislative Decree No. 38 of 28 February 2005.

In particular, pending the completion of said real estate rationalisation and disposal transactions, these accounting methods described above have been used:

- in both the consolidated and the separate financial statements for impairments resulting from the alignment of the accounting value to the market value, net of costs to sell, if lower, of the real estate assets included in the aforementioned real estate transactions in accordance with IFRS 5;
- in the separate financial statements only for the impairment resulting from the alignment of the carrying amount to the market value, net of costs to sell, in respect of the equity investment classified under IFRS 5 and limited to the component of such impairment, if lower, of the real estate assets included in the aforementioned real estate transaction held by this subsidiary;
- in the separate financial statements only for recognising the impairment in accordance with IAS 36 in respect of the equity investment not classified under IFRS 5, limited to the component arising from the alignment of the carrying amount to the market value, if lower, of the real estate assets included in the aforementioned real estate transaction held by this subsidiary.

In this regard, Invitalia requested and obtained an authoritative opinion, with the support of which it concluded that:

- there is no incompatibility between the provisions of Article 47 of the Decreto Rilancio and the EU source governing IAS/IFRS, which envisages very few exceptional cases;
- Art. 47 of the Decreto Rilancio is a regulatory typification of an exceptional case, such as to justify the non-application of the ordinary IAS/IFRS rule on the presentation in the financial statements of decreases in the value of real estate generated as a result of the rationalisation operation provided for by the business plan with which the specific legislation on the subject is implemented;
- From an accounting point of view, in an IAS/IFRS financial statement the capital loss attributable to the real estate portfolio about to be sold should first be transferred, given its nature, to 'other components of the Statement of Comprehensive Income' and then be recognised as a reduction of shareholders' equity.

New International Financial Reporting Standards endorsed and in force

As required by IAS 8, below are the new international financial reporting standards or amendments to accounting standards already in force, together with the relevant endorsement regulations by the European Commission, whose mandatory application starts on 1 January 2024.

Financial Reporting Standards in force from 2024

- **Endorsement Regulation No 2023/2579 entered into force on 1 January 2024:** Commission Regulation (EU) 2023/2579 of 20 November 2023, published in the Official Journal L Series of 21 November 2023, adopts amendments to IFRS 16 Leasing. The amendments to IFRS 16 specify how the seller-lessee subsequently measures sale and leaseback transactions;
- **Endorsement Regulation No 2023/2822 entered into force on 1 January 2024:** Commission Regulation (EU) 2023/2822 of 19 December 2023, published in the Official Journal L Series of 20 December 2023, adopts amendments to IAS 1 Presentation of Financial Statements.

The amendments follow those adopted by the IASB on 23 January 2020 in respect of IAS 1, which relate to the implementation of how a company is to determine, in the statement of financial position, debt and other

liabilities with an uncertain settlement date. According to those amendments, that debt or other liabilities are to be classified either as current (due or

potentially due to be settled within one year) or non-current.

- **Endorsement Regulation No 2024/1317 entered into force on 1 January 2024:** Commission Regulation (EU) 2024/1317 of 15 May 2024, published in the Official Journal L Series of 16 May 2024, adopts 'supplier finance arrangements' amending IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*. The document introduces disclosure requirements about a company's supplier finance arrangements.

With respect to the Regulations endorsed and effective as of 1 January 2024, Invitalia has not identified any significant impacts on financial reporting as at 31 December 2024.

Financial Reporting standards in force after 31 December 2024

The following table shows the new International Financial Reporting Standards (or amendments to standards already in force), the mandatory application of which is to start on 1 January 2025 or later (if the financial statements do not coincide with the calendar year).

- Commission Regulation (EU) 2024/2862 of 12 November 2024, published in the Official Journal L Series of 13 November 2024, adopts amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendments to IAS 21 specify when a currency is exchangeable into another currency and, when it is not, how a company determines the exchange rate to apply, and the disclosures a company is to provide when a currency is not exchangeable.

Invitalia has not taken advantage of the option of early applying the Regulations effective as of 1 January 2025, as it is considered that such amendments or new endorsed standards will have a significant impact on the company's financial and economic situation.

International Financial Reporting Standards not endorsed as at 31 December 2024

Below are the documents for which, at the date of these Financial Statements, the EU competent bodies have not yet completed the endorsement process necessary for adopting these amendments:

- **IFRS 14: Regulatory Deferral Accounts (publication date: 30 January 2014).** This standard only allows entities adopting IFRS for the first-time to continue to recognise amounts relating to rate-regulated activities under their previous adopted accounting standards;
- **IFRS 18: Presentation and Disclosure in Financial Statements (publication date: 09 April 2024).** This standard will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve financial reporting, with particular reference to the Income Statement. In particular, the new standard requires an entity to:
 - classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the Income Statement;
 - to present two new defined subtotals in the Income Statement-operating profit and profit before financing and income taxes (ie EBIT).

This new standard also:

- requires more information on the management-defined performance indicators;
- introduces new criteria for the aggregation and disaggregation of information; and
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating profit as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some currently existing items (such as interest paid, interest received, dividends paid and dividends received).
- **IFRS 19: Subsidiaries without Public Accountability: Disclosures (publication date: 9 May 2024).** This new standard introduces some simplifications with regard to the disclosures required by IFRS Accounting Standards in the annual financial statements of a subsidiary that meets the following requirements: a) it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them; b) its parent company prepares consolidated financial statements in accordance with IFRS.
- **Amendments to IFRS 9 - IFRS 7: Classification and Measurement of Financial Instruments. (publication date: 18 December 2024).** This document clarifies some problematic aspects that

emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (ie green bonds). In particular, the amendments aim to: a) clarify the classification of financial assets with varying returns linked to environmental, social and governance (ESG) objectives and the criteria to be used for the SPPI test; b) determine that the settlement date of liabilities using electronic payment systems is the date on which the liability is settled (however, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date if certain specific conditions are met). With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

- **Annual Improvements Volume 11 (publication date: 18 July 2024)**. This document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The modified standards are as follows:
 - I. IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
 - II. IFRS 7 *Financial Instruments: Disclosures* and related guidance on the implementation of IFRS 7;
 - III. IFRS 9 *Financial Instruments*;
 - IV. IFRS 10 *Consolidated Financial Statements*;
 - V. IAS 7 *Statement of Cash Flows*.
- **Amendments to IFRS 9 - IFRS 7: Contracts Referencing Nature dependent Electricity (publication date: 18 December 2024)**. This document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7, including:
 - a clarification regarding the application of the 'own use' requirements to this type of agreement;
 - the criteria for allowing such agreements to be accounted for as hedging instruments; and
 - new disclosure requirements to enable users of financial statements to understand the effect of these agreements on an entity's financial performance and cash flows.

SECTION 2 - GENERAL PRINCIPLES OF PREPARATION

The financial statements are prepared in accordance with the general standards referred to in the 'Framework' for the preparation and presentation of financial statements. Therefore, the financial statements are prepared in accordance with the accrual basis of accounting and on the basis of the assumption of functioning and going concern. The general standards of materiality of information and the prevalence of substance over form have been taken into account in the preparation. Each relevant class of similar items is shown separately in the financial statement. Items of a dissimilar nature/purpose are presented separately unless they are immaterial. Assets and liabilities, income and expenses are not compensated except where expressly required or permitted by a standard or interpretation.

In the preparation of the Financial Statements as at 31 December 2024, where applicable, account was also taken of the information provided:

- by ESMA's Public statement 32-193237008-8369 of 24 October 2024 'European common enforcement priorities for 2024 annual financial reports' and in Consob's Warning No 2/24 of 20 December 2024;
- by ESMA's Public statement 32-193237008-1793 of 25 October 2023 'European common enforcement priorities for 2023 annual financial reports' and in Consob's Notice of 27 October 2023;
- in ESMA's indications contained in the Public Statement 'Implications of Russia's invasion of Ukraine on half-yearly financial reports', regarding the accounting effects of the Russia-Ukraine conflict on financial reporting and published on 13 May 2022.

In preparing the Financial Statements, the formats and compilation rules set out in the order of the Governor of the Bank of Italy of 17 November 2022 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries' were observed.

The financial statements consist of the balance sheet, the Income Statement, the statement of other comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the notes to the financial statements, and are accompanied by the directors' report on operations.

In addition to the balances for the current year, the accounting statements and the tables in the notes to the financial statements also present the corresponding comparative values for the previous year.

Unless otherwise indicated, the statements in the notes to the financial statements are in thousands of euro.

In accordance with Art. 5 of Legislative Decree No 38/2005, the financial statements are prepared using the euro as the accounting currency.

These annual Financial Statements were approved by the Board of Directors on 16 May 2025.

No exemptions to the application of IAS/IFRS were made except for the aforementioned exemption to the application of these standards used by the Company as provided for in Article 47 of Decree-Law No. 77 of 19 May 2020 converted by Law No. 77 of 17 July 2020.

The following documents were taken into account for interpretation and application support:

- *Conceptual framework for financial reporting;*
- *Implementation Guidance and Basis for Conclusions;*
- SIC/IFRIC interpretative documents;
- Interpretative documents on the application of IFRS in Italy prepared by the Italian Accounting Organisation (OIC);
- Documents issued by the EBA, ESMA and Consob concerning the application of specific IFRS provisions.

The following general principles dictated by IAS 1 - 'Presentation of Financial Statements' have been observed in the preparation of these Financial Statements:

- Going Concern: the Company has assessed that it will continue to operate as a going concern for the foreseeable future, taking into account all available information on a medium-term scenario. In addition, the balance sheet and financial structure and operating performance do not show any symptoms that could lead to uncertainties at this specific point and, consequently, these Financial Statements have been prepared on a going concern basis;
- Accrual Basis of Accounting: operating events are recognised in Invitalia's accounts and financial statements (with the exception of cash flow reporting) at the time of their economic accrual and regardless of their monetary manifestation, whereas costs and revenues are recognised in the Income Statement on the basis of the correlation criterion;
- Materiality and Aggregation: all items containing assets, liabilities, expenses and income of a similar nature and characteristics are presented separately in the financial statements, unless they are immaterial;
- Offsetting: no offsetting was carried out between assets and liabilities, income and expenses, except where expressly required or permitted by Bank of Italy instructions, an accounting standard or an interpretation;
- Periodicity of reporting: Invitalia prepares these financial statements, presenting the relevant information, on an annual basis, and compared to past financial years, there have been no changes to the closing date of its financial year, which continues to be 31 December each year;
- Comparative Information: comparative information is presented for two consecutive financial years (the current and the previous year). This comparative information, both referring to the closing date of the financial year, is provided for each of the individual documents comprising the financial statements, including the notes to the Financial Statements thereto.

SECTION 3 - SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date of the financial statements and until the date of its approval by the Board of Directors on 16 May 2025, no events occurred that would cause adjustment to the Company's results of operations and financial position, as required by IAS 10 para. 10. The following events in particular should be noted, referring also to the section 'Significant events occurring after the end of the financial year' in the Report on Operations:

Invitalia - Social Bond

In view of the maturity of the Social Bond issued in 2022, occurring next November 2025, Invitalia's Board of Directors authorised the formal and instrumental steps necessary for the early issuance of a new Bond, scheduled for the second half of June, in advance of the maturity of the previous one. The social bond is a financial instrument aimed at raising funds to achieve specific social outcomes. In particular, the purpose of

this class of bonds is to generate positive social outcomes by raising funds to finance new and/or existing projects in the areas of basic infrastructure (eg, healthcare, transportation, energy), job creation, and socio-economic progress and strengthening, including through financing and micro-financing for SMEs. The advantages of issuing a social bond rather than a traditional bond are both reputational and economic.

MCC - Signing of the sales contract for the transfer of Cassa di Risparmio di Orvieto

In January 2025, Mediocredito Centrale and Banca del Fucino signed a sale and purchase agreement contract for the disposal of the equity interest in Cassa di Risparmio di Orvieto for a provisional consideration of €90.4 million (subject to adjustment based on the investee's net equity at the closing date).

The transaction is expected to close within the first half of 2025, subject to the fulfilment of all conditions precedent stipulated in the agreement and the obtaining of authorisations by the relevant regulatory authorities.

MCC - Purchase of minority interests from subsidiary banks

On 12 February 2025, Mediocredito centrale purchased from its subsidiary CRO the minority interest held by the latter in the share capital of Banca di Italia, at a book value of € 5.9 million.

MCC - 'Social' bond placement

On 25 February 2025, Mediocredito Centrale successfully concluded the placement of a 'Social' bond (unsecured senior preferred) for a total amount of €500 million, with an annual fixed rate coupon of 3.25% (re-offer yield 3.285%) and maturity 4 March 2030 (BTP rate 3.5% 03/01/30 +50bps).

The bond represents the second issue under the €1 billion EMTN (Euro Medium Term Note) programme, whose base prospectus was approved last 2 August (subject to subsequent supplements dated 6 September 2024 and 21 February 2025). The new placement, intended for institutional investors, saw a more diversified range of Italian and foreign subscribers compared to the previous placement, with an increase in total orders, which exceeded 1.2 billion. The bond was issued on 4 March 2025 and, as of that date, the securities representing it are listed on the regulated market of the Luxembourg Stock Exchange.

In February 2025, Infratel S.p.A. Signed with Open Fiber S.p.A. the additional deeds to the agreements relating to the Piano Aree Bianche (White Areas Plan), implementing the revision of the the Piani Economici Finanziari (PEF, ie Economic and Financial Plans) and regulating the rebalancing procedures. These deeds have no economic or financial impact on Infratel S.p.A., as the rebalancing measures, totalling approximately €900 million, are fully covered by public funds allocated by the Ministry of Enterprise and Made in Italy, with no direct charges borne by the Company.

Invitalia - BEKO

As part of the resolution of the business crisis of BEKO Europe, the MIMIT, represented by the Minister, formally requested Invitalia, together with the Municipality of Siena, to initiate a collaboration aimed at strengthening the attractiveness of the industrial area of Siena, with a view to reindustrialising the plant, including through the acquisition of the property by Invitalia. On 3 April, a Memorandum of Understanding was signed whereby the Agency and the aforementioned Municipality agreed to evaluate the acquisition of the plant owned by DUCCIO IMMOBILIARE 1 S.r.l. Due Diligence on the property is currently underway.

Invitalia - Assignment of the transitional management of the integrated water service - ATI Trapani

With a resolution dated December 23, 2024, exercising the substitute powers provided for in Art. 14 of Decree-Law No 115 of 3 August 2022, the Council of Ministers temporarily entrusted Invitalia with the management of the integrated water service in the Assemblée territoriale idrica (ATI, ie Territorial Water Assembly) of Trapani. Not yet published in the Official Gazette, the resolution was adopted by the Presidency of the Council of Ministers (PCM), upon proposal of the Minister of the Environment and Energy Security after consulting the President of the Sicilian Region. In summary, the resolution provides for the temporary assignment (4 years, renewable) directly to Invitalia of the management of the integrated water service (SII) of the Trapani ATI; that the role assigned to Invitalia may only be carried out following the conclusion of a specific agreement with the Sicilian Region, which shall clearly define the tasks, prerogatives, tools, and responsibilities of Invitalia for the transitional management of the SII, for the benefit of the municipalities of the ATI Trapani, for the next 4 years; that the water infrastructure owned by the local authorities pursuant to Art. 143 of Legislative Decree No 152 of 3 April 2006 be entrusted to Invitalia under a free concession for the entire duration of the management.

SECTION 4 - OTHER ASPECTS

Since 2004, the Company has also adopted the 'National Consolidated Tax Return' governed by Arts. 117 and 129 of the Consolidated Law on Income Tax (TUIR), which was introduced into the tax legislation by Legislative Decree No 344/2003.

The Company is required to prepare Group Consolidated Financial Statements, which were submitted to the Board of Directors for approval on 29 May 2024. For the purposes of defining the scope of consolidation, the following should also be taken into account with reference to the application of Art. 1 of Decree-Law No 142 of 16 December 2019.

Application of Art. 1 of Decree-Law No 142 of 16 December 2019

Art. 1 of Decree-Law No 142 of 16 December 2019, as amended by Decree-Law No 104 of 14 August 2020 and Decree-Law No 103 of 20 July 2021 and converted into Law No 125 of 16 September 2021, provides as follows:

- 1-bis. Starting from the date of entry into force of the law converting this Decree, the Banca del Mezzogiorno - Mediocredito Centrale SpA or the company referred to in paragraph 2, in the event of its establishment, shall report on a four-monthly basis to the competent Parliamentary Committees on the performance of the financial operations referred to in para. 1, also with reference to the financial profiles and the trend of employment levels and shall also submit to the Chambers, by 31 January of each year, as from 2021, an annual report on the same financial operations carried out during the previous year. At the time of the possible establishment of the company referred to in paragraph 2, the Minister of Economy and Finance shall submit to the Chambers a report on the choices made, the consequent actions and the planned programmes.
- 1-ter. Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia is authorised to subscribe further capital contributions and to disburse shareholder account financing, up to a maximum limit of €705,000,000, to ensure the continuity of Taranto steel plant of ILVA SpA, qualified as a plant of national strategic interest pursuant to Article 3, paragraph 1, of decree-law no. 207 of 3 December 2012, converted, with amendments, by law no. 231 of 24 December 2012. The agreements signed by Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia pursuant to the preceding sentence are envisaged in the financial operations, including direct or indirect participation in the capital, in support of enterprises and employment, including in the Mezzogiorno, referred to in para. 1 of this Article. The costs referred to in this Paragraph shall be covered, for the amount of €705,000,000, through the use of the resources available in the residual account referred to in Article 202, Paragraph 1, of Decree-Law No. 34 of 19 May 2020, converted, with amendments, by Law No. 77 of 17 July 2020. The provisions of Art. 34-bis of Law No 196 of 31 December 2009 apply to the resources referred to in the preceding period. The Minister of Economy and Finance is, to this end, authorised to issue, by his own decrees, the necessary budgetary variations, also in the residual account, and the payment, also in several instalments, of the share capital referred to in the first period.
- 2. Following the steps taken by the bank to apply para. 1, by decree of the Minister of the Economy and Finance in agreement with the Minister of Economic Development, the bank may be demerged with the establishment of a new company, to which the assets and equity investments acquired pursuant to para. 1 are assigned. The shares representing the entire share capital of the company are assigned, without consideration, to the Ministry of Economy and Finance.
- 3. The provisions of Legislative Decree No 175 of 19 August 2016 do not apply to the newly established company referred to in the preceding paragraph. This is without prejudice to the rules on good reputation, professionalism and autonomy of directors laid down in the Consolidated Law on Banking (TUB), referred to in Legislative Decree No 385 of 1 September 1993.
- 4. All acts and operations carried out for ensuring the application of the preceding paragraphs are exempt from charging, both direct and indirect, and from taxation.
- 5. Any resources referred to in para. 1 that are no longer necessary for the purposes set forth in this Decree shall be quantified by a decree of the Minister of Economy and Finance and transferred to the chapter of origin, also by means of payment to the State budget and subsequent reallocation to the expenditure.

In accordance with and in execution of the provisions of the aforementioned Decree-Law No 142/2019, as subsequently amended, Invitalia:

- on 24/06/2020 made a capital contribution of €430 million to the subsidiary Mediocredito Centrale for the latter to subscribe a capital increase in favour of BdM Banca S.p.A. (at the time Banca Popolare di Bari);

- on 14/04/2021 subscribed the capital increase of AM InvestCo Italy SpA (now Acciaierie d'Italia Holding SpA), the company that holds the business branches of ILVA under extraordinary administration, for an amount of €400 million;
- on 25/01/2022 established the company DRI d'Italia with an initial share capital of €35 million for the purpose of building and operating a plant for the production of direct reduced iron.

For the purposes of the accounting framework of the grant received, with the support of a technical-legal opinion specifically prepared Invitalia considered that:

- 1) the 'capital grant' received must be treated in accordance with IAS 20 para. 24 on contributions and that the same should be recognised as deferred income in connection with the contribution received in return for the increase in the value of the equity investment resulting from the capital contribution/capital increase made by Invitalia in favour of Mediocredito Centrale SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA respectively;
- 2) the amounts that Invitalia has allocated or will be called upon to allocate in favour of Mediocredito Centrale SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA have been/will be recorded as an increase in the net equity of the investee companies in the same way as 'capital contributions/ capital increases', as provided for by Art. 1 of Decree-Law No 142/2019;
- 3) in the hypothesis of the application of the demerger with the establishment of a new company in accordance with the provisions of paragraph 2 of Article 1 of Decree-Law 142/2019, the assets and participations acquired pursuant to paragraph 1 of the aforementioned provision shall also include, for the principle of space-time continuity of management, the assets and/or liabilities generated by such assets and participations in the time between the acquisition referred to in paragraph 1 and the demerger referred to in paragraph 2;
- 4) any costs or losses in excess of the amount of the capital contributions received pursuant to Article 1(1) of Decree-Law 142/2019 - in light of the role of mandatary attributed to Invitalia by the law - would not entail an obligation for Invitalia to support the company in difficulty.

In view of all this, these contributions were treated as follows:

- Invitalia recognised the contribution received as a balancing entry under the item 'Other Liabilities' called 'Allocation pursuant to Art. 1(1) of Decree-Law No 142 of 16/12/19' in accordance with the above provision of the law, which defined the payment to Invitalia as 'capital contributions' and then, once the payment had been made to the subsidiary Mediocredito Centrale SpA and the investees Acciaierie d'Italia Holding SpA and DRI d'Italia SpA, to increase the value of the investment in Mediocredito Centrale SpA or to recognise the investment in Acciaierie d'Italia Holding SpA and DRI d'Italia SpA as an assets;
- exclusively the subsidiary Mediocredito Centrale SpA recognised the payment received as a balancing entry under Shareholders' Equity in accordance with the above-mentioned provision of the regulation that defined the payment to Mediocredito Centrale SpA as a capital contribution.

This classification of the grant received implied that there was no 'control' relationship (in terms of the application of the notion of "control" under IFRS 10, between Invitalia on the one hand and BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA on the other. This conclusion follows from the consideration that, having recognised the capital contribution under the item 'Other Liabilities' and accounting for the related costs incurred on the basis of the income approach required by the aforementioned IAS 20, therefore aimed at neutralising the costs/revenues recorded in the income statement, Invitalia is not exposed to the 'rights to variable returns arising from the relationship with the entities subject to investment' and therefore, in the absence of such exposure to variable returns, does not have the requirements to consider a control relationship with BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA as existing. As a result, Invitalia does not consolidate BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA in its Consolidated Financial Statements.

Accounting treatment defined for equity investments acquired with government grants/third-party funds

In light of the above on the accounting treatment of contributions received in application of Art. 1 of Decree-Law No 142 of 16 December 2019, Invitalia defined a specific accounting policy for the accounting treatment of all equity investments acquired with government grants that can be classified in accordance with the provisions of Accounting Standard IAS 20. Indeed, it considered that, despite having all the characteristics envisaged according to IAS 32:11, these equity investments could not fall within the scope of application of the international accounting standards that specifically govern the accounting treatment thereof (IFRS 9, IAS 27 and IAS 28, IFRS 11). In particular, also on the basis of a technical opinion specifically prepared, it was considered that these equity investments are acquired by Invitalia in execution of specific regulatory provisions and through public or third-party resources allocated to the Company. Furthermore, with reference

to equity investments acquired with government grants, these regulatory provisions establish specific rights for the entity providing the contribution/fund and specific obligations for Invitalia, such that the latter is in essence not granted the economic effects typical of an equity instrument (dividends, impairments, etc.) - as is the case with any instrument representing capital (whether minority, associated, joint control or controlling) which therefore represents '*a residual interest in the entity's assets after deducting all its liabilities*' - nor the power to take specific actions typical of ownership (eg the sale of the equity interest acquired through the contributions received), despite having legal ownership of the shares representing the share capital of a company. Taking into account the specificity of the context just described, Invitalia has adopted a specific accounting policy for the recognition and measurement of equity investments acquired through the disbursement of a contribution.

The initial recognition and subsequent measurement of these investments are at cost recognised at the settlement date, including any expenses or income directly attributable to the transaction.

At each date of the financial statements (or at any interim reporting date), the presence/absence of impairment of investments is verified. This evidence is gathered on the basis of the qualitative and quantitative indicators outlined below. In the presence of these indicators, an impairment test is performed in accordance with the provisions of IAS 36 in order to estimate the recoverable value of the investment and to compare it with its book value, in order to determine whether value adjustments should be recognised. With particular reference to those equity investments whose individual carrying value was deemed immaterial (in accordance with International Accounting Standard IAS 1:7), equity is used as the method to determine the recoverable value of the equity investment - as it approximates the fair value calculated using a simple equity method - to be compared with the carrying value thereof in order for any impairment to be recognised.

As indicated above, at each date of the financial statements (or at any interim reporting date), the presence of specific qualitative and quantitative indicators is assessed, such as:

- the achievement of negative economic results or, in any case, a significant deviation from budget targets (or from multi-year plans);
- significant financial difficulties of the investee;
- likelihood that the investee will declare bankruptcy or be subject to other financial restructuring procedures;
- the distribution of a dividend greater than the profit for the period and existing profit reserves;
- the distribution of a dividend by the investee in excess of the profit in the statement of comprehensive profit or loss (or comprehensive income for financial companies) in the year in which it declares it.

The equity investments currently affected by this accounting treatment, both for the purposes of the separate and consolidated financial statements, are as follows:

1. Mediocredito Centrale SpA limited to the portion related to the acquisition of the equity investment in BdM Banca SpA;
2. equity investment in Acciaierie d'Italia Holding SpA;
3. equity investment in Reithera Srl;
4. equity investment in TLS Sviluppo Srl;
5. equity investment in DRI d'Italia SpA;
6. equity investments acquired pursuant to Law No 181/89 (CMS Srl in fallimento, Elmirad Service Srl in liquidazione, Fonderie SpA in fallimento, Gustavo De Negri & ZA.MA. Srl, Jonica Impianti Srl, Peritas Srl, PRO.S.IT. Srl in fallimento, SIE- Società Ittica Europea In Amministrazione Straordinaria, Simpe SpA in fallimento, Sural SpA in fallimento).

Accounting treatment of the ISA-ISMEA payment

In 2003, Law No 350 provided for the transfer of financial resources from Sviluppo Italia SpA (now Invitalia) to ISA (now ISMEA), which took over the functions previously performed by Invitalia itself.

In compliance with the provisions of the above mentioned Law No 350, Decree-Law No 203 of 30 September 2005 provided in its Art. 10 ('Transfer of assets from Sviluppo Italia SpA to ISA SpA (now ISMEA)'), and in particular in para. 5, that Sviluppo Italia SpA '*is authorised to record in its book entries only the decreases resulting from the transfer of the assets referred to in para. 1*'.

In this context, ISMEA called Invitalia to appear before the Court of Rome asking that the plaintiff's right to a receivable of approximately €15.5 million from SECI SpA (now Eridania Sadam SpA) and Finbieticola SpA, arising from the sale of the shares of Zuccherificio Castiglione SpA, be ascertained.

In summary, ISMEA's reasons underlying this request lie in its assessment of the inclusion of this receivable (*rectius* receivables) in the scope of assets subject to transfer under the aforementioned rules. These receivables have in the meantime been collected and thus transformed into cash.

Considering that:

- both parties have the same public nature;
- the transfer of assets from Invitalia to ISMEA (in the form of a transfer for the symbolic value of 1 euro) was made under a state law and therefore not at arm's length;
- such a transfer (*rectius* transfer without consideration) represents a transaction between two entities subject to common control;

in the financial year ended 31 December 2022 Invitalia recorded a specific equity reserve against the payment made with reference to the event described above. As at 31 December 2024, no changes were made with reference to the above.

Possible repercussions of the Russian-Ukrainian conflict

In relation to the Russian-Ukrainian conflict, also taking into account the indications given in the past by ESMA, the Agency has no exposure to the countries involved in the conflict itself.

Disclosure of risks, uncertainties and other potential impacts of climate change

Climate change and the transition to a low-carbon economy are becoming increasingly important for companies, banks, governments, regulators and investors.

When preparing the annual financial report as at 31 December 2024, also for the purpose of complying with ESMA recommendations, companies are required to consider the risks associated with climate change, insofar as the effects of these risks may be significant.

The Company, also in its capacity as Parent Company of the Invitalia Group, is aware of the importance of identifying, assessing, preventing and reducing the potential environmental and climate change risk, ie related to direct impacts such as the use of energy resources (both renewable and non-renewable), GHG emissions, waste production and its disposal, the consumption of raw materials instrumental to its activities (paper and toners) and the infringement of environmental and sector regulations.

In its capacity as Parent Company, the Company prepares the Sustainability Report as at 31 December 2024 in line with the new Corporate Sustainability Reporting Directive (CSRD) and includes it in the Report on Operations to the Consolidated Financial Statements, to which reference is made for the discussion of related issues.

As stipulated in IAS 1, para. 7, the requirements for determining the materiality of financial information must also be considered when assessing the disclosure to be provided on climate risks. In this context, the IASB 'Making Materiality Judgements' Practice Statement envisages that companies should take into account both quantitative and qualitative factors (as well as the interaction between them) in assessing whether or not information is material. Specifically, climate risks could be potential indicators of possible asset impairment;

for this reason, when performing impairment test activities, the guidance of industry authorities on financial reporting profiles related to risks, uncertainties, estimates, assumptions and measurements as well as difficulties related to any impacts that climate risks may have on the entities under analysis must also be considered. Where potentially relevant, climate change factors have been taken into account mainly through considerations and/or sensitivity analyses on the variables determining recoverable amount.

Moreover, in consideration of the above, although Invitalia attaches particular importance to environmental protection and is aware of the need to use resources responsibly so as to minimise negative environmental impacts, given the activity carried out, issues related to climate change are considered not relevant to the Company's financial reporting in the exception provided by the reference accounting standards.

For the purposes of determining the ECL on performing loans, Invitalia updated the macroeconomic scenarios. For details, reference is made to the Sustainability Report prepared at Group level and included in the Report on Operations.

Disclosures on Going Concern

Following the provisions of Document No 2 of 6 February 2009 on the subject of disclosures on going concern, jointly drafted by the Bank of Italy, Consob and Isvap, in compliance with the requirements for the same subject under IAS 1 Revised and following the recommendations indicated over time by ESMA, Invitalia carried out an assessment of the Company's ability to operate as a going concern in the foreseeable future, taking into account all available information on a medium-term scenario. In particular, in making the assessments, account was taken of the particularly uncertain macroeconomic context due to the currently unforeseeable effects related to the evolution of the Russian-Ukrainian and Israeli-Palestinian conflicts. Said

context is still influenced by the risk of new and significant customs barriers by the world's main economies, with subsequent repercussions on the Italian economy and, therefore, on the Company's business.

Given the risks and uncertainties associated with the current macroeconomic context and based on the best information available at the date of preparation of these Financial Statements, it is reasonable to expect that the Company will operate as a going concern in the foreseeable future, also considering the positive performance achieved in 2024; in addition, as its equity, financial and economic structures (as represented in the Report on Operations as well) show no symptoms that could lead to uncertainties thereon, the financial statements have been prepared on a going concern basis.

Risks and uncertainties related to the use of estimates

The preparation of the Financial Statements requires the use of estimates and assumptions that may affect the amounts reported in the Balance Sheet and in the Income Statement, as well as in the disclosure of contingent assets and liabilities.

The estimates and associated assumptions are based on both the use of available management information and on subjective assessments also relying on historical experience.

By their very nature, the estimates and assumptions used may vary from year to year and it cannot thus be excluded that in subsequent years the actual values recorded in the Financial Statements may differ (even significantly) as a result of changes in the subjective assessments used.

The following are the main cases for which the use of subjective assessments by management is most required:

- the quantification of impairment on loans, securities, equity investments and, in general, other financial assets;
- the quantification of the provisions for risks and charges (determined on the basis of the estimated disbursements required to fulfil the obligations for which the use of resources is considered probable);
- the quantification of employee termination indemnities, the company retirement fund and other employee-related benefits (determined on the estimate of the current value of the obligations referring to probable disbursements, that are discounted considering financial aspects (interest rates), assumed salary trends, turnover rates and demographic data);
- the use of measurement models to determine the fair value of financial instruments not listed in active markets;
- the determination of fair value for the measurement of non-current assets and disposal groups classified as held for sale with particular reference to equity investments held. In this regard, it should be noted that the estimated market value of this equity investment is particularly sensitive to changes in the key variables used to determine it (cash flows, discount rate, etc.). In light of the conflict between Russia and Ukraine and the one in the Middle East currently underway, as well as of the uncertainties connected to their evolution and any further impacts deriving from the particular macroeconomic context, changes cannot be excluded in the assumptions and measurement models adopted by Invitalia to estimate this equity investment. Any fluctuations (even marginal) in the cash flows taken as a basis by the model and/or the variables of the models used may have an impact on the estimated values, which is why the Company constantly monitors their evolution.

Therefore, it follows that risk assessment is mainly linked to the evolution of the national and international socio-economic context, as well as to the performance of the financial markets, which have repercussions on interest rate trends, price fluctuations, actuarial bases and, more generally, on the counterparties' creditworthiness.

The Russian-Ukrainian conflict, the one in the Middle East and the current macroeconomic context did not reveal any risks previously not considered by the Company. reference is made to Part D of the Notes to the Financial Statements and to the Report on Operations for a more detailed discussion of the risks to which the Company is exposed.

The current macroeconomic context has exacerbated the levels of uncertainty inherent in accounting estimates, increasing their complexity.

Comparative data reclassification

With a view to better presenting the 2024 balance sheet - liabilities part, the Company reclassified from:

- **Item 10 - Financial liabilities measured at amortised cost a) Payables/Item 80 - Other Liabilities**

the amount relating to liabilities associated with recharges of labour costs for seconded staff, contracted to subsidiaries, as these liabilities are related to the provision of non-financial activities and services.

	BALANCE SHEET - LIABILITIES	2023 FINANCIAL STATEMENTS before reclassification	RECLASSIFICATION	2023 FINANCIAL STATEMENTS after reclassification
10	Financial liabilities measured at amortised cost (a) Payables	353,474,028	(1,312,143)	352,161,885
80	Other liabilities	1,936,298,055	1,312,143	1,937,610,198

A.2 SECTION RELATED TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Information related to the accounting standards and considered relevant in accordance with IAS 1 *Presentation of Financial Statements*, as well as all other information deemed useful by the Management for understanding the financial statement disclosures, are reported hereafter.

The accounting standards adopted are presented with reference to the recognition, classification, measurement and derecognition of the various asset and liability items.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recorded at nominal value and include cash values, ie those values that meet the requirements of being available on demand or very short-term, being in good standing and having no collection costs.

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

Classification Criteria

Financial assets other than the ones 'measured at fair value through other comprehensive income and 'measured at amortised cost' fall into this category. In particular:

- Financial assets held for trading mainly consist of debt and equity securities and the positive value of derivative contracts held for trading;
- Financial assets mandatorily measured at fair value consist of financial assets that do not meet the requirements for measurement at amortised cost or at fair value with impact on comprehensive income. These are financial assets whose contractual terms are not represented solely by payments of principal and interest on the amount of principal to be repaid (so-called 'SPPI test', not passed) or which are not held as part of a business model whose objective is the holding of assets for the purpose of collecting contractual cash flows ('Hold to Collect' business model) or whose objective is achieved both by collecting contractual cash flows and by selling financial assets ('Hold to Collect and Sell' business model);
- Financial assets are designated at fair value (ie upon initial recognition and where the conditions exist). In relation to financial assets, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces a measurement inconsistency.

Debt securities and loans that are included in an 'Other/Trading' business model or that do not pass the SPPI test, including portions of syndicated loans underwritten that, from the outset, are earmarked for sale and that are not attributable to a 'Hold to Collect and Sell' business model, are reported under this item.

This item also includes equity instruments (not qualifying as control, connection and joint control) held for trading or for which no designation as at fair value with impact on comprehensive income was opted for upon initial recognition. Also recognised under this item are units of UCITs. For the UCITS category, given the structure of the instrument and its units, the SPPI test fails by definition, resulting in a single classification under FVTPL.

Capitalisation policies are another case in point due to the inherent characteristics of the underlying investment instruments. Similarly to units of UCITs, such instruments present an objective difficulty in preparing a look-through approach and fail the SPPI test; for this reason, they must be accounted for under 'Financial assets at fair value through profit or loss'. Specifically, the fair value is the value of the policy communicated periodically in the statement of account sent by the insurance company and corresponds to the premium increased with the returns generated by the separate management net of the commission component.

Derivative contracts (recorded as financial assets held for trading) are shown as assets if the fair value is positive and as liabilities if the fair value is negative.

Derivatives also include those embedded in complex financial instruments where the host contract is not a financial asset that falls within the scope of IFRS 9 and which have been recognised separately because:

- Their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
- Embedded instruments, even if separate, meet the definition of a derivative;
- The hybrid instruments to which they belong are not measured at fair value, with the related changes recognised in the Income Statement.

According to the general rules in IFRS 9 on reclassification of financial assets (except for equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.

Recognition Criteria

The initial recognition of financial assets takes place on the settlement date for debt securities, equity securities and loans, and on the subscription date for derivative contracts.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument.

Valuation Criteria

After the initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this criterion are recorded in the Income Statement under item 80 'Net income from trading activities' in the case of instruments held for trading or in item 110 'Net result of other financial assets and liabilities measured at fair value through profit or loss' in the case of instruments designated at fair value or other financial assets mandatorily measured at fair value.

Interest income accrued during the year on these assets is recorded under item 10 'Interest income and similar income' of the Income Statement.

Derecognition Criteria

Financial assets are derecognised only if the sale has resulted in the substantial transfer of all risks and rewards associated with said assets.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

Classification Criteria

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved by collecting contractual cash flows ('Hold to Collect' business model);
- the contractual terms of the financial asset provide, at certain dates, for cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid (so-called 'SPPI test', passed).

According to the general rules in IFRS 9 on reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.

Loans disbursed against funds provided by the State or other public entities and destined for particular lending operations provided for and regulated by specific laws ('loans with third-party funds under administration' under Law No 181/89) are recognised under this item, inasmuch as interest accrues on them and on the related funds, respectively, in favour of and at the expense of the intermediary, and loans disbursed against funds provided by the State ('loans with third-party funds under administration' pursuant to Art. 6 of Law No 64 of 01/03/86 - Tourism Revolving Fund), inasmuch as the risk of default is borne by the intermediary.

Recognition Criteria

The financial asset is initially recognised on the settlement date. Upon initial recognition, financial assets classified in this category are recognised at fair value, including any directly attributable costs and income.

In particular, the first recognition of a credit occurs on the date of contract signature, which normally coincides with the date of disbursement. If this does not occur, a commitment to disburse funds is entered into when the contract is signed; said commitment ends on the date the loan is disbursed.

Receivables are recognised on the basis of their fair value, which is equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual receivable and determinable from the origin of the transaction, even if settled at a later date. Costs which, although having the above-mentioned characteristics, are reimbursed by the debtor counterparty or fall under normal internal administrative costs are not included.

Valuation Criteria

Following the initial recognition, these financial assets are measured at amortised cost, using the effective interest rate method, with interest income recognised in item 10 'Interest income and similar income' of the Income Statement.

The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of applying the discounting logic negligible for those without a defined maturity.

Financial assets belonging to this category, regardless of their technical form, must be subject to impairment testing, with the related effects recognised in item 130 'Net losses/recoveries for credit risk associated with (a) financial assets measured at amortised cost' of the Income Statement.

Gains or losses occurring on the sale of said assets are to be accounted for within item 100 'Gains (loss) on disposal or repurchase of (a) financial assets measured at amortised cost' of the Income Statement.

Derecognition Criteria

Financial assets are derecognised when the right to receive their cash flows expires or if they are sold, only if the sale has resulted in the substantial transfer of all risks and rewards associated with the assets. On the other hand, if a significant portion of the risks and rewards relating to the transferred financial assets have been retained, they continue to be recognised in the Financial Statements, even though legally the ownership of the assets has been effectively transferred.

In the event that the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is maintained over them; otherwise, the (even partial) preservation of this control entails retaining the assets in the Financial Statements to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.

Impairment

Measuring impairment allows measuring the magnitude of adjustments to impaired positions dependent on creditworthiness impairment after the initial recognition of the financial asset and at the various book dates up to the maturity of the relationship.

According to IFRS 9, the measure of expected losses on the performing portfolio (Stage 1 and Stage 2) falling within the scope of the impairment calculation must take into account cash shortfalls, default probabilities and the time value of money. The measurement of the expected loss may take place over different time horizons depending on the evolution of the creditworthiness associated with the position and thus on the allocation stage:

- 12-month expected losses for relationships allocated in Stage 1: these are the losses resulting from possible defaults that may occur over a time horizon of 12 months from the reporting date;
- expected 'lifetime' losses for relationships allocated in Stage 2: these are the losses resulting from all possible defaults that may occur over the expected residual life of the financial instrument.

The lifetime expected loss is defined as the sum of losses from defaults that may affect the credit relationship or financial instrument over a multi-period time horizon (spanning the entire remaining life of the relationship).

Following the indications of the Standard, once the classification of the instruments in the different stages has been carried out, in the case of a relationship classified in Stage 1, the expected loss is

measured via the formula described above, limited to the annual time horizon; on the contrary, for relationships allocated in Stage 2, the expected loss is measured via the formula described above, considering the entire residual life (lifetime) of the instrument.

EAD is conventionally defined as the book value of the financial asset at the measurement date.

If the asset under measurement has already been subject to an analytical impairment or to one for which advances have been received, the EAD value has been calculated net of these amounts.

For instalment relationships, the EAD value is equal to the residual debt of the exposure obtained by considering a decreasing trend of the multi-period EAD over each period as a function of the cash flows characterising the amortisation schedule of each relationship.

For debt securities, the EAD value is considered equal to the purchase value of the tranche; if no amortisation schedules exist, the EAD value is considered constant over the entire residual life of the position.

Definition of 'Default'

In particular, Invitalia defined the parameters and rules for the proper allocation of performing exposures to Stage 1 or Stage 2 and non-performing exposures to Stage 3 based on the definition of default set out below.

Invitalia first considers 'in default' all positions for which legal recovery actions have begun. In addition, other default criteria are defined based on the number of days past due, which have been calibrated differently for trade and financial receivables as indicated above.

With reference to trade receivables, in addition to the rule defined above and based on the initiation of legal recovery actions, in order to distinguish the performing portfolio from the non-performing one, Invitalia has also established to apply the following default definition rules calibrated on the basis of the characteristics of its own portfolio of trade receivables and according to its own reference context:

- Invoices to be issued that are more than 360 days past due, with respect to the date on which they were sent to the customer, are considered 'impaired' with the consequent need for an analytical impairment;
- Receivables for assets sent to the BU that are more than 450 days past due, with respect to the date they were sent to the BU, are considered 'impaired' with the consequent need for an analytical impairment;
- Receivables for residual assets and inventories due from counterparties of the Public Administration that are more than 720 days past due are considered 'impaired' with the consequent need for analytical impairment;
- Receivables for residual assets and inventories due from non-Government counterparties that are more than 360 days past due are considered 'impaired' with the consequent need for analytical impairment;
- For invoices already issued to Public Administration counterparties, the New DoD was chosen, whereby the impairment threshold was set at 180 days;
- For invoices already issued to non-Government counterparties, the New DoD was chosen, whereby the impairment threshold was set at 180 days.

These thresholds defined for trade receivables derive from internal company assessments and benchmarks observed on entities which are similar to those of Invitalia.

With regard to financial receivables, in addition to the above-mentioned rule based on the initiation of legal recovery actions, all receivables with a past due amount of more than 90 days are generally considered to be in default.

Staging Rules for Trade Receivables

For trade receivables and contract assets (with or without a significant financial component), the simplified approach set forth in the Standard is applied; based on this approach, there is no need to distinguish the performing portfolio between Stage 1 and Stage 2, with the expected loss always being calculated on a lifetime basis.

For the purposes of defining the value of provisions, a distinction is therefore made only between the performing portfolio, which will be subject to the simplified approach described above, and the non-performing portfolio identified on the basis of the definition of default defined above for trade receivables.

Staging Rules for Financial Receivables

With regard to financial receivables, in order to assess the significant increase in credit risk (SICR) and thus to define the criterion for moving from Stage 1 to Stage 2, consistently with what is envisaged by the Standard, the Company:

- does not adopt quantitative SICR criteria based on a comparison of credit risk indicators (ratings or PDs) observed at the reporting date and the origination date due to the unavailability of historical information that is reasonable and sustainable 'without undue cost or effort';
- adopts the methodological simplification (so-called 'practical expedient') based on the so-called 'rebuttable presumption', according to which receivables are presumed to be significantly impaired when they are more than 30 days past due (Ref. IFRS 9 5.5.11);
- with reference to all other potential qualitative elements provided for by the Standard in para. B5.5.17 (see Appendix A.1) and usable for the purpose of defining the criteria for passing to Stage 2, based on the assessments made the only criterion currently identified as taking into account the information available 'without undue cost or effort' appears to be that of continuous days past due.

The stage allocation of performing financial receivables is therefore currently based solely on the criterion of continuous days past due and, consistent with the Company's definition of default on the financial receivables portfolio, the following criteria are adopted:

- Receivables with less than 30 days past due are allocated to Stage 1;
- Receivables with more than 30 but less than 90 days past due are allocated to Stage 2;
- Receivables considered non-performing based on the definition of default defined above for financial receivables are allocated to Stage 3.

Staging Rules for Intra-group Receivables

Intra-group trade receivables are conventionally measured under the simplified approach on the assumption that in the event of financial difficulties of the counterparty, the credit risk is assumed by the Italian State.

With reference to financial receivables, considering the peculiarities of the Group's credit portfolio, intra-group receivables (relating to wholly-owned subsidiaries) are allocated to Stage 1 based on the assumption that in the event of financial difficulties of the counterparty, the credit risk is assumed by the Italian State.

Staging Rules for Securities

The following stage allocation criteria are applied to the securities portfolio, consistent with the requirements and provisions of the Standard:

- 'Low Credit Risk Exemption' (LCRE) based on the rating check of the security tranche at the reporting date;
- significant impairment rule based on the check of the change in the rating of the security tranche between the origination date and the reporting date.

Security tranches with a low level of risk at the reporting date (low credit risk), consistent with what is envisaged by the Standard, are maintained in Stage 1. In line with the best practices, the threshold for recognising a security as 'low credit risk' was set at the 'investment grade' threshold set by the ECAI agencies and corresponds to S&P's BBB- rating class.

Security tranches not considered 'low credit risk' are allocated to Stage 2 if they have experienced a significant impairment in credit risk since the origination date; otherwise, they are allocated to Stage 1. The criterion for measuring the significant impairment in creditworthiness and the consequent transfer to Stage 2 is based on a comparison of the rating of the ISIN (if any) or the issuer at the date of purchase of the individual tranche and at the reporting date.

The threshold for transferring to Stage 2 was set at 2 downgrade notches consistent with market best practices. Ratings were attributed by retrieving this information from public sources. The ECAI agency considered is S&P; if no S&P ratings exist, the ratings provided by Moody's and by Fitch are considered in order of priority.

If the above criteria cannot be applied due to the lack of rating information at the origination/reporting date for the issue and the issuer (unrated cases), the tranche is prudentially allocated to Stage 2.

On the other hand, if an objective loss event (credit event) occurs, the exposure is classified in Stage 3.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

IAS 32 regulates the criteria for offsetting financial assets and liabilities. Specifically, the Company may present the net balance in its balance sheet when the following conditions are simultaneously fulfilled:

- i. the company has a legal right to compensate the amounts recognised in the accounts;
- ii. the company intends to settle for the net residue or realise the asset and simultaneously settle the liability.

The presentation of the net balance is therefore possible when the compensating (if any) reflects the future cash flows that the company expects to obtain from the settlement of two or more separate financial instruments. When an entity has the right as well as the intention to receive or pay a single net amount, it has in effect a single financial asset or liability. In other cases, financial assets and financial liabilities are presented separately, consistent with their characteristics as resources or obligations for the entity.

EQUITY INVESTMENTS

This item includes interests held in subsidiaries (pursuant to IFRS 10) and associates (pursuant to IAS 28).

IFRS 10 states that an investor controls an investee when it is exposed to, or has rights to, variable returns from its relationship with that entity and at the same time has the ability to affect those returns by exercising power over that entity. Three conditions must therefore be fulfilled simultaneously:

- a) power over the investee;
- b) the exposure or rights to variable returns arising from the relationship with the investee;
- c) the ability to exert one's power over the investee to affect the amount of its returns.

The accounting notion of 'control' is therefore of a substantive nature and may differ from the civil law notion (Art. 2359 of the Italian Civil Code): in particular, even the possession of a majority of the votes exercisable at the shareholders' meeting is not per se diriment, if the possession is not accompanied by substantive and exercisable rights conferring the actual capacity to direct the relevant activities.

The standard expressly provides that an investor who owns more than half of the voting rights in an investee may not have power if the relevant assets are, for example, subject to management by a central government, court, administrator, receiver, liquidator or supervisory body.

Associates are companies in which the company directly or indirectly holds at least 20% of the voting rights or in which, even with a lower proportion of voting rights, significant influence is recognised, defined as the power to participate in determining financial and management policies, without having control or joint control.

Investments are initially recognised at cost, on the settlement date, including any expenses or income directly attributable to the transaction. At each date of the financial statements (or at any interim reporting date), the presence/absence of impairment of investments is verified.

In the presence of these indicators, an impairment test is performed in accordance with the provisions of IAS 36 in order to estimate the recoverable value of the investment and to compare it with its book value, in order to determine whether value adjustments should be recognised.

At each date of the financial statements (or at any interim reporting date), the presence of specific qualitative and quantitative indicators is assessed, such.

If the recoverable amount is lower than the book value, the difference is charged to the statements of profit or loss.

If the reasons for the value adjustments no longer apply, the respective reversals are made, which must be recognised in the Income Statement up to the amount of the previous impairment.

For the purposes of applying the provisions of para. 36 of IAS 28, the company makes adjustments to the equity of subsidiaries to bring it into line with the accounting policies of the Parent Company when recognising similar transactions and events in similar circumstances.

Therefore, the reduction of the loss previously recognised against the reversal of the value of the investment may not exceed the book value that would have existed had no loss previously been recognised. Both value adjustments and value reversals are recognised in the item 'Gains (losses) on equity investments' of the Income Statement.

When the financial asset is disposed of with transfer of all related risks and rewards, it is derecognised.

Investments in subsidiaries and associates

The measurement criterion for investments in subsidiaries and associates, as envisaged by para. 10 c) of IAS 27, is the equity method described in IAS 28.

The equity method is applied retroactively from the date of acquisition of the investment, taking into account the initial difference between the acquisition cost and the corresponding fraction of the investee's equity at the date of acquisition.

In the case of indicators such as significant financial difficulties of the investee, the likelihood that the investee will declare bankruptcy or be subject to other financial restructuring procedures, the distribution of a dividend greater than the profit for the period and existing profit reserves, the distribution of a dividend by the investee greater than the profit in the statement of comprehensive profit or loss (or comprehensive income for financial companies) in the year in which it declares it, an impairment test is performed in accordance with the provisions of IAS 36 to estimate the recoverable amount of the investment and to compare it with the carrying amount of the investment in order to determine whether an impairment should be recognised, taking into account the initial difference between the acquisition cost and the corresponding fraction of the investee's equity at the acquisition date.

In the years following the acquisition, adjustments are made to annually update the effects of the initial difference between the acquisition cost and the carrying value of the investee, recognising a corresponding change in the carrying value of the investment in the Income Statement.

Dividends from subsidiaries are recognised when the right to receive the dividend is established and are recorded as a reduction in the carrying amount of the investment.

Under the equity method, the investment is initially recognised in accordance with IAS 28 and the carrying amount is increased or decreased to recognise the investor's share of the investee's profits or losses realised after the acquisition date. The share of the investee's profit (loss) for the year is recognised as a balancing entry in the Income Statement. An investment is recorded using the equity method from the moment it falls within the definition of a subsidiary and associate. Upon acquisition of the equity investment, any difference between the cost of the equity investment and the equity interest in the net *fair value* of the investee's assets and liabilities is recorded as illustrated below:

- a) goodwill is included in the carrying amount of the investment. Amortisation of such goodwill is not permitted;
- b) any excess of the interest in the net *fair value* of the investee's assets and liabilities over the cost of the investment is included as income in the period in which the investment is acquired.

Appropriate adjustments must also be made to the subsidiary's post-acquisition results to record depreciation of depreciable assets based on their *fair value* at the acquisition date, impairments for goodwill or property, plant and equipment and other items that make up the *fair value* at the time of acquisition. In the presence of negative equity of the subsidiary, after the equity investment has been reduced to zero, further losses are accrued and recognised as liabilities/provisions for risks and charges only to the extent that the parent company has incurred legal or constructive obligations or made payments on behalf of the subsidiary. If the subsidiary subsequently realises profits, the parent company will recognise its share of the profits only after it has matched its share of the unrecognised losses.

Equity investments acquired with government grants/third-party funds

equity investments acquired with government grants/third-party funds fall into this category. In light of the above on the accounting treatment of grants received in application of Art. 1 of Decree-Law No 142

of 16 December 2019 (see previous paragraph 'Part A - ACCOUNTING POLICIES Section 4 - Other Aspects - Application of Art. 1 of Decree-Law No 142 of 16 December 2019, Invitalia defined a specific accounting policy for the accounting treatment of all equity investments acquired with government grants/third-party funds that can be classified in accordance with the provisions of Accounting Standard IAS 20. Indeed, it considered that, despite formally having all the characteristics envisaged according to IAS 32:11, these equity investments could not fall within the scope of application of the international accounting standards that specifically govern the accounting treatment thereof (IFRS 9, IAS 27 and IAS 28, IFRS 11). In particular, also on the basis of a technical opinion specifically prepared, it was considered that these equity investments are acquired in execution of specific regulatory provisions and through public or third-party resources. These regulatory provisions establish both specific rights of the entity making the government grant/third-party fund and specific obligations of the Agency with respect to the equity investments acquired with the government grants/third-party funds, such that Invitalia is in essence not granted the economic effects typical of an equity instrument (dividends, impairments, etc.) - as is the case with any instrument representing capital (whether minority, associated, joint control or controlling) which therefore represents 'a residual interest in the entity's assets after deducting all its liabilities' - nor the power to take specific actions typical of ownership (eg the sale of the equity interest acquired through the contributions received), despite having legal ownership of the shares representing the share capital of a company. Taking into account the specificity of the context just described, the Agency has adopted a specific accounting policy for the recognition and measurement of equity investments acquired through the disbursement of a grant/third-party funds.

The initial recognition and subsequent measurement of these investments are at cost recognised at the settlement date, including any expenses or income directly attributable to the transaction. At each date of the financial statements (or at any interim reporting date), the presence/absence of impairment of investments is verified. This evidence is gathered on the basis of the qualitative and quantitative indicators outlined below. In the presence of these indicators, an impairment test is performed in accordance with the provisions of IAS 36 in order to estimate the recoverable value of the investment and to compare it with its book value, in order to determine whether value adjustments should be recognised. With particular reference to those equity investments whose individual carrying value was deemed immaterial (in accordance with International Accounting Standard IAS 1:7), equity is used as the method to determine the recoverable value of the equity investment - as it approximates the fair value calculated using a simple equity method - to be compared with the carrying value thereof in order for any impairment to be recognised. As indicated above, at each date of the financial statements (or at any interim reporting date), the presence of specific qualitative and quantitative indicators is assessed, such as:

- the achievement of negative economic results or, in any case, a significant deviation from budget targets (or from multi-year plans);
- significant financial difficulties of the investee;
- likelihood that the investee will declare bankruptcy or be subject to other financial restructuring procedures;
- the distribution of a dividend greater than the profit for the period and existing profit reserves;
- the distribution of a dividend by the investee in excess of the profit in the statement of comprehensive profit or loss (or comprehensive income for financial companies) in the year in which it declares it.

The equity investments currently affected by this accounting treatment, both for the purposes of the separate and consolidated financial statements, are as follows:

1. Mediocredito Centrale SpA limited to the portion of assets earmarked for the acquisition of the equity investment in BdM Banca SpA;
2. equity investment in Acciaierie d'Italia Holding SpA;
3. equity investment in Reithera Srl;
4. equity investment in TLS Sviluppo Srl;
5. equity investment in DRI d'Italia SpA;
6. equity investments acquired pursuant to Law No 181/89 (CMS Srl in fallimento, Ela SpA in fallimento, Elmirad Service Srl in liquidazione, Fonderie SpA in fallimento, Gustavo De Negri

& ZA.MA. Srl, Jonica Impianti Srl, Peritas Srl, PRO.S.IT. Srl in fallimento, SIE- Società Ittica Europea in Amministrazione Straordinaria, Simpe SpA in fallimento, Sural SpA in fallimento).

With regard to undertakings acquired with third-party funds for which the Agency is identified as a mere managing entity, they are recognised under 'Commitments' and not under 'equity investments', as these are facilitation measures for which the Agency has sole responsibility for implementation under the same measures.

Equity investments held for sale

For these investments, reference is made to the more detailed description in the section below entitled 'Non-current Assets and disposal groups classified as Held for Sale'.

PROPERTY, PLANT AND EQUIPMENT

Classification Criteria

This item includes land, buildings, furniture, plant and equipment. Property, plant and equipment are initially recorded at cost, which includes, in addition to the purchase price, any accessory charges directly attributable to the purchase and commissioning of the asset. Extraordinary maintenance costs that result in an increase in future economic benefits are recognised as an increase in the value of assets, whereas other ordinary maintenance costs are recognised in the Income Statement.

This item also includes renovation costs of non-owned real estate, which are capitalised in consideration of the fact that, for the duration of the contract permitting their use (lease, commodity loan, concession, etc.), the user company has control over the assets and can derive future economic benefits from them.

In application of the new accounting standard IFRS 16, Property, plant and equipment also include rights of use acquired under leases and related to the use of a property, plant and equipment for lessees.

Recognition Criteria

Property, plant and equipment are initially recorded at purchase cost including any directly attributable ancillary charges. The cost is increased by the costs subsequently incurred in upgrading, replacing a part or performing extraordinary maintenance that will increase future economic benefits. Ordinary maintenance costs are recognised directly in the Income Statement. Under IFRS 16, leases are accounted for on the basis of the *right of use* model, whereby, at the initial date, the lessee has a financial obligation to make payments due to the lessor to compensate for the former's right to use the underlying asset during the lease term. When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

Valuation Criteria

Property, plant and equipment are valued at cost less any depreciation and impairment. The depreciable value is the cost of the assets (or the net restated value if the method adopted for measurement is restatement) less the residual value at the end of the depreciation process, if significant. Buildings are depreciated at a rate deemed appropriate to represent the depreciation of the assets over time as a result of their use, taking into account extraordinary maintenance costs, which are added to the assets' value.

Renovation costs of non-owned real estate are depreciated over a period not exceeding the duration of the utilisation contract.

If there is any indication that an asset may be impaired, the asset's carrying value is compared with its recoverable value. Any adjustments are recognised in the Income Statement.

If the reasons that led to recognising the impairment cease to exist, a reversal is made, which may not exceed the value that the asset would have had, net of calculated depreciation, had the previous impairment not occurred. With regard to assets consisting of the right of use and accounted for under IFRS 16, they are measured using the cost model in accordance with IAS 16 *Property, Plant and Equipment*; in this case, the assets are subsequently depreciated over the term of the leases.

Derecognition Criteria

Property, plant and equipment are derecognised from the Balance Sheet on disposal or when the asset is retired from use and no future economic benefits are expected from its disposal.

The positive or negative balance of value adjustments and reversals relating to Property, plant and equipment held for operational use or investment purposes or constituting inventories of Property, plant and equipment measured in accordance with IAS 2, including those relating to assets acquired under finance leases, must be recognised in the Income Statement under item 180. Net adjustments/write-backs to property, plant and equipment.

In addition, in the case of property, plant and equipment measured at fair value for operational use/for investment and inventories, the positive or negative balance between impairments and revaluations must be entered in the Income Statement under item 230. Net result of fair value measurement of property, plant and equipment and intangible assets.

INTANGIBLE ASSETS

Classification Criteria

Intangible assets are recognised as such if they are identifiable and arise from legal or contractual rights. Intangible assets also include goodwill, which represents the positive difference between the acquisition cost and the fair value of the assets and liabilities attributable to an acquired company.

Recognition and Valuation Criteria

Intangible assets are recognised at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will materialise and if the cost of the asset can be measured reliably; otherwise, the cost of the intangible asset is recognised in the Income Statement in the period in which it is incurred.

In summary, the following conditions must be met for the recognition of an intangible asset:

- a. The cost of the asset can be determined reliably;
- b. The asset can produce future economic benefits for the enterprise.

Intangible assets must be recognised:

- i. at purchase cost, if purchased from third parties or performed on the basis of contracts (contract work in progress). This cost is inclusive of directly attributable ancillary charges (eg installation and testing costs, notary fees, registration fees, non-deductible VAT, if any) and reduced for any commercial discounts. If payment for an intangible asset is deferred beyond the normal terms of deferral, the cost must be discounted and determined on the basis of the cash equivalent price; the difference between this amount and the total payment is recognised as interest expense over the life of the debt;
- ii. The cost of staff employed in the implementation of the intangible asset may contribute to the direct cost of production, especially with reference to the typical activity of the group, if it can be easily calculated and adequately demonstrated (eg via special reports or timesheets); other recognisable costs may relate to professional fees incurred directly in bringing the asset to its working condition, as well as to costs for verifying whether the asset is functioning properly;
- iii. In the case of intangible assets purchased for use (by way of a licence for use), only the initial 'one-off' payment, if any, may be capitalised. Periodic payments (fees, royalties, etc.), on the other hand, are considered costs for the financial year. In some circumstances, an intangible asset can be purchased in whole or in part without incurring a charge by means of a government grant; this may occur when a government transfers or allocates intangible assets such as licences to operate radio stations, import licences, quotas or rights to access other scarce resources. The asset received and the contribution are recognised at a symbolic value.

For assets with a finite useful life, the cost is depreciated either on a straight-line basis or on a declining balance determined according to the inflow of economic benefits expected from the asset. On the other hand, assets with an indefinite useful life are not subject to systematic depreciation, but rather to a periodic test to verify the adequacy of their carrying amount in the financial statements.

If there is any indication that an asset may be impaired, the asset's recoverable amount is estimated. The amount of the loss recognised in the Income Statement is equal to the difference between the asset's carrying amount and its recoverable amount.

The balance, whether positive or negative, of value adjustments and reversals relating to intangible assets other than goodwill (including those relating to assets acquired under finance leases and assets granted under operating leases) must be recognised in the Income Statement under item 190. Net adjustments/write-backs to intangible assets.

In addition, in the case of intangible assets measured at fair value, the positive or negative balance between impairments and revaluations must be entered in the Income Statement under item 230. Net result of fair value measurement of property, plant and equipment and intangible assets.

Derecognition Criteria

An intangible asset is derecognised from the Balance Sheet on disposal or when future economic benefits are no longer expected.

NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The separate disclosure of 'Non-current assets (or 'Disposal Groups') classified as held for sale' and the associated liabilities in the liability item 'Associated liabilities held for sale' meets the need for more transparent disclosure for the reader of the financial statements. Current assets, on the other hand, may only be classified under 'Non-current Assets classified as held for sale' if they are part of or belong to a Disposal Group. A 'Disposal Group' is a set of assets and directly associated liabilities, such as cash-generating units, intended to be disposed of through a sale, or otherwise, in a single transaction. In the case of Disposal Groups, separate disclosure of assets and liabilities in the financial statements is required, without the possibility of compensating the two positions. The measurement standards set out below do not apply to deferred tax assets, assets related to employee benefits and financial assets within the scope of IFRS 9, whether held for sale as individual assets or included in a Disposal Group. Conversely, the classification methods apply indiscriminately to all non-current and current assets (if included in a Disposal Group) that are 'held for sale', as well as to related liabilities.

Assets classified as held for sale are measured at the lower of book value and fair value less costs to sell and are shown separately and distinctly in the financial statements.

The following assets can be classified as held for sale:

- I. Individual non-current assets;
 - II. Group of assets only or group of assets and liabilities (disposal group);
 - III. Discontinued operations.
- A discontinued operation is a part of a business (eg a business unit) that is classified as held for sale and:
- represents an important line of business or geographical area of activity;
 - is part of a coordinated plan to divest a branch of activity or geographical area of activity;
- or
- is a subsidiary purchased solely for the purpose of resale.

Classification of assets classified held for sale

Classification as 'Assets classified as held for sale' can be made if the following conditions are met:

- The book value is recovered mainly through sale rather than through operational use;
- The sale is highly probable.

The sale is considered highly probable if:

- Management is committed to the sale through a sales plan and a buyer identification programme;
- The selling price is reasonable in relation to the current fair value;
- The sale must take place within one year from the date of reclassification;
- The activities for the completion of the plan indicate that it is unlikely that significant changes will be made to the plan or that the plan will be withdrawn.

The extension of the aforementioned one-year period to complete the sale does not preclude classification as 'Assets classified as held for sale' if the delay is caused by events and circumstances beyond management's control and there is sufficient evidence that management will remain committed to its plan to sell.

If the period for sale extends beyond one year, the classification as 'Assets classified as held for sale' must be maintained in the following cases:

- i. The company management is committed to the sale plan but expects that others (not the buyer) will impose conditions on the sale that will increase the period required for the sale;
- ii. There is a binding commitment to purchase but the buyer or others unexpectedly impose new conditions on the assignment;
- iii. Circumstances arise during the initial one-year period that were previously considered unlikely and which extend the period of the sale.

The requirements set out above must be met as at the balance sheet date: any assets (or 'Disposal Groups') that meet these requirements after the closing of the financial statements, but prior to the approval thereof, will only give rise to a disclosure obligation similar to that in the first year in which an asset is classified as 'held for sale'.

Within the company, this item includes the non-strategic equity investments that have been put up for sale or begun to be disposed of; due to both the group's operating characteristics and the peculiarities of the assets being disposed of (related to the timing of disposal or liquidation), these assets may, depending on the specific case, be classified and maintained in this item regardless of the timing of liquidation/disposal.

Valuation of assets classified held for sale

Assets classified as held for sale must be measured at the lower of book value and fair value less costs to sell.

In the event that the sale extends beyond one year, the sales costs are to be measured at present value. Any increase in the present value of sales costs resulting from the passage of time must be recognised in the Income Statement as a finance cost.

The carrying amount of Assets classified as held for sale must be determined immediately prior to their classification, taking into account the IFRS/IAS applied up to that time. At the closing of the financial statements (or at any interim reporting date), the carrying amount so determined must be adjusted, if lower, to the fair value less costs to sell of the asset held for sale and an impairment recognised. In the case of a cash-generating unit, the impairment must be allocated as a reduction of the carrying amount of any allocated goodwill, and subsequently as a reduction of other assets in proportion to their respective carrying amounts.

Capital gains in excess of accumulated impairments may not be recognised.

Assets classified as held for sale are not to be depreciated from the time they are classified as such.

Assets classified as held for sale that are part of a business combination are only to be measured at fair value less costs to sell.

Reductions in fair value less costs to sell resulting from the classification are recognised in the Income Statement as impairments, whereas any reversals resulting from increases in fair value less costs to sell may only be recognised to the extent of previously recognised impairments.

If the conditions for classification as 'Assets classified held for sale' are no longer met, the related assets must be measured at the lower of:

- i. The carrying amount prior to classification as 'Assets classified as held for sale' adjusted for any depreciation or revaluation that would have been recognised if there had been no such classification, and
- ii. The recoverable value through use.

Adjustments to the carrying amount arising from the termination of the classification as 'Assets classified as held for sale' must be recognised in the Income Statement under capital gains and losses relating to continuing operations.

Presentation of Assets classified as held for sale in the Financial Statements

Assets classified as held for sale must be presented separately in the balance sheet, without adjusting comparative information, according to the following criteria:

- i. Non-current assets must be shown as current assets on a separate line;

- ii. The assets and liabilities of an Asset held for sale must be presented as current assets and liabilities in a single separate line without the possibility of compensating;
- iii. Cost and revenue components recognised in other comprehensive income that relate to a non-current asset or to the assets and liabilities of an Asset held for sale must be presented separately.

Investments in subsidiaries and joint ventures held for sale are not excluded from consolidation, but must be reported in the balance sheet on separate lines, showing the total assets and liabilities of the subsidiary, measured at the lower of book value and fair value less costs to sell.

For discontinued operations only, a single amount must be recognised in the Income Statement arising from:

- Profit and loss after tax realised in the period of destination for sale and in all previous periods presented;
- After-tax income and losses from fair value adjustment and disposal.

In addition, the Notes to the Financial Statements must indicate the following:

- I. The amount of income, expenses, profit or loss before tax;
- II. The amount of income tax;
- III. The amount of after-tax income and losses arising from fair value adjustments and disposals.

The cash flow statement must show the amount of cash flows arising from the operating and financing activities of the discontinued operation on separate lines.

The balance, whether positive or negative, of income (interest, dividends, etc.) and expenses (interest expense, depreciation, etc.) relating to Disposal Groups and associated liabilities held for sale, net of the related current and deferred taxation, must be recognised in the Income Statement under item 290. Profit (Loss) from discontinued operations after tax.

OTHER ASSETS

This item includes assets that cannot be allocated to other asset items in the balance sheet. This includes, inter alia, receivables related to the provision of activities and services other than financial activities and services as defined in the TUB and the TUF, tax items other than those recognised under 'Tax assets' as well as accrued income other than those to be capitalised on the related financial assets.

This item also includes improvements and incremental expenses incurred on third-party assets other than those attributable to 'Property, plant and equipment' as well as any inventories of assets as defined in IAS 2, excluding those classified as inventories of property, plant and equipment.

This item includes loans and debt securities issued from funds administered on behalf of the State or other public bodies, the management of which is remunerated solely by means of a lump-sum fee (commission) and which are therefore in the nature of a mere service.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Classification Criteria

Payables to banks, Payables to customers and Securities in issue comprise the various forms of funding. Also included are liabilities recognised by the enterprise as lessee under finance leases.

Recognition Criteria

These financial liabilities are first recognised on the date the contract is signed, which normally coincides with the time of receipt of the sums collected or the issue of the debt securities. Initial recognition is based on the fair value of the liabilities, normally equal to the amount collected or the issue price, plus any additional costs/income directly attributable to the individual funding transaction. Internal administrative costs are excluded.

Valuation Criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

An exception thereto are short-term liabilities, for which the time factor is negligible, which remain recognised at the amount collected.

Derecognition Criteria

Financial liabilities are derecognised when they are past due or settled. Derecognition also takes place if previously issued bonds are repurchased. The difference between the book value of the liability and the amount paid to purchase it is recognised in the Income Statement. The placing of own securities on the market after their repurchase is regarded as a new issue with recognition at the new placement price.

In the event of the repurchase of one's own financial liabilities, the positive or negative balance of gains and losses must be recognised under item 100. Gains (loss) on disposal or repurchase of (c) financial liabilities.

OTHER LIABILITIES

Other liabilities include cash security deposits received from third parties and tax liabilities due in more than twelve months.

Other liabilities include: short-term payables to third parties of a different nature; other types of payables (eg payables to social security institutions, payables to employees for wages and salaries to be paid; payables for collections received on behalf of third parties; payables for advances received from customers); accrued expenses and deferred income.

Even for financial instruments on the liability side in the short term for the purpose of measurement/valuation at amortised cost, no discounting of the financial instrument is performed as the effect of the time value of a financial nature is not significant. Payables to staff represent obligations to pay a fixed amount at a fixed date; these are, therefore, liabilities that are certain in their existence and amount, whereas those that are probable or based on estimates and actuarial calculations are recognised under Employee Benefits.

This item includes, in particular, the following types of payables:

- i. Payables to social security institutions;
- ii. Accrued expenses and deferred income;
- iii. Advances from suppliers.

Payables represent obligations to pay a specified amount on a specified date; these are, therefore, liabilities that are certain in their existence and amount, whereas those that are probable or based on estimates are recognised under Provisions.

This item also includes interest expenses arising from payables to others both in the case where the accrual period relates to two accounting periods and in the case where interest is fully accrued at the end of the period.

This item includes liabilities for third-party funds administered on behalf of the State or other public bodies whose management is a mere service in its nature and is remunerated exclusively by a lump-sum fee (commission). Also recognised under this item are sums made available by public bodies, for a limited period of time, provided that they are at the full disposal of the intermediary and are not interest-bearing.

Payables for third-party funds administered on behalf of the State or other public bodies relating to facilitation measures for which the Agency acts solely as an agent are not recognised under this item but entered under commitments as are the related uses.

This item also includes government grants received in accordance with the section on 'government grants' below.

GOVERNMENT GRANTS

IAS 20 requires that government grants should be recognised in the balance sheet only if 'there is reasonable certainty' that:

- i. The entity will comply with the conditions;
- ii. Grants will be received.

Government grants must be accounted for in accordance with the income system, ie they must be recognised as income in the Income Statement, on a systematic and rational basis, in the periods necessary to relate them to the costs attributable to them.

Government grants cannot be credited directly to equity: there is no provision for them to be accounted for according to the 'capital system'.

Types of government grants

IAS 20 provides for the following different types of government grants:

1. **Capital Grants/Facilities Grants:** Capital grants are defined as 'government grants for the obtainment of which it is a precondition that the enterprise purchase, construct or otherwise acquire fixed assets'. The grant is therefore linked to the realisation or purchase (or other forms of acquisition) of property, plant and equipment and intangible assets, the usefulness of which is long-lasting, or capital goods for the enterprise;

Accounting: 'Capital grants' are accounted for on the basis of the 'income approach', ie through their systematic recognition in the Income Statement, with two possible methods of presentation allowed under IAS 20. The first method, known as the 'deferred income' method, provides for the recognition of the grant as deferred income, which must be recognised as a positive component of income on a systematic and rational basis over the useful life of the asset acquired or constructed. In essence, following this method, the grant is initially suspended among deferred income on the liabilities side of the balance sheet, with the portion of the grant not pertaining to the year being deferred to future years by means of deferred income. The amount of deferred income will be progressively reduced until zero by recognising to the Income Statement the portion of the grant pertaining to future years on the basis of the useful life of the assets. The second method, known as the 'net presentation' method, implies that the purchased (or constructed) asset is recognised in the Income Statement net of the grant paid for its acquisition. In this way, the grant affects the Income Statement indirectly, through the reduction of the depreciation of the acquired (or constructed) asset. The method chosen by Invitalia for accounting for this type of contribution is the 'deferred income' method under the item 'Other liabilities'. In summary, the value of this type of grant is suspended within Liabilities and gradually released to the Income Statement under the item 'Other operating income' in proportion to the useful life of the relevant asset, thus correlating it to the depreciation of the asset itself.

2. **Operating Grants:** Operating grants are a residual category, ie all government grants other than capital grants.

Accounting: these types of grants are related to cost components and must be recognised under the item 'Other operating income', as well as systematically allocated to the various periods of competence so that the revenues are related to the costs they are intended to compensate. Consistent with the 'income' criterion, if a grant is related to future costs, it can only be recognised in the Income Statement in the year in which the charge against which the grant was recognised arises. Where a grant is made for the purpose of providing financial support to an enterprise, the grant is recognised in the Income Statement only in the year in which it becomes collectible. Given the characteristics of the Company, and with specific reference to facilities grants, the related assets may be accounted for according to the assets on which the grant is made, for example:

- item 40 - Financial assets measured at amortised cost;
- item 70 - Equity investments;
- item 80 - Property, plant and equipment;
- item 110 - Non-current assets and disposal groups classified as held for sale
- item 120 - Other Assets - [Inventories].

The information referred to in Art. 35 para. 125 et seq. of Decree-Law No 34 of 30 April 2019 are reported under the individual items on which the subsidies, allowances or grants without consideration, remuneration or compensation received are based.

This item also includes the grant received pursuant to Art. 1(1) of Legislative Decree No 14 of 16/12/2019, for the accounting treatment of which reference is made to 'Section 4 - Other Aspects' of 'Part A1 - General Part' of these Notes.

EMPLOYEE TERMINATION INDEMNITIES (EMPLOYEE BENEFITS)

The liability relating to guaranteed employee benefits paid on or after termination of employment through defined benefit plans (represented by the employee termination indemnities) is recognised over the vesting period of the right, net of any plan assets and advances paid, and is determined on the basis of actuarial assumptions and recognised on an accrual basis consistent with the work services required to obtain the benefits.

For discounting purposes, the *Projected Unit Credit Method* is used. The costs of the plan are recognised in the Income Statement for the period.

Actuarial gains and losses are fully recognised in the reporting period and charged to equity.

The actuarial analysis is carried out annually by an independent actuary.

PROVISIONS FOR RISKS AND CHARGES

Provisions are only made when:

- there is a present obligation (legal or implied) as a result of a past event;
- it is probable that economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are recognised at the value representing the best estimate of the amount the Company would pay to settle the obligation or to transfer it to third parties at the end of the financial year. Risks for which the occurrence of a liability is possible are disclosed in the Notes to the Financial Statements or in the Report on Operations without making any provision. If the discount effect is significant, provisions are determined by discounting the expected future cash flows at a discount rate that reflects the current market valuation of the cost of money and the specific risks of the liabilities. When discounting is performed, the increase in the provision due to the passage of time is recognised as a finance cost.

CURRENT AND DEFERRED TAXATION

The effects of current and deferred taxes calculated in accordance with national tax legislation on an accrual basis are recognised, consistently with the way the costs and revenues that generated them are recognised in the financial statements, applying the tax rates in force.

Income taxes are recognised in the Income Statement, except for those relating to items charged or credited directly to equity.

The provision for income taxes is determined on the basis of a prudent forecast of the current, advance and deferred tax burden.

Deferred tax assets and liabilities are calculated based on temporary differences – without time limits – between the value assigned to an asset or liability according to civil law criteria and the corresponding values assumed for tax purposes.

Deferred tax assets and liabilities are recognised as follows:

- the former only if there is a probability of their recovery, measured on the basis of the Company's ability to continuously generate positive taxable income;
- the latter, if any, in any case.

Assets and liabilities recognised for deferred tax assets and liabilities are systematically measured to account for any changes in regulations or rates.

If deferred tax assets and liabilities relate to items that have affected the Income Statement, the balancing entry is income tax. In cases where deferred tax assets and liabilities relate to transactions that directly affected equity without affecting the Income Statement (such as the measurement of

available-for-sale financial instruments or cash flow hedging derivatives), they are recognised as a balancing entry in equity, affecting the relevant specific reserves.

RECOGNITION OF REVENUES

Revenues are recognised when a customer obtains control of the goods. The transfer of control is identified on the basis of a five-step analysis model that applies to all revenues from contracts with customers:

- i. Identification of the contract with the customer;
- ii. Identification of performance obligations (ie contractual commitments to transfer goods and/or services to the customer);
- iii. Determination of the transaction price;
- iv. Allocation of the transaction price to identified performance obligations based on the stand-alone selling price of each good or service; and
- v. Recognition of revenues per individual performance obligation when it is met.

When signing each customer contract, the Company, in relation to the goods or services promised, identifies as a separate obligation any promise to transfer to the customer a good, a service, a series of goods or services, or even a combination of goods and services that are distinct. Revenues are measured at the fair value of the consideration receivable, including any variable components, where it is considered highly probable that these will not be paid in the future.

Revenues may be recognised:

- at a specific time, when the entity performs the obligation to act by transferring the promised good or service to the customer; or
- over time as the entity performs the obligation to act by transferring the promised good or service to the customer.

Revenues are recognised to the extent that their value can be reliably determined and it is probable that the related economic benefits will accrue to the Company.

Depending on the type of transaction, revenue is recognised on the basis of the specific criteria below:

1. Provision of Services/Disposal of Goods - such revenue is recognised only if:

- a) the parties to the contract have approved the contract itself (in writing, orally or in accordance with other customary business practices) and have undertaken to perform their respective obligations;
- b) the company may identify the rights of each party in respect of the goods or services to be transferred;
- c) the company may determine the terms of payment for the goods or services to be transferred;
- d) the contract has commercial substance (ie the risk, timing or amount of future cash flows are expected to change as a result of the contract);
- e) it is likely that the company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer. In assessing the likelihood of receiving the amount of consideration, the company must take into account only the customer's ability and intention to pay the amount of consideration when due. If the consideration is variable, the amount of the consideration to which the company will be entitled may be lower than the price set in the contract, because the company may grant the customer a price discount.

Invitalia basically operates under two different headings:

- Contracts for the sale/provision of goods/services: where revenue is directly commensurate with the costs incurred, which are reported and approved. In all contracts belonging to this category, the revenue takes the form of a reimbursement of costs (cost-plus contracts), which is accounted for under item 'Commission income' sub-item 5 'Services', which includes both fees and contributions for the reimbursement of costs incurred in carrying out activities in connection with the operational programmes assigned by the competent administrations. This is the situation in which Invitalia is in charge of implementing a service by mainly using its own labour and reporting on it. The valuation of these revenues is thus represented by the external costs for the acquisition of goods and services, the internal cost of the staff involved in the

implementation of the service and the overheads calculated as a percentage of direct costs (external and internal);

- Contracts in which it acts as a 'Delegated Contracting Authority': the Public Administration contracts with Invitalia to tender the implementation of a work or service with a third-party supplier. This is the situation where Invitalia is in charge of carrying out a work or service and returning it to the Client 'turnkey'. Two types of costs are thus accounted for:
 - External cost of the supplier awarded the contract (pass-through cost for Invitalia);
 - Internal cost of personnel dealing with the administrative/bureaucratic management of the contract.

In contracts envisaging a 'Delegated Contracting Authority' and in which Invitalia acts as 'agent', since the obligation to act consists in arranging for a third party to provide the specific good or service, under the new IFRS 15 accounting standard, the component of the contract price relating to the cost of the third-party supplier is no longer recognised as revenue, but is netted with the cost incurred in fulfilling that obligation.

2. Interests - Income is recognised on the basis of the interest accrued on the net value of the related financial assets using the effective interest rate (the rate that exactly discounts estimated future cash flows to the net carrying amount of the asset);
3. Dividends - They are recognised when the shareholders' right to receive payment is established.

A.3 DISCLOSURE OF TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

In 2024, no portfolio of financial assets was transferred.

A.4 FAIR VALUE DISCLOSURE

Qualitative disclosure

IFRS 13, para. 9, defines fair value as '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 standard is based on the definition of 'fair value market based' in that the fair value of the asset or liability must be measured according to the characteristics assumed by market participants.

Fair value measurement also assumes that the sale of the asset or transfer of the liability takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market.

The concept of fair value is based on the so-called 'exit price': the price must reflect the perspective of the person selling the asset or paying to transfer the liability at the date of recognition.

This includes the need for the fair value of financial instruments to reflect the risk of default through appropriate adjustments to the creditworthiness of the counterparty and the issuer itself. With regard to the measurement of risk of default, it should be noted that the Group estimated it at the date of the financial statements and found no significant effects compared to the fair value method previously adopted.

IFRS 13, from para. 72 to para. 90, provides for a classification of fair value measurements of financial instruments on the basis of a specific hierarchy that is based on the nature and significance of the inputs used in those measurements (the so-called 'Levels').

The three levels provided are:

Level 1: a financial instrument belongs to Level 1 when it is traded on a market where transactions in the instrument occur with a frequency and volume sufficient to provide useful information for pricing the instrument on an ongoing basis (the so-called 'active market').

The key variables generally taken into account for the identification of an active market are:

- the number of contributors, chosen on the basis of their competence in the market segment in question, their reliability as well as their continuous presence in that segment;
- the frequency of price quotation, ie the periodic updating of the quoted figure;

- the presence of a 'money' price (the so-called 'bid') and a 'letter' price (the so-called 'ask');
- an acceptable difference between 'bid' and 'ask' prices;
- the volume of trade transacted: this volume must be substantial in order to be able to consider the prices generated by such trade significant;
- the possible presence of dealers, brokers and market makers.

It should be pointed out, however, that the listing of a security on a regulated market is not in itself indicative of the 'liquidity' of the security and thus of the existence of an active market. Indeed, even if a security is traded on an official market, it may not have a reasonably large number of trades such that it can be concluded that the price formed on the market is meaningfully representative of fair value.

For the purposes of determining fair value, the unadjusted price of the instrument must therefore be considered by reference to the main market or, in the absence of the latter, the most advantageous one.

Therefore, the quoted price in an active market provides the most reliable evidence of fair value and, when available, is used without modification. Any adjustments would result in the financial instrument being classified at a lower level (eg when there is no immediate accessibility of the information or availability of the price at the measurement date).

In the case of debt securities, the security is measured on the reference date without making any adjustment to the market price recorded on that date. With particular reference to debt securities listed in an active 'regulated' market, the price considered for measurement is the 'Official' price, derived from the published price list.

The following are generally considered to be major markets:

- the MOT and MTS circuits for government bonds and non-government bonds;
- the official ECB spot exchange rates of the day.

For financial instruments quoted on active markets, the average offer price (the so-called 'mid price') at the close of the reporting period must be used.

The main sources to be used for price acquisition for accounting purposes are primary contribution platforms (eg Bloomberg, Telekurs, Reuters).

For equity securities and UCIT units, whose measurement is derived from primary contribution platforms (eg Bloomberg), which are always representative of an active market, the fair value coincides with the closing trading price on the reference date.

If an active market exists, listed derivative instruments are also measured by referencing to the price derived from the main market, or, where there is none, the most advantageous price attributable to the instrument being measured. The market quote is provided daily by a leading 'clearing house' and can be found on the most common info-provider.

Level 2: if the situation does not comply to the previous case (Level 1), one must resort to a valuation technique (so-called 'pricing' models) that uses only inputs that can be observed directly or indirectly on the market (eg through information channels such as stock exchanges, info-providers, brokers, websites, etc.). Level 2 inputs include:

- market prices of instruments with similar characteristics to the one being valued that are listed on an active market;
- market price of the instrument being measured or of a similar instrument listed on a non-active market;
- measurement model (by way of example: Discounted Cash Flow) using only market observable or market-corroborated inputs (eg interest rates, yield curves, volatility, etc.).

Level 3: if the situation does not fall under the above circumstances (Level 1 and 2), a valuation technique based on a measurement model that is consistent with the instrument being measured and that maximises the use of market-observable inputs should be used. Level 3 therefore includes all instruments whose measurement is based on at least one significant unobservable input.

In some cases, the data used to measure the fair value of an asset or liability may be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely in the same Level as the input, provided it is 'significant', of the lowest Level of the fair value hierarchy

used for the valuation. Valuing the importance of a particular input for the entire measurement requires a judgement that takes into account instrument-specific factors.

Therefore, in cases where both market-observable inputs (Level 2) and market-unobservable inputs (Level 3) are used in the measurement of a financial instrument, provided they are significant as better defined below, the instrument is classified in Level 3 of the fair value hierarchy.

Valuation techniques are used continuously and consistently over time unless alternative techniques exist that provide a more representative fair value measurement (eg in the case of new market developments, information no longer available or new information, different market conditions).

A financial instrument is classified in Levels 2 and 3 in the absence of quoted prices in active markets.

Classification in Level 2 rather than Level 3 is instead determined on the basis of the observability in the markets of the significant *inputs* used for the purpose of determining *fair value*.

Observable *inputs* are parameters that are developed using market data (such as publicly available information on actual transactions or events) and that reflect the assumptions that market participants would use in pricing the asset or liability; conversely, unobservable *inputs* are parameters for which no market information is available and that are developed using the best available information regarding the assumptions that market participants would use in pricing the financial instrument.

In cases where both market-observable *input* (Level 2) and market-unobservable *input* (Level 3) are used in the measurement of a financial instrument, if the latter is deemed significant, the instrument is classified in Level 3 of the *fair value* hierarchy.

As required by IFRS 13, valuation techniques are used that are 'appropriate to the circumstances and such as to maximise the use of relevant observable *inputs*'.

Valuation techniques are used continuously and consistently over time unless alternative techniques exist that provide a more representative *fair value* measurement (eg in the case of new market developments, information no longer available or new information, different market conditions).

It should also be noted that the valuation techniques used have not changed from the previous year.

The *fair value* used for the valuation of financial instruments is determined on the basis of the criteria, set forth below, which assume, as described above, the use of observable or unobservable *inputs*.

A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

A financial instrument is classified in Levels 2 and 3 in the absence of quoted prices in active markets.

Classification into Level 2 rather than Level 3 is instead determined based on market-observability of the significant inputs used to determine fair value.

Observable inputs are parameters derived from market data, such as publicly available information on actual transactions or events, and which reflect the assumptions that market participants would use in determining the price of the asset or liability; unobservable inputs are parameters for which no market information is available and which are derived using the best available information about the assumptions that market participants would use to determine the price of the financial instrument.

In cases where both market-observable inputs (Level 2) and market-unobservable inputs (Level 3) are used in the measurement of a financial instrument, if the latter are considered significant, the instrument is classified in Level 3 of the fair value hierarchy.

As required by IFRS 13, valuation techniques are used that are 'appropriate to the circumstances and such as to maximise the use of relevant observable inputs'.

Valuation techniques are used continuously and consistently over time unless there are alternative techniques that provide a more representative measurement of fair value (eg in the case of development of new markets, information no longer available or new information, different market conditions). It should also be noted that the valuation techniques used have not changed from the previous year.

The fair value used for the measurement of financial instruments is determined on the basis of the following criteria, which assume, as described above, the use of observable or unobservable inputs.

LEVEL 2 - Valuation methods based on market-observable parameters

For mutual funds not listed in an active market, which are usually considered Level 2, fair value is expressed by the NAV (Net Asset Value), ie the difference between the fund's assets and liabilities. This NAV (in the case of UCITs, funds that are deemed illiquid) may be adjusted as appropriate to take account of the fund's lack of liquidity, ie to take into account possible changes in value in the time interval between the redemption request date and the date of actual redemption, as well as to take account of any exit fees.

LEVEL 3 - Valuation methods based on market-unobservable parameters

All financial instruments not listed on an active market and for which the fair value is determined using valuation models that require the use of parameters that are not directly observable on the market are classified as Level 3.

The use of unobservable inputs is required to the extent that relevant observable inputs are not available, and therefore they reflect the assumptions (including those relating to risk) that market participants would use in determining the price of the asset or liability. The valuation is carried out using the best information available, including internal data.

Level 3 asset and liability measurements are generally conducted using valuation methodologies that are very similar to those used for Level 2 instruments; the difference lies in the presence of input parameters used in the pricing model that are not observable.

In Level 3 insurance policies are shown; the value of the insured capital corresponds to the consolidated capital on the date of recurrence, increased by the net yield. In order to measure the fair value of the policies, the surrender value reported by the insurance companies in their periodic statements, net of any early surrender fees, is used.

A.4.2 MEASUREMENT PROCESSES AND SENSITIVITIES

As it involves the residual use of financial estimation methodologies, the type of instruments falling under FV Level 3 makes their measurement not significantly affected by changes in inputs.

A.4.3 FAIR VALUE HIERARCHY

With regard to the breakdown of portfolios by fair value hierarchy, the distinction between the three levels is highlighted:

- the fair value of the financial instrument is associated with **Level 1** when the instruments are quoted in active markets that allow market prices to be reliably used for their valuation;
- the fair value of the financial instrument is associated with **Level 2** when the instrument is not quoted in active markets that nevertheless permit valuation models based on market-observable price data to be used to determine its fair value;
- the fair value of the financial instrument is associated with **Level 3** when the instrument is not quoted in active markets that do not permit valuation models based on market-observable price data to be used to determine its fair value.

A.4.4 OTHER DISCLOSURES

The Company does not make use of the exception provided for in para. 48 of IFRS 13 (fair value on the basis of its net position) in relation to financial assets and liabilities with positions that compensate with reference to market risk or counterparty risk.

Quantitative disclosures

A.4.5 FAIR VALUE HIERARCHY

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis breakdown by fair value hierarchy

Assets/Liabilities measured at fair value	2024			2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss						
(a) financial assets held for trading	-			5,060		
(b) financial assets designated at fair value	-					
(c) other financial assets mandatorily measured at fair value		-	141,408		-	132,324
2. Financial assets measured at fair value through other comprehensive income						
3. Hedging derivatives						
4. Property, plant and equipment						
5. Intangible assets						
Total	-	-	141,408	5,060	-	132,324
1. Financial liabilities held for trading						
2. Financial liabilities designated at fair value						
3. Hedging derivatives						
Total	-	-	-	-	-	-

Legend

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	132,324		-	132,324			-	
2. Increases	9,800		-	9,800	-	-	-	-
2.1. Purchases	4,453			4,453				
2.2. Profits recognised in:	-							
2.2.1 Income Statement	-							
of which: capital gains	-							
2.2.2 Shareholders' equity	-							
2.3. Transfers from other levels	5,312			5,312				
2.4. Other increases	35			35				
3. Decreases	(716)		-	(716)	-	-		-
3.1. Sales								
3.2. Repayments	(79)			(79)				

3.3. Losses recognised in:	-							
3.3.1 Income Statement	-		-					
of which: capital losses	-							
3.3.2 Equity	-							
3.4. Transfers to other levels	(637)			(637)				
3.5. Other decreases								
4. Closing balance	141,408	-	-	141,408	-	-	-	-

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

This item in the financial year 2024 was zero.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis breakdown by fair value hierarchy

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	2024				2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	1,871,500	86,930	14,361	1,769,124	1,775,065	109,902	14,285	1,648,084
2. Property, plant and equipment held for investment	20,864			20,864	21,353			-
3. Non-current assets and disposal groups classified as held for trading	36,482			36,482	42,531			42,531
Total	1,928,846	86,930	14,361	1,826,470	1,838,949	109,902	14,285	1,690,615
1. Financial liabilities measured at amortised cost	674,841			674,841	704,616			704,616
2. Liabilities associated with assets classified as held for sale	-			-	-			-
Total	674,841	-	-	674,841	704,616	-	-	704,616

Legend

L1 = Level 1

L2 = Level 2

L3 = Level 3

BV = Value in the financial statements

PART B – INFORMATION ON THE BALANCE SHEET ASSETS

Unless otherwise specified, amounts in the notes to the Financial Statements are in thousands of euro.

SECTION 1 - CASH AND CASH EQUIVALENTS - ITEM 10

27,318

142,730

1.1 Cash and cash equivalents: breakdown

	2024	2023
Cash	1	1
Cash equivalents	27,317	142,729
Total	27,318	142,730

Compared to the previous year, there was a significant decrease in cash and cash equivalents. This was due on the one hand to the enforcement of certain guarantees and counter-guarantees granted by Invitalia in favour of Acciaierie d'Italia Holding SpA and its subsidiaries as a consequence of the signing of the investment agreement with the Arcelor Mittal Group (approx. €75 million) and on the other hand to the repayment of the bridge loan entered into in the second half of 2023 to partially cover the financial requirements generated by the purchase of the former Italsider area of Bagnoli for the purpose of land reclamation and redevelopment (€30 million).

SECTION 2 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFITOR LOSS - ITEM 20

141,408

137,384

Description	2024	2023
(a) financial assets held for trading		5,060
(b) financial assets designated at fair value		-
(c) other financial assets mandatorily measured at fair value	141,408	132,324
Total	141,408	137,384

2.1 Financial assets held for trading: breakdown composition

	2024			2023		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt Securities						
1.1 structured securities		-	-		-	-
1.2 other debt securities	-		-	5,060	-	-
2. Equities and UCIT units		-	-		-	-
3. Financing						
Total (A)	-	-	-	5,060	-	-
B. Derivative instruments						
1. Financial derivatives	-	-	-	-	-	-
1.1 trading	-	-	-			
1.2 related to the fair value option	-	-	-			
1.3 others	-	-	-			
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-		-			
2.2 related to the fair value option	-	-	-			
2.3 others	-	-	-			
Total (B)	-	-	-	-	-	-
Total (A) + (B)	-	-	-	5,060	-	-

Legend:

L1 = Level 1
L2 = Level 2
L3 = Level 3

The sub-item 'Financial assets held for trading' shows a balance of zero following the natural maturity of the only bond present in the previous year.

See Annex A.1 for details on handling.

2.3 Financial assets held for trading: breakdown by debtors/issuers/counterparties

	2024	2023
A. CASH ASSETS		
1. Debt Securities	-	5,060
a) Public administrations		
b) Banks	-	5,060
c) Other financial companies of which: insurance companies	-	-
d) Non-financial companies		
2. Equity securities		
a) Banks		
b) Other financial companies of which: insurance companies		
c) Non-financial companies		
d) Other issuers		
3. UCIT units	-	-
4. Financing		
a) Public administrations		
b) Banks		
c) Other financial companies of which: insurance companies		
d) Non-financial companies		
e) Families		
Total (A)	-	5,060
B. DERIVATIVE INSTRUMENTS		
a) Central Counterparts		
b) Others		
Total (B)	-	-
Total (A) + (B)	-	5,060

2.6 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Values	2024			2023		
	L1	L2	L3	L1	L2	L3
1. Debt Securities	-	-	-	-	-	-
1.1. Structured securities	-	-	-	-	-	-
1.2. Other debt securities	-	-	-	-	-	-
2. Equity Securities	-	-	-	-	-	-
3. UCITS units	-		130,727	-	-	121,857
4. Financing	-	-	10,681	-	-	10,467
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	10,681	-	-	10,467
Total	-	-	141,408	-		132,324

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Financial assets mandatorily measured at fair value include UCIT units representing medium- and long-term investments in closed-end securities funds in the amount of € 130,727 thousand.

The method for determining the fair value of UCIT units is based on the latest available NAV (Net Asset Value) reported by the fund manager; this NAV is modified based on calls and refunds communicated by the managers and occurring between the date of the last official valuation at NAV and the valuation date. With particular reference to the units of the real estate fund named 'I-3 Sviluppo Italia', the NAV thus determined was adjusted by € 4.6 million; the aim was to adjust, after a benchmark analysis, the security to its fair value so as to also consider the so-called 'liquidity risk' on the units received against the contribution of the Italia Turismo Tourist Villages.

In this regard, it should be noted that, although as of 31 December 2024 the Agency holds 90.24% of the shares of said fund, it is not believed that the prerequisites envisaged by the International Accounting Standard IFRS 10 to qualify the existing equity investment relationship as a control relationship exist. This stems in particular from:

- the assessment of the independence and autonomy of the AMC appointed to manage the fund;
- the assessment of the powers vested in the Agency, in its capacity as subscriber and sole participant in the specific Sector Committee provided for by the Fund Rules, which are essentially limited to the expression of a non-binding opinion for the purposes of the approval of the Sector's business plan and to an essentially protective power in relation to the expression of a binding opinion in the event of transactions and acts in conflict of interest.

In light of the above, as the Agency has no 'power' (as defined by IFRS 10) over the Fund, it is considered that it does not control the Fund itself and therefore will not consolidate it in its consolidated financial statements. It should be noted, however, that even if such consolidation had occurred, given the specific nature of a real estate fund, it would not have generated significant economic or equity effects.

The sub-category of financial assets at fair value includes a position consisting of investment policies, amounting to 8% of the total asset allocation of financial assets; with a total value of € 9,806 thousand, these policies provided a positive contribution to the Income Statement of approximately € 179 thousand and their utilisation plays a stabilising role in the performance of financial management due to the high stability and anti-cyclicality of the results achieved.

This item also includes, for an amount of € 875 thousand, the SP investment policy referring to the partial investment of the employee termination indemnities accrued as of 31 December 2024 for former IGI SpA employees.

See Annexes A.2. and A.3 for details on handling.

2.7 Other financial assets mandatorily measured at fair value: breakdown by debtors/issuers

Items/Values	2024	2023
1. Equity securities		-
of which: banks		-
of which: other financial companies		-
of which: non-financial companies		-
2. Debt Securities		-
a) Public administrations		-
b) Banks		-
c) Other financial companies		-
of which: insurance companies		-
d) Non-financial companies		-
3. UCIT units	130,727	121,857
4. Financing	10,681	10,467
a) Public administrations		-
b) Banks		-
c) Other financial companies	10,681	10,467
of which: insurance companies	10,681	10,467
d) Non-financial companies		-
e) Families		-
Total	141,408	132,324

Other financial assets mandatorily measured at fair value: annual changes

	Financing	Capital securities and UCIT units	Total
Opening balance	10,467	121,857	132,324
Increases			
Purchases	-	4,453	4,453
Positive changes in fair value	179	5,133	5,312
Other changes	35	-	35
Decreases	-	-	-
Sales	-	-	-
Refunds	-	(79)	(79)
Negative changes in fair value	-	(637)	(637)
Other changes	-	-	-
Closing balance	10,681	130,727	141,408

See Annexes A.1.b and A.2 for details on handling.

SECTION 4 - FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

1,871,500	1,775,065

This item is broken down as follows:

Description	2024	2023
(a) Loans to banks	499,002	503,248
(b) Loans to financial companies	5,654	10,682
(c) Loans to customers	1,366,844	1,261,136
Total	1,871,500	1,775,065

a) Loans to banks

4.1 Financial assets measured at amortised cost: breakdown by type of loans to banks

The item 'Loans to banks' includes resources earmarked for particular lending operations provided for by specific laws for the implementation of facilitation measures, as well as 'dedicated resources' for contracts and agreements as more fully specified below.

Type of transaction/values	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
1. Term deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Current Accounts	448,382	-	-	-	-	448,382	446,663	-	-	-	-	446,663
3. Financing	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Other Financing	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt Securities	49,163	-	-	37,108	12,733	-	55,394	-	-	42,842	12,733	-
4.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Other Debt Securities	49,163	-	-	37,108	12,733	-	55,394	-	-	42,842	12,733	-
5. Other assets	1,457	-	-	-	-	1,457	1,191	-	-	-	-	1,191
Total	499,002	-	-	37,108	12,733	449,839	503,248	-	-	42,842	12,733	447,854

Legend

L1 = Level 1

L2 = Level 2

L3 = Level 3

Thee sub-item 'current accounts' includes:

Ordinary deposits	2024	2023
Financial resources dedicated to contracts and agreements	125,073	111,820
Financial resources from national and EU funds	323,314	334,858
Total deposits	448,387	446,678
IFRS adjustments	(5)	(15)
Total deposits	448,382	446,663

The financial resources dedicated to contracts and agreements, amounting to € 125,073 thousand, are detailed below:

	2024	2023
Interventi area Bagnoli - Coroglio area	85,698	87,308
Delega Stazione Appaltante	33,341	13,116
Other contracts and agreements	6,034	11,396
	125,073	111,820

Within the framework of the **Interventi area Bagnoli - Coroglio**, the available funds (amounting to € 85,698 thousand and allocated to these Measures), are broken down as follows:

- €29.5 million for asbestos abatement works in the former Eternit area of the Sin Bagnoli-Coroglio, pursuant to the 2015 Stability Law, of which € 27.3 million invested in the Time Deposit technical form to improve its performance;
- €19.4 million allocated with FSC 2014-2020 resources for measures concerning the integrated water service in the Bagnoli-Coroglio area;
- €36.7 million allocated by the Ministry of the Environment, Land and Sea for the environmental remediation and urban regeneration of the area pursuant to Article 11-bis of Decree-Law No 210/2015 converted by Law No 21 of 25 February 2016.

The **'Delega Stazione Appaltante'** contracts hold € 33,341 thousand dedicated to contracts and agreements and mainly comprise the following:

- €2.3 million for the recovery and refunctionalisation of the former Bourbon Prison of Santo Stefano by securing the buildings - CIPE Resolution 3/2016;
- €15.5 million (of which €12.8 million credited during the year) relating to the project 'Progetto Integrato di bonifica e reindustrializzazione del Sito di Interesse Nazionale di Piombino' pursuant to Article 252-bis of Legislative Decree No 152/06 in which INVITALIA acts as a works contracting authority, supporting Regione Toscana for implementing measures to achieve safety in the areas of the former Lucchini steel plant in Piombino.
- €1.9 million to implement the Framework Agreement signed in 2021 with the Ministry of the Interior - National Fire Brigade - as central purchasing and contracting authority for the design and construction of the new headquarters of the national fire brigade emergency management centre and the new provincial headquarters in Cosenza and regional headquarters in Molise;
- €6.5 million for the implementation of measures for the operational safety of the water table in the area of the Servola (TS) ironworks plant and for the redevelopment of industrial and port activities and environmental restoration in the Trieste crisis area. These activities are carried out within the framework of the national programme 'Azioni di Sistema CIPE' of which Invitalia is the implementing party working alongside the Extraordinary Commissioner. During the year, financial resources increased by €10.6 million, which were used for works with a value of approximately €5.7 million;
- €4.3 million for the CPR - Centre of Permanence for Repatriation in Caltanissetta Pan del Lago;
- €1.6 million mainly represent the resources allocated to the financial coverage of measure No 15 'Lavori di manutenzione pre-consegna degli alloggi acquistati', which with Ordinance No 4 of 3 July 2024 the Extraordinary Commissioner for the rehabilitation of the Messina slum areas approved the financial variation of the Action Plan for a total amount of €2.15 million and recognised the implementing party Invitalia as the contracting authority. The previous Framework Agreement for the two contracts dedicated to the urban renewal and redevelopment of the slum areas in the city of Messina has been concluded and includes resources of €121 thousand.

The **'Other contracts and agreements'** include financial resources amounting to €1.7 million, as the first tranche received, earmarked for the implementation of measure No 55 *'Promoting digitisation and innovation as well as strengthening security in the Public Administration, also through the use of NRRP resources'* of the Implementation Plan of the National Cybersecurity Strategy 2022-2026' (Law 197 of 29/12/2022, Article 1(899)).

Finally, approximately €3.4 million remained from contracts whose work has been completed.

The **financial resources from national and EU funds** are resources allocated to the implementation of concessionary measures (further described under liability item 80) or activities determined by legislative provisions. A breakdown of total liquid assets of €323,314 thousand is shown below.

	2024	2023
Fondo Patrimonio PMI - Decree-Law No 34/2020, Article 26	247,370	247,726
Fondo Rotazione DPR 58/87	39,615	38,084
Legge 181/89 (Interventi nelle aree di crisi)	25,351	23,198
Fondo per la crescita sostenibile	8,412	9,501
Voucher 3I - Ministerial Decree of 18/11/2019	-	776
Promozione turistica	432	759
Poli Museali di Eccellenza	202	201
Other funds and dedicated assets	1,932	14,613
	323,314	334,858

The financial resources earmarked for the 'Fondo Patrimonio PMI', established by Article 1(1) of Law No 77/2020 (the 'Legge di Rilancio') and amended by Law No 178/2020 (the so-called 'Legge di Bilancio') is aimed at incentivising the capital strengthening of medium-sized enterprises through the subscription of newly issued bonds or debt securities, under the conditions and within the terms set forth therein and within the limits of the fund's allocation.

Liquidity totalling € 247,370 thousand also includes funds of € 197,941 thousand in the special State Treasury account, available for expenditure commitments.

Financial resources from the 'Fondo di Rotazione DPR 58/87' are earmarked for financial assistance to tourism sector investees. The increase in financial liquidity refers to the repayment of principal and interest due.

The funds allocated pursuant to Law No 181/89 include the financial resources allocated to the disbursements of the facilitation measure amounting to € 25,351 thousand and the balance deriving from the repayments of capital granted. Changes in the fund are shown under liability item 80.

The decrease in financial liquidity allocated to the 'Fondo per la crescita sostenibile' essentially derives from the use of about € 1,089 thousand for investments in Closed-end Investment Funds managed by Cdp Venture Capital SGR.

The decrease in the financial liquidity of the other operating funds essentially refers to the fact that the purposes set forth in Article 1(260-266) of Law No 205/2017 no longer apply, resulting in the reclassification to other liabilities.

The cash related to the resources earmarked for the implementation of facilitation measures mostly does not generate interest income for the Agency and the same flows directly into the fund under management; a similar effect applies to certain resources dedicated exclusively to covering the costs of contracts awarded by local authorities. It should be noted that the residual sums of the availability dedicated to the operations under the various measures will be returned to the client at the end of the relevant activities.

b) Loans to financial companies

4.2 Financial assets measured at amortised cost: breakdown by type of loans to financial companies

Type of transaction/Values	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3
1. Financing	-	-	-	-	-	-	-	-	-	-	-	-
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-

1.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt Securities	5,654	-	-	5,421	-	-	10,682	-	-	10,052	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	5,654	-	-	5,421	-	-	10,682	-	-	10,052	-	-
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,654	-	-	5,421	-	-	10,682	-	-	10,052	-	-

Legend

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item '**Debt Securities**' refers to Held-to-Collect (HTC) securities issued by financial institutions.

The fair value is calculated taking into account market prices as at 31/12/2024.

c) Loans to customers

4.3 Financial assets measured at amortised cost: product breakdown of loans to customers

Type of transaction/values	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
1. Financing	15,376	681,775	-	-	-	697,151	7,375	696,396	-	-	-	705,450
1.1 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	2,266	-	-	-	-	2,266	2,630	-	-	-	-	2,630
- with recourse	2,266	-	-	-	-	2,266	2,630	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Consumer Credit	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards, personal loans and salary-backed loans	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Pledge loans	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Financing granted in connection with payment services provided	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other Financing	13,110	681,775	-	-	-	694,885	4,745	696,396	-	-	-	701,141
of which: from enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt Securities	47,559	-	-	44,401	1,628	-	61,058	-	-	57,008	1,552	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other Debt Securities	47,559	-	-	44,401	1,628	-	61,058	-	-	57,008	1,552	-
3. Other assets	500,381	121,754	-	-	-	622,134	448,756	47,551	-	-	-	496,306
Total	563,316	803,529	-	44,401	1,628	1,319,285	517,189	743,947	-	57,008	1,552	1,201,756

Legend

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item **'Financing'** includes the shareholder loan on account of future capital increase of €680 million paid by Invitalia to ADIH for the financial support of the company carried out with the financial endowment made available by the MEF, as governed by Article 1 of Decree-Law No 142/2019, converted with amendments by Law No 5/2020, as amended by Decree-Law No 2/2023. The credit risk of this exposure is not borne by Invitalia in view of the aforementioned contribution, which is classified in Item 80 'Other Liabilities'.

Considering the nature of the receivable, it was decided not to depreciate this position and, consequently, not to adjust the liability for the financial allocation made available to the MEF.

The item also includes receivables for €34,006 thousand (of which € 28,841 thousand for positions in bankruptcy proceedings) against funds under Law No 181/89, whose risk of insolvency is not borne by Invitalia, and € 3,906 thousand against the DPR 58/87 revolving fund from an associated company, whose risk of insolvency is borne by Invitalia only after the delinquency has continued for more than 12 months. For more details on these funds, see liability item 80 'Other liabilities' – 'Liabilities for third-party funds under management'.

The remaining amount of loans receivable is, for the most part, related to receivables from Group companies.

The sub-item **'Factoring'** refers to the residue of the management of SVI Finance, a subsidiary absorbed in previous years.

The item **'Debt Securities'** refers to Held-to-Collect (HTC) securities issued by Public Administrations and Non-Financial Entities which have a yield-stabilising function in financial management, which in 2024 generated proceeds of approximately €4.2 million. HTC securities (more than half of which are Italian government bonds) have an overall rating of Baa2/Baa3 by Moody's with an average financial duration of 2.65 years.

The item **'Other Assets'** includes receivables for services rendered to ministries, public administrations and trading companies, of which €485 million for invoices to be issued. The item also includes the receivable of approximately €75 million classified at third stage related to the enforcement of certain guarantees and counter-guarantees granted by Invitalia in favour of ADIH and its subsidiaries. With reference to this receivable, discussions were initiated with the MEF in order to identify the most appropriate way to reimburse it, considering the particular nature of the acquisition of the ADIH equity investment that took place in implementation of the legal provision (Decree-Law No 142 of 2021).

The positions are constantly monitored, so as to intervene (as far as possible) in the invoicing authorisation process and to possibly contain the related collection times. Almost all overdue receivables are from the Public Administration, and this makes it difficult to implement effective actions to collect them. No situations exist in which the right to collect the receivable is time-barred; in the case of evident uncollectible or bad payables, the Company has partially or fully depreciated the related receivable.

For receivables whose risk is not borne by Invitalia, the value recognised in this item is gross of the related third-party funds and contributions recognised in the liability items.

In relation to stage 3 loans, appropriate recovery actions have been implemented and their recognition in the financial statements is net of value adjustments that take into account their presumed realisable value.

4.4 Financial assets measured at amortised cost: breakdown by debtor/issuer of loans to customers

	2024			2023		
	First and second stages	Third stage	impaired acquired or originated	First and second stages	Third stage	impaired acquired or originated
1. Debt Securities	47,559	-	-	61,058	-	-
a) Public administrations	47,559	-	-	61,058	-	-
b) Non-financial companies	-	-	-	-	-	-
2. Loans to:	15,376	681,775	-	7,375	696,396	-
a) Public administrations	-	-	-	-	-	-
b) Non-financial companies	13,110	681,775	-	7,375	696,396	-
c) Families	-	-	-	-	-	-
3. Other assets	500,381	121,754	-	448,757	47,550	-
Total	563,316	803,529	-	517,189	743,946	-

The item '**Financing to non-financial companies**' - **Third Stage**' includes the shareholder loan on account of future capital increase of €680 million paid by Invitalia to ADIH for the financial support of the company carried out with the financial endowment made available by the MEF, as governed by Article 1 of Decree-Law No 142/2019, converted with amendments by Law No 5/2020, as amended by Decree-Law No 2/2023. Liabilities item 80 - Other Liabilities includes the related contribution received for the realisation of the transaction as provided for in the aforementioned decree.

4.5 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt Securities	102,659	-	-	-		(283)	-	-		
Financing	460,993	-	3,718	751,058		(927)	(27)	(69,283)		
Other assets	1,191	-	512,047	154,080		0,23	(11,401)	(32,326)		
2024	564,843	-	515,765	905,139		(1,210)	(11,427)	(101,609)		
2023	575,880	-	466,088	848,222		(445)	(10,404)	(104,277)	-	-

4.5a Loans measured at amortised cost subject to Covid-19 support measures: gross value and total value adjustments

Loans managed with own means or whose risk is borne by Invitalia were not subject to Covid support measures.

4.6 Financial assets measured at amortised cost: secured assets

	2024						2023					
	Receivables from banks		Receivables from financial companies		Receivables from customers		Receivables from banks		Receivables from financial companies		Receivables from customers	
	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG
1. Non-impaired assets secured by:	-	-	-	-	14,180	14,180	-	-	-	-	23,019	23,019
- Leased assets	-	-	-	-	-	-	-	-	-	-	-	-
- Factoring credits	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	14,180	14,180	-	-	-	-	23,019	23,019
- Pledges	-	-	-	-	-	-	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Impaired assets secured by:	-	-	-	-	5,220	5,220	-	-	-	-	12,687	12,687
- Leased assets	-	-	-	-	-	-	-	-	-	-	-	-
- Factoring credits	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	5,220	5,220	-	-	-	-	12,687	12,687
- Pledges	-	-	-	-	-	-	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	19,400	19,400	-	-	-	-	35,707	35,707

VE = Value in the financial statements

VG = Fair Value of collateral

SECTION 7 - EQUITY INVESTMENTS - ITEM 70

1,074,776

1,020,442

The following table shows the information on equity investment .

7.1 Equity investments: information on equity investment

Name	Registered office	Operational headquarters	Shareholding %	Voting rights %	Value in the financial statements
A. Wholly-owned subsidiaries:					
MEDIOCREDITO CENTRALE - BANCA DEL MEZZOGIORNO SPA	ROME	ROME	100.00%		970,036
- of which acquired with funds from Decree-Law No 142/2019					419,000
INFRATEL ITALIA SPA	ROME	ROME	100.00%		28,082
INVITALIA PARTECIPAZIONI SPA	ROME	ROME	100.00%		10,283
Total wholly-owned subsidiaries					1,008,401
C. Companies subject to significant influence:					
CDP VENTURE CAPITAL SPA	ROME	ROME	30.00%		10,402
ISTITUTO DELLA ENCICLOPEDIA TRECCANI SPA	ROME	ROME	5.39%		4,906
ITALIACAMP SRL	ROME	ROME	4.85%		1
Companies acquired with third-party funds:					
of which with funds envisaged by Law No 181/89					
CMS SRL IN FALLIMENTO	LATERZA (TA)	LATERZA (TA)	19.22%		0
ELA SPA IN FALLIMENTO	NAPLES	NAPLES	5.77%		0
ELMIRAD SERVICE SRL IN LIQ.NE	TARANTO	TARANTO	12.39%		0
FONDERIE SPA IN FALLIMENTO	ROME	ROME	1.73%		-
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO	CASERTA	CASERTA	20.20%		0
JONICA IMPIANTI SRL IN FALLIMENTO	LIZZANO (TA)	LIZZANO (TA)	8.70%		0
MODOMECC BUILDING SRL	BRINDISI	BRINDISI	15.16%		-
PERITAS SRL	NAPLES	NAPLES	27.06%		0
PRO.S.IT. IN FALLIMENTO SRL	ROME	ROME	15.00%		-
SIE-SOC.ITTICA EUROPEA IN AMM.STRAORD.	ACERRA (NA)	ACERRA (NA)	4.01%		0
SIMPE SPA IN FALLIMENTO	TARANTO	TARANTO	1.42%		0
of which with funds from Law No 126/2020					
REITHERA SRL	ROME	ROME	27.00%		15,000
TLS SRL	SIENA	SIENA	30.00%		1,067
referred to in Decree-Law No 142 of 16 December 2019					
ACCIAIERIE D'ITALIA HOLDING SPA	MILAN	MILAN	38.00%		-
DRI D'ITALIA	ROME	ROME	100.00%		35,000
Total investee companies					66,375
Total equity investments					1,074,776

The value in the financial statements of the **wholly-owned subsidiaries** increased by approximately €51 million compared to 2023, mainly attributable to the adjustment to equity of the value of the investment in Mediocredito Centrale (approx. €48 million).

The value of Invitalia Partecipazioni shows a net negative change of about €2.2 million due to the adjustment to the value of equity at 31 December 2024.

The value of Infratel increased by about €5.8 million as a result of the adjustment to the adjusted value of equity as at the date of these Financial Statements.

The carrying value of the **companies subject to significant influence** increased by about €3 million compared to 2023 due to the adjustment of the value of the CDP Venture Capital investment to equity.

The 'investee companies acquired with government grants/third-party funds' include the investee companies acquired pursuant to Law No 181/89, the investee companies acquired with funds pursuant to Decree-Law No 104 of 14 August 2020, converted into Law No 126 of 13 October 2020, and finally those acquired with funds from Decree-Law No 142 of 16 December 2019.

The value of the **equity investments acquired with the "Fondo ex L. 181/89"** has been adjusted as at 31 December 2023 in consideration of both the impairments recognised and the bankruptcy proceedings in progress. The aforementioned negative change had no impact on the Agency's Income Statement, as it was made against the specific financial source of the facilitation measure, which sterilised its effects.

The equity investments acquired **under Article 34 of Decree-Law No 104 of 14 August 2020, converted into Law No 126 of 13 October 2020**, are the companies ReiThera Srl and TLS Sviluppo Srl, of which Invitalia acquired 27% and 30% of the share capital respectively. The aforementioned regulation allocated a portion of the resources of the "Fondo per le emergenze nazionali" (€80 million for 2020 and €300 million for 2021) for research and development, the purchase of vaccines and monoclonal antibodies produced by industry, including through the acquisition of capital shares at market conditions.

The original value of €30 million of the investments in TLS Sviluppo Srl and ReiThera Srl, acquired with the resources of the "Fondo per le emergenze nazionali" (**Article 34 of Decree-Law No 104 of 14 August 2020, converted into Law No 126 of 13 October 2020**) was reduced to reflect the impairment of TLS Sviluppo Srl in accordance with the accounting treatment described in the 'Section 4 - Other Aspects - Accounting treatment defined for investments acquired with government grants/third-party funds'.

With regard to the equity investments acquired with the **funds from Decree-Law No 142 of 16 December 2019 converted into Law No 5/20**, and precisely the equity investments Acciaierie d'Italia Holding SpA (or 'ADIH') (38% with 50% voting rights), DRI d'Italia (100%) and the payment on account of MCC's share capital aimed at the acquisition of 100% BdM Banca, it should be noted that:

- The value of ADIH was adjusted in 2023, as the extraordinary administration was ordered and the ruling of the Court of Milan on the existence of the company's insolvency conditions is currently pending.
- Based on the conclusions reached by the subsidiary Mediocredito Centrale in the assessments carried out for the preparation of the Bank's 2024 financial statements, the value relating to the MCC share attributable to BdM Banca was not subject to impairment testing, in accordance with the provisions of international accounting standard IAS 36 – 'Impairment of assets', as no triggering events occurred during the current financial year that would have made this necessary.
- The value of DRI d'Italia was not subjected to a specific impairment, despite a reduction in shareholders' equity, as the company is an implementer of the decarbonisation process of the Italian steel sector, and Decree-Law No 19 of 2 March 2024 confirmed the refinancing of the measure for €1 billion over the 2024-2029 period.

Equity investments in Menarini S.p.A. (formerly Industria Italiana Autobus) (42.76%) and Sider Alloys (20.33%) acquired with funds deriving from the 'Contratti di Sviluppo' concessional measure are not recognised in this item but are recognised in the Memorandum Accounts as they were acquired with funds administered on behalf of the State.

Similarly, equity investments acquired as part of the measures are represented in the Memorandum Accounts:

- **Fondo Salvaguardia Imprese:** Bellotti S.p.A. (34.30%), BTX Italian Retail and Brands S.r.l. (48.72%), Canepa S.p.A. (37.51%), Ceramica Dolomite S.p.A. (25.45%), Corneliani S.p.A. (48.15%), CTC Concerie del Chienti Società Benefit S.p.A. (49%), Industrie Scaffalature Arredamenti SpA (33.33%), Landi Renzo SpA (23.43%), Mer Mec Ferrosud S.r.l. (44.66%), Niche Fusina Rolled Products S.r.l. (49%), Pernigotti Holding

S.p.A. (25%), S.A.L.P. S.p.A. (30.01%), Sicamb S.p.A. (30.30%), Snaidero S.p.A. (34.98%), Terme di Chianciano SpA (48.59%), Titagarh Firema S.p.A. (31.01%) and Walcor S.p.A. (24,75%);

- Fondo Cresci al Sud: E-Globe S.p.A. (5.5%), Edil San Felice S.p.A. (7.19%), Fare Spot S.p.A. (16.50%), Mare Engineering Group SpA (5.10%), Misitano & Stracuzzi SpA (7.06%), Simone S.p.A. (7%), Xenia Hotellerie Solutions S.p.A. (8.85%), Italian Cool Design S.r.l. (35%), Recupero Etico Sostenibile S.p.A. (7.44%), Lirsa S.r.l. (31.85%) and Tesi S.r.l. (20%).

For further details, see Part D - GUARANTEES AND COMMITMENTS.

7.2 Annual changes in equity investments

	Group equity investment	Non-group equity investment	Total
A. Opening balance	957,156	63,286	1,020,442
B. Increases			
B.1 Purchases	-	-	-
B.2 Write-backs	-	-	-
B.3 Revaluations	53,461	3,090	56,551
B.4 Other changes	-	-	-
C. Decreases			
C.1 Sales	-	-	-
C.2 Value adjustments	(2,217)	-	(2,217)
C.3 Impairments	-	-	-
C.4 Other changes	-	-	-
D. Closing balance	1,008,400	66,376	1,074,776

'Revaluations' in item B.3 refer to the subsidiaries Mediocredito Centrale SpA for €47,661 thousand and Infratel for €5,800 thousand and the non-group equity investment of CDP Venture Capital for €3,090 thousand.

'Value adjustments' refer to the adjustment to the value of the net assets of Invitalia Partecipazioni SpA.

Annex A.4 shows the analytical movement of equity investments.

7.3 Significant equity investments: accounting information

7.5 Non-significant equity investments: accounting information

Annex A.5 contains the information set out in Tables 7.3 and 7.5

SECTION 8 - PROPERTY, PLANT AND EQUIPMENT - ITEM 80

130,500

128,577

8.1 Property, plant and equipment used in operations: breakdown of assets measured at cost

Assets/values	2024	2023
1. Proprietary assets		
(a) land	861	861
(b) buildings	3,272	3,874
(c) furniture	279	314
(d) electronic equipment	1,324	1,110
(e) other	299	486
2. Rights of use acquired through leasing		
(a) land		
(b) buildings	18,527	21,656
(c) furniture		
(d) electronic equipment		
(e) other	30	44
Total	24,592	28,344
<i>of which obtained through the enforcement of guarantees received</i>	-	-

In accordance with IFRS 16, 'rights of use acquired through leasing' include the value of the right of use acquired for the term of real estate lease agreements and rental agreements for company cars.

In particular, the value of the following contracts is included under the item 'buildings':

- lease agreement concerning the building in Rome, Via Calabria No 46 (registered office);
- lease agreement concerning the building in Rome, Via Pietro Boccanelli No 12/30;
- State concession concerning the building in Rome, Roma Eur compendium, which houses the offices of the subsidiary Infratel Spa;
- lease agreement for commercial use concerning the building in Bologna, Viale Aldo Moro No 44, which houses some offices of the Area Ricostruzione - Terremoto Emilia-Romagna;
- lease agreement for commercial use concerning the building in Bologna, Residenza Carracci, which houses the offices dedicated to the reconstruction of the areas in the Municipalities of Emilia-Romagna, Tuscany and Marche affected by the flooding events occurred starting from 1 May 2023.

8.2 Property, plant and equipment held for investment: breakdown of assets measured at cost

Assets/values	Values in the 2024 financial statements	Fair value			Values in the 2023 financial statements	Fair value		
		L1	L2	L3		L1	L2	L3
1. Proprietary assets								
(a) land	3,821			3,821	3,821			3,821
(b) buildings	17,043			17,043	17,532			17,532
2 Rights of use acquired through leasing								
- Owned								
(a) land								
(b) buildings								
Total	20,864	-	-	20,864	21,353	-	-	21,353

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

This item includes the value of the building and land at Capodichino for which the first phase of the public evidence procedure started on 5 August 2024 to verify interest in a possible purchase.

Following this publication, eight expressions of interest were received by the deadline of 4 October 2024, including that of the current owner of the property, Atitech S.p.A. Four applications from interested operators were received within the deadline. Of the four operators, two (besides Atitech) have continued with their activities under the procedure, at the end of which it will be assessed whether or not to proceed with the subsequent divestment operations.

The decrease in this item compared to the previous year is due to the depreciation quota for the financial year 2024. As the property is rented at market conditions and these are in line with those of the previous year and considering a method of discounting cash flows for the purpose of determining fair value, it can be reasonably concluded that the asset's carrying value coincides with its fair value.

8.5 Inventories of property, plant and equipment covered by IAS 2: breakdown

Assets/values	Total	
	2024	2023
1. Inventories of property, plant and equipment obtained through the enforcement of guarantees received		
(a) land		
(b) buildings	85,044	78,880
(c) furniture		
(d) electronic equipment		
(e) other		
2. Other inventories of property, plant and equipment		
Total	85,044	78,880
of which: measured at fair value less costs to sell		

This item includes the value of the Bagnoli Industrial Complex whose ownership, formerly belonging to the company Bagnoli Futura in fallimento, was transferred to Invitalia in November 2022 pursuant to Legislative Decree No 133/2014. The value of the compendium, whose purchase price is €68 million, is increased by the reclamation activities carried out by Invitalia between 2022 and 2024, as part of the redevelopment project of the area.

As part of the environmental remediation activities planned for the Bagnoli area, the Extraordinary Commissioner had already opened a technical roundtable in 2023 between Basi 15 Srl (owner of the real estate in the former Cementir area) and Invitalia (as the implementing party of the remediation project) in order to settle the disputes opened since 2021 against Basi 15 for the failure to complete the remediation activities in the areas under its jurisdiction.

The technical roundtable ended with the signing of a settlement agreement on 24 June 2024, which governed the obligation of Basi 15 to transfer the real estate owned by it to Invitalia without any consideration, as well as the latter's commitment to carry out the reclamation operations in the manner and within the timeframe authorised by the competent authorities. Therefore, although the valuation of the real estate requested from the Inland Revenue Agency in order to identify the tax due determined the taxable base at €7,196,828.54, the book value of this real estate is zero.

During 2024, no impairment was recognised that would require an impairment of the asset's carrying amount.

8.6 Property, plant and equipment used in operations: annual changes

	Land	Buildings	Furniture	Electronic equipment	Other	Totals
A. Gross Opening balance	861	47,738	3,572	9,340	1,757	63,267
A.1 Total net write-downs	-	(22,208)	(3,258)	(8,231)	(1,226)	(34,923)
reclassification opening 01/01/2022		-				
A.2 Net opening balance	861	25,529	313	1,110	531	28,344
B. Increases:						
B.1 Purchases	-	215	76	849	53	1,194
B.2 Capitalised improvement expenses						
B.3 Write - backs						
B.4 Positive changes in fair value charged to						
(a) Shareholders' equity						
(b) Income Statement						
B.5 Exchange rate gains						
B.6 Transfers from real estate held for investment						
B.7 Other changes	-	57	-	-	7	64
C. Decreases:						
C.1 Sales						
C.2 Amortisation	-	(4,002)	(111)	(634)	(59)	(4,806)
C.3 Impairment value adjustments charged to						
(a) Shareholders' equity						
(b) Income Statement						
C.4 Negative changes in fair value charged to						
(a) Shareholders' equity						
(b) Income Statement						
C.5 Exchange rate losses						
C.6 Transfers to:						
(a) Property, plant and equipment held for investment						
b) non-current assets and disposal groups classified as held for sale						
C.7 Other changes		-	-	-	0	(203)
D. Net closing balance	861	21,800	279	1,324	328	24,592
D.1 Total net write-downs		(4,002)	(111)	(634)	(59)	4,806
D.2 Gross closing balance	861	25,802	390	1,958	387	29,398
E. Measurement at cost	861	21,800	279	1,324	328	24,592

The main increases recognised in 2024 relate to: i) the continuation of the corporate investment started in previous years and related to the replacement of outdated electronic equipment (in 2024, the change amounted to approximately €849 thousand) and ii) maintenance activities in corporate offices (approx. €215 thousand).

8.7 Property, plant and equipment held for investment: annual changes

	Land	Buildings
A. Opening balance	3,821	17,532
B. Increases:		
B.1 Purchases		
B.2 Capitalised improvement expenses		
B.3 Positive changes in fair value		
B.4 Write-backs		
B.5 Exchange gains		
B.6 Transfers from real estate for operational use		
B.7 Other changes		
C. Decreases:		
C.1 Sales		
C.2 Amortisation		(489)
C.3 Negative changes in fair value		
C.4 Value adjustments for impairment		
C.5 Exchange rate losses		
C.6 Transfers to:		
(a) real estate for functional use		
b) non-current assets and disposal groups classified as held for sale		
C.7 Other changes		
D. Closing balance	3,821	17,044
E. Fair value measurement fair value	3,821	17,044

8.8 Inventories of property, plant and equipment covered by IAS 2: annual changes

	Inventories of property, plant and equipment obtained through the enforcement of guarantees received					Other inventories of property, plant and equipment	Totals
	Land	Buildings	Furniture	Electronic equipment	Other		
A. Opening balance						78,880	78,880
B. Increases:							
B.1 Purchases							
B.2 Write-backs							
B.3 Exchange gains							
B.4 Other changes						6,164	6,164
C. Decreases:							
C.1 Sales							
C.2 Impairment adjustments							
C.3 Exchange losses							
C.4 Other changes							
D. Closing balance						85,044	85,044

The item 'Other changes' refers to the costs incurred by the Parent Company for the environmental remediation and regeneration of the urban area of the Bagnoli district, as governed by Article 33 of Decree-Law No 133/2014 as amended and by the Prime Ministerial Decrees of 15/10/2015 and 07/07/2020.

SECTION 9 - INTANGIBLE ASSETS - ITEM 90

16,048

16,071

9.1 Intangible assets: breakdown

Items/measurement	2024		2023	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other intangible assets:				
<i>of which Software:</i>	1,306		757	
2.1 owned				
internally generated	9,090		11,958	
other	6,958		4,113	
2.2 rights of use acquired through leasing				
Total 2	16,048		16,071	
3. Assets related to financial				
3.1 unopted assets				
3.2 assets withdrawn following				
3.3 other assets				
Total 3	-	-	-	-
Total (1+2+3)	16,048	-	16,071	-
Total (T-1)	16,071		9,924	

The specification of the item 'Other intangible assets' refers to Software that is not an integral part of Hardware according to IAS 38.

9.2 Intangible assets: annual changes

	Total
A. Opening balance	16,071
B. Increases	
B.1 Purchases	5,761
B.2 Write-backs	
B.3 Positive changes in fair value	
- to shareholders' equity	
- Income Statement	
B.4 Other changes	0
C. Decreases	
C.1 Sales	
C.2 Amortisation	(5,784)
C.3 Value adjustments	
- to shareholders' equity	
- Income Statement	
C.4 Negative changes in fair value	
- to shareholders' equity	
- Income Statement	
C.5 Other changes	0
D. Closing balance	16,048

Purchases mainly refer to the capitalisation of projects for the implementation of IT and reporting platforms already started last year, which will yield their future benefits in terms of cost savings and higher revenues.

SECTION 10- TAX ASSETS AND TAX LIABILITIES - ASSETS ITEM 100 AND LIABILITIES ITEM 60

11,804

10,353

10.1 Tax assets: current and deferred: breakdown

	2024	2023
Current	11,804	10,353
Deferred	-	-
Total	11,804	10,353

Current assets include residual tax receivables of €3,171 thousand arising from the companies merged at the incorporation of Sviluppo Italia for which the relevant recovery actions are in progress. A risk provision of the same amount was set up against this item.

The item also includes the IRAP (regional tax on productive activity) advances paid for the 2024 tax year amounting to €2,879 thousand and the IRES (corporate income tax) credit deriving from the 2016 Tax Consolidation in the amount of €5,000 thousand requested for reimbursement and for which recovery actions are in progress.

10.2 Tax liabilities: current and deferred: breakdown

	2024	2023
Current	3,437	3,977
Deferred	-	-
Total	3,437	3,977

Tax liabilities are direct taxes payable for the portion pertaining to the financial year.

SECTION 11 - NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND ASSOCIATED LIABILITIES - ASSET ITEM 110

36,482

42,531

11.1 Non-current assets and disposal groups classified as held for sale: breakdown

Non-current assets and disposal group classified as held for sale	2024	2023
Equity investments	36,482	42,531
Property, plant and equipment	-	-
	36,482	42,531

Equity investments	2024		2023	
	Shareholding %	Value in the financial statements	Shareholding %	Value in the financial statements
Italia Turismo	100.00%	36,182	100.00%	42,157
Total subsidiaries		36,182		42,157
IP Porto Romano Srl	34.23%	-	34.23%	74
I.T.S Information Technology	17.33%	-	17.33%	-
Marina D'Arechi	1.00%	300	1.00%	300

Total other companies		300		374
Total equity investments		36,482		42,531

Below are the changes for the year:

Equity investments	Opening balance	Positive changes	Negative changes	Disposals	Impairments	Closing balances
Italia Turismo	42,157				(5,975)	36,182
Total subsidiaries	42,157				(5,975)	36,182
IP Porto Romano Srl	74				(74)	0
I.T.S Information Technology S.p.A.	-	-	-	-	-	-
Marina D'Arechi S.p.A.	300					300
Total other companies	374				(74)	300
Total equity investments	42,531				(6,049)	36,482

Italia Turismo SpA - This is the subsidiary that dealt with investments in the tourism-hospitality sector; this area activity was deemed no longer strategic by Invitalia and therefore, in line with the guidelines contained in the Group's asset reorganisation and disposal plan, activities were begun to dispose of the 'non-income-generating' assets remaining in the portfolio following the disposal in 2022 of the income-generating assets to the 'I3 Sviluppo Italia' real estate fund managed by Invimit SGR S.p.A.

These activities concerned the village and the land in Pisticci and the land in Syracuse, whereas for the assets in Sciacca and Simeri Crichi, activities were carried out to maintain the necessary technical-administrative conditions to support the building potential and, therefore, for the best valuation in the subsequent disposal phase. During 2024, the disposals of the village of Pisticci, the land adjoining the village of Pisticci and the land in Syracuse were finalised; procedures were also started for the disposal of the buildings located in Simeri Crichi and the land in Sciacca.

The operational management of the 2024 financial year was based on the safeguarding of the containment of structure costs and efficiency of services necessary for the management of assets.

The 2024 financial year ended with a loss of approximately €5.6 million mainly due to the traditional revenue lines, following the aforementioned disposal of operating ass, as well as impairments for adjustments to the market value of part of the assets intended for disposal (€4 million).

As of 31 December 2024, the value of the investment was adjusted to the determined fair value less cost to sell, also with the support of an independent expert, based on the application of the equity method including corporate overheads and an estimate of sales commissions of €36.2 million.

SECTION 12 - OTHER ASSETS - ITEM 120

233,932

244,895

12.1 Other assets: breakdown

	2024	2023
'Fondo PMI' bonds	204,082	213,854
Credits for tax consolidation	9,022	7,806
Policy surrender credits	-	-
Receivables and advances from suppliers	12,856	13,764
Inventories	1,743	2,418
Security deposits	1,910	1,912
Credits for indirect taxes	1,396	1,399
Prepaid expenses	1,438	1,151
Receivables from social security institutions	87	11
Credits and other items	1,397	2,580
	233,932	244,895

- **The Fondo PMI bonds** are loans underwritten as part of a measure authorised by the European Commission under the 'Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak'. This item is classified in 'Other Assets' as it is a risk-free loan from Invitalia.
- **Credits for tax consolidation** derive from positions with subsidiaries that have joined the tax consolidation.
- The item '**Inventories**' includes costs incurred and not yet accounted for on active contracts as well as the valuation of fees accrued for activities essentially carried out by the former subsidiary IAP, net of invoiced progress payments, for which the final report has not yet been approved.
- The item '**Credits for indirect taxes**' amounting to €1,396 thousand essentially represents the receivable from the Treasury for value added tax, as well as tax credits disposed of by third party companies.
- **Prepaid expenses** represent costs for services assessed or paid in advance, pertaining to the following year or related to future revenues.
- The item '**Credits and other items**' includes the position towards Atitech SpA, owner of the industrial complex Nuovo Hangar Avio 2 located in Naples, for which the first phase of the public evidence procedure for the sale of the complex started on 5 August 2024. Prior to the commencement of the second phase of the procedure, Invitalia notified the company Atitech of the termination of the lease agreement due to non-performance under the termination clause of the lease agreement signed in 2009, resulting in the automatic revocation of the rent provided for in the same deed. It should be noted that the receivable claimed by Invitalia from Atitech SpA, amounting to €7,065 thousand was entirely depreciated.

Below is a breakdown of the valuation of inventories by individual contract, gross of value adjustments amounting to €1,743 thousand and with the indication of the relevant instalment turnover:

Order description	2024			2023		
	Inventory on order	Installment turnover	Closing balance	Inventory on order	Installment turnover	Closing balance
Bonif. Area ex Nissometal	10,742	(9,842)	900	10,742	(9,842)	900
2° Stralcio Aree Agricole BR	840	(840)	-	840	(840)	-
Bonif. Campi Sportivi San Focà	4,787	(4,685)	101	4,787	(4,685)	101
Realizz. PDC Disc. Acqua Corsari	274	(308)	(34)	274	(308)	34
Mise Bonifica area Thapsos	11,940	(11,776)	164	11,940	(11,776)	164
DL e Coord. Sicur. Cardona	42	(42)	-	42	(42)	-
DICO	28	(28)	-	28	(28)	-
Università R. Calabria Infrastrutture	156	0	156	205	-	205
Pol. Bari-Risanam. Riqualf. Ing.	7,384	(7,371)	13	7,384	(7,371)	13
Mise Torrente Gatano	6	(6)	-	6	(6)	-
Pol. Bari-Dipart. Ingegneria S	6,305	(6,280)	25	6,305	(6,280)	25
C. Rimini-Opere aggiuntive	20	0	20	20	-	20
Bonifica Falda Discar. Manfr. Falm	57	(57)	-	57	(57)	-
Complesso Industriale Bagnoli	398	0	398	1,024	-	1,024
	42,979	(41,236)	1,743	43,654	(41,236)	2,418

PART B – INFORMATION ON BALANCE SHEET LIABILITIES

SECTION 1 - FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

674,841

703,304

Financial liabilities measured at amortised cost are broken down as follows:

Description	2024	2023
Payables	323,056	352,162
Securities issued	351,785	351,142
Total	674,841	703,304

1.1 Financial liabilities measured at amortised cost: product breakdown of payables

	2024			2023		
	Due to banks	Due to financial companies	Due to customers	Due to banks	Due to financial companies	Due to customers
1. Financing	122,681	-	3,337	170,183	-	847
1.1 Repurchase agreements	54,248	-	-	72,967	-	-
1.2 Other loans	68,433	-	3,337	97,216	-	847
2. Lease liabilities	-	-	25,459	-	-	28,560
3. Other liabilities	432	-	171,147	96	-	152,477
Total	123,113	-	199,943	170,279	-	181,883
Fair Value Level 1						
Fair Value Level 2						
Fair Value Level 3	123,113	-	199,943	170,279	-	181,883
Total Fair Value	123,113	-	199,943	170,279	-	181,883

The item '**Financing**' recorded a decrease of €45,012, thousand, of which €30 million was attributable to the closure of the liquidity line for 'hot money' transactions and €18 million to the decrease in payables for repos.

The item '**Lease payables**' includes payables related to the right of use acquired for the period of the contracts falling within the scope of IFRS 16 and, in particular, real estate lease contracts, including that of the Via Calabria head office, and rental contracts for company cars.

The item '**Other payables to customers**' is mainly attributable to amounts received on account from customers for carrying out activities related to specific contracts managed by the Agency.

It is assumed that fair value is equal to amortised cost, since most of these are short-term, variable-rate liabilities.

1.2 Financial liabilities measured at amortised cost: breakdown of securities issued

	2024				2023			
Type	Value in the financial statements	Fair value			Value in the financial statements	Fair value		
Securities/values		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. bonds								
1.1 structured								
1.2 others	351,785			351,785	351,142			351,142
2. Other securities								

2.1 structured								
2.2 others								
Total	351,785			351,785	351,142			351,142

Legend:

VB = Value in the financial statements

L1 = Level 1

L2 = Level 2

L3 = Level 3

This item includes the non-subordinated and unsecured bond issued in November 2022 for a total value of €350 million and a duration of three years, intended exclusively for institutional and professional investors and qualified as a 'social bond'. An amount equivalent to the proceeds from the issue of the Notes was utilised:

- for the repayment of the funding granted to Invitalia by some of the Joint Bookrunners in July 2022;
- to finance or refinance, in whole or in part, new or pre-existing projects that have positive social results and meet the requirements of the Agency's Social Bond Framework, ie to finance the structural costs of the management of contracts entrusted by the Italian Government and/or public administrations, thereby pursuing social interest objectives.

The issue price was 99.884% of the nominal value with a nominal rate of return of 5.25%. The repayment of the principal is scheduled in a single three-year maturity and annual coupons. This loan is listed on the regulated market of the Luxembourg Stock Exchange.

The main features of this bond issue are summarised below:

- Issue amount: 350 million
- Duration: 2022- 2025
- Listing market: Luxembourg
- Member country of origin: Italy
- Aimed at qualified investors only.

This is entered in the financial statements at amortised cost, the changes in which are shown in item 20 'Interest expenses and similar charges'.

1.5 Lease liabilities

Below is an analysis by maturity of leasing payables; as mentioned above, they represent payables related to the right of use acquired under real estate leasing contracts and rental contracts for company cars.

	Up to 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 up to 5 years	Over 5 years up to 10 years	Over 10 years	Total
Lease liabilities	-	-	5	1,165	24,289	-	25,459
Total	-	-	5	1,165	24,289	-	25,459

SECTION 6- TAX LIABILITIES - ITEM 60

3,437

3,977

'See section 10 of the "Assets" part'.

SECTION 8 - OTHER LIABILITIES - ITEM 80

1,950,446

1,937,611

8.1 Other liabilities: breakdown

	2024	2023
Grants	1,262,915	1,262,148
Liabilities for third-party funds under management	559,445	587,376
Suppliers	57,376	42,948
Payables to employees	29,347	23,804
Payables to social security institutions	9,905	8,068
Payables to tax authorities	6,922	6,089
Tax consolidation payables	3,382	3,201
Security deposits received	768	267
Payables and other items	20,386	3,710
Total	1,950,446	1,937,611

The item '**Grants**' relates to:

- €680,000 thousand grant allocated pursuant to Article 1 of Decree-Law No 142/2019, converted with amendments by Law No 5/2020, as further amended by Decree-Law No 2/2023, published in the Official Journal on 5 January 2023, which came into force on 6 January 2023 (the 'Decree-Law No 2/2023'), whereby Invitalia was authorised, inter alia, to grant 'shareholder account financing' according to market logic, criteria and conditions, to be converted into capital at the request of Invitalia itself in order to ensure an adequate financial and equity strengthening of Acciaierie d'Italia Holding S.p.A. . This grant will be used to cover any risk of irrecoverability of the credit granted and recorded under item 40) Financial assets carried at amortised cost c) Receivables from customers;
- €419,000 thousand grant allocated by the MEF for an original amount of €430,000 thousand and aimed at strengthening capital, by means of a capital contribution to Mediocredito Centrale SpA, for the purchase of the investment in BdM Banca SpA; €11,000 thousand was used following the reduction in the value of the equity investment in BdM Banca SpA recognised in previous years;
- €48,330 thousand grant, net of the amounts accounted for, related to the residual funds allocated for the reclamation of the Bagnoli - Coroglio SIN not used by the Municipality of Naples;
- €44,720 thousand grant disbursed for the environmental remediation and urban regeneration of the area of relevant national interest in the Bagnoli - Coroglio district referred to in Article 33 of *Decree-Law No 133 of 12 September 2014*, converted with amendments by *Law No 164 of 11 November 2014*, as better described in Item 100 - Property, plant and equipment;
- €35,000 thousand grant for the establishment of the company DRI d'Italia SpA, whose purpose is to carry out pre-feasibility studies for the design, construction, and management of pre-reduction plants for the green conversion of the steel industry;
- €16,067 thousand grant by the MEF in compliance with Article 34 of Legislative Decree No 126 of 14/08/2020 for the purchase of the equity investments in Reithera Srl (amounting to €15,000 thousand) and TLS Sviluppo Srl (amounting to €1,067 thousand). The original value of €30 million was reduced by the adjustment of the value of TLS Sviluppo Srl in accordance with the accounting treatment described in the paragraph in Part A 'Section 4 - Other Aspects - Accounting treatment defined for equity investments acquired with government grants/third-party funds'.

- €9,289 thousand grant pursuant to Article 83 of Law No 289/02, granted by the Ministry of Economy and Finance in 2003. Decree-Law No 35 of 14 March 2005 provided that the amount can be used for the creation of incubators for productive enterprises. The grant, originally amounting to €10,000 thousand, was adjusted by €711 thousand due to the reversal of costs incurred for the Imperia incubator project that subsequently became unfeasible;
- €3,023 thousand grant pursuant to Law No 208/98, earmarked for the creation of incubators. The amount was disbursed by the then MISE (now MIMIT) in 2005, as provided for in the Protocol signed by Sviluppo Italia on 14 December 2004. The amount corresponds to the grant received, net of the portion credited to the Income Statement for available incubators on which depreciation has begun;
- €402 thousand 'Conciliamo' grant by the Presidency of the Council of Ministers - Department for Family Policies, aimed at the implementation of corporate welfare projects;
- €7,085 thousand grant for the implementation of the Minerva project; this project aims to create an advanced platform for the digital and smart transformation of the entire incentive management process run by public administrations and aimed at businesses and citizens. In particular, the platform will have to manage the pre-delivery phases (support for the definition and promotion of incentives), the delivery and monitoring of incentives and related services (tutoring, open innovation, mentorship) and the post-delivery phases (evaluation and impact analysis, reporting, controls, credit management).

To complete the foregoing, it should be noted that the original €400,000 thousand grant assigned by the MEF for the share capital increase of Acciaierie d'Italia Holding SpA (the company that is the lessee of the business branches of Ilva in Amministrazione Straordinaria) was fully utilised in the previous year, following the adjustment of the investment value in consideration of its financial and economic situation and the bankruptcy proceedings commenced during the year. For the accounting treatment applied, reference is made to the paragraph in Part A 'Section 4 - Other Aspects - Accounting treatment defined for equity investments acquired with government grants/third-party funds'.

The above information is also provided in fulfilment of the disclosure obligation set forth in para. 125 et seq. of Article 35 of Decree-Law No 34 of 30 April 2019.

The '**liabilities for third-party funds under management**' refer to funds of facilitation measures for which the Agency is responsible for their implementation. With regard to operations and forms of employment, reference is also made to the information included in Part D - Other Information.

Details are given below.

	2024	2023
Fondo PMI	451,452	461,581
Legge 181/89 (Interventi nelle aree di crisi)	25,254	29,323
Fondo Rotazione DPR 58/87	43,857	43,701
Fondo per la crescita sostenibile	38,110	37,590
Promozione Turistica	745	1,081
Fondo Voucher 3i	0	776
Poli Museali di Eccellenza	0	201
Other	27	13,123
Total	559,445	587,376

In more detail:

- The **Fondo PMI** is aimed at the subscription of new-issued bonds or debt securities, in order to incentivise capital strengthening and contribute to the financing of medium-sized enterprises that meet the conditions set forth in Article 26 of the Relaunch Law No 77 of 17 July 2020. Subscription to and issuance of debt securities amounted to a total of €261,626 thousand; the Fund remains open pending the completion of the repayment of the principal disbursed. As at 31 December 2024, there were receivables for past due and unpaid interest amounting to €830 thousand and for revoked positions amounting to €58,303 thousand.

- The **Fondo Legge 181/89** is aimed at implementing investment and employment programmes in steel crisis areas. The aforesaid fund was allocated as a result of the CIPE resolution of 20 December 1990, the contents of which were confirmed by the CIPE itself by resolution of 3 August 1993, as well as reaffirmed by the 'implementation guidelines' formulated by the Ministry of Industry by letter of 9 April 1994 and confirmed by Ministerial Decree No 1123182/75 of 23 December 1996, to regulate the implementation of Law No 513/93, which supplemented the regulations contained in Laws 181/89, 408/89.

The breakdown of the Fondo Legge 181/89 as at 31 December 2024 is shown below:

	2024	2023
Funds collected	645,697	645,697
Return of capital to the MISE	(186,131)	(181,163)
Grants awarded	(364,698)	(364,595)
Grants to be disbursed	(2,914)	(2,914)
Losses on receivables and equity investments	(66,700)	(67,702)
Total	25,254	29,323

The item '**Return of capital**' is the amount returned to the Ministry for Economic Development as per the provision of Ministerial Decree 1184605/75 of 9 March 2005, establishing the 'Fondo Unico', which provides for the biannual reimbursement by the Agency of capital received for loan instalments, withdrawn grants and divestments of equity investments. This capital will subsequently be reallocated to the Agency for the continuation of the investment and employment programme in the steel crisis areas.

In the financial year 2024, the Fondo Legge 181/89 moved as follows:

Balance as at 31 December 2023	29,323
Capital grants disbursed and other uses	(103)
Funds collected	-
Return of capital to the MISE	(4,968)
Losses on receivables and equity investments	1,002
Other uses	-
Balance as at 31 December 2024	25,254

As at 31 December, the funds collected (€645,697, net of €186,131 thousand return to the Ministry) were used as follows:

	2024	2023
Capital grants	364,698	364,595
Receivables from customers for pre-financing, financing and mortgages (net of return)	4,180	9,586
Equity investments (net of tithes to be paid)	0	0
Net receivables from credit institutions	24,984	23,168
Other financial receivables (payables) for items to be recognised	(996)	(517)
Losses on receivables and equity investments and other uses	66,700	67,702
Total	459,566	464,534

In line with what had been done in the previous year, as at 31 December, grants were used to cover loans with a high non-recoverability risk. They were appropriately depreciated; in particular, the value of 2 positions was adjusted.

- The **Fondo di Rotazione DPR 58/87** refers to sums disbursed for financial assistance to investees in the tourism sector. The Fund comes from allocations made by the former Agensud in accordance with Article 9 of Presidential Decree No 58/87. A fee of 0.75% per half year on the outstanding amount of loans granted from the Fund is paid for the management. Assets on this Fund are substantially finished except for an €24,012,535 commitment to Italia Turismo regarding the approval of an investment programme presented by that company.

- The **Fondo per la crescita sostenibile** is exclusively aimed at subscribing to the Fondo Italia Venture I, aimed at supporting venture capital investments in innovative companies, start-ups and innovative SMEs with high

development potential, fostering the capitalisation of small and medium-sized enterprises to allow easier access to credit and support medium- to long-term development projects. Changes in the fair value of these securities investments were deducted from the relevant fund under management. The fund is managed by the investee Cdp Venture Capital.

- The **Fondo di Promozione Turistica** refers to sums disbursed in implementation of the CIPE resolution of 25 March 1990, aimed at carrying out tourism promotional activities in Southern Italy. The aim of the programme is to increase tourist flows in the southern regions of Italy by providing adequate technical, organisational and coordination assistance to the initiatives identified. The formula envisaged is the co-financing of measures proposed by regions, business associations and major bodies operating in tourism. A fee of 10% of the funds managed is paid for the organisation, coordination and quality control of the initiatives, as well as assistance in their design. The assets on this fund are substantially finished, with the exception of a residual commitment to be disbursed in favour of Marina di Portisco of approximately €125 thousand.

The item **'Other'** (amounting to €26,730 thousand) is essentially composed of the provision for the **Fondo Conciliazione Paritetiche**, an economic support for consumer associations that assist their customers in successfully concluded conciliation procedures. This instrument aims at facilitating a quick and effective resolution of consumer disputes.

The **'Suppliers'** are the exposure for invoices received and to be received from third parties.

The **'Payables to employees'** are mainly composed of provisions for accrued and untaken holidays and 14th month pay.

The **'Tax consolidation payables'** are payables to subsidiaries that have joined the group tax consolidation.

The **'Payables to social security institutions'** refer almost entirely to contributions for the month of December on employees' salaries.

The **'Payables to tax authorities'** consist mainly of VAT and IRPEF payables, employee salaries and self-employment income, due for the month of December.

The **'Payables and other items'** includes payables to group companies regarding seconded personnel (€2,344 thousand), sundry payables (€2,605 thousand), income related to deferred revenue in future financial years (€18 thousand) and additional payables (€15,418 thousand) that will be repaid when the procedures for reporting on the employment operations (now concluded) carried out against measures managed by Invitalia are defined.

It should be noted that the Agency manages additional funds disbursed by the State (amounting to €3,643 million), destined for particular employment operations provided for and regulated by specific laws; these are recognised in the memorandum accounts as administered funds whose management is remunerated exclusively by a fee (commission) and is therefore of a purely service nature.

SECTION 9 – EMPLOYEE TERMINATION INDEMNITIES (TFR) - ITEM 90

4,918 5,107

9.1 Employee termination indemnities: annual changes

	2024	2023
A. Opening balance	5,108	4,872
B. Increases		
B1. Provisions for the year	9,738	8,146
B2. Other increases		
C. Decreases	-	-
C1. Settlements made	(348)	(219)
C2. Other decreases	(9,579)	(7,691)
D. Closing balances	4,918	5,107

The actuarial valuation of employee termination indemnities (TFR) will be carried out on a closed group basis via the 'accrued benefits' method and the 'Project Unit Credit' criterion, as provided for in IAS 19, paras. 67-69. The employee termination indemnities were valued net of the revaluation tax.

The book values are represented by the following components:

- Initial DBO, i.e. expected present value of future performance;
- Curtailment/Settlement, i.e. the change in the liability due to changes in the plan or events;
- Service Cost (SC), i.e. the expected present value of benefits payable in the future related to the work performed in the current period;
- Interest Cost (IC), i.e. interest on what was set aside at the beginning of the period and on the corresponding movements of the period;
- Benefits paid and Transfers in/(out) representing all payments and any transfers in and out for the period observed.

The accounting sum of the preceding elements allows identifying the value of the expected provision: when compared with the DBO recalculated at the end of the period on the basis of the actual collective value resulting at that date and the new valuation assumptions, the actuarial gains or losses (known as Actuarial Gains/Losses - AGL) can be identified.

'Other decreases' essentially refer to the portion of employee termination indemnities transferred to supplementary pension funds and to the INPS treasury.

The main demographic and financial assumptions adopted in the evaluation of benefits are as follows:

- Annual inflation rate;
- Annual discount rate;
- Annual rate of TFR increase;
- Annual rate of real wage increase.

In particular, it should be noted that:

- The annual discount rate used to determine the present value in accordance with IAS 19, para. 83, refers to the Curve Euro Composite AA as at 31 December 2024
- The annual rate of TFR increase as provided for in Art. 2120 of the Civil Code is 75% of inflation plus 1.5 percentage points.

10.1 Provisions for risks and charges: breakdown

Items/Values	2024	2023
1. Provisions for credit risk related to commitments and financial guarantees given	250	600
2. Provisions on other commitments and other guarantees given	-	-
3. Post- retirement benefit obligation	-	-
4. Other provisions for risks and charges	29,103	20,772
4.1. legal and tax disputes	7,594	9,470
4.2. personnel charges	3,800	-
4.3. others	17,709	11,302
Total	29,353	21,372

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and other guarantees given	Post- retirement benefit obligation	Other provisions for risks and charges	Total
A. Opening balance	-	-	20,772	20,772
B. Increases	-	-	9,814	9,814
B.1 Provision for the year	-	-	9,465	9,465
B.2 Time value changes	-	-	-	-
B.3 Changes due to changes in the discount	-	-	-	-
B.4 Other changes	-	-	349	349
C. Decreases	-	-	(1,483)	(1,483)
C.1 Use during the financial year	-	-	(1,483)	(1,483)
C.2 Changes due to changes in the discount	-	-	-	-
C.3 Other changes	-	-	-	-
D. Closing balance	-	-	29,103	29,103

Compared to the previous year, the item 'Provisions for risks and charges' recorded a net increase of approximately €8 million, of which approximately €3.8 million in relation to the incentive approved by the Board of Directors in order to encourage the early retirement of employees now approaching retirement age and the difference in relation to potential liabilities arising from disputes in progress at the closing date of the financial year and which could have a monetary manifestation in subsequent financial years.

The balance entries of the changes in 'Other provisions for risks and charges' in the Income Statement/balance sheet are detailed below:

Items/Values	Provisions	Uses/Reversals
Item 160 - Administrative expenses	-	(799)
Item 170 - Net provisions for risks and charges	9,465	(318)
Item 200 - Other operating expenses/income	-	(367)
Total	9,465	(1,483)

For a description of the main litigations whose risk has been assessed as possible and for which no provision has thus been made, reference is made to the 'Litigation' section of the Report on Operations.

SECTION 11 - EQUITY - ITEMS 110, 120, 130, 140, 150, 160 AND 170

CAPITAL - ITEM 110

836,384 836,384

11.1 Capital: breakdown

Types	Amount
1. Capital	
1.1 Ordinary shares	836,384
1.2 Other shares	-
Total	836,384

The €836,384 thousand capital is represented by 1,257,637,210 no-par value ordinary shares owned by the Ministry of Economy and Finance.

The Company has not issued any 'profit shares' or 'bonds convertible into shares'.

Liability items 150 and 160, 'Reserves' and 'Valuation Reserves' respectively are commented on in Part D - Section 4 - Information on Equity.

	2024	2023	Use possibility
Capital	836,384	836,384	
Legal reserve	873	873	A, B
General financial risk reserve	9,997	9,997	A, B, C
Retained earnings	(10,894)	(22,455)	A, B, C
Valuation reserve of equity investments using the equity method	53,401	50,897	A, B, C
Fair value reserve of financial assets	460	460	
Other reserves - transition to international accounting standards	(17,507)	(17,507)	
Reserve pursuant to Art. 47 of Decree-Law of 19/5/2020	(95)	-	
ISMEA special reserve (formerly ISA), Art. 10 ter(5)	(15,494)	(15,494)	
Valuation reserves	1,108	(8,931)	
Merger surplus reserve	148	148	
	858,382	834,372	

The ISMEA special reserve (formerly ISA) was established in 2022 following the ruling by the Rome Court of Appeals in civil case No 2095/2015; for more details on the accounting treatment of this reserve, reference is made to the paragraph in Part A - Section 4 'Other Aspects' - Accounting treatment of ISA-ISMEA payment.

PART C - INFORMATION ON THE INCOME STATEMENT

SECTION 1 - INTEREST - ITEMS 10 AND 20

INTEREST INCOME AND SIMILAR INCOME - ITEM 10

9,389	9,884

1.1 Interest income and similar income: breakdown

Items/Technical forms	Debt Securities	Financing	Other transactions	2024	2023
1. Financial assets measured at fair value through profit or loss:	30	-	-	30	143
1.1. Financial assets held for trading	30	-	-	30	143
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets measured at amortised cost:	4,287	1,725	3,154	9,166	8,410
3.1 Loans to banks	4,226	-	3,154	7,380	4,514
3.2 Loans to financial companies	59	-	-	59	1,044
3.3 Loans to customers	2	1,725	-	1,727	2,853
4. Hedging derivatives	-	-	-	-	-
5. Other assets	-	-	193	193	1,330
6. Financial liabilities	-	-	-	-	-
Total	4,317	1,725	3,347	9,389	9,884
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on leases	-	-	-	-	-

This item includes income from treasury management.

INTEREST EXPENSES AND SIMILAR CHARGES - ITEM

(22,171)	(23,734)

1.3 Interest expenses and similar charges: breakdown

Items/Technical forms	Debts	Titles	Other operations	Total 2024	Total 2023
1. Financial liabilities measured at amortised cost	(777)	(19,018)	(2,371)	(22,166)	(23,731)
1.1 Due to banks	-	-	(2,371)	(2,371)	(3,896)
1.2 Due to financial companies	-	-	-	-	-
1.3 Due to customers	(777)	-	-	(777)	(864)
1.4 Debt securities	-	(19,018)	-	(19,018)	(18,972)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and funds	(5)	-	-	(5)	(3)
5. Hedging derivatives	-	-	-	-	-
6. Financial assets	-	-	-	-	-
Total	(782)	(19,018)	(2,371)	(22,171)	(23,734)
<i>of which interest expenses relating to lease payables</i>	<i>(864)</i>	<i>-</i>	<i>-</i>	<i>(864)</i>	<i>(864)</i>

The sub-item '**Due to banks**' includes €1,911 thousand in interest expenses related to financing activities through repos.

In the sub-item '**Due to customers**' there are €777 thousand of interest expenses related to transactions that fall within the scope of IFRS 16 (referring essentially to real estate lease contracts).

The sub-item '**Debt Securities**' recognises the interest expenses of the bond issued, as well as the change in amortised cost. The bond (worth €350 million) was issued in November 2022 with repayment due in November 2025. It is recognised under item 10 - Financial liabilities measured at amortised cost - b) Securities issued.

SECTION 2 - COMMISSIONS - ITEMS 40 AND 50

FEES AND COMMISSIONS INCOME - ITEM 40

278,461

226,825

The item is shown net of contracts in which Invitalia operates as a 'Delegated Contracting Authority' in compliance with IFRS 15. In said contracts Invitalia acts as an 'agent'; in other words, its obligation to act consists in arranging for a third party to provide the specific good or service.

The reimbursement received is netted with the cost incurred in discharging that obligation.

2.1 Fees and commissions income: breakdown

	2024	2023
(a) leasing transactions		
(b) factoring transactions	-	-
(c) consumer credit	-	-
(d) guarantees given	3	3
(e) services of:		-
- fund management for third parties	45,071	51,535
- foreign exchange brokering		
- product distributions		-
- others	228,401	170,702
(f) collection and payment services	-	
(g) servicing in securitisation transactions	-	
(h) other commissions (subsidiary emoluments/services)	4,985	4,584
Total	278,461	226,825

The sub-item 'services' amount to €273,473 thousand (of which €45,071 thousand for 'management of funds on behalf of third parties' and for €228,402 thousand 'other') and includes both fees and contributions for the reimbursement of costs incurred in carrying out activities related to the operational programmes assigned by the competent administrations. The sub-item 'other commissions' amounts to €4,985 thousand and refers to reversible remuneration of employees holding corporate offices in investee companies and remuneration for services provided to subsidiaries.

Below is a breakdown of service fees, which increased compared to last year's figures due to the acquisition of new contracts.

	2024	2023
CDS 2015	19,257	6,269
Terremoto Centro Italia	9,939	8,215
Resto al Sud	8,678	9,937
Nuove Imprese a tasso zero	8,159	6,869
IF azione 2	5,631	1,154
Alluvione (EMILIA R., TOSCANA, MARCHE)	5,319	0
Cresci al Sud	5,290	5,178
Fondo Salvaguardia	5,051	5,181
Smart&Start Italia	4,762	3,856
AT MISEDGIAI POC Imprese e competitività	4,700	603
Hub scuola lavoro	4,666	2,181
A.T. REACT – EU Linea 1	4,524	15,461

Attrazione Investimenti – ass tec CAIE	4,429	2,961
PNC Sisma	4,201	3,704
Attuazione progetti Mur	4,102	924
MEF - Supporto tec operativo PNRR e PNC	4,007	9,199
PNRR 2.2.3 Digitalizzazione SUAP-SUE	3,918	1,337
Beni strumentali Sabatini	3,617	2,815
AT Valutazione ambientale	3,572	1,846
Bonifica Bagnoli-Coroglio	3,557	3,502
Valutazione Avviso 12 aree	3,477	1,315
A.T. REACT – EU Linea 2	3,469	4,270
Azioni di sistema-IV atto integrativo	3,331	1,942
Contratti per Logistica Agroalimentare	3,331	0
MATTM DG ECI	3,299	2,586
Imprenditorialità femminile	3,237	3,654
Cultura e Turismo FSC 2014-2020	3,086	1,659
Comunicazione per DGSCERP	3,038	1,233
Investimenti innovativi - DM 9/3/2018	3,007	1,785
CDS PNRR	2,926	7,741
Incentivi finanz imprese turist - IFIT	2,816	2,779
Valut valoriz prog ric MUR	2,709	6,499
Nuovo Ecobonus	2,685	3,077
Assistenza Tecnica Programma naz. FSC	2,677	1,012
Consumatori 2023-2024	2,629	1,064
PO MIT FSC14/20	2,597	1,867
Bando borghi per le imprese	2,574	850
Assistenza Tec PO Ambiente MATTM DGSTA	2,519	2,597
Ricostruzione Ischia	2,142	0
CIS Capitanata	1,984	1,453
FRI turismo	1,874	1,135
Servizi di supporto AT per UIBM	1,860	0
AT miglioramento qualità corpi idrici	1,680	0
Digitalizzazione Imprese Creative	1,654	0
Bagnoli - Lavori	1,543	1,724
Brevetti +2	1,487	1,893
PNRR M1C1-2.2.4-DFP-Monit e com semplif	1,454	0
MPLS POC servizi sociali 2	1,437	0
Nuovo Regime 181	1,403	786
Supp. emerg. accog. migranti	1,381	740
Azioni di accompagn Connettività Imprese	1,368	0
Infratel PNRR BUL	1,329	728
ATG PNC AREA SISMA 2009-2016	1,309	0
A.T. PON FEAD	1,258	0
D.Lgs 185/00 - Titolo II	1,165	1,363
Consorzi industriali	1,083	694
Ricostruzione Area Etna	1,081	0
AT UDM MIMIT	1,071	0
Misura in favore enti terzo settore	1,034	0
POC Energia e sviluppo terr. 2014-2020	1,028	0
Terremoto Emilia Romagna 2019-2020	1,017	4,134
MASE Parchi nazionali M2C4I3.2a	1,014	0
AT PSC MASE	955	0
Accelerazione investimenti pubblici	945	0
Monitoraggio Programmi PCM/DIPE-CIPESS	943	969
Fondo piccole e medie imprese creative	929	0

AT PO salute FSC	916	884
CIS ex carcere S. Stefano Ventotene	909	985
MIMS REACT	909	0
Terzo settore disabilità	889	0
Supporto PON Cultura e Sviluppo	725	1,011
CdC MIBACT interv. politica di coesione	571	2,637
MiTUR - Valorizzazione	379	895
MLPS Controlli I livello	312	3,208
MATTM – DG RiA - Amianto	201	952
Supp. UIBM rafforz amm e lotta contraff	31	1,164
Imprenditorialità Innovativa 2	10	3,493
AT PON Imprese e competitività 2014-2020	0	5,476
PNR 2015-2020- Piano Stralcio FSC	0	2,498
PON Govern e capacità Istituz 2014-2020	0	1,541
AT REACT-UE – MiTE DGIE	0	1,166
Consumatori 2019-2021	0	1,006
Other contracts	59,403	42,579
	273,472	222,237

FEES AND COMMISSIONS PAYABLE - ITEM 50

(32,475) (26,272)

2.2 Fees and Commissions payable: breakdown

Details/Values	2024	2023
(a) guarantees received	0	(5)
(b) services distributed by third parties	(32,332)	(26,103)
(c) collection and payment services	(47)	(139)
d) other commissions (to be specified)	(97)	(25)
Total	(32,475)	(26,272)

Activities relating to commissions for '**services distributed by third parties**' concern services for the management of concession laws and agreements. Below are the details:

	2024	2023
IF azione 2	3,272	27
Comunicazione RPO	2,034	151
A.T. REACT - EU Line 1	1,975	3,558
Fondo Salvaguardia	1,831	1,229
CDS 2015	1,550	840
Bagnoli - Lavori	1,360	1,598
Resto al Sud	1,154	1,123
AT PN RIC	1,096	-
Contratti per Logistica Agroalimentare	993	384
Terremoto Centro Italia	914	790
Azioni di sistema-IV atto integrativo	566	403
Hub scuola lavoro	531	276
Ricostruzione Ischia	478	270
Valut valoriz prog ric MUR	446	1,264
Valutazione Avviso 12 aree	284	-
Sea Modal Shift (SMS)	242	-
Gestione Fondo transizione indust. MIMIT	239	-
Nuove Imprese a tasso zero	231	303
PNRR 2.2.3 Digitalizzazione SUAP-SUE	230	-
Investimenti Sostenibili 4.0 2	209	-

Terremoto Emilia Romagna 2019-2020	197	264
PNRR M2C2 Inv 3.2 Idrogeno Hard to abate	194	-
FRI turismo	188	-
Assistenza Tec PO Ambiente MATTM DGSTA	184	341
Incentivi Ristor. Pasticc. Gelaterie	177	-
Misura in favore enti terzo settore	172	-
Alluvione (EMILIA R., TOSCANA, MARCHE)	165	-
AT controlli PN Inclusione 21-27 - MLPS	129	-
MPLS POC servizi sociali 2	106	-
Terzo settore disabilità	104	-
Fondo Microprocessori/semiconduttori	96	-
Bonifica Bagnoli-Coroglio	96	278
ATG PNC AREA SISMA 2009-2016	95	332
CPM Tagetik Infratel	84	-
PNC Sisma 2016	75	-
POC Energia e sviluppo terr. 2014-2020	67	-
PNRR M1C1-2.2.4-DFP-Monit e com semplif	64	-
Supporto Suam Marche	59	-
Ricostruzione comuni provincia CB	45	-
Piattaforma inform acceleraz invest pub	36	-
Piatt Radioamatori eserc, manut e assist	35	-
CRM e contact center Infratel	34	-
Economia circolare	33	-
AT PSC MASE	31	-
Potenziamento Rete Naz Radiomonitoring	31	-
Piattaforma incentivi fiscali	31	-
PNR 2015-2020- Piano Stralcio FSC	3	337
AT PON Imprese e competitività 2014-2020	2	1,102
Imprenditorialità Innovativa 2	-	1,193
PON Govern e capacità Istituz 2014-2020	-	672
Rafforzamento digital export	-	345
Nuovo Ecobonus	-	302
Incubatore Milano-Lavori	16	275
Other contracts	10,147	8,447
	32,332	26,103

SECTION 4 - NET INCOME FROM TRADING ACTIVITIES - ITEM 80

29

678

4.1 Net income from trading activities: breakdown

Transactions/Income components	2024				
	Capital gains (A)	Trading gains (B)	Capital losses (C)	Losses from trading(D)	Net profit
1. Financial assets held for trading	0	29	-	-	29
1.1 Debt securities	0	29	-	-	29
1.2 Equity securities		-	-	-	-
1.3 UCIT units		0	-	-	0
1.4 Loans		-	-	-	-
1.5 Other		-	-	-	-
2. Financial liabilities held for trading		-	-	-	-
2.1 Debt securities		-	-	-	-
2.2 Payables		-	-	-	-
2.3 Other		-	-	-	-
3. Financial assets and liabilities: exchange rate differences					
4. Derivative instruments		-	-	-	-
4.1 Financial derivatives		-	-	-	-
4.2 Credit derivatives		-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-	-
Total	0	29	-	-	29

This item represents the profit realised on the redemption of the bond at natural maturity.

SECTION 6- GAINS (LOSS) ON DISPOSAL OR REPURCHASE - ITEM

(44)	2

6.1 Gains (loss) on disposal or repurchase: breakdown

Items/Income components	2024			2023		
	Profits	Losses	Net Profit	Profits	Losses	Net Profit
A. Financial assets						
1. Financial assets measured at amortised cost		(44)	(44)	2		2
1.1 Loans to banks		(36)	(36)			
1.2 Loans to financial companies		(1)	(1)			
1.3 Loans to customers		(7)	(7)	2		2
2. Financial assets measured at fair value through other comprehensive income	-	-	-			
2.1 Debt securities	-	-	-			
2.2 Loans	-	-				
Total assets (A)		(44)	(44)	2		2
B. Financial liabilities measured at amortised cost						
1. Due to banks						
2. Due to financial companies						
3. Due to customers						
4. Securities issued						
Total liabilities (B)						

This item represents the net negative result from the redemption of certain securities classified as financial assets measured at amortised cost.

SECTION 7 - NET RESULT OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110

5,560	5,981

7.2 Net value change of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Realised gains (B)	Capital losses (C)	Realised losses (D)	Net profit
1. Financial assets					
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 UCIT units	4,635	1,348	(637)	-	5,346
1.4 Loans	179	35	-	-	214
2. Financial assets in foreign currencies: exchange rate differences	-	-	-	-	-
Total	4,814	1,383	(637)	-	5,560

The UCIT fund units held in the portfolio generated capital gains of €4,635 thousand and capital losses of €637 thousand. Realised gains on UCIT units refer to the recognition of a grant, proportional to the units subscribed, received from the NEXT Guarantee Fund activated by the fund manager following the ascertainment of substantial losses recorded by the Next Fund and aimed at safeguarding the minimum return to investors.

The item 'Financing' includes the net changes arising from the positive year-end valuation of capitalisation policies (€179 thousand) and the capital gain on the TFR investment policy (€35 thousand).

SECTION 8 - NET LOSSES/RECOVERIES FOR CREDIT RISK - ITEM 130

(3,503)

(10,194)

8.1 Net losses/recoveries for credit risk associated with financial assets measured at amortised cost: breakdown

Description	2024	2023
Financial assets measured at amortised cost	(3,503)	(10,194)
Total	(3,503)	(10,194)

The following table provides information on 'net adjustments/reversals for credit risk'.

8.1 Net losses/recoveries for credit risk associated with financial assets measured at amortised cost: breakdown

	Losses						Recoveries				2024	2023
	First stage	Second stage	Third stage		Impaired assets acquired or originated		First stage	Second stage	Third stage	Impaired assets acquired or originated		
			Write-off	Other	Write-off	Other						
1. Loans to banks	(7)	-	-	-	-	-	199	-	-	-	192	(234)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(7)	-	-	-	-	-	199	-	-	-	192	(234)
2. Loans to financial companies	-	-	-	-	-	-	13	-	-	-	13	(7)
- for leasing	-	-	-	-	-	-	0	-	-	-	-	-
- for factoring	-	-	-	-	-	-	0	-	-	-	-	-
- other receivables	-	-	-	-	-	-	13	-	-	-	13	(7)
3. Loans to customers	(5)	(573)	-	(7,776)	-	-	9	458	4,179	-	(3,707)	(9,953)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	(4)	-	-	-	-	-	-	-	-	(4)	-
- consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- pawn loans	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(5)	(569)	-	(7,776)	-	-	9	458	4,179	-	(3,703)	(9,953)
Total	(12)	(573)	-	(7,776)	-	-	220	458	4,179	-	(3,503)	(10,194)

Item 'losses/recoveries for impairments on loans' consists of:

- €679 thousand of reversals arising from the application of an IFRS 9 valuation model updated with multi-period Point-in-Time and Forward Looking PD curves changed based on the Bank of Italy's updated Decay Rates and macroeconomic series, used to calculate multipliers;

- €8,361 thousand of adjustments due to receivables for which the possibility of recovery was deemed remote by lawyers, from impairments on positions whose bankruptcy proceedings have been closed and from impairments on receivables related to the application of IFRS 9.

SECTION 10 - ADMINISTRATIVE EXPENSES - ITEM 160

(233,855) (195,104)

This item includes personnel expenses (€205,487 thousand) and other administrative expenses (€28,368 thousand).

10.1 Personnel expenses: breakdown

Type of expenditure/Values	2024	2023
1) Employees		
a) Wages and salaries	(138,180)	(111,922)
b) Social security charges	(42,502)	(36,313)
c) Termination indemnity		
d) Social security expenses		
e) Provision for employee termination indemnity	(6,533)	(5,637)
f) Provision for pensions and similar obligations:		
- defined contribution		
- defined benefit		
g) Payments to external supplementary pension funds	(3,204)	(2,509)
- defined contribution	(3,204)	(2,509)
- defined benefit		
h) Other employee benefits	(9,478)	(6,041)
2) Other working personnel	(5,213)	(6,992)
3) Directors and Statutory Auditors	(512)	(479)
4) Retired personnel		
5) Expense recoveries for employees seconded to other companies	1,080	1,055
6) Reimbursement of expenses for employees seconded to the company	(945)	(632)
Total	(205,487)	(169,470)

Labour costs are substantially affected by the application of the 6.9% HICP inflationary indicator mechanism used for the adjustment of the contractual minimums of the Agency's staff, in addition to the increase of 164 staff (including 3 atypicals) compared to the 2023 resources.

The item 'Other Other working personnel' (concerning the cost of staff leasing contracts used by the Agency for the management of new contracts) decreased by €1,779 thousand compared to 2023, also due to the change in positions.

The item 'Other employee benefits' shows an increase due to the new terms and conditions of the Employee Welfare Programme, which provides for an increase in the insurance coverage for employees and their families, under the Employee Benefits package.

The item 'Expense recoveries for employees seconded to another company' refer almost exclusively to intra-group secondments.

Expense reimbursements for employees seconded to our company were recharged to the Group companies in which they worked.

In 2024 there were no payments to supplementary defined contribution pension funds.

Number of employees per category

	2024	2023
Executives	45	48
Middle managers	310	275
Other employees	2542	2,413
Atypical workers	179	176
Total	3,076	2,912

10.2 Average number of employees per category

	2024	2023
Executives	47	48
Middle managers	296	250
Other employees	2604	2361
Total	2947	2659

10.3 Other administrative expenses: breakdown

Other administrative expenses	2024	2023
Use of third party assets	(2,311)	(1,054)
Legal and notary	(6,403)	(5,074)
Sundry third-party services	(4,723)	(4,899)
Maintenance, utilities and insurance	(5,644)	(4,799)
Other personnel expenses	(5,394)	(4,095)
Information systems	(1,917)	(3,180)
Indirect taxes and fees	(833)	(805)
Communication expenses	(441)	(743)
Consumables and other operating charges	(79)	(286)
Membership contributions	(157)	(169)
Board of statutory auditors expenses	0	(5)
Other	(467)	(526)
Total	(28,368)	(25,635)

The most significant changes occurred in the following items:

- The item 'Lawyers and notaries' increased mainly due to costs incurred by the Agency for legal assistance in support of proceedings concerning Acciaierie d'Italia S.p.A and Acciaierie d'Italia Holding S.p.A.
- The item 'Use of third-party assets' increased from the previous year mainly due to the purchase of Microsoft M365 licences for the use of company PCs.
- The item 'Other staff expenses' increased mainly due to the increase in the cost of meal vouchers.

SECTION 11 - NET PROVISIONS FOR RISKS AND CHARGES - ITEM 170	(9,147)	(2,739)

11.3 Net provisions for other risks and charges: breakdown

Description	2024	2023
other net provisions	(9,465)	(2,739)
use of funds/reversals	318	-
Total	(9,147)	(2,739)

This item includes provisions relating to litigation with a probable risk of losing the case.

For a description of the main litigations for whose risk was assessed as possible (or for which the assessment was not possible) and for which no provision was made, reference is made to the section 'Litigation' in the Report on Operations.

SECTION 12 - NET ADJUSTMENTS/WRITE-BACKS TO PROPERTY, PLANT AND EQUIPMENT - ITEM 180

(5,295)	(5,396)

12.1 Net adjustments/write-backs to property, plant and equipment: breakdown

Assets/Income components	Amortisation (a)	Adjustments (b)	Write-backs (c)	Net result (a + b - c)
A.1 for operational use				
- Owned	(1,600)			(1,600)
- Rights of use acquired through leasing	(3,207)			(3,207)
A.2 Held for investment				
- Owned	(489)			(489)
- Rights of use acquired through leasing				
A.3 Inventories				
Total	(5,295)	-	-	(5,295)

SECTION 13 - NET ADJUSTMENTS/ WRITE-BACKS TO INTANGIBLE ASSETS - ITEM 190

(5,784)	(3,380)

13.1 Net impairments/reversals to intangible assets: breakdown

Assets/Income components	Amortisation(a)	Adjustments (b)	write-backs (c)	Net result (a + b - c)
1. Intangible assets other than goodwill				
of which: software				
1.1 owned	(5,784)			(5,784)
1.2 rights of use acquired through leasing				
2. Assets related to financial leasing				
3. Assets granted under operating leases				
Total	(5,784)			(5,784)

SECTION 14 - OTHER OPERATING EXPENSES/INCOME - ITEM 200

8,232	16,692

14.1 Other operating expenses: breakdown

	2024	2023
Other operating expenses	(49)	(14)
Total	(49)	(14)

14.2 Other operating income: breakdown

	2024	2023
Revenues from capital grants	3,588	1,282
Reversal	50	207
Revenues from operating grants	540	7,961
Rental income	3,578	578
Other operating income	524	6,677
Total	8,281	16,706

Other operating expenses consist of losses on receivables and the costs of the Marcianise incubator net of the provision for risks and charges.

The sub-item 'Revenues from capital grants' includes the deferred portion of grants relating to incubators allocated to the various years on the basis of the asset's useful life.

The value of 'Revenues from grants' refers to the reimbursement of the costs incurred for the activity envisaged by the Tutoring project, approved by Directorial Decree No 468 of 10/11/2020 and financed under the National Operational Programme 'Sistemi per le Politiche Attive dell'Occupazione' FSE 2014-2020 (PON SPAO), 'Asse I "Occupazione"' for the amount of €76 thousand (in 2023 the value was about 8 million), as well as to €354 thousand to the Cybersecurity project and €109 thousand to the Fondir project.

The sub-item 'Rental income' essentially includes the €3,550 thousand rent receivable from Atitech for the Capodichino facility; this amount includes the recalculation of the instalments following the contractual termination order issued against Atitech for non-payment of the instalments covered by the settlement signed on 28/12/2021. This default resulted in the automatic revocation of the rent stipulated in the deed registered in 2015 as of 15/01/2024. The amounts have been appropriately depreciated. This item also includes €28 thousand for the Genoa incubator.

In 'Other operating income', the prevailing items are €460 thousand towards Atitech, recognised following the termination of the contract, and €45 thousand for consolidation income 2023.

SECTION 15 - GAINS (LOSSES) FROM EQUITY INVESTMENTS - ITEM 220

41,916 26,066

15.1 Gains (losses) from equity investments: breakdown

Items	2024	2023
1. Gains		
1.1 Revaluations	45,975	31,958
1.2 Gains on disposal		
1.3 Write-backs		
1.4 Other gains		
2. Losses		
2.1 Write downs	(4,059)	(5,892)
2.2 Losses on disposal		
2.3 Impairment adjustments	-	
2.4 Other losses		
Net result	41,916	26,066

This item includes the adjustment recognised in equity of the value of investments due to the result for the year in subsidiaries and investee companies: 'Revaluations' mainly refer to Mediocredito Centrale SpA (€38,413 thousand), Infratel Italia SpA (€4,471 thousand) and CdP Venture Capital SGR SpA (€3,091 thousand). In addition to the value adjustment of Invitalia Partecipazioni amounting to €2,329 thousand, the item 'Impairments' includes €1,400thousand for the adjustment of the measurement recognised in equity of MCC related to the purchase price allocation of CRO.

SECTION 19 - INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS - ITEM 270

(2,870)

(2,713)

19.1 Income taxes for the year on current operations: breakdown

	2024	2023
1. Current taxes	(2,900)	(2,900)
2. Changes in current taxes from previous years	30	187
3. Reduction in current taxes for the year		
3.bis Reduction in current taxes for the year due to tax credits under Law No 214/2011	-	-
4. Change in deferred tax assets		
5. Change in deferred tax liabilities		
6. Taxes for the year (-) (-1+/-2+3+ 3bis+/-4+/-5)		
Taxes for the year	(2,870)	(2,713)

This item includes IRAP for the year 2024 in the amount of €2,900 thousand.

19.2 Reconciliation of theoretical tax liability and actual tax liability recognised

IRAP		
<i>Items not relevant in determining taxable income</i>		
130 Net value adjustments/reversals due to impairments (a.p.)	2,635	
160 Administrative expenses- a) staff expenses	205,487	
160 Administrative expenses - b) other administrative expenses (10%)	2,837	
170 Net provisions for risks and charges	9,147	
180 Net value adjustments/reversals on property, plant and equipment (10%)	529	
190 Net value adjustments/reversals on intangible assets (10%)	578	
200 Other operating profits and charges	(8,232)	
220 Gains (losses) on equity investments	(41,916)	171,066
theoretical taxable income		202,378
Decreases - application of IFRS9	(288)	
Decreases - deductible costs	(3,554)	
Decreases - application of IFRS16	(4,687)	(8,529)
Payment and profit costs pursuant to Art. 11(1)(b) of Legislative Decree No 446	0	
Increases - non-deductible costs	12,454	
Increases - application of IFRS16	3,983	16,437
Gross production value		210,286
Deductions from staff costs pursuant to Art. 11(1)(a) of Legislative Decree No 446		(159,476)
Net production value		- 50,810
Current tax		(2,900)
Withholding tax		-
Current taxes		(2,900)

**SECTION 20 - PROFIT (LOSS) FROM DISCONTINUED OPERATIONS
AFTER TAX - ITEM 290**

(6,049)	(4,290)

20.1 Profit (loss) from discontinued operations after tax: breakdown

	2024	2023
Subsidiaries	-	-
Profit on disposal	-	-
Dividends and other income	-	-
Losses on disposal	-	-
Other losses	-	-
Losses on disposal	-	-
Valuation losses	(6,049)	(5,005)
Net result on receivables	-	-
Other companies	-	-
Profit on disposal	-	-
Losses on disposal	-	-
Other losses	-	-
Other profits	-	-
Fair value losses	-	-
Revaluation of Property, plant and equipment		715
Total	(6,049)	(4,290)

As for the item 'Valuation losses' amounting to about €6,049 thousand, reference is made to the details provided in Part B Section 11 - Non-current Assets and disposal groups classified as held for sale above and in particular to the valuation of the €5,975 thousand equity investment in Italia Turismo; the €75 thousand capital loss is related to the equity investment in IP Porto Romano.

SECTION 21 - OTHER INFORMATION

21.1 Analytical breakdown of interest income and similar income and fees and commissions income

Items/Balancing entry	Interest income			Commission income			2024	2023
	Banks	Financial companies	Customers	Banks	Financial companies	Customers		
1. Financial leasing								
- real estate								
- movables								
- capital goods								
- intangible assets								
2. Factoring			414			-	414	-
- on current receivables			414			-		
- on future receivables			-			-	-	-
- receivables purchased without recourse			-			-	-	-
- receivables purchased below original value			-			-	-	-
- other financing			-			-	-	-
3. Consumer credit								
- personal loans								
- targeted loans								
- salary-backed loans								
4. Pawn loans								
5. Guarantees and commitments			-			3	3	3
- commercial			-			-	-	-
- financial			-			3	3	3
Total			414			3	417	3

PART D – OTHER INFORMATION

SECTION 1 - SPECIFIC REFERENCES ON TRANSACTIONS PERFORMED

B - FACTORING AND ASSIGNMENT OF RECEIVABLES

It should be noted that these are residual assets related to pending litigation and arising from the closure of the subsidiary Svi Finance in previous years.

B.1 - Gross value and book value

B.1.1 Factoring operations

	2024			2023		
	Gross value	Value adjustments	Net value	Gross value	Value adjustments	Net value
1. Performing	2,287	(21)	2,266	2,647	-	2,647
Exposures to assignors (with recourse)	2,287	(21)	2,266	2,647	-	2,647
- Assignment of future receivables			-			-
- Others	2,287	(21)	2,266	2,647		2,647
Exposures to assigned debtors (without recourse)	-	-	-	-	-	-
2. Non-performing	1,718	(1,718)	-	1,718	(1,718)	-
2.1 Non-performing loans	1,718	(1,718)	-	1,718	(1,718)	-
Exposures to assignors (with recourse)	1,374	(1,374)	-	1,374	(1,374)	-
- Assignment of future receivables						
- Others	1,374	(1,374)	-	1,374	(1,374)	-
Exposures to assigned debtors (without recourse)	345	(345)	-	345	(345)	-
- Purchases below nominal value			-			-
- Others	345	(345)	-	345	(345)	-
2.2 Unlikely to pay			-			-
Exposures to assignors (with recourse)			-			-
- Assignment of future receivables			-			-
- Others			-			-
Exposures to assigned debtors (without recourse)			-			-
- Purchases below nominal value			-			-
- Others			-			-
2.3 Impaired positions past-due			-			-
Exposures to assignors (with recourse)			-			-
- Assignment of future receivables			-			-
- Others			-			-
Exposures to assigned debtors (without recourse)			-			-
- Purchases below nominal value			-			-
- Others			-			-
Total	4,005	(1,739)	2,266	4,366	(1,718)	2,647

B.2 - Residual life breakdown

B.2.1 - With recourse factoring operations: advances and total receivables

Time bands	- advances	- advances	- total receivables	- total receivables
	2024	2023	2024	2023
On demand				
up to 3 months				
Over 3 and 6 months				
between 6 months and 1 year				
over 1 year				
indefinite duration			3,661	4,021
Total			3,661	4,021

B.2.2 - Non-recourse factoring operations: exposures

	- exposures	- exposures
Time bands	2024	2023
On demand		
up to 3 months		
Over 3 and 6 months		
between 6 months and 1 year		
over 1 year		
indefinite duration	345	345
Total	345	345

B.3 - Other information

B.3.3 - Nominal value of contracts for the purchase of future receivables

Nominal value of contracts for the purchase of future receivables	2024	2023
Flow of contracts for the purchase of future receivables in the financial year	-	-
Amount of contracts outstanding at the end of the financial year	4,005	4,366
Total	4,005	4,366

The item 'Irrevocable commitments to disburse funds' shows the funds available exclusively for the disbursement of subsidies from third-party funds under management recognised in memorandum accounts, as Invitalia's transactions consist merely of a service activity on behalf of the State.

Below is a summary of the financial sources for the subsidised instruments managed by Invitalia.

D - GUARANTEES GIVEN AND COMMITMENTS

D.1 - Value of guarantees (real or personal) issued and commitments

TRANSACTIONS	2024	2023
1) On demand financial guarantees provided		
a) Banks		
b) Financial companies		
c) Customers	17,280	17,280
2) Other financial guarantees provided		
a) Banks		
b) Financial companies		
c) Customers		
3) Commercial guarantees provided		
a) Banks		
b) Financial companies		
c) Customers	23,236	39,650
4) Irrevocable commitments to disburse funds		
a) Banks		
i) Certain use		
(ii) Uncertain use		
b) Financial companies		
i) Certain use		
(ii) Uncertain use		

c) Customers		
i) Certain use	3,643,078	3,494,023
(ii) Uncertain use	-	350
5) Underlying commitments to credit derivatives: protection sales		
6) Assets pledged as collateral for third-party obligations		
7) Other irrevocable commitments		
(a) to issue guarantees	-	451
(b) others	440	1,232
Total	3,684,034	3,552,986

It should be noted that, as of 31/12/2024, commercial guarantees have been issued on behalf of MENARINI SPA in favour of the following Institutions:

- Generali SpA for €12,997 thousand
- HDI Assicurazioni for €80 thousand
- Allianz Euler Hermes for approx. €1,413 thousand
- Itas Mutua for €382 thousand
- S2C for €562 thousand

A commercial guarantee was issued on behalf of Sider Alloys in favour of Intesa S. Paolo for €7.8 million; Under a loan agreement between Arrilrsa and the financing banks, the entire subscribed capital of €5 million was pledged as collateral for the obligations undertaken; Finally, a guarantee was issued in favour of Sicamb and on behalf of Illimity Bank for approx. €2 million.

It should also be noted that commercial guarantees were issued on behalf of Acciaierie d'Italia Holding S.p.A. in favour of ENI (for approx. €57 million), of which approx. €28.8 million were enforced during the year 2024 prior to the preparation of these financial statements; counter-guarantees in favour of AM S.A. (for approx. €57 million, of which €45 million for the Performance Bond), in execution of the Investment Contract signed on 10 December 2020 with Arcelor Mittal S.A. for the purchase of the 38% equity investment in Acciaierie d'Italia Holding SpA (ADIH) with capital grants allocated by the Ministry of Economy and Finance (Decree Law No 142 of 2019). In 2024, sums (including expenses and interest) of approx. €46.5 million were paid out against enforcement.

The item 'Irrevocable commitments to disburse funds' shows the funds available exclusively for the disbursement of subsidies from third-party funds under management recognised in memorandum accounts, as Invitalia's transactions consist merely of a service activity on behalf of the State.

With regard to information obligations under Art. 35 para. 125 et seq. of Decree-Law No 34 of 30 April 2019, it should be noted that all expenditure commitments made by Invitalia in respect of the funds under management are published in the National Register of State Aid under Art. 52 of Law No 234 of 24 December 2012, in the transparency section provided therein.

With reference to point 4 'Other transactions' in the table above, the breakdown of this amount is shown in the table 'OTHER MEASURES'.

Contratti di Sviluppo

	2024	2023
Fondo Sviluppo e Coesione 2014-2020		
- Fondo Rotativo (DM 24/09/10)	31,749	24,402
- Fondo Rotativo APQ Campania	9,030	9,425
- Fondo Rotativo CIPE 25 – 52/16	32,499	17,544
- Contributo c/impianti CIPE 25 – 52/16	76,326	125,606
- Contributo c/impianti (DM 24/09/10)	14,883	14,233
- Contributo c/impianti APQ Calabria	7,794	10,249
- Contributo c/impianti Regione Toscana	1,503	1,483
PNRR Rinnovabili e batterie		
- PNRR Batterie	47,794	50,462

- PNRR Eolico	0	10,092
- PNRR Tecnologie Fotovoltaiche ed Eoliche	1,500	40,369
Mobilità Sostenibile		
- Contributo c/impianti	94,853	97,313
FCS III (2021-2027)		
- Fondo Rotativo	30,010	30,000
- Contributo c/impianti	21,997	60,000
PNRR Filiera		
- Incasso fondi	61,735	75,730
Fare Centro Nord – D.L. 69/2013		
- Fondo Rotativo (DM 24/09/10)	80,915	70,884
Asse II – Sostegno all'innovazione (Obiettivo operativo 4.2.1.1 "Rafforzamento sistema produttivo")		
- Fondo rotativo (DM 24/09/10) Asse II - (DM 06/08/10)	43,716	39,436
- Contributo c/impianti DM 06/08/10	0	4
- Contributo c/impianti DM 06/08/10	1,507	1,500
Legge Bilancio 2020		
- Fondo Rotativo	15,366	15,096
- Contributo c/Impianti	13,170	17,556
Regioni		
- Contributo c/impianti Nord Ovest	1,092	1,092
- Contributo c/impianti Regione Puglia	7,759	1,352
- Contributo c/impianti Regione Marche	94	109
- Contributo c/impianti Regione Sicilia	5,671	5,553
- Contributo c/impianti Regione Veneto	616	799
- Contributo c/impianti Regione Umbria	230	246
- Contributo c/impianti Regioni Nord Est	644	770
- Contributo c/impianti Regione Basilicata	2,553	2,704
- Fondo Rotativo - Contributo c/impianti Regione Sardegna	6,737	9,118
- Contributo c/impianti Regione Abruzzo	763	454
- Contributo c/impianti Regione Lazio	5,341	3,651
Asse I - Sostegno ai mutamenti strutturali (Obiettivo operativo 4.1.1.2 "Aree tecnologico-produttive per la competitività del sistema")		
- Fondo Rotativo (DM 24/09/10) Asse I	28,500	25,667
PON SIL 2000-2006		
- Fondo Rotativo (DM 24/09/10)	14,928	9,798
- Contributo c/impianti (DM 24/09/10)	7,083	7,047
PAC Campania		
- Fondo Rotativo (DM 24/09/10)	4,563	3,663
- Contributo c/impianti (DM 24/09/10)	277	334
- Campania	114	10,690
Legge di Stabilità 2014 -L.147/2013		
- Fondo Rotativo (DM 24/09/10)	9,630	13,609
Fondo Crescita Sostenibile		
- Fondo Rotativo	5,106	5,018
- Contributo c/impianti	15,220	8,536

PON I&C Asse III Competitività PMI		
- Fondo Rotativo	14,465	9,657
- Fondo Rotativo Por Lazio	563	557
PON I&C Asse IV		
- Fondo Rotativo	264	10,122
- Contributo c/Impianti	0	-
Cratere Sismico dell'Aquila - Fondo Sviluppo e Coesione		
- Contributo c/impianti - Fondo Rotativo (DM 24/09/10)	7,812	10,095
PON I&C Asse I Innovazione		
- Fondo Rotativo	9,491	7,833
- Contributo c/impianti	519	1,369
PAC - Piano di Azione e Coesione		
- Fondo rotativo (DM 24/09/10)	5,301	4,355
- Contributo c/impianti (DM 24/09/10)	2,558	4,279
POC "Imprese e Competitività" 2014-2020		
- Fondo Rotativo	10,093	7,435
- Contributo c/impianti	413	407
Risorse Nazionali		
- Contributo c/impianti	3,595	5,654
POC- Programma di Azione e Coesione 2014- 2020 "Imprese e Competitività" Asse III		
- Contributo c/impianti	50	5,590
Legge di Stabilità 2013 Basilicata - L. 228/2012		
- Fondo rotativo - L. 228/2012	1,294	914
- Contributo c/impianti - L. 228/2012	1,773	1,747
Capitanata		
- Contributo c/impianti	2,663	2,637
AdP Termini Imerese		
- Fondo Rotativo (DM 09/12/14)	80	79
- Contributo c/impianti (DM 24/09/10)	2,176	2,150
Asse II - Competitività delle imprese del settore turistico, culturale e ambientale e promozione dell'offerta delle Regioni obiettivo della Convergenza		
- Fondo Rotativo	699	462
POR Sardegna		
- Fondo Rotativo	725	353
Logistica Agroalimentare		
- Logistica Agroalimentare Fondo Rotativo	1	
- Logistica Agroalimentare Contributi	11	
- Porti	0	
- Mercati	14	
PNRR Hard To Abate		
- PNRR Hard to Abate	0	
Automotive		
- Contributi c/impianti Automotive	19,904	
PNRR ZERO NET M1C2		

- PNRR NET ZERO M1C2 - 7.1	0	
- PNRR FILIERE III M1C2 - 7.2	0	
Equity investments		
- Acquisitions of equity investments	1,070	74
Total	788,802	897,363

Fondo Sviluppo e Coesione 2014-2020

The Development and Cohesion Fund (FSC) is the main financial instrument through which policies for the development of economic, social and territorial cohesion and the removal of economic and social imbalances are implemented in accordance with the provisions of the Italian Constitution and the Treaty on the Functioning of the European Union.

CDS PNRR Rinnovabili e Batterie

It aims to support the development of a value chain for renewables and batteries through three different sub-investments relating respectively to: PV (PhotoVoltaics) technology, for which it is planned, by 31 December 2025, to increase the power generation capacity of the photovoltaic panels produced from the current 200 MW/year to at least 2 GW/year by means of high-efficiency photovoltaic panels; Wind power industry; Battery industry, for which it is planned, by 31 December 2024, to produce batteries with a target capacity of 11 GWh.

CDS Mobilità Sostenibile

In implementation of the provisions of para. 613 of Law No 232 of 11/12/2016, the MISE (now MIMIT), in agreement with the Ministry of Infrastructure and Transport, enters into an agreement for the purpose of implementing a National Strategic Plan on Sustainable Mobility intended for the renewal of the bus fleet of local and regional public transport services, as well as for the promotion and improvement of air quality with innovative technologies.

CDS FSC III (2021-2027)

The FSC is earmarked to finance strategic projects in the field of both infrastructure and intangible assets. These have national, interregional and regional significance and take the form of major projects or investments divided into individual but functionally interconnected measures.

CDS PNRR Filiera

Strengthening production chains, including emerging ones, is considered strategic. The sectors involved are: automotive, design, fashion and furniture, microelectronics and semiconductors, metal and electromechanics, agro-industry, chemical/pharmaceutical products.

Fare Centro Nord – D.L. 69/2013

Among the active financial sources for the Contratti di Sviluppo is Decree-Law No 69/ 2013, which contains provisions for economic growth.

Asse II – Sostegno all'innovazione (Obiettivo operativo 4.2.1.1 “Rafforzamento sistema produttivo”)

The project envisages two investment programmes aimed at industrialising the results of research or experimental development programmes and pursuing specific objectives of innovation, competitive improvement and environmental protection. For this Operational Programme, a Revolving Fund for the disbursement of subsidised loans was set up under Operational Objective 4.2.1.1 and managed with separate capital and accounts.

CDS Legge Bilancio 2020

With regard to this measure, the Ministerial Directive of 15/04/2020 provided for an additional allocation of financial resources for the Contratti di Sviluppo instrument amounting to €600 million for Development Agreement and Programme Agreement applications throughout Italy.

CDS Regioni

The Ministerial Decree of 09/05/2017 introduced a procedure called 'Development Agreements' to facilitate the implementation of large strategic projects. Signed between the Regions and the MISE (now MIMIT), the Agreements provide for a share of co-financing to be borne by the latter from FSC 2014-2020 resources.

Asse I - Sostegno ai mutamenti strutturali (Obiettivo operativo 4.1.1.2 "Aree tecnologico-produttive per la competitività del sistema")

This measure provides funding for investment and research and development programmes carried out in the industry, tourism and trade sectors.

PON SIL 2000-2006

The resources released by the 2000-2006 National Operational Programme (PON) for Local Business Development (SIL) were used as a financial source for the Contratti di Sviluppo.

PAC Campania

The Action and Cohesion Plan of Regione Campania was set up to provide incentives for productive investments oriented towards innovation and competitive improvement in the manufacturing, power generation and specific service sectors. The objective is the reconversion of the crisis area through innovation, management integration of companies, the enhancement of disused/ underused facilities and the creation of new jobs.

Legge di Stabilità 2014 - L.147/2013

The purpose of this concessional measure is to finance land securing, reclamation of sites of national interest and other environmental policy measures.

CDS Fondo Crescita Sostenibile

The purpose of this Sustainable Growth Fund is to finance industrial investment and environmental protection programmes located in central and northern regions.

CDS PON I&C Asse III Competitività PMI

This Development Contract encourages the implementation of industrial, tourism and environmental protection programmes by promoting and supporting SMEs.

CDS PON I&C Asse IV

This financial source is aimed at the implementation of smart storage systems connected to smart grids and RES distribution plants related to Axis IV 'Energy Efficiency'.

Cratere Sismico dell'Aquila- Fondo Sviluppo e Coesione

The Agency has been specifically tasked with measures aimed at fostering the economic and employment recovery of the area of Abruzzo affected by the April 2009 earthquake.

CDS PON I&C Asse I Innovazione

These Contratti di Sviluppo envisage initiatives under the PON I&C for the management and implementation of smart grids, as well as measures on transmission networks that are strictly complementary and aimed at directly increasing the deployment of energy from renewable sources, introduction of equipment with digital communication systems, smart metering and control and monitoring, as infrastructure of 'cities and suburban areas'.

PAC - Piano di Azione e Coesione

The purpose of the Action and Cohesion Plan is to accelerate the implementation of the 2007-2013 programme, increase the effectiveness of measures by targeting them at measurable results and concentrating resources, and launch new actions (some of which are prototypes) which, depending on the outcomes, may be taken up in the 2014-2020 programme.

POC "Imprese e Competitività" 2014-2020

The financial resources of the Complementary Operational Programme for Businesses and Competitiveness are earmarked for financing two lines of measures in the most disadvantaged areas of the country: one line for attracting investments capable of ensuring a spill-over effect on SMEs at regional level (60% of the financial envelope), the other for investments of significant financial size (40% of the financial envelope).

CDS Risorse Nazionali

The financial sources that can be used to realise the investments are from the special account No 1726 called 'Interventi Aree Depresse' (Measures in Depressed Areas), within the resources earmarked for the Programme Contracts and not used.

POC- Programma di Azione e Coesione 2014- 2020 "Imprese e Competitività" Asse III

The FSC contains additional national financial resources earmarked for economic and social rebalancing purposes, as well as for incentives and public investments.

Legge di stabilità 2013 Basilicata - L. 228/2012

Financial facilities are granted to support private investments, with a view to favouring the start-up and continuation of entrepreneurial initiatives aimed at the development of the tourist offer in the Basilicata region; this is achieved by strengthening and improving the quality of the accommodation offer and of the relative supplementary activities, as well as of services to support tourism (which require one or more investment projects).

CDS Capitanata

On 13 August 2019, the 'Contratto Istituzionale di Sviluppo per la Capitanata' (CIS Capitanata) was signed by Invitalia to ensure the management of business incentive measures on the basis of what has been allocated for the Contratti di Sviluppo. The measure is financed with funds from the Presidency of the Council.

AdP Termini Imerese

This is the Programme Agreement for the regulation of the reconversion and redevelopment of the Termini Imerese Industrial Complex.

Asse II - Competitività delle imprese del settore turistico, culturale e ambientale e promozione dell'offerta delle Regioni obiettivo della Convergenza

The funds allocated to the EU programme are intended for investments in the tourism and cultural sector for the qualification and innovation of accommodation and hospitality services.

CDS POR Sardinia

In 2015, the Sulcis Plan was launched with the aim of revitalising the economic system and enhancing the area's potential.

Logistica Agroalimentare

The Development Contract for logistics in the agri-food, fishery and aquaculture, forestry, floriculture and nursery sectors aims to strengthen logistics and storage systems, reduce environmental and economic costs and support innovation in production processes.

PNRR Hard To Abate

This Development Contract supports industrial decarbonisation plans aimed at replacing at least 10% of the methane and fossil fuels used in the production processes of highly polluting sectors with low-carbon and/or renewable hydrogen (also self-produced) and, as a residual measure, the electrification of production processes.

Automotive

This Development Contract supports investments in production and environmental protection related to the development and reconversion of the automotive industry. Closely related and functional research, development and innovation projects are also eligible for funding.

PNRR ZERO NET M1C2

The aim of this Development Contract is to support the production system for the ecological transition, net-zero technologies and the competitiveness and resilience of strategic supply chains.

CDS Partecipazioni

This Fund has been set up to intervene in the risk capital of beneficiary companies only under certain circumstances and market conditions (Art. 8 bis of Ministerial Decree of 09/12/2014). Subsequently, the MISE (now MIMIT) directive of 05/08/2019 authorised Invitalia to issue guarantees and counter-guarantees in favour of public entities and suppliers in order to prevent activities from being interrupted and consequent negative repercussions on the employment base, as well as the productive relaunch thereof. As at 31 December 2024, guarantees were issued to Industria Italiana Autobus for about €15.4 million and to Sider Alloys for about €7.8 million.

DM 09 MARZO 2018 - INVESTIMENTI INNOVATIVI PON I&C Asse III 2014-2020

DM 30-10-2019 -Investimenti Innovativi PON I&C Asse III 2014-2020

This Measure is aimed at supporting innovative investment programmes designed to increase the degree of efficiency or the level of flexibility of economic activity, in order to foster the transition of the manufacturing sector towards the so-called 'Smart Factory'.

	2024	2023
DM 09 MARZO 2018 -Investimenti Innovativi PON I&C Asse III 2014-2020		
- Fondo Rotativo	52,686	41,720
- c/impianti	21,684	22,113
DM 30-10-2019 -Investimenti Innovativi PON I&C Asse III 2014-2020		
- Fondo Rotativo	5,355	18,126
- Fondo Rotativo	20,296	35,017
- c/impianti	315	28,468
DM 09 MARZO 2018 -Investimenti Innovativi PON I&C Asse IV 2014-2020		
- Fondo Rotativo	256	22
- c/impianti	86	85
Liquidity as at 31/12	100,678	145,551

During the financial year, facilities in the amount of €67,567 thousand were disbursed and reflows in the amount of €19,959 thousand were received under this financial source.

POI "Energie Rinnovabili e risparmio energetico" FESR 2007-2013

A number of implementing decrees were issued by the Ministry in connection with the Interregional Operational Programme, as outlined below.

On 6 August 2010, the Ministry of Economic Development (MiSE) issued three decrees implementing the provisions of the Ministerial Decree of 23 July 2009 with an original allocation of €500 million, later reduced to €495 million.

With the Decree of 5 December 2013 ('DM Efficienza Energetica'), the MISE has promoted the implementation of investment programmes aimed at reducing and rationalising the use of primary energy used in the processing cycles and/or the provision of services carried out within an existing production unit, in favour of companies located in the 'Obiettivo Convergenza' regions (Calabria, Campania, Puglia and Sicily).

Linea di attività 1.2/2.1 - Interventi a sostegno dello sviluppo dell'imprenditoria collegata alla ricerca e all'applicazione di tecnologie innovative nel settore delle fonti rinnovabili

This programme provides for the financing of investment projects concerning the production of capital goods for the development of renewable energy sources and energy saving. In this regard, two open-ended revolving funds were set up for business lines 1.2 and 2.1 managed with separate capital and accounts.

	2024	2023

- Linea di attività 1.2		
- Fondo rotativo per finanziamenti agevolati	13,102	9,842
- Contributo conto impianti	0	2
- Linea di attività 2.1		
- Fondo rotativo per finanziamenti agevolati	7,485	5,531
- Contributo conto impianti	181	178
Others		
Crediti v/altre misure	0	-
Liquidity as at 31/12	20,768	15,553

No facilities were disbursed from this financial source during the year, but there was an €5,160 thousand reflow from loan instalments.

Smart & Start Italia

The Smart&Start Italia facilities are reserved for innovative start-ups located throughout Italy; their business idea must have technological and innovative features or aim at developing products, services or solutions in the digital economy or economically exploit the results of the research system. By means of the Decreto Rilancio No 34 of 19/05/2020, €100,000,000.00 was earmarked for the refinancing of facilities granted as subsidised loans.

	2024	2023
- Fondo Rotativo DM 24/09/2014 - c/impianti e c/gestione (DM 24/09/2014)	36,043	39,128
- Decreto Rilancio	19	17,662
- Fondo Rotativo - c/impianti e c/gestione Legge di Stabilità 2017	6,057	13,597
- Fondo Rotativo - c/impianti e c/gestione PON 2014/2020	35,981	7,324
- PNRR	8,637	9,857
Liquidity as at 31/12	86,737	87,568

During the year, facilities in the amount of €46,613 thousand were disbursed and reflows in the amount of €6,383 thousand were received under these financial sources, as well as €3,805 thousand from the Ministry.

Nuove Imprese a tasso zero

This Measure is aimed at supporting new entrepreneurship through the creation of micro and small enterprises. Art. 29 of Decree-Law No 34 of 30/04/2019 (known as the 'Growth Decree') partly redefined the regulations by broadening the range of beneficiaries and modifying the conditions to be eligible for financing.

	2024	2023
- Tesoreria Centrale	242,026	253,762
- Fondo Rotativo per finanziamenti PON SIL 2000-2006	7,945	12,055
- Fondo Rotativo per finanziamenti Stabilità 2017	10,436	8,524
- Fondo Rotativo per finanziamenti PAC CAMPANIA	6,894	8,065
- NRRP	4,952	6,668
- Conto impianti Nito ON	11,869	6,000
- Fondo Rotativo per finanziamenti agevolati Fondo Unico	6,377	608
Liquidity as at 31/12	290,499	295,682

During the year, facilities in the amount of €43,636 thousand were disbursed and reflows in the amount of €1,676 thousand were received under these financial sources, as well as €43,000 thousand from the Ministry.

Programma Cultura Crea (Decreto Mibact 11/05/2016)

This programme promotes the creation and development of entrepreneurial initiatives in the cultural-tourism industry, as well as the support of non-profit enterprises that aim to enhance the cultural resources in the regions of Basilicata, Calabria, Campania, Puglia and Sicily.

	2024	2023
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.A.1.A PON Nuove Imprese		
- Fondo rotativo	6,069	6,179
- Contributo c/Impianti	226	437
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.B.1.A PON Cons. SME		
- Fondo rotativo	5,530	5,425
- Contributo c/Impianti	55	529
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.C.1.A PON Terzo Settore		
- Contributo c/Impianti	201	1,514
Programma Cultura Crea POC		
- Fondo rotativo	1,967	-
- Contributo c/Impianti	5,051	10,029
Taranto crea		
- Contributo c/Impianti	1,369	
Liquidity as at 31/12	20,468	24,113

During the year, facilities in the amount of €7,911 thousand were disbursed and reflows in the amount of €1,069 thousand were received under these financial sources, as well as €3,000 thousand from the Ministry.

Nuova Legge 181

With its Decree of 09/06/2015, the MISE established the conditions and modes for the interventions to be carried out under the new aid system. The areas in which the interventions are to be implemented are as follows:

- Complex industrial crisis areas, where the new aid scheme was applied to 2 new crisis areas; 1 application submitted
- Non-complex industrial crisis areas, for which 3 applications were submitted, all under evaluation;
- Other areas, for which 2 applications were submitted, both suspended due to lack of financial availability

Commitments to third parties are set out in the following schedules:

	2024	2023
- Fondo Crescita F.do Rotativo	16,678	29,075
- PON I&C Asse III F.do Rotativo	7,534	5,425
- POR FESR 2014-2020 Campania F.do Rotativo	2,296	1,667
- Fondo Crescita c/impianti	3,063	10,739
- PON I&C Asse III c/impianti	1,323	1,319
- POR FESR 2014-2020 Basilicata F.do Rotativo	503	495
- FSC Campania F.do Rotativo	547	1,083
- FESR c/impianti	21	432
- L. 80/05 c/impianti	1,034	2,522
- Fondo Unico F.do Rotativo	1,143	2,375
- Fondo Unico c/impianti	649	1,032
- L. 80/05 F.do Rotativo	8,474	9,662
- FSC Campania c/impianti	206	474
- FSC Calabria F.do Rotativo	418	217

- FSC Calabria c/impianti	0	-
- ADP Puglia F.do Rotativo	119	116
- ADP Puglia c/impianti	1	1
- ADP Veneto F.do Rotativo	219	136
- ADP Veneto c/impianti	60	59
- ADP Piemonte F.do Rotativo	449	372
- ADP Marche F.do Rotativo	208	182
- ADP Marche c/impianti	46	45
- ADP Lazio F.do Rotativo	38	97
- ADP Lazio c/impianti	11	41
- ADP Liguria F.do Rotativo	270	238
- ADP FVG c/impianti	19	46
- ADP FVG F.do Rotativo	54	84
- ADP Calabria Addendum F.do Rotativo	3,435	3,401
- ADP Calabria Addendum c/impianti	1,718	1,701
- ADP Toscana Reg. F.do Rotativo	299	1,408
- ADP Toscana Reg. c/impianti	58	603
Liquidity as at 31/12	50,893	75,047

During the financial year, facilities in the amount of €40,469 thousand were disbursed and funding in the amount of €727 thousand was received under this financial source. Loan instalments in the amount of €15,106 thousand were also collected.

Other measures

	2024	2023
Fondo Grandi Imprese		
- F.do Rotativo	297,602	276,179
Fondo Nazionale Efficienza Energetica		
- Garanzie	85,454	77,041
- F.do Rotativo	191,513	175,014
Fondo Salvaguardia Imprese		
- Partecipazioni-F.do Rotativo-Prest. Obbligaz.	282,525	247,294
PNC Sisma		
Grandi Investimenti B1.1 F.do Rotativo e c/impianti	24,846	24,601
Investimenti medie dimensioni B1.2+B3.3 F.do Rotativo e c/impianti	23,369	27,501
Startup e sviluppo microimprese B1.3a c/impianti	34,529	46,932
Innovazione PMI B1.3b c/impianti e c/gestione	5,964	11,921
Startup e sviluppo PMI B1.3c - F.do Rotativo e c/impianti	9,084	16,000
Agrosilvopastorale B3.1	-	-
Economia Circolare B3.2 F.do Rotativo	8,593	8,508
Voucher Investimenti Innovativi		
- C/impianti - C/gestione	98,075	109,473
FETS		
- C/impianti	83,198	99,730
Investimenti Sostenibili 4.0		
- C/impianti	192,181	57,263

Brevetti +		
- Contributi C/impianti - C/gestione	7,560	48,021
- PNRR	1	2
Digital Transformation		
- F.do Rotativo	9,224	13,268
- C/impianti - C/gestione	18,169	18,989
Resto al Sud		
- C/impianti - C/gestione	95,947	28,561
Ifit		
- C/impianti	69,631	25,358
Fetsda		
- C/impianti	131	25,173
Bonus Export Digitale		
- C/impianti - C/gestione	15,571	23,550
Bonus Terme		
- C/impianti	20,246	20,807
Curaltalia		
- Curaltalia D.L. 17 Marzo 2020 n. 18 - art.5	14,043	12,088
- Curaltalia D.L. 17 Marzo 2020 - Bando Impresa Sicura art. 43	607	579
Digitalizzazione Cultura Investimento 3.3 PNRR		
- Transizione Organismi Culturale e Creativi 3.3.2	25,168	10,734
- Capacity Building - Trans. Dig. -Avv. A1 inv. 3.3.1	2,213	
- GREE Transizione Digitale 3.3.4	4,223	
- Capacity Building - Trans. Dig. -EC Avv. B1 inv. 3.3.3	2,111	
Fondo Cresci al Sud		
- Partecipazioni	65,569	10,337
Smart & Start Titolo II e III		
- Contributo spese gestione Tit. II (DM 06/03/2013)	4,069	4,051
- Contributo conto Impianti Tit. III (DM 06/03/2013)	6,218	6,189
- Contributo Smart e Start Abruzzo	0	-
SelfiEmployment		
- Fondo rotativo	10,526	9,162
Bonus Fiere		
- C/impianti - C/gestione	9,148	9,121
Rilancio PMI		
- F.do Rotativo	138	8,633
DM Campania 13/02/2014		
- Fondo rotativo	5,727	4,816
- Contributo c/impianti	1,352	1,345
Smart Money		
- C/impianti - C/gestione	4,038	5,659
Crasi L'Aquila DM 14/10/2015		
- Misura I C/impianti - C/gestione Nuova Crasi	3,917	4,694
- Misura II C/impianti - C/gestione	465	458
Fondo Intrattenimento Digitale		

- C/impianti	2,390	3,338
Tessile Moda		
- C/impianti	2,609	2,978
Economia Circolare		
- C/impianti - C/gestione	2,489	1,905
Mimit POC PNRR Proof of Concept		
Incasso fondi	1	1,390
Murgia		
- C/impianti	96	1,269
Biomasse		
- Fondo rotativo	860	742
- C/impianti	41	41
Voucher Internalizzazione		
- C/impianti- C/gestione Tempor Exp.Manager	0	763
Bando Alluminio		
- Contributo c/impianti	211	605
Programma Acceder		
- Contributo c/impianti	0	503
Avviso POC Mise 2020		
- Contributo c/impianti	0	404
Economia Sociale		
- Contributo c/impianti	201	262
Imprenditorialità Femminile		
- Az.1_Capo II Avvio	2,873	-
- Az.1_Capo III F.do Rotativo	2,649	11
- Az.1_Capo III Contributo c/impianti	3,111	206
- Az.2_Capo V Grant	2,908	
Bando Carburanti		
- Contributo	90	117
Educazione Consumo Digitale		
- Contributo	110	109
Fondo Crisi Ucraina		
- Contributo	1	99
Imprenditorialità Innovativa 2		
- Contributo c/impianti	22	62
Dara - Incentivi per la montagna		
- Contributo	2,983	
Contrasto alla Deindustrializzazione		
- Contributo	11,288	
PNRR Bando Imprese borghi		
- Contributo	17,812	
FRI-TUR		
- Contributo	29,111	
Matera DL 91-2017 art 7 co 1-BIS	3,511	6,817
Gestione delle leggi in concessione		

- Fondo unico art. 27 c. 11 L. 488/1999	388,794	376,614
- Fondo Invitalia Ventures II	76,661	85,393
Total	2,283,767	1,952,680
Other commitments - uncertain use	466	41
Total	2,284,233	1,952,721
Grand total	3,643,078	2,850,084

The following tables show the liquidity available on the individual lines (including accrued annual interest) for the disbursement of the facilities.

Fondo Grandi Imprese

The Fund operates by granting aid in the form of loans, to be repaid within a maximum of five years, to large companies in temporary financial difficulty, excluding companies in the banking, financial and insurance sectors.

Fondo Nazionale Efficienza Energetica

The Fund is an incentive that supports the implementation of measures aimed at ensuring the achievement of national energy efficiency targets. Subsidies are provided to companies, ESCOs and public administrations in individual or associated form.

Fondo Salvaguardia Imprese

The Fund is aimed at the restructuring of either companies owning historical brands of national interest, having at least 250 employees and being in a state of economic-financial difficulty or companies that, regardless of their number of employees, hold assets and relations of strategic importance for the national interest.

During 2024, 4 new equity investments were acquired in Terme di Chianciano for €2.9 million, MER MEC Ferrosud srl for €13.7 million, Industrie Scaffalature arredamenti for €7 million, Landi Renzo Spa for €20 million; furthermore, capital increases were subscribed in Titagarh Firema Spa, Canepa Spa, Ceramica Dolomite and Snaidero Rino Spa for a total of €23.8 million.

PNC Sisma

In accordance with the provisions of the Decree of the Minister of Economy and Finance of 15 July 2021 and the specific project sheet relating to the 'Interventions for the areas struck by the 2009 and 2016 earthquakes', these were then merged into a single Unified Intervention Programme divided into two macro-measures

A. Safe, sustainable and connected cities and villages, the aim of which is to improve infrastructure, spaces and the urban environment in order to restore vitality to local communities. The measures concern urban design (sustainable lighting, water recovery facilities, environmentally friendly roads, green systems), energy efficiency of public buildings and in particular schools, integrated plans for sustainable mobility and transport, 'smart cities', telemedicine, tele-assistance, support for risk prevention, promotion of digital infrastructure.

B. Economic and social revitalisation, with the aim of supporting the revitalisation of local areas and communities by promoting activation to work and business activity in local productive sectors by enhancing territorial vocations, environmental resources, the agri-food system and strengthening concrete measures aimed at skills training as well as support for cultural, tourist and creative enterprises.

Voucher Investimenti Innovativi

On 23/10/2019, an agreement was signed with MISE (now MIMIT) aimed at supporting, through the granting of non-repayable contributions in the form of Vouchers, SMEs wishing to purchase specialised consultancy on technological and digital transformation processes.

FETS

Extraordinary grant in favour of organisations providing socio-medical or socio-assistance services in residential or semi-residential settings for elderly people.

Investimenti Sostenibili 4.0

Granting of subsidies in favour of investment programmes proposed by small and medium-sized enterprises that comply with current environmental protection principles and have a high technological content, consistent with the Transizione 4.0 plan, with priority given to those able to make a particular contribution to the sustainability objectives defined by the European Union and to those intended to promote the transition of the enterprise towards the circular economy paradigm, i.e. to improve the energy sustainability of the enterprise.

Brevetti+

The aim of the measure is to support more qualified patent enhancement projects of public and private research.

Digital Transformation

The measure is aimed at supporting the Digital Transformation of micro, small and medium-sized enterprises, in the manufacturing sector and in the direct business services sector, in the tourism sector for enterprises engaged in the digitalisation of the use of cultural assets, and in the trade sector, thus contributing to the objectives of innovation and growth of competitiveness of the entire productive fabric of the country.

Resto al Sud

Decree-Law No 91 of 20 June 2017 established the Resto al Sud measure, which aims to incentivise the creation of new businesses in the South having as beneficiaries individuals aged 45 years or less and registered office in the regions of Abruzzo, Basilicata, Calabria, Molise, Puglia, Sardinia and Sicily. Decree-Law No 123 of 24 October 2019 extended this Measure to the municipalities of the earthquake crater in the regions of Lazio, Marche and Umbria.

IFIT

This measure, encompassing financial incentives for tourism enterprises, encourages the upgrading of facilities in the tourism sector.

FETSDA

Extraordinary grant in favour of organisations providing socio-medical or socio-assistance services in residential or semi-residential settings for people with disabilities.

Bonus Export Digitale

This project by the Ministry of Foreign Affairs and Agenzia ICE aims to support manufacturing micro-enterprises in their internationalisation activities through digital solutions.

Bonus Terme

This measure provides vouchers for the purchase of spa services. Voucher applications can be submitted by users at previously accredited spa establishments.

Curalitalia

This decree provides incentives for companies that implement investments to increase the availability of medical devices and personal protective equipment in order to contain the Covid-19 epidemiological emergency.

Curalitalia D.L. 17 marzo 2020 – Bando Impresa Sicura art. 43

This Call provides access to reimbursement of expenses incurred by companies for the purchase of personal protective equipment.

Digitalizzazione Cultura Investimento 3.3

Measures to improve the ecosystem in which the cultural and creative sectors operate, encouraging cooperation between cultural operators and organisations and facilitating upskill and reskill.

Upskilling encompasses activities aimed to improve the skills and abilities of workers by focusing on a real upgrade of what they know and can do, with a view to growing in their role.

Reskilling is the procedure to move the resource to another role and have it do a different job from its current one: a company-led 'career conversion' project. It intervenes in the tasks by 'reconstructing' the professional figure by providing new skills.

Fondo Cresci al Sud

The Budget Law of 27/12/2019 created a fund called 'Fondo Cresci al Sud': its intention is to facilitate, through capital investments, the competitiveness and growth of SMEs having their registered office and operations mainly in the following regions: Abruzzo - Basilicata - Calabria - Molise - Puglia - Sardinia - Sicily.

In 2023, 6 equity investments were acquired: E-Globe S.p.A. for €1.5 million, Edil San Felice S.p.A. for €3.5 million, Fare Spot S.p.A. for €2.6 million, Simone S.p.A. for €900 thousand, Xenia Hotellerie Solutions S.p.A. for €804 thousand, and Recupero Etico Sostenibile S.p.A. for €3.8 million.

These acquisitions are in addition to those made during 2022 in Italian Cool Design S.r.l. for €5.5 million, Lirsa S.r.l. for €5 million and Tesi S.r.l. for €8.4 million.

Smart&Start Titolo II e III

This programme provides aid for small start-up companies (SMART) and support for investment programmes by digital and/or technology-based start-ups (START).

SelfiEmployment

The SelfiEmployment measure finances the start-up of small business initiatives by young NEETs with interest-free loans. The fund is managed by Invitalia within the framework of the Programma Garanzia Giovani, under the supervision of the Ministry of Labour.

Bonus Fiere

This trade fair bonus is a voucher worth up to **€10,000**, payable to companies for equity investment in international trade fairs organised in Italy.

Rilancio PMI

This measure deals with the new incentive promoted by the Extraordinary Commissioner of the Government to support the restoration and restarting of damaged economic activities in Umbria, Marche, Abruzzo and Lazio, inherent to entrepreneurial initiatives in the following sectors: industry, handicrafts, processing of agricultural products, provision of services, tourism, agricultural production, fishing and aquaculture.

DM CAMPANIA 13/02/2014

The Agency is the managing body of the Bando DM Campania promoted pursuant to the Ministerial Decree of 13 February 2014, whose purpose is the industrial revitalisation and/or redevelopment of the production system of the territories of the municipalities falling within the areas affected by industrial crisis in Campania.

Smart Money

By Decree No 34 of 19 May 2020, innovative start-ups were granted subsidies for the acquisition of services provided by incubators, accelerators, innovation hubs (a physical space where start-ups can present their projects), business angels (a figure that helps promising start-ups both economically and through technical assistance) and other public or private entities operating for the development of innovative businesses.

Crasi L'Aquila DM 14/10/2015

This initiative promotes economic and employment recovery in the area of Abruzzo affected by the 2009 earthquake and is divided into Measure I and Measure II: the former supports the creation of new enterprises or the upgrading of existing ones, whereas the latter finances local excellence with initiatives to increase its visibility.

Fondo Intrattenimento Digitale

With the Decree of 18/12/2020, the MISE (now MIMIT) signed an incentive favouring the conception and pre-production of video games. It is aimed at companies that, on the date of application, have their registered office in the European Economic Area and physical residence in Italy.

Tessile Moda

The 'Tessile, Moda e Accessori' measure envisaged by the 'Decreto Rilancio' (Art. 38 bis) is aimed at supporting and promoting the textile, fashion and accessories industry, with a special focus on start-ups that invest in design by enhancing made-in-Italy products with high artistic and creative content.

Economia Circolare

Granting of subsidies to support projects involving industrial research and experimental development activities aimed at the productive reconversion of economic activities through the creation of new products, processes or services or the significant improvement of existing products, processes or services through the development of key enabling technologies.

MIMIT POC PNRR Proof of Concept

The aim is to launch and manage a Call to finance actions to facilitate the realisation of the proof of concept (prototyping) phase and to boost the process of transferring patented inventions from public entities (universities, research centres, Scientific Institutes for Research, Hospitalization and Healthcare - IRCCSs) to the business system and the market.

Murgia DM 18/10/2013

The Agency is the managing body of the Bando DM Murgia promoted pursuant to the Ministerial Decree of 13 October 2013, whose aim is the reconversion and reindustrialisation of the Murgia area affected by the upholstered furniture crisis.

Linea di attività 1.1 - Biomasse

The Agency is the managing body of the Bando Biomasse promoted pursuant to the Ministerial Decree of 13 December 2011, whose purpose is to finance investment programmes for the activation, strengthening and support of biomass supply chains in the regions of Campania, Puglia, Calabria and Sicily.

Voucher Internalizzazione

On 29 September 2017, an agreement was signed with the MISE (now MIMIT) aimed at supporting, through the granting of non-repayable grants in the form of vouchers, SMEs that intend to turn their interests towards foreign markets through a specialised figure capable of analysing, designing and managing these processes.

Bando Alluminio

This Fund is intended to support companies operating aluminium waste recycling plants with **CER code 150104** which, in the last year of the Covid-19 pandemic crisis, have continued to operate with difficulty despite the crisis in the system generated by the drop in demand for recycled material.

Programma Acceder

This programme is aimed at facilitating the access of disadvantaged persons and, in particular, the Roma, Sinti and Caminanti (RSC) populations to the self-employed and dependent labour market. The goal is to improve employment levels and reach subsequent progressive inclusion in the formal economy. Recognition of skills, training.

Avviso POC Mise 2020

Agreement entrusting the Agency with the support service for the design and management of a funding measure aimed at fostering the development of the level of technological maturity of industrial property titles held by universities, research organisations and institutes of a scientific nature.

Economia Sociale

Agreement signed with the MISE DGIAI (now MIMIT) on 21/11/2018 and expired on 31/12/2021, addressed to type B social cooperatives (aimed at the work placement of disadvantaged people) and type A social cooperatives (aimed at the implementation of social, socio-medical and educational services). It is an aid scheme aimed at supporting the creation and growth of enterprises operating in Italy in pursuit of the general interests and socially useful purposes identified in the sectoral regulations.

Imprenditorialità Femminile

The Fondo Impresa Femminile is the national incentive that supports the creation and consolidation of women-led businesses; it is promoted by the Ministry of Economic Development. Investment programmes are financed in the areas of industry, crafts, processing of agricultural products, services, trade and tourism.

Bando Carburanti

This measure is aimed at micro, small and medium-sized enterprises resident in Italy operating motorway fuel distribution services, which, in consideration of maintaining the service during the health emergency period, even in the presence of a considerable drop in demand for fuel, receive a grant commensurate with the social security and welfare contributions due on wages and salaries for the months of March, April and May 2020.

Educazione Consumo Digitale

The new call 'Investimenti Innovativi' supports projects that foster the technological and digital transformation of companies through the use of technologies consistent with the Impresa 4.0 plan and accelerate the transition of the manufacturing sector towards a circular economy model.

Fondo Crisi Ucraina

Bases on non-reimbursable grants, this measure is designed to address the negative economic repercussions for domestic enterprises following the international crisis in Ukraine, which have resulted in losses of turnover due to the contraction of demand, the interruption of existing contracts and projects, and the crisis in supply chains.

Imprenditorialità Innovativa 2

The aim is to provide tools for post-pandemic recovery, giving continuity to the experiences made in the 'Imprenditorialità Innovativa' plan, on the one hand extending and enhancing open innovation and networking projects and actions and on the other hand orienting them towards an open innovation model attentive to green issues and a smart use of technology.

Dara – Incentivi per la montagna

The "Dipartimento per gli Affari Regionali e le Autonomie" (DARA) finances investment programmes with high technological and innovative content supported by women's enterprises located in mountain municipalities.

Contrasto alla Deindustrializzazione

This incentive is granted to companies in the manufacturing sector that either invest in the expansion or redevelopment of existing production facilities in the municipal areas under the jurisdiction of certain consortia or plan to establish new production units in the same municipal areas.

PNRR Bando imprese Borghi

The 'Imprese Borghi' incentive promotes the start-up or consolidation of business initiatives for the cultural, social and economic regeneration of villages at risk of abandonment or neglect.

FRI - TUR

This incentive aims to improve hospitality services and upgrade accommodation facilities, with a view to digitisation and environmental sustainability.

MATERA DL 91-2017 art 7 co 1-BIS

These resources are transferred to the special account No 6065 in the Agency's name, opened at the State Treasury for the measure 'Matera Capitale Europea della Cultura 2019' provided for by Article 1(435) of Law No 208/2015.

Fondo invitalia ventures II

The shares of the Italia Venture II fund are acquired with the available funds of the Fondo Imprese Sud managed with third-party off-balance funds, which has an endowment of €150 million, all subscribed by Invitalia and aims to support and develop start-ups and SMEs in southern Italy. It is managed by CDP Venture SGR, initially 100% owned by Invitalia; following the 2019 Stability Law, 70% of its capital was transferred to Cassa Depositi e Prestiti S.p.A.

Fondo Unico art. 27 comma 11 L.488/1999

Commitments to third parties relating to the management of the Facilitation Measures under Legislative Decree No 185/2000. Titolo I refers to measures in support of self-entrepreneurship and Titolo II to measures in support of self-employment.

E - MERCHANT BANKING

The following table lists merchant banking equity investments.

	2024				2023			
	Original value	Total value adjustments and/or impairments	Total reversals and/or revaluations	Value in the financial statements	Original value	Total value adjustments and/or impairments	Total reversals and/or revaluations	Value in the financial statements
Equity investments								
Merchant banking								
- of which with funds pursuant to Law no 181/89								
CMS SRL INFALLIMENTO	-	-	-	-	1,370	(1,370)	-	-
ELA SPA IN FALLIMENTO	-	-	-	-	-	-	-	-
ELMIRAD SERVICE SRL	-	-	-	-	120	(120)	-	-
FONDERIE SPA IN FALLIMENTO	-	-	-	-	-	-	-	-
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO	-	-	-	-	202	(202)	-	-
JONICA IMPIANTI SRL IN FALLIMENTO	-	-	-	-	278	(278)	-	-
PERITAS SRL	-	-	-	-	-	-	-	-
PRO.S.IT S.R.L.	-	-	-	-	499	(499)	-	-
SICALP SRL	-	-	-	-	1,033	(1,033)	-	-
SIE-SOC.ITTICA EUROPEA IN PROC. CONCORS.	-	-	-	-	-	-	-	-
SIMPE SPA IN FALLIMENTO	-	-	-	-	3,600	(3,600)	-	-
SURAL SPA	-	-	-	-	253	(253)	-	-
TEKLA SRL	-	-	-	-	-	-	-	-
Total	-	-	-	-	7,355	(7,355)	-	-

In the previous year, equity investments under insolvency procedure were fully written off in view of the unrecoverability of the invested capital.

The following table shows the “information on equity investment relationships”.

Company names	Original value	Total value adjustments	Total revaluations	Value in the financial statements	Head office	Listing (Yes/No)	Share %	Voting rights %
Investee companies								
CMS SRL IN FALLIMENTO	-	-	-	-	LATERZA (TA)	NO	19.22%	19.22%
ELA SPA IN FALLIMENTO	-	-	-	-	NAPLES	NO	5.77%	5.77%
ELMIRAD SERVICE SRL	-	-	-	-	TARANTO	NO	12.40%	12.40%
FONDERIE SPA IN FALLIMENTO	-	-	-	-	ROME	NO	1.73%	1.73%
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO	-	-	-	-	CASERTA	NO	20.20%	20.20%
JONICA IMPIANTI SRL IN FALLIMENTO	-	-	-	-	LIZZANO (TA)	NO	8.70%	8.70%
PERITAS SRL	-	-	-	-	BRINDISI	NO	15.16%	15.16%
PRO.S.IT S.R.L.	-	-	-	-	NAPLES	NO	27.06%	27.06%
SIE-SOC.ITTICA EUROPEA IN PROC. CONCORS.	-	-	-	-	ROME	NO	15.00%	15.00%
SIMPE SPA IN FALLIMENTO	-	-	-	-	ACERRA (NA)	NO	4.01%	4.01%
SURAL SPA	-	-	-	-	TARANTO	NO	1.42%	1.42%
TEKLA SRL	-	-	-	-	SARNO (SA)	NO	26.33%	26.33%
	-	-	-	-				

F - OPERATIONS WITH THIRD-PARTY FUNDS

F.1. Nature of funds and types of use: breakdown

Items/Funds	2024		2023	
	Public funds		Public funds	
		of which: own risk		of which: own risk
1. Performing				
. Leasing loans	-	-	-	-
. Factoring	-	-	-	-
. Other loans	566,136	3,120	631,871	4,602
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
. Equity investments	-	-	-	-
. Guarantees and commitments	-	-	-	-
2. Non-performing				
2.1 Bad loans				
. Leasing loans	-	-	-	-
. Factoring	-	-	-	-
. Other loans	147,402	-	136,147	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
. Equity investments	7,355	-	7,355	-
. Guarantees and commitments	-	-	-	-
2.2 Unlikely to pay				
. Leasing loans	-	-	-	-
. Factoring	-	-	-	-
. Other loans	-	-	-	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
. Guarantees and commitments	-	-	-	-
2.3 Non-performing past due exposures				
. Leasing loans	-	-	-	-
. Factoring	-	-	-	-
. Other loans	-	-	-	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
. Guarantees and commitments	-	-	-	-
Total	720,893	3,120	775,373	4,602

Lending amounts, net of receipts, are recorded under the corresponding asset items of the balance sheet (item 40 - Financial assets measured at amortised cost and item 70 - Equity investments).

Assets designated as 'own risk' refer to amounts disbursed with funds under Presidential Decree No 58/87 (Fondo di Rotazione) for financial assistance to investees in the tourism sector.

F.2 - Gross and net values of own risk assets

	Public funds		
	Gross value	Value adjustments	Net value
1. Performing			
. Leasing loans			
. Factoring			
. Other loans	3,906	(786)	3,120
. of which: for enforcement of guarantees and commitments			
. Equity investments			
. Guarantees and commitments			
2. Non-performing			
2.1 Non-performing loans			
. Leasing loans			
. Factoring			
. Other loans			
. of which: for enforcement of guarantees and commitments			
. Equity investments			
. Guarantees and commitments			
2.2 Unlikely to pay			
. Leasing loans			
. Factoring			
. Other loans			
. of which: for enforcement of guarantees and commitments			
. Equity investments			
. Guarantees and commitments			
2.3 Non-performing past due exposures			
. Leasing loans			
. Factoring			
. Other loans			
. of which: for enforcement of guarantees and commitments			
. Equity investments			
. Guarantees and commitments			
Total	3,906	(786)	3,120

It should be noted that the values expressed are gross of any impairments and/or losses

F.3 - Other information

F.3.1 - Assets from third-party funds

F.3.2 - Third-party funds

The information in these tables is provided under item 80 - Other liabilities.

SECTION 3 - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

In relation to Invitalia's specific operations and reference markets, the following risks were identified during the analysis phase:

- credit risk
- market risk
- operational risk
- concentration risk
- counterparty risk
- interest rate risk
- liquidity risk
- strategic risk
- reputational risk
- property risk

The risks under analysis were classified into the following categories:

- quantifiable risks (against which a prudential capital requirement and/or internal capital can be determined);
- assessable risks (for which no quantification is possible).

The risks listed above were then subjected to materiality analysis, excluding liquidity risk and real estate risk, which were deemed immaterial in relation to the current asset allocation and the size of the book assets.

Quantifiable risks include credit risk, counterparty risk, market risk, operational risk, concentration risk and interest rate risk on the investment portfolio. Measurable risks include reputational risk and strategic risk.

The materiality analysis made it possible to define Invitalia's positioning in terms of potential exposure to the risks themselves.

At the end of this analysis, it was concluded that the risk levels to which Invitalia is subjected with reference to the organisational controls determined a low level of risk, possibly to be monitored and improved with minor corrective actions.

3.1. CREDIT RISK

Qualitative information

1. General Aspects

Credit risk has been defined by Invitalia as the risk of incurring losses due to the unexpected impairment of the creditworthiness of a client, to whom financing has been granted, including as a result of contractual defaults. Credit risk also relates to the risk of incurring losses, following the provision of services and/or advice and the acquisition of equity investments not classified in the trading book for supervisory purposes, due to counterparty default.

Lending activities are implemented as part of merchant banking and the management of facilitation or concessionary laws. The former hinges on the logic of Equity Investment, where the repayment capacity and the size of the financing granted emerge from the preliminary investigation that precedes the overall measure.

By their very nature, measures using funds provided for by law or as part of the management of concessionary laws do not determine financial and economic effects on the Company, with the exception of certain lines of business of minor importance.

2. Credit risk management policies

2.1 Organisational Aspects

On the whole, the structure of delegated powers is inspired by the containment of the level of risk concentration, both quantitatively and economically. Credit lines are granted in compliance with the delegated powers decided by the Board of Directors and assigned to the business units involved in the assessment processes that precede the granting of credit.

2.2 Management, measurement and control systems

Invitalia is not subject to capital requirements for risk control.

Risk management and control is implemented by systematically monitoring (at least every six months) the management performance of the investee companies.

2.3 Methods of measuring expected losses

Measuring impairment allows measuring the magnitude of adjustments to impaired positions dependent on creditworthiness impairment after the initial recognition of the financial asset and at the various book dates up to the maturity of the relationship.

According to IFRS 9, the measure of expected losses on the performing portfolio (Stage 1 and Stage 2) falling within the scope of the impairment calculation must take into account cash shortfalls, default probabilities and the time value of money. The measurement of the expected loss may take place over different time horizons depending on the evolution of the creditworthiness associated with the position and thus on the allocation stage:

- 12-month expected losses for relationships allocated in Stage 1: these are the losses resulting from possible defaults that may occur over a time horizon of 12 months from the reporting date;
- expected 'lifetime' losses for relationships allocated in Stage 2: these are the losses resulting from all possible defaults that may occur over the expected residual life of the financial instrument.

The lifetime expected loss is defined as the sum of losses from defaults that may affect the credit relationship or financial instrument over a multi-period time horizon (spanning the entire remaining life of the relationship).

Following the indications of the Standard, once the classification of the instruments in the different stages has been carried out, in the case of a relationship classified in Stage 1, the expected loss is measured via the formula described above, limited to the annual time horizon; on the contrary, for relationships allocated in Stage 2, the expected loss is measured via the formula described above, considering the entire residual life (lifetime) of the instrument.

Set out below are the ways in which the various parameters and elements that enter into the formula for calculating the expected loss depicted and described above are estimated and defined.

Multi-period PD estimation on the loan portfolio

For the construction of the lifetime PD curves required for the assessment of the IFRS 9 provision on the loan portfolio, system decay rates (TD) extracted from the Bank of Italy's public database are used. In order to consistently reconcile the decay rates extracted from the database with Invitalia's loan portfolio, a segmentation of the Group's portfolio was performed based on the institutional sectors defined by the Bank of Italy. These segments are as follows:

- Public administrations;
- Producer families;
- Non-profit institutions;
- Financial companies other than monetary financial institutions;
- Non-financial companies.

The decision to use external information was made with a view to **prudence** and to ensure the **methodological soundness of the results**. In particular, Invitalia investigated a possible methodology for estimating PD curves based on internal group data:

- PD curves estimated on internal data have a particularly improving effect on the ECL, and it is considered that the application of these values is not conservative;
- The sample used to estimate PD curves has a limited size and number of observations over time and does not lead to statistically robust results. The low sample size also does not allow the production of PD curves differentiated according to the institutional sector of the counterparty.

An analysis of the development of PD curves on internal data and the impact on provisions resulting from their application can be found in the Appendix to this document.

TDs are extracted from the Bank of Italy's public Infostat platform by selecting TRI30486 - 'Quarterly flow of new adjusted non-performing loans/adjusted non-performing loans for the previous quarter - by customer sector and size class of global exposure used'. The filters to be set are:

- Economic phenomenon: Quarterly loan decay rate - adjusted non-performing loans (T): used;
- Institutional sector of the counterparty: all the above segments;

- Size class of global exposure used: Total size classes including 0;
- Reporting entity: Entities reported to the risk centre - 3691030.

For each cluster defined, the time series of the Decay Rate (TD) is downloaded. These TDs are observed quarterly and estimated over a time horizon between the years 2022 and 2024. The decision to use a 3-year time horizon is motivated by the desire to produce a risk parameter that is **Point in Time** as required by IFRS 9.

In order to estimate a lifetime PD curve, the cumulative TDs obtained as described above are interpolated and projected on a multi-period horizon using the Weibull distribution function as a fitting curve. The rationale behind the choice of interpolating the observed system TDs via the Weibull distribution function lies in the fact that the default of a credit or financial instrument can be interpreted as a survival process. Weibull is one of the most widely used distribution functions in best practice for these purposes.

Once the curve of cumulative PDs (CPD) has been defined, the marginal PDs (mPDs) to be applied at the reporting date for the purposes of calculating the ECL are identified for each segment based on the differences in cumulative PDs obtained since the valuation reference period.

IFRS 9 requires that expected credit losses be measured to reflect reasonable and demonstrable information that is available without undue cost or effort at the balance sheet date about past events, current conditions, and projected future economic conditions (Ref: IFRS9 5.5.17 (c)). In order to meet the requirements of the Standard, the multi-period PD estimates described above have been conditioned to a forward-looking perspective for the calculation of expected loss.

In order to impact multi-period PD curves for the loan portfolio from a forward-looking perspective:

- Four (4) econometric models, differentiated by counterparty institutional sector, were estimated to predict the future evolution of lapse rates as a function of different macroeconomic variables (ie Satellite Models);
- Different decay rate forecasts for macroeconomic scenarios with different severity levels were considered.

Specifically, in compliance with the requirements of the Standard, for which the expected loss must be a weighted average of the values relative to at least two alternative scenarios with weights proportional to their respective probabilities of occurrence (Ref. IFRS9 B5.5.42), the EBA projections adopted for the 2023 Stress Test exercises of the main macroeconomic variables in the two Baseline and Adverse scenarios were considered.

The Satellite Model's forecasts for the evolution of decay rates in the two alternative scenarios are for the years between 31/12/2024 and 31/12/2026. This choice is motivated by:

- The availability of EBA projections in the Baseline and Adverse scenarios limited to the years 2025, 2026 and 2027;
- The decrease in the prediction accuracy of the Satellite Model over long time horizons.

The multipliers obtained from the Satellite Model forecasts are applied to multi-period PD curves in order to condition them from a *forward looking*^[1] perspective. The marginal PDs derived from the multi-period PD curves of the different segments are corrected by applying the forward looking multipliers to the reference years.

Multi-period PD estimation on the securities portfolio

For the construction of the lifetime PD curves required to assess the IFRS 9 provision on the securities portfolio, the one-year transition matrices obtained from the studies on transitions to default of both government bond and corporate exposures are used. These studies are published annually by the rating agency Standard & Poor's. The matrices used are as follows:

- *'Average multiyear global corporate transition matrices, 1981-2024: One-year transition rated'*, publicly available from the S&P's annual report *'Default, Transition, and Recovery: 2024 Annual Global Corporate Default And Rating Transition Study'* for tranches issued by Corporate counterparties;
- *'Sovereign foreign currency average one-year transition rates (1975-2024*)'*, publicly available from the S&P's annual report *'Default, Transition, and Recovery: 2024 Annual Global Sovereign Default And Rating Transition Study'* for tranches issued by Sovereign counterparties.

Using the migration rates between rating classes and the default rates reported in these matrices, the lifetime PD curves on the securities portfolio are obtained using the method of the homogeneous discrete-time Markov chains.

^[1] See 'A.3 Integration of PIT and forward looking information' in the 'Appendix' for more details on the forward looking impact system adopted.

The multi-period PD estimation methodology based on the method of homogeneous Markov chains is based on the following assumptions:

- future migrations between classes of *rating* depend only on the current rating, not on any past rating (conditional independence of future developments with respect to the entire past);
- The migration probabilities $m_{i,j}$, ie the probabilities that within one year a 'rating i' debtor will become a 'rating j' one, are not a function of time; in other words, the transition rates $m_{i,j}$ do not change with time t .

For the two defined counterparty segments (*Sovereign* and *Corporate*), the discrete-time homogeneous Markov chain method is used to derive for each class of rating the cumulative PDs up to the last year of residual maturity in the Group's securities portfolio. In order to render the cumulative PDs forward looking as required by the accounting standard, the values were conditioned by applying the multipliers obtained for the loan portfolio. In particular, the marginal PD values of the securities portfolio were conditioned using the same methodology as for the loan portfolio and applying the multipliers obtained from the satellite models as follows:

- For ***Sovereign*** counterparties, the multipliers provided for the institutional sector of 'Public Administrations' were applied to the 'Sovereign' marginal PDs;
- For the counterparties ***Financial Companies***, the multipliers provided for the institutional sector of 'Financial Companies' were applied to the 'Corporate' marginal PDs;
- For the counterparties ***Non-financial corporations***, the multipliers provided for the institutional sector of 'Non-Financial Companies' were applied to the 'Corporate' marginal PDs.

For the less risky rating classes, the use of Moody's migration matrices leads to the definition of zero cumulative PD values for the first year, using the methodology outlined above. In order not to render the ECL calculated for the first year for positions belonging to these rating classes null and void, a minimum PD value of 0.03% was imposed. This floor was identified in accordance with the provisions of the CRR (pursuant to Art. 160).

Multi-period LGD

For both the loan and securities portfolios, in the absence of an internal estimation model and given the unavailability of internal recovery and loss rates after default, the multi-period LGD (Loss Given Default) is set equal to 45% and is assumed constant throughout the remaining life of each relationship.

The assigned multi-period LGD value was chosen on the basis of market benchmarks and is considered conservative with respect to the actual recovery and loss rate expected to occur on portfolio exposures considered in default.

Multi-period EAD

EAD is conventionally defined as the book value of the financial asset at the measurement date.

If the asset under measurement has already been subject to an analytical impairment or to one for which advances have been received, the EAD value has been calculated net of these amounts.

For instalment relationships, the EAD value is equal to the residual debt of the exposure obtained by considering a decreasing trend of the multi-period EAD over each period as a function of the cash flows characterising the amortisation schedule of each relationship. For debt securities, the EAD value is considered equal to the purchase value of the *tranche*; if no amortisation schedules exist, the EAD value is considered constant over the entire residual life of the position.

2.4 Credit risk mitigation techniques

Where deemed necessary, shareholders' agreements are entered into regulating the way-out mechanism (with the prior determination of the time and value of the disinvestment) and suitable guarantees are required.

2.5 Impaired financial assets

The management of credit risk is governed by the procedures setting out the rules of conduct on the subject. In particular, in the pre-litigation phase, the activity is carried out by the administrative function in concert with the function in charge of monitoring the position; thereafter, the recovery of the claim is delegated to the legal function. With respect to the classification of credit exposures as 'impaired', Invitalia considers positions for which legal recovery actions have commenced to be in default. Forecasts of specific losses are formulated by the administrative function, based on information on recoverability conditions provided by the operating and/or legal function using an *Impairment Lifetime* methodology.

Quantitative disclosures

1. Breakdown of financial assets by associated portfolio and credit quality (book values)

Portfolios/quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	803,529				1,067,971	1,871,500
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets designated at fair value						
4. Other financial assets mandatorily measured at fair value					10,680	10,680
5. Financial assets held for trading						
2024	803,529				1,078,651	1,882,180
2023	743,946				1,205,974	1,949,920

2. Breakdown of financial assets by associated portfolio and credit quality (gross and net values)

Portfolios/quality	Non-performing				Performing			Total (net exposures)
	Gross exposure	Total write-downs	Net exposure	Overall partial write-offs	Gross exposure	Total write-downs	Net exposure	
1. Financial assets measured at amortised cost	905,138	(101,609)	803,529		1,080,608	(12,637)	1,067,971	1,871,500
2. Financial assets measured at fair value through other comprehensive income			-				-	-
3. Financial assets designated at fair value			-		-		-	-
4. Other financial assets mandatorily measured at fair value			-		10,680		10,680	10,680
5. Financial assets held for trading					-		-	-
2024	905,138	(101,609)	803,529		1,091,288	(12,637)	1,078,651	1,882,180
2023	848,222	(104,277)	743,946		1,216,823	(10,849)	1,205,974	1,949,920

3. Breakdown of financial assets by maturity (book values)

Portfolios/quality	First stage			Second stage			Third stage			Impaired assets acquired or originated		
	From 1 to 30 days	More than 30 up to 90 days	Over 90 days	From 1 to 30 days	More than 30 up to 90 days	Over 90 days	From 1 to 30 days	More than 30 up to 90 days	Over 90 days	From 1 to 30 days	More than 30 up to 90 days	Over 90 days
1. Financial assets measured at amortised cost			12,081	22,699	50,043	108,619		1,281	800,505			
2. Financial assets measured at fair value through other comprehensive income												
3. Financial assets held for trading									-			-
2024	-	-	12,081	22,699	50,043	108,619	-	1,281	800,505	-	-	-
2023	1,437	-	202	788	5,974	29,782	8,961	85	777,220	-	-	-

4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total value adjustments and provisions (book values)

The following table shows the changes in total value adjustments and provisions.

Causes/ risk stages	Total value adjustments															Purchased or originated impaired financial assets	Total provisions for commitments to disburse funds and financial guarantees given			Total
	Stage 1 assets					Stage 2 assets					Stage 3 assets						First stage	Second stage	Third stage	
	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets classified as held for sale	of which: individual impairment	of which: collective impairments	Financial assets measured at amortised cost	Financial assets measured at fair value with impact on comprehensive income	Financial assets classified as held for sale	of which: individual impairment	of which: collective impairments	Financial assets measured at amortised cost	Financial assets measured at fair value with impact on comprehensive income	Financial assets classified as held for sale	of which: individual write-downs	of which: collective impairments					
Opening balance	445			-	445	10,404				10,404	104,277			104,277	-				115,126	
Increases in financial assets acquired or originated					-					-				-					-	
Reversals other than write-offs					-					-	-			-					-	
Net losses/recoveries for credit risk associated with (+/-)	765				765	1,024				1,024	(2,668)			(2,668)					(879)	
Contractual changes without derecognition										-										
Changes in assessment methods					-					-				-					-	
Write-offs					-					-				-					-	
Other changes					-					-				-					-	
Closing balance	1,210			-	1,210	11,428				11,428	101,609			101,609	-				114,247	
Recoveries from financial assets subjected to write-offs					-															
Write-offs not recognised directly in the Income statement					-															

6. Credit exposures to customers, banks and financial companies

6.1 On- and off-balance-sheet credit exposures with banks and financial companies: gross and net values

Exposure types/values	Gross exposure				Total value adjustments and provisions				Net exposure	Overall partial write-offs*
	First stage	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated		
A. On-balance-sheet credit exposures										
(a) Non-performing loans										
of which: exposures subject to concessions									-	
(b) Unlikely to pay									-	
of which: exposures subject to concessions									-	
(c) Non-performing past due exposures									-	
of which: exposures subject to concessions									-	
(d) Performing past due exposures									-	
of which: exposures subject to concessions									-	
(e) Other performing exposures	531,969	266			(259)	(1)			531,975	
of which: exposures subject to concessions										
TOTAL (A)	531,969	266			(259)	(1)			531,975	
B. Off-balance-sheet credit exposures										
(a) Non-performing										
(b) Performing									-	
TOTAL (B)					-					
TOTAL (A+B)	531,969	266			(259)	(1)			531,975	

* Value to be displayed for information purposes

6.2 On-balance-sheet credit exposures with banks and financial companies: changes in gross non-performing exposures

There are no non-performing exposures to banks and financial companies.

6.3 Non performing On-balance-sheet credit exposures to banks and financial companies: changes in total value adjustments

There are no non-performing exposures to banks and financial companies.

6.4 On and Off-balance-sheet credit exposures with customers: gross and net values

Exposure types/values	Gross exposure				Total value adjustments and provisions				Net exposure	Overall partial write-offs*
	First stage	Second stage	Third stage	Impaired assets acquired or originated	First stage	Second stage	Third stage	Impaired assets acquired or originated		
A. On-balance-sheet credit exposures										
(a) Non-performing loans of which: exposures subject to concessions			905,138				(101,609)		803,529	
(b) Unlikely to pay of which: exposures subject to concessions										
(c) Non-performing past due exposures of which: exposures subject to concessions										
(d) Performing past due exposures of which: exposures subject to concessions										
(e) Other performing exposures of which: exposures subject to concessions	70,878	515,499			(955)	(11,427)			573,996	
TOTAL (A)	70,878	515,499	905,138		(955)	(11,427)	(101,609)		1,377,524	-
B. Off-balance-sheet credit exposures										
(a) Non-performing										
(b) Performing										
TOTAL (B)	-		-		-				-	
TOTAL (A+B)	70,878	515,499	905,138		(955)	(11,427)	(101,609)		1,377,524	-

* Value to be displayed for information purposes

6.5 Credit exposures with customers: changes in gross non-performing exposures

Causes/Categories	Bad loans	Unlikely To pay	Non-performing past due exposures
A. Opening gross exposure	848,222		
B. Increases			
B.1 Transfers from performing exposures			
B.2 Transfers from acquired or originated non-performing financial assets			
B.3 Transfers from other non-performing exposure categories			
B.4 Contractual changes without derecognition			
B.5 Other increases	56,917		
C. Decreases			
C.1 Outflows to performing exposures			
C.2 Write-offs			
C.3 Collections			
C.4 Sale proceeds			
C.5 Sale losses			
C.6 Transfers to other non-performing exposure categories			
C.7 Contractual changes without derecognition			
C.8 Other decreases			
D. Closing gross exposure	905,139	-	-
of which: exposures transferred not derecognised			

6.6 Non-performing on-balance credit exposures with customers: trend of overall write-downs

Causes/Categories	Non-performing loans		Unlikely to pay		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening write downs	104,277					
of which: sold not derecognised exposures						
B. Increases						
B.1 Write-downs of impaired assets acquired or originated						
B.2 Other write downs						
B.3 Sale losses						
B.4 Transfers from other non-performing exposure categories						
B.5 Contractual changes without derecognition						
B.6 Other increases						
C. Decreases						
C.1 Write-backs from valuation						
C.2 Write-backs from collections	(2,668)					
C.3 Sale gains						
C.4 Write-offs						
C.5 Transfers to other non-performing exposure categories						
C.6 Contractual changes without derecognition						
C.7 Other decreases						
D. Total final Adjustments	101,609					-
of which: exposures transferred not derecognised						

9. Credit concentration

Concentration risks arise from a concentration of the credit portfolio's exposures to counterparties and groups of counterparties in the same economic sector or exercising the same activity or belonging to the same geographical area.

9.1 Breakdown of on- and off-balance-sheet credit exposures by business sector of the counterparty

	2024	2023
(a) Public administrations	47,559	61,058
(b) Banks	526,320	503,248
c) Other financial companies	5,654	10,682
of which: insurance companies		
d) Non-financial companies	1,319,285	1,200,077
Total	1,898,818	1,775,065

9.2 Breakdown of on- and off-balance-sheet credit exposures by geographical area of the counterparty

The Company's credit risk is not assessed in relation to the geographical area of the counterparty.

9.3 Large exposures

a) Amount (book value)

As at 31 December 2024, the Agency does not hold positions that can be classified as 'large exposures', with the exception of the physiological exposure to Public Administrations.

3.2. MARKET RISKS

Market risk analysis is carried out voluntarily as Invitalia is not subject to supervision by the Bank of Italy.

'**Market risk**' is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

For Invitalia, this is the risk of an adverse change in the value of a position in financial instruments, included in the trading book for supervisory purposes, due to adverse trends in interest rates, exchange rates, inflation rates, volatility, share prices, credit spreads, commodity prices (generic risk) and issuer creditworthiness (specific risk).

Market risk comprises three types of risk: interest rate risk, price risk and exchange rate risk.

Invitalia's financial management follows the asset allocation policies and risk limits imposed by the Board of Directors.

As already highlighted in the Report on Operations, there are no appreciable liquidity, interest rate and credit risks, given that the Agency's operations are mainly addressed to public administrations.

As far as liquidity risk is concerned, it should be noted that the cash flow from ordinary operations fully covers the structural operating costs. According to the results of the stress test designed to verify the financial resilience of operations in the event of an exogenous liquidity shock, the investments of financial management comply with the principle of high liquidity, with two-thirds of the total being readily monetisable.

Interest rate and credit risk are similarly low.

In this regard, it is specified that the long-term securities portfolio (HTC) has a very low risk profile with an average duration of about 5 years (against a financial mandate limit of 7 years).

The Agency has the intention and the ability to hold these securities for the long term in order to collect coupon yields; this means that, in accordance with international accounting standards, any capital losses (fair value) caused by temporary fluctuations in rates and prices (valuation of securities at historical cost) are not incurred.

Investment policies are largely made up of segregated management schemes with a prudent profile, which, by virtue of the segregation of the related funds and the rules governing them, offer high protection against credit and interest rate risks.

3.2.1 Interest rate risk

Qualitative disclosure

See section '3.2. MARKET RISKS' above.

1. General Aspects

Interest rate risk is the current and prospective risk of volatility of earnings or capital resulting from adverse movements in interest rates.

Quantitative disclosures

1. Breakdown by residual maturity (repricing date) of financial assets and liabilities

Items/Residual maturity	on demand	Up to 3 months	More than 3 up to 6 months	More than 6 months up to 1 year	Over 1 year to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration
1.Assets								
1.1 Debt securities		-	4,054	22,783	39,335	36,204	-	-
1.2 Receivables	448,382	74,023		921,206				325,513
1.3 Other assets								233,932
2.Liabilities								
2.1 Payables		-	-	(5)	(1,165)	(24,289)	-	(297,597)
2.2 Debt securities				(351,785)				
2.3 Other liabilities								(1,948,979)
	448,382	74,023	4,054	592,198	38,170	11,915	-	(1,687,131)

2. Models and other methods for measuring and managing interest rate risk

Invitalia's activities are not materially exposed to the risk that unexpected changes in interest rates may have a particularly negative effect on the economic value of items in the Income Statement.

In view of the Company's operations and the fact that it is not a financial intermediary supervised by the Bank of Italy, Invitalia is not obliged to put in place models and other methods for measuring/managing interest rate risk in view of its operations.

3.2.2 PRICE RISK

Qualitative disclosure

1. General Aspects

As defined in Appendix A of IFRS 7, '**Price risk**' is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices other than changes caused by interest rate risk or currency risk. For Invitalia, this risk is essentially limited to equity investment operations, which are limited to residual costs following the reorganisation. Price risk is kept under control via way-out shareholders' agreements, possibly accompanied by guarantee or disincentive mechanisms for non-compliance with the agreed conditions.

3.2.3 EXCHANGE RATE RISK

There are no assets and liabilities in foreign currencies.

3.3 OPERATIONAL RISKS

Qualitative disclosures

1. General aspects, management processes and methods for measuring operational risk

'Operational risk' is defined as the risk of suffering losses resulting from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This includes, among others, losses resulting from fraud, human error, business disruptions, systems unavailability, contractual defaults and natural disasters. Operational risk includes legal risk, whereas strategic and reputational risks are excluded.

The main processes of the Company's business are regulated in internal documents; together with the IT procedures, they allow for the control of operational risks related to the occurrence of technical and human errors in all phases of the Company's operations, which could give rise to damaging consequences in terms of its economy and image.

From an organisational point of view, the Internal Auditing function supervises the operation and adequacy of the internal control system, verifying the adherence and consistency of the processes, actions and practices implemented by the corporate Functions with the legislation, regulations, directives, delegated powers and issued procedures, with particular reference to the provisions of Legislative Decree No 231/2001.

The Organisation, Management and Control Model adopted, which complies with the requirements of Legislative Decree No 231/01, is essentially based on the following:

1. adherence to the code of ethics, with particular regard to relations with the Public Administration;
2. definition of written and shared operational procedures;
3. separation of duties and responsibilities;
4. establishment of an autonomous and independent Supervisory Board;
5. systematic verification (by the Supervisory Board and Internal Auditing) of compliance with the established internal control procedures.

Quantitative disclosures

The Company's operations feature a division dedicated to the management of concessional funds and services provided to the Public Administration and one dedicated to assets being divested as they are considered non-strategic.

With regard to the subsidies managed on behalf of the Public Administrations, pending litigations do not normally have economic repercussions on the Company's ordinary business, given that any unfavourable outcomes thereof do not affect the Company's Income Statement; indeed, all expenses resulting from the loss of the case remain the responsibility of the commissioning Public Administrations and are therefore borne out of the funds under management. Therefore, no provisions are made for this category of disputes.

In the context of other operations (services provided to the Public Administration and discontinued operations), if the Company is involved in legal proceedings in which the competent corporate functions assess a probable loss, specific provisions are made for risks and charges.

3.4 LIQUIDITY RISK

Liquidity risk has not been subjected to a specific materiality analysis, given the current asset allocation.

3.5 DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

Invitalia does not hold derivative financial instruments either for hedging or trading purposes.

SECTION 4 - INFORMATION ON EQUITY

4.1 THE COMPANY'S EQUITY

Quantitative disclosures

4.1.2.1 Equity: breakdown

Items/Values	2024	2023
1. Capital	836,384	836,384
2. Additional paid-in capital	-	-
3. Reserves	20,890	6,920
- profit reserves	36,330	22,266
(a) legal	873	873
(b) capital	-	-
(c) treasury shares	-	-
(d) other	35,457	21,393
- Other reserves	(15,441)	(15,346)
of which Reserve under Art. 47 of Decree-Law of 19/05/2020	(95)	0
of which ISMEA Special Reserve (ISA) under Article 10ter(5)	(15,494)	(15,494)
4. Treasury shares	-	-
5. Valuation reserves	1,108	(8,931)
- Equity securities designated at fair value through other comprehensive income	-	-
- Hedges of equity securities designated at fair value through other comprehensive income	-	-
- Actuarial gains on employee termination indemnities	(2,199)	(2,229)
- Financial assets (other than equity securities) measured at fair value with impact on comprehensive income	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedging	-	-
- Hedging instruments (undesignated items)	-	-
- Exchange rate differences	-	-
- Non-current assets and disposal groups classified as held for sale	-	-
- Financial liabilities designated as at fair value through profit and loss (changes in own creditworthiness)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit pension plans	-	-
- Share of valuation reserves of equity-accounted investees	3,308	(6,702)
6. Equity instruments	-	-
7. Profit (loss) for the year	22,393	12,306
Total	880,775	846,679

SECTION 5 - ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

		2024	2023
10.	Net Profit (loss) for the year	22,393	12,306
	Other comprehensive income after tax not reclassified to profit or loss		
20.	Equity instruments designated at fair value through other comprehensive income:		
	(a) change in fair value		
	(b) transfers to other equity components		
30.	Financial liabilities designated as at fair value through profit and loss (changes in own creditworthiness):		
	(a) change in fair value		
	(b) transfers to other equity components		
40.	Hedges of equity instruments measured at fair value through other income components:		
	(a) change in fair value (hedged instrument)		
	(b) change in fair value (hedging instrument)		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit plans	30	(84)
80.	Non-current assets and disposal group held for sale		
90.	Portion of valuation reserves from investments valued at equity method	10,010	20,057
100.	Income taxes on other income components without reversal to profit and loss		
	Reserve pursuant to Art. 47	(95)	-
	Other income components with reversal to profit and loss		
110.	Foreign investments hedging		
	(a) changes in fair value		
	(b) reversal to Income Statement		
	(c) other changes		
120.	Foreign exchange differences		
	(a) changes in fair value		
	(b) reversal to Income Statement		
	(c) other changes		
130.	Cash flow hedging:		
	(a) changes in fair value		
	(b) reversal to Income Statement		
	(c) other changes		
	of which: result of net positions		
140.	Hedging instruments (non-designated items):		
	(a) changes in value		
	(b) reversal to Income Statement		
	(c) other changes		
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:		
	(a) changes in fair value		

	(b) transfer to Income Statement		
	- impairment adjustments		
	- realised gains/losses		
	(c) other changes		
160.	Non-current assets and disposal groups held for sale:		
	(a) changes in fair value		
	(b) transfer to Income Statement		
	(c) other changes		
170.	Part of valuation reserves from investments valued at equity method		
	(a) changes in fair value		
	(b) reversal to Income Statement		
	- impairment adjustments		
	- realised gains/losses		
	(c) other changes		
180.	Other comprehensive income after tax reclassified to profit or loss		
190.	Total other comprehensive income after tax	9,945	19,973
200.	Comprehensive income (Item 10+190)	32,338	32,279

SECTION 6 - TRANSACTIONS WITH RELATED PARTIES

The scope of natural and legal persons qualifying as related parties for the purposes of company financial statements was defined on the basis of the indications provided by IAS 24, appropriately applied with reference to the Agency's specific organisational and governance structure.

In particular, the following are considered related parties:

Entities exercising significant influence over the Company

The Company has only one shareholder, the Ministry of Economy and Finance. In this regard, in accordance with the regulations in force, the shareholder's rights in respect of the Agency are exercised by the Minister for the Economy and Finance, in agreement with the Minister of Enterprises and Made in Italy.

Operationally speaking, it follows that the Ministry of the Economy, the Ministry of Enterprises and Made in Italy, all the companies controlled by the Ministry of the Economy and any other in-house companies of the Ministry of Enterprises and Made in Italy are to be considered related parties.

Subsidiaries

These are the companies over which the Agency directly or indirectly exercises control as defined by IFRS 10.

Affiliated companies

These are the companies over which the Agency directly or indirectly exercises significant influence as defined by IAS 28.

Key management personnel and supervisory bodies

Key management personnel are those individuals who have the power and responsibility (whether directly or indirectly) for planning, directing and controlling the activities of the entity, including the latter's directors (executive or otherwise). In addition to the Board of Directors, '**key management personnel**' in the Agency are understood to be the top organisational managers and their family members.

6.1 Information on the remuneration of key management personnel

Below information is provided on the remuneration paid in the financial year 2024 to key management personnel, as required by IAS 24, in line with the Bank of Italy's provisions regarding 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries', which provides for the inclusion of remuneration paid to members of the Board of Statutory Auditors.

Information on the remuneration of key management personnel (including directors and statutory auditors)			
(a) short-term benefits			4,360
(b) post-employment benefits			1,150
of which related to defined benefit plans			-
of which related to defined contribution plans			1,150
(c) other long-term benefits			-
(d) compensation for termination of employment			-
(e) payments in shares			-
Total			5,510

6.2 Loans and guarantees issued in favour of directors and statutory auditors

There are no creditor relationships and/or guarantees issued in favour of directors and statutory auditors.

Intra-group transactions

Given that the reorganisation plan is still in progress, as illustrated elsewhere in these Notes and in the Report on Operations, intra-group transactions continued without interruption for the entire year. In this regard, it should be noted that within the Group transactions between the various economic entities that make up the Group are inspired by criteria of centrality with regard to the fundamental activities of governance and control, supplemented by those of guidance and assistance, in the form of advice on legal, economic, organisational and resource management matters. The individual companies are instead entrusted with the mission of managing products and services of various kinds.

Transactions carried out with related parties (including intra-group transactions) do not qualify as atypical or unusual, falling instead within the ordinary course of business of Group companies. As a rule, unless otherwise indicated, the economic effects connected with the aforesaid transactions are settled on the basis of customary market terms and conditions. In the case of services performed by the Parent Company in the context of normal group synergies, the fees are determined with the aim of recovering at least the specific and general costs. When not concluded on standard terms or dictated by specific regulatory conditions, these transactions were in any case settled on market terms. Any loans granted by the Parent Company to subsidiaries and associates on more favourable or non-interest-bearing terms have been recognised in accordance with IFRS 9 as explained in the section 'Accounting Policies'.

6.3 Information on transactions with related parties

Transactions carried out with related parties are recorded even if concluded at normal market conditions and even in cases where the amounts are not significant; the materiality of these transactions is actually linked to the reasons that led to the decision to deliberate and conclude the transaction with the related party.

Below is information on transactions with related party, broken down by nature and counterparty:

Equity-related transactions

Company name	Financing	Receivables	Equity investments	Other active transactions	Financial liabilities	Other passive transactions	Guarantees issued
A. Direct subsidiaries							
DRI D'ITALIA SPA	-	-	-	1,097	-	-	-
INFRATEL ITALIA SPA	541	-	-	17,907	-	(525)	2,341
INVITALIA PARTECIPAZIONI SPA	3,650	-	-	29,564	(2,904)	(4,966)	-
ITALIA TURISMO SPA	-	-	-	4,329	-	(816)	1,110
MEDIOCREDITO CENTRALE - BANCA DEL MEZZOGIORNO S.p.A.	-	86,059	-	1,453	-	(225)	-
B. Indirect subsidiaries							
BdM BANCA S.p.A. (già BANCA POPOLARE DI BARI S.p.A.)	-	-	-	-	-	(1,785)	-
CASSA DI RISPARMIO DI ORVIETO	-	-	-	-	-	(54)	-
C Direct investee companies							
ACCIAIERIE D'ITALIA HOLDING SPA	-	-	-	725,784	-	-	-
CDP VENTURE CAPITAL SGR S.p.A. (già INVITALIA VENTURES SGR S.p.A.)	-	-	-	-	-	-	-
ITALIACAMP S.r.l.	-	-	-	-	-	-	-
I.T.S. INFORMATION TECHNOLOGY SERVICES S.p.A. in liq.	-	-	-	-	-	-	-
IP INIZIATIVE PORTUALI PORTO ROMANO S.r.l. in liq.	-	-	-	-	-	-	-
ISTITUTO ENCICLOPEDIA TRECCANI S.p.A.	-	-	-	-	-	(6)	-
MARINA D'ARECHI S.p.A.	12,053	-	-	-	-	-	-
MENARINI S.p.A. (già INDUSTRIA ITALIANA AUTOBUS S.p.A)	-	-	-	-	-	-	-
REITHERA S.r.l.	-	-	-	-	-	-	-
SIDERALLOYS ITALIA SPA	-	-	-	77	-	-	-
TLS SVILUPPO S.r.l. in liquidazione	-	-	-	31	-	-	-
C. Other related parties							
E-DISTRIBUZIONE SpA	-	-	-	45	-	-	-
GSE - Gestore dei Servizi Energetici SpA	-	-	-	2,287	-	(184)	-
Monte dei Paschi di Siena SpA	-	98,515	-	-	-	-	-
Poste Italiane SpA	-	-	-	-	-	(3)	-
Sport e Salute SpA	-	-	-	-	-	(1)	-

It should also be noted that among the companies benefiting from relief measures accounted for under the line item is STMicroelectronics SpA, a direct subsidiary of STMicroelectronics Holding N.V. in which the MEF holds a 50% interest. Funds are granted to STMicroelectronics SpA under the Ministerial Decree of 6 August 2010 (€5.2

million as at 31/12/2024), the PON 'Ricerca e Competitività' ERDF 2007-2013 Contratti di Sviluppo (€9.2 million as at 31/12/2024) and the FSC 2014- 2020 Contratti di Sviluppo (€5.6 million as at 31/12/2024).

Economic transactions

Company name	Net Interest	Net Commissions	Administrative Expenses	Sundry income and expenses
A. Direct subsidiaries				
DRI D'ITALIA SPA	5	-	-	269
INFRATEL ITALIA SPA	250	29	263	5,047
INVITALIA PARTECIPAZIONI SPA	458	-	(298)	(62)
ITALIA TURISMO SPA	-	3	(179)	361
MEDIOCREREDITO CENTRALE - BANCA DEL MEZZOGIORNO S.p.A.	11	-	76	244
B. Indirect subsidiaries				
BdM BANCA S.p.A. (già BANCA POPOLARE DI BARI S.p.A.)	-	-	-	-
CASSA DI RISPARMIO DI ORVIETO	-	-	-	-
C Direct investee companies				
ACCIAIERIE D'ITALIA HOLDING SPA	-	-	-	-
CDP VENTURE CAPITAL SGR S.p.A. (già INVITALIA VENTURES SGR S.p.A.)	-	-	-	-
ITALIACAMP S.r.l.	-	-	-	-
I.T.S. INFORMATION TECHNOLOGY SERVICES S.p.A. in liq.	-	-	-	-
IP INIZIATIVE PORTUALI PORTO ROMANO S.r.l. in liq.	-	-	-	-
ISTITUTO ENCICLOPEDIA TRECCANI S.p.A.	-	-	1	-
MARINA D'ARECHI S.p.A.	582	-	-	-
MENARINI S.p.A. (già INDUSTRIA ITALIANA AUTOBUS S.p.A)	-	-	8	-
REITHERA S.r.l.	-	-	-	-
SIDERALLOYS ITALIA SPA	-	-	25	-
TLS SVILUPPO S.r.l. in liquidazione	-	-	8	-
C. Other related parties				
E-DISTRIBUZIONE SpA	-	-	-	-
GSE - Gestore dei Servizi Energetici SpA	-	-	-	-
Monte dei Paschi di Siena SpA	-	-	-	-
Poste Italiane SpA	-	-	(3)	-
Sport e Salute SpA	-	-	-	-

There are no further financial and economic transactions with other related parties (Board of Directors, Board of Statutory Auditors, Key Management Staff, their close relatives and companies controlled by them) other than those shown in Table 6.1 Information on the remuneration of key management staff.

SECTION 7 - LEASING (LESSEE)

Qualitative disclosures

As a lessee, the Agency has entered into the following property leases:

- lease agreement for commercial use concerning the building in Rome, Via Calabria No 46, which houses the registered office of the Parent Company Invitalia SpA, as well as its subsidiaries Infratel Italia SpA, Italia Turismo SpA and Invitalia Partecipazioni SpA;
- lease agreement for commercial use concerning the building in Rome, Via Pietro Boccanelli No 12/30, which houses certain offices of the above-mentioned companies;
- state-owned concession concerning the building in Rome, Compendio Roma Eur, which houses the offices of Infratel Italia SpA;
- lease agreement for commercial use concerning the building in Bologna, Viale Aldo Moro No 44, which houses the offices of the Area Ricostruzione - Terremoto Emilia-Romagna 2019-2020;
- lease agreement for commercial use concerning the use of 4 studio apartments at the Residenza Carracci in Bologna, for employees working on contracts with Regione Emilia-Romagna and the Extraordinary Commissioner for Reconstruction as well as the Commissioner Delegate for the Earthquake.

In addition, 4 medium- to long-term rental contracts (24 or 36 months) of company cars were activated, 1 of which expires in 2024.

Lease agreements with a term of less than 12 months or of low value are accounted for without recognising a right of use, but rather by allocating the costs relating to the lease payments to administrative expenses on an accrual basis.

Quantitative disclosures

For information on rights of use acquired through leasing, reference is made to Part B - Section 8 - Property, plant and equipment - Item 80 of these Notes.

For information on leasing liabilities, reference is made to Part B - Section 1 - Financial liabilities measured at amortised cost - Item 10 of these Notes.

For information on interest expenses on leasing liabilities and other charges related to rights of use acquired through leasing, reference is made to Part C - Section 1 - Interest - Item 20 and Section 12 - Net value adjustments/reversals on property, plant and equipment - Item 180 of these Notes.

SECTION 8 - OTHER INFORMATION DETAILS

FEES TO THE LEGAL AUDITING COMPANY

Below is the schedule of fees pursuant to Article 149-duodecies of the Issuers' Regulation:

Type of services	Total
Auditing services	185
Other services	15
Total	200

The fees indicated refer to the audit of the 2024 Financial Statements.

During the year, the companies in the Auditing Company's network did not perform any consulting assignments. These fees are net of expense reimbursements and non-deductible VAT, as well as the CONSOB contribution and ISTAT additions.

SEGMENT DISCLOSURES

The Agency's activities are defined on the basis of legal provisions or acts of agreement only when the needs of the Public Administration so require. Indeed, as is well known, pursuant to the Articles of Association and in compliance with the in-house discipline, more than 80% of the Company's turnover must be made in the performance of tasks entrusted to it, on the basis of the legislation in force and of special agreements pursuant to Legislative Decree No 1 of 9 January 1999 by the MISE and/or other central state administrations. Residual activities are permitted, subject to authorisation, only if they lead to economies of scale or other efficiency gains.

Consequently, the Agency uses a scheme for separating activities into three units (Incentives and Innovation - Competitiveness and Territory - Community Programming) which reflects a purely organisational nature and does not relate to the nature of the operations, all of which are in any case attributable to in-house assignments received for specific needs of the Public Administration; although using different conventional mechanisms, the remuneration thereof always takes the form of a mere reimbursement of costs.

Following these characteristics, and for the purposes of the disclosure requirements of IFRS 8, there are no real operating segments in the Agency, i.e. elementary economic units of a diversified business whose nature and effects on the financial statements and discretionary operating decisions (so-called management approach) in the allocation of resources in relation to differences in risks and returns can be assessed.

ALLOCATION OF THE OPERATING RESULT

Dear Shareholder,

With reference to the foregoing, it is proposed to approve the financial statements for the year ended 31 December 2024 submitted to you, which have already been approved by the Board of Directors at its meeting of 16 May 2025.

These financial statements reflect the Company's accounting and documentary evidence and closed with a positive result of € 22,393 thousand, which is proposed to be carried forward.

ANNEXES TO THE FINANCIAL STATEMENTS

ANNEX A.1

Movements in 'financial assets held for trading' – debt securities

Amounts in €/thousand

	Opening inventory	Purchases	Positive changes in fair value	Other positive changes	Repayments	Sales	Negative changes in fair value	Other negative changes	Final Inventory	Issuer Risk Rating		
										MOODY'S	S&P	FITCH
Debt Securities												
Banks												
BP SONDRIO 03/04/24	5,060	-			(5,060)				-			
Total Debt Securities	5,060	-	-	-	(5,060)	-	-	-	-			
Grand total	5,060	-	-	-	(5,060)	-	-	-	-			

ANNEX A.2

Movements in 'Other financial assets mandatorily measured at fair value' – UCITS units

Amounts in €/thousand

Other financial assets mandatorily measured at fair value	Opening balance	Purchases	Write-backs	Other positive changes	Positive changes in fair value	Repayments	Other negative changes	Negative changes in fair value	Closing balance
UCITS units									
FONDO NEXT	716					(79)		(637)	-
FONDO ITALIA VENTURE I (*)	28,449	1,112			497				30,058
FONDO I3-SVILUPPO ITALIA	92,693	3,342			4,635				100,670
	121,857	4,453			5,133	(79)		(637)	130,727

(*) The units of this fund are acquired with the available funds from Fondo Crescita Sostenibile, therefore, changes in fair value are deducted from the relevant fund.

Movements of Fondo Italia Venture II - Fondo Imprese Sud Off Balance

Amounts in €/thousand

Other financial assets mandatorily measured at fair value	Opening balance	Purchases	Write-backs	Other positive changes	Positive changes in fair value	Repayments	Other negative changes	Negative changes in fair value	Closing balance
ITALIA VENTURE II- FONDO IMPRESE SUD	44,221	15,283				(6,551)		(7,852)	45,101
	44,221	15,283	-	-	-	(6,551)	-	(7,852)	45,101

The units of the Fondo Italia Venture II are acquired with the available funds from Fondo Imprese Sud, managed with third-party off balance funds.

ANNEX A.3

Movements in 'financial assets mandatorily measured at fair value' - financing

Amounts in €/thousand

Financial Assets as at Fair Value	Opening balance	Purchases	Positive changes fair value	Other positive changes	Repayments	Other negative changes	Closing balance
HDI ASSICURAZIONI SPA	3,027		65				3,092
HDI ASSICURAZIONI SPA	3,028		65				3,093
HDI ASSICURAZIONI SPA	1,009		22				1,031
SARA VITA SPA	2563		27				2,590
Total investment policies at fair value	9,627		179				9,806
TFR (Employees termination indemnity) investment policy	840	-		35			875
Total financial assets at fair value	10,467	-	179	35	-	-	10,681

ANNEX A.4

Movements in 'equity investments'

Amounts in €/thousand

Equity investments	Book value 01/01/2024	Increases				Decreases			Book value 31/12/2024
		Purchases	Write-backs	Revaluations	Other changes	Sales	Value Adjustments	Other changes	
Exclusively controlled companies									
MEDIO CREDITO CENTRALE - BANCA DEL MEZZOGIORNO SPA	922,375	-	-	47,661	-	-	-	-	970,036
INFRATEL ITALIA SPA	22,282	-	-	5,800	-	-	-	-	28,082
INVITALIA PARTECIPAZIONI SPA	12,500	-	-	-	-	-	(2,217)	-	10,283
Total exclusively controlled companies	957,157	-	-	53,461	-	-	(2,217)	-	1,008,401
C. Companies subject to significant influence:									
CDP VENTURE CAPITAL SPA	7,312	-	-	3,090	-	-	-	-	10,402
ISTITUTO DELLA ENCICLOPEDIA TRECCANI SPA	4,906	-	-	-	-	-	-	-	4,906
ITALIACAMP SRL	1	-	-	-	-	-	-	-	1
of which with funds under Law 181/89									
CMS SRL IN FALLIMENTO	-	-	-	-	-	-	-	-	-
ELA SPA IN FALLIMENTO	-	-	-	-	-	-	-	-	-
ELMIRAD SERVICE SRL IN LIQ.NE	-	-	-	-	-	-	-	-	-
FONDERIE SPA IN FALLIMENTO	-	-	-	-	-	-	-	-	-
GUSTAVO DE NEGRI & Z.A.M.A. SRL IN FALLIMENTO	-	-	-	-	-	-	-	-	-
JONICA IMPIANTI SRL IN FALLIMENTO	-	-	-	-	-	-	-	-	-
MODOMECC BUILDING SRL	-	-	-	-	-	-	-	-	-
PERITAS SRL	-	-	-	-	-	-	-	-	-
PRO.S.IT. IN FALLIMENTO SRL	-	-	-	-	-	-	-	-	-
SIE-SOC.ITTICA EUROPEA IN AMM.STRAORD.	-	-	-	-	-	-	-	-	-
SIMPE SPA IN FALLIMENTO	-	-	-	-	-	-	-	-	-
SURAL SPA FALLITA	-	-	-	-	-	-	-	-	-
of which with funds under Law 126/2020	-	-	-	-	-	-	-	-	-
REITHERA SRL	15,000	-	-	-	-	-	-	-	15,000
TLS SRL	1,067	-	-	-	-	-	-	-	1,067
referred to in Decree-law no. 142 of 16 December 2019	-	-	-	-	-	-	-	-	-
ACCIAIERIE D'ITALIA SPA	-	-	-	-	-	-	-	-	-
DRI D'ITALIA SPA	35,000	-	-	-	-	-	-	-	35,000
Total investee companies	63,286	-	-	3,090	-	-	-	-	66,376
Total equity investments	1,020,442	-	-	56,551	-	0	(2,217)	-	1,074,776

ANNEX A.5

Equity investments: accounting information

Amounts in €/thousand

Name	Registered office	Operational headquarters	Equity investment share %	Book value	Total Assets	Total Revenues	Total NE	Last Year Result
A. Exclusively controlled companies								
MEDIOCREDITO CENTRALE - BANCA DEL MEZZOGIORNO SPA (3)	ROME	ROME	100.00%	970,036	4,790,226	243,747	927,502	26,081
of which acquired with funds under Decree-law no. 142 of 2019				419,000				
INFRATEL ITALIA SPA (3)	ROME	ROME	100.00%	28,082	3,790,189	89,356	31,747	4,471
INVITALIA PARTECIPAZIONI SPA (3)	ROME	ROME	100.00%	10,283	41,455	6,784	9,380	(2,329)
Total exclusively controlled companies				1,008,401				
C. Companies subject to significant influence:								
CDP VENTURE CAPITAL (3)	ROME	ROME	30.00%	10,402	55,617	52,898	34,674	10,302
ISTITUTO DELLA ENCICLOPEDIA TRECCANI SPA (3)	ROME	ROME	5.39%	4,906	102,086	12,785	91,184	163
ITALIACAMP SRL (2)	ROME	ROME	4.85%	1	6,538	4,453	2,893	173
Companies acquired with third-party funds:								
of which with funds under Law 181/89								
CMS SRL IN FALLIMENTO (1)	LATERZA (TA)	LATERZA (TA)	19.22%					
ELA SPA IN FALLIMENTO (1)	NAPLES	NAPLES	5.77%					
ELMIRAD SERVICE SRL IN LIQ.NE (1)	TARANTO	TARANTO	12.40%					
FONDERIE SPA IN FALLIMENTO (1)	ROME	ROME	1.73%					
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO (1)	CASERTA	CASERTA	20.20%					
JONICA IMPIANTI SRL IN FALLIMENTO (1)	LIZZANO (TA)	LIZZANO (TA)	8.70%					
PERITAS SRL (4)	BRINDISI	BRINDISI	15.16%		8,150	575	3,033	20
PRO.S.IT. IN FALLIMENTO SRL (1)	NAPLES	NAPLES	27.06%					
SIE-SOC.ITTICA EUROPEA IN AMM.STRAORD.(1)	ROME	ROME	15.00%					
SIMPE SPA IN FALLIMENTO (1)	ACERRA (NA)	ACERRA (NA)	4.01%					
SURAL SPA FALLITA (1)	TARANTO	TARANTO	1.42%					
of which with funds under Law 126/2020								
REITHERA SRL (3)	ROME	ROME	27.00%	15,000	52,238	32,427	18,612	2,953
TLS SRL (2)	SIENA	SIENA	30.00%	1,067	1,218	508	(8,321)	(13,590)
referred to in Decree-law no. 142 of 16 December 2019								
ACCIAIERIE D'ITALIA SPA (4)	MILAN	MILAN	38.00%	0	5,363,443	6,326,048	625,749	68,483
DRI D'ITALIA SPA (3)	ROME	ROME	100.00%	35,000	29,020		24,872	(3,401)
Total investee companies				66,376				

(1) financial statements not available

(2) 2023 financial statements figures

(3) 2024 financial statements figures

(4) 2022 financial statements figures

Certification of the financial statements pursuant to Article 154-bis, par. 5 of Legislative Decree 58/1998 and Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented



Certification of the financial statements pursuant to Article 154-bis, par. 5, of Legislative Decree 58/1998 and Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned Bernardo Mattarella, as Chief Executive Officer, and Domenico Tudini, as Manager in charge with preparing the company's financial reports of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A., hereby certify as follows, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - the adequacy of the financial statements as at 31.12.2024 to the company's characteristics and
 - the effective application of the administrative and accounting procedures for its preparation.
- The adequacy and actual application of the administrative and accounting procedures for preparing the financial statements as at 31 December 2024 were verified in compliance with the COSO model, the reference Internal Controls - Integrated Framework adopted by the Agency and recognised internationally. The COSO has been developed by the Committee of Sponsoring Organisations of the Treadway Commission, a US body engaged in improving the quality of financial reporting and was used as a guiding document.
- During 2024, the Manager in charge with preparing the company's financial reports of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A., with the support of the Internal Auditing function, audited the adequacy and actual application of the existing administrative and accounting procedures, in relation to the internal control system on financial reporting.

Assessment of the internal control system for financial reporting did not reveal any significant aspects.

2. It is further attested that:
 - 2.1. The financial statements of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. as at 31 December 2024:
 - 2.1.1. were prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - 2.1.2. they correspond to the content in books and accounting records;
 - 2.1.3. they are adequate to give a true and fair view of the financial and economic position of the company producing them.
 - 2.2. The Report on operations provides an accurate analysis of the performance and result of the management, as well as the company's situation, together with a description of the main risks and uncertainties to which it is exposed.

Rome, 16 May 2025

Chief Executive Officer

[signature]

Bernardo Mattarella

Manager in charge with preparing the company's
financial reports

[signature]

Domenico Tudini

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Sole shareholder Ministry of Economy
and Finance
Share capital €836,383,864.02

Registered with the Rome Companies House
VAT ID No. and Tax Code 05678721001

**CONSOLIDATED FINANCIAL
STATEMENT
AS AT 31.12/2024**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET ASSETS

Items		2024	2023
10.	Cash and cash equivalents	304,953	447,479
20.	Financial assets measured at fair value through profit or loss	159,797	150,344
	(a) financial assets held for trading	-	5,060
	(b) financial assets designated at fair value	-	-
	(c) other financial assets mandatorily measured at fair value	159,797	145,284
30.	Financial assets measured at fair value through other comprehensive income	780,649	1,109,860
40.	Financial assets measured at amortised cost	5,091,712	6,553,951
	(a) loans to banks	671,736	1,270,532
	(b) loans to financial companies	345,453	346,184
	(c) loans to customers	4,074,523	4,937,235
50.	Hedging derivatives	28,218	30,500
60.	Changes in fair value of portfolio hedged items	-	-
70.	Equity investments	491,173	487,576
80.	Property, plant and equipment	308,002	308,153
90.	Intangible assets	309,175	228,511
	of which:	-	-
	- goodwill	-	-
	- other intangible assets	309,175	228,511
100.	Tax assets	26,148	59,431
	(a) current	16,128	17,446
	(b) deferred	10,020	41,985
110.	Non-current assets and disposal groups classified as held for sale	1,686,312	77,331
120.	Other assets	2,085,679	1,661,454
	TOTAL ASSETS	11,271,818	11,114,590

CONSOLIDATED BALANCE SHEET LIABILITIES

Items		2024	2023
10.	Financial liabilities measured at amortised cost	4,196,119	5,556,457
	(a) payables	3,188,143	4,646,430
	(b) securities issued	1,007,976	910,027
20.	Financial liabilities held for trading	-	-
30.	Financial liabilities designated at fair value	-	-
40.	Hedging derivatives	4,640	11,736
50.	Changes in fair value of portfolio hedged items	-	-
60.	Tax liabilities	13,385	6,852
	(a) current	12,606	5,547
	(b) deferred	779	1,305
70.	Liabilities associated with assets classified as held for sale	1,483,869	4,601
80.	Other liabilities	4,631,414	4,636,742
90.	Employee termination indemnities	10,110	11,529
100.	Provisions for risks and charges	51,570	43,525
	(a) commitments and guarantees given	1,510	1,674
	(b) post- retirement benefit obligation	2,034	3,381
	(c) other provisions for risks and charges	48,026	38,470
110.	Capital	836,384	836,384
120.	Treasury shares	-	-
130.	Equity instruments	-	-
140.	Additional paid-in capital	-	-
150.	Reserves	15,289	(1,971)
160.	Valuation reserves	(7,358)	(17,154)
170.	Profit (loss) for the year	22,113	12,004
180.	Minority shareholders' equity	14,283	13,885
	TOTAL	11,271,818	11,114,590

CONSOLIDATED INCOME STATEMENT

Items		2024	2023
10.	Interest income and similar income	192,252	144,350
	<i>of which: interest income using the effective interest method</i>	175,108	136,061
20.	Interest expenses and similar charges	(141,322)	(117,187)
30.	Net interest income	50,930	27,163
40.	Fees and commissions income	507,885	513,043
50.	Fees and commissions payable	(198,186)	(263,136)
60.	Net commissions income	309,699	249,907
70.	Dividends and similar income	321	41
80.	Net income from trading activities	171	678
90.	Net income from hedging activities	(351)	(494)
100.	Gains (loss) on disposal or repurchase of:	4,679	3,276
	(a) financial assets measured at amortised cost	(44)	3,276
	(b) financial assets measured at fair value through other comprehensive income	4,872	-
	(c) financial liabilities	(149)	-
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss (FVTPL)	5,134	6,808
	(a) financial assets and liabilities designated at fair value	-	-
	(b) other financial assets mandatorily measured at fair value	5,134	6,808
120.	Net interest and other banking income	370,583	287,379
130.	Net losses/recoveries for credit risks associated with:	(23,832)	(21,864)
	(a) financial assets measured at amortised cost	(23,986)	(21,841)
	(b) financial assets measured at fair value through other comprehensive income	154	(23)
140.	Gains/losses from contract changes without derecognition	(38)	(23)
150.	Net income from financial activities	346,713	265,492
160.	Administrative expenses:	(348,143)	(279,732)
	(a) personnel expenses	(290,773)	(229,432)
	(b) other administrative expenses	(57,370)	(50,300)
170.	Net provisions for risks and charges	(13,305)	(2,246)
	(a) commitments and guarantees given	(177)	742
	(b) other net provisions	(13,128)	(2,988)
180.	Net adjustments/write-backs to property, plant and equipment	(28,551)	(24,442)
190.	Net adjustments/write-backs to intangible assets	(29,977)	(20,508)
200.	Other operating expenses/income	100,066	81,922
210.	Operating costs	(319,910)	(245,006)
220.	Gains (Losses) from equity investments	3,090	(3,191)
230.	Net result of fair value measurement of property, plant and equipment and intangible assets	-	-
240.	Goodwill value adjustments	-	-
250.	Profits (losses) on disposal of investments	(3)	8
260.	Profit (Loss) from current operations before tax	29,890	17,303
270.	Income taxes for the year on current operations	(18,492)	(9,025)
280.	Profit (Loss) from current operations after tax	11,398	8,278
290.	Profit (Loss) from discontinued operations after tax	12,836	4,890
300.	Profit (loss) of the year	24,234	13,168
310.	Profit (loss) for the year pertaining to minority interests	(2,121)	(1,167)
320.	Profit (Loss) for the year pertaining to the parent company	22,113	12,004

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Items		2024	2023
10.	Net profit (loss) for the year	24,234	13,171
	Other comprehensive income after tax not reclassified to profit or loss	407	(167)
20.	Equity instruments designated at fair value through other comprehensive income	212	22
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedges of equity instruments measured at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	290	(189)
80.	Non-current assets and disposal groups held for sale	-	-
90.	Portion of valuation reserves from investments valued at equity method		-
	Reserve pursuant to Art. 47	(95)	
	Other comprehensive income after tax not reclassified to profit or loss	9,786	20,666
100.	Foreign investments hedging	-	-
110.	Foreign exchange differences	-	-
120.	Cash flow hedging	-	-
130.	Hedging instruments (non-designated items)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	9,786	20,666
150.	Non-current assets and disposal groups held for sale	-	-
160.	Part of valuation reserves from investments valued at equity method	-	-
170.	Total other comprehensive income after tax	10,193	20,499
180.	Comprehensive income (Item 10+170)	34,427	33,670
190.	Minority consolidated other comprehensive income	2,365	1,683
200.	Parent company's Consolidated other comprehensive income	32,062	31,987

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (31.12.2022 - 31.12.2023)													
				Allocation of previous year's result		Changes in the financial year							
	Balance as at 31/12/2022	changes in opening balances	Balance as at 01/01/2023	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Equity transactions			Comprehensiv e income - 2023	Equity as at 31/12/2023
									Extraordinary distribution of dividends	Changes in equity instruments	Other changes		
Capital	836,384	-	836,384	-	-	-	-	-	-	-	-	-	836,384
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	19,506	-	19,506	(31,081)	-	9,604	-	-	-	-	-	-	(1,971)
- of profits	60,120	-	60,120	(31,081)	-	(16,064)	-	-	-	-	-	-	12,975
- other	(40,614)	-	(40,614)	-	-	25,668	-	-	-	-	-	-	(14,946)
- referred to in Art. 47 of Decree-Law No 77 of 19/05/2020	(31,851)	-	(31,851)	-	-	31,851	-	-	-	-	-	-	-
Valuation reserves	(33,609)	-	(33,609)	-	-	(3,528)	-	-	-	-	-	19,983	(17,154)
Profit (loss) for the year	(31,081)	-	(31,081)	31,081	-	-	-	-	-	-	-	12,004	12,004
Total shareholders' net equity	791,200	-	791,200	-	-	6,076	-	-	-	-	-	31,987	829,263
Minority shareholder's equity	12,188	-	12,188	-	-	-	-	-	-	-	-	1,683	13,885

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (31.12.2023 - 31.12.2024)													
				Allocation of previous year's result		Changes in the financial year							
	Balance as at 31/12/2023	changes in opening balances	Balance as at 01/01/2024	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	Comprehensiv e income - 2024	Equity as at 31/12/2024
Capital	836,384	-	836,384	-	-	-	-	-	-	-	-	-	836,384
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	(1,971)	-	(1,971)	12,004	-	5,351	-	-	-	-	-	(95)	15,289
- of profits	12,975	-	12,975	12,004	-	22,762	-	-	-	-	-	(95)	47,646
- other	(14,946)	-	(14,946)	-	-	(17,411)	-	-	-	-	-	-	(32,357)
- referred to in Art. 47 of Decree-Law No 77 of 19/05/2020	-	-	-	-	-	-	-	-	-	-	-	(95)	(95)
Valuation reserves	(17,154)	-	(17,154)	-	-	(492)	-	-	-	-	-	10,288	(7,358)
Profit (loss) for the year	12,004	-	12,004	(12,004)	-	-	-	-	-	-	-	24,234	22,113
Total shareholders' net equity	829,263	-	829,263	-	-	4,859	-	-	-	-	-	32,062	866,428
Minority shareholder's equity	13,885	-	13,885	(1,167)	-	(800)	-	-	-	-	-	2,365	14,283

CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

A. OPERATING ACTIVITIES	2024	2023
1. Cash flow from operations	107,845	76,904
- result for the year (+/-)	22,113	12,004
- capital gains/losses on financial assets held for trading and on other assets/liabilities at fair value through profit or loss (-/+)	(5,578)	(5,989)
- capital gains/losses on hedges (-/+)	351	494
- net losses/recoveries for credit risk (+/-)	29,346	28,254
- net value adjustments/reversals on property, plant and equipment and on intangible fixed assets (+/-)	60,484	46,905
- net provisions for risks and charges and other costs/revenues (+/-)	(27,869)	(24,057)
- taxes and tax credit not liquidated (+/-)	22,416	13,362
- net value adjustments/write-backs of discontinued operations after tax effects (+/-)	6,049	5,515
- other adjustments (+/-)	533	416
2. Cash generated/absorbed by financial assets	(39,981)	(910,506)
- financial assets held for trading	2,170	8,296
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	(12,779)	19,000
- financial assets measured at fair value through other comprehensive income	289,776	85,722
- financial assets measured at amortised cost	152,884	(214,494)
- other assets	(472,031)	(809,030)
3. Cash generated/absorbed by financial liabilities	(60,032)	1,165,591
- due to banks	-	-
- due to financial companies	(3,232)	(37,052)
- due to clients	(91,621)	304,037
- outstanding securities	-	-
- financial liabilities held for trading	2,890	-
- financial liabilities designated at fair value	-	-
- other liabilities	31,931	898,606
Net cash generated/absorbed by operating activities	7,832	331,989
B. INVESTING ACTIVITIES		
1. Cash generated by		
- sales of equity investments	-	-
- dividends received on equity investments	-	-
- sales of property, plant and equipment	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash absorbed by	(150,359)	(117,975)
- purchases of equity investments	(214)	(42)
- purchases of property, plant and equipment	(33,096)	(40,758)
- purchases of intangible assets	(117,049)	(77,175)
- purchases of subsidiaries and business units	-	-
Net cash generated/absorbed by investing activities	(150,359)	(117,975)
C. FUNDING ACTIVITIES		
- issues/purchases of own shares	-	10,000
- issues/purchases of equity instruments	-	-
- dividend distribution and other purposes	-	-
- sale/purchase of third-party control	-	-
Net cash generated/absorbed by funding activities	-	10,000
NET CASH GENERATED/ABSORBED DURING THE YEAR	(142,526)	224,014

Key: (+) generated (-) absorbed

RECONCILIATION

Items	2024	2023
Cash and cash equivalents at beginning of year	447,479	223,465
Total net liquidity generated/absorbed during the year	(142,526)	224,014
Cash and cash equivalents: effect of change in exchange rates	-	-
Cash and cash equivalents at year-end	304,953	447,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

A.1 - GENERAL SECTION

SECTION 1 - DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These Financial Statements have been prepared in accordance with IFRS accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission as required by European Union Regulation No. 1606/2002. IFRS accounting standards mean all International Financial Reporting Standards, all International Accounting Standards (IAS), all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC), adopted by the European Union and contained in the relevant EU Regulations in force as of 31 December 2024, with the exception of the exemption to the application of these standards used by the Company as provided for by Art. 47 of Decree-Law No. 77 of 19 May 2020 converted by Law No. 77 of 17 July 2020 (hereinafter "Art. 47") and described below, for the purposes of preparing these financial statements in compliance with the provisions of paragraph 19 of IAS 1 in exceptional cases.

In this regard, in application of the provisions of paragraph 20 of IAS 1, the Directors indicate that:

1. believe that the financial statements present fairly the financial position, results of operations and cash flows of the Group;
2. have complied with the applicable IFRS, except for the provisions of IFRS 5 and IAS 28 in order to obtain a reliable presentation. The impacts of their application have been recognised in the Statement of Comprehensive Income and not in the Income Statement, as instead required by Art. 47; the total of the "Reserve Art. 47" as at 31/12/2024 is equal to €95,000 (related to the fair value valuation, less cost to sell of real estate assets held by Invitalia Partecipazioni).

In preparing the consolidated financial statements, the formats and compilation rules set forth in the Order of the Governor of the Bank of Italy of 17 November 2022 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries' (hereinafter the 'Instructions') have been observed.

In this regard, it should be noted that the parent Invitalia was exempted by a decree of the MEF of 10 October 2012 from the application of the rules under Title V of the Consolidated Banking Act, as it is subject to other equivalent forms of supervision (MEF, Court of Auditors). This exemption does not change its nature as a "Financial Intermediary" and, consequently, has no impact on the balance sheet discipline previously indicated and applied with continuity over time.

In particular, for the purposes of the preparation of its financial statements, Invitalia considered the use of the Instructions to be the preferable solution, the result of a specific choice rather than an obligation: in fact, the obligation to use the Bank of Italy's Instructions for the preparation of financial statements falls exclusively on the entities listed in paragraph 1.1 of the Instructions. Since Invitalia's name does not appear on the aforementioned list, it has the option, not the obligation, to prepare its financial statements in accordance with the aforementioned Instructions. Instead, it is obliged to use IAS/IFRS as an issuer of listed debt securities. This approach was also confirmed by a legal opinion pro veritate issued by a qualified professional.

Article 47 of the Decree-Law of 19 May 2020

During the 2020 financial year, a specific provision of law came into force to regulate certain accounting profiles connected with property disposal operations by the Agenzia Nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia. In particular, Article 47 of Decree-Law No. 77 of 19 May 2020 converted by Law No. 77 of 17 July 2020 (the so-called 'Relaunch Decree'), which provides as follows: *"In order to ensure the full and effective performance of the company's mission and the achievement of the objectives set forth in the business plan and in the regulations in force, Invitalia is authorised to record exclusively in its balance sheet accounts any decreases resulting from the real estate rationalisation and divestment operations carried out, including through newly established companies or companies under public control, including indirectly. The provisions of Article 1(461), last sentence, of Law No 296 of 27 December 2006 apply to the reorganisation and transfer operations"*.

This article regulates certain accounting profiles related to property disposal transactions by Invitalia in order to ensure the full and effective performance of the company's mission and the achievement of the objectives set

forth in the business plan and in current regulations, providing for the recognition of the effects of such transactions in the statement of comprehensive income instead of in the income statement. This business plan, formulated and approved by the parent company Invitalia and the MISE (now MIMIT), having a Group-wide scope, indicates actions to be implemented by both Invitalia and its subsidiaries Italia Turismo SpA and Invitalia Partecipazioni SpA, and is also binding on these subsidiaries, which own most of the assets being reorganised.

In this context, Invitalia entered into an agreement with Investimenti Immobiliari Italiani SGR SpA - subject to numerous amendments and additions (the last of which took place on 21 April 2023) to both the scope of the assets included in the aforementioned agreement and the time frame of reference - also controlled, like Invitalia, by the MEF, which defined all the main areas of the overall real estate rationalisation and disposal operation. This perimeter is composed of assets mostly held by the wholly-owned subsidiaries Italia Turismo SpA and Invitalia Partecipazioni SpA.

In the preparation of the financial statements subsequent to the entry into force of the aforementioned regulations, having found the prerequisites of the exceptional circumstances set forth in paragraph 19 of IAS 1, we proceeded, limited to the aspects and for the reasons described above, to depart from the accounting standards issued by the International Accounting Standards Board (IASB), and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission, as provided for by European Union Regulation No. 1606/2002, implemented in Italy by Legislative Decree No. 38 of 28 February 2005.

In particular, pending the completion of these real estate rationalisation and disposal operations, these accounting methods described above have been used:

- in the consolidated and separate financial statements: for the impairments resulting from the alignment of the book value to the market value less costs to sell, if lower, of the real estate assets included in the aforementioned real estate transactions in accordance with IFRS 5;
- in the separate financial statements only: for the impairments arising from the alignment of the carrying amount to the market value less costs to sell in respect of the investment classified under IFRS 5, limited to the component of this write-down arising from the alignment of the carrying amount to the market value, if lower, of the real estate assets included in the aforementioned real estate transaction held by this subsidiary;
- in the separate financial statements only: for the recognition of impairment in accordance with IAS 36 in relation to the equity investment not classified as IFRS 5, limited to the component arising from the alignment of the book value to the market value, if lower, of the real estate assets included in the aforementioned real estate transaction held by this subsidiary.

In this context, Invitalia requested and obtained an authoritative opinion, with the support of which it concluded that:

- there is no incompatibility between the provisions of Article 47 of the Relaunch Decree and the EU source governing IAS/IFRS, which allows exceptions in very exceptional cases;
- Art. 47 of the Relaunch Decree represents a regulatory typification of an exceptional case, such as to justify the non-application of the ordinary IAS/IFRS rule on the subject of the presentation in the financial statements of decreases in the value of real estate generated as a result of the rationalisation operation envisaged by the business plan with which the specific legislation on the subject is implemented;
- From an accounting point of view, the capital loss attributable to the real estate compendium that is about to be sold, given its nature, in an IAS/IFRS financial statement should first be transferred to 'other components of the statement of comprehensive income' and then be recognised as a reduction of shareholders' equity.

New International Financial Reporting Standards endorsed and in force

As required by IAS 8, below are the new international financial reporting standards or amendments to accounting standards already in force, together with the relevant endorsement regulations by the European Commission, whose mandatory application starts on 1 January 2024.

Financial Reporting standards in force from 2024

- *Endorsement Regulation 2579/2023 entered into force on 1 January 2024*: Commission Regulation (EU) 2023/2579 of 20 November 2023, published in the Official Journal L Series on 21 November 2023, adopts amendments to IFRS 16 Leases. The amendments to IFRS 16 specify how the selling lessee subsequently evaluates sale and leaseback transactions;
- *Endorsement Regulation 2822/2023 entered into force on 1 January 2024*: Commission Regulation (EU) 2023/2822 of 19 December 2023, published in the Official Journal L Series on 20 December 2023, adopts amendments to IAS 1 Presentation of Financial Statements. The amendments improve the disclosures that an entity must make when its right to defer settlement of a liability for at least 12 months is subject to covenants; and follow those adopted by the IASB on 23 January 2020 in relation to IAS 1 that relate to the implementation of how an entity must determine, in the statement of financial position, debt and other liabilities with uncertain settlement dates. According to these changes, debt or other liabilities must be classified as current (with an actual or potential settlement date within one year) or non-current.
- *Endorsement Regulation 1317/2024 entered into force on 1 January 2024*: Commission Regulation (EU) 2024/1317 of 15 May 2024, published in the Official Journal L Series on 16 May 2024, adopts 'Financing Arrangements for Supplies' amending IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The document introduces disclosure requirements on a company's supply financing arrangements.

With respect to the Regulations endorsed and effective as of 1 January 2024, it did not identify any significant impact on financial reporting as of 31 December 2024.

Financial Reporting standards in force after 31 December 2024

The following table shows the new international financial reporting standards or amendments to standards already in force, the mandatory application of which will commence on 1 January 2025 or later (if the financial statements do not coincide with the calendar year).

- Commission Regulation (EU) 2024/2862 of 12 November 2024, published in the Official Journal L Series of 13 November 2024, adopts amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments to IAS 21 specify when a currency is exchangeable for another currency and, if it is not, how an enterprise determines the exchange rate to be applied, and the disclosures that an enterprise must make when a currency is not exchangeable.

The Group did not make use of the option of early application of the Regulations effective from 1 January 2025. These changes or new endorsed standards are not expected to have a significant impact on the company's financial position or results of operations.

International Financial Reporting Standards not endorsed as at 31 December 2024

Below are the documents for which, at the reporting date, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of these amendments:

- **IFRS 14: Regulatory Deferral Accounts (publication date: January 2014)**. It only allows first-time adopters of IFRSs to continue to recognise amounts relating to rate-regulated activities under the previous adopted accounting standards;
- **IFRS 18: Presentation and Disclosure in Financial Statements (publication date: 9 April 2024)**. The standard will replace IAS 1 Presentation of Financial Statements. The objective of the new standard is to improve the presentation of financial statements, with particular reference to the income statement format; in particular, the new standard requires:
 - classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
 - Present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).
 The new principle also:
 - requires more information on the performance indicators defined by management;
 - introduces new criteria for the aggregation and disaggregation of information; e,
 - introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some

items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

- **IFRS 19: *Subsidiaries without Public Accountability: Disclosures* (publication date: 9 May 2024).** The new standard introduces some simplifications with regard to the disclosures required by IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements: a) it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them; b) its parent company prepares consolidated financial statements in accordance with IFRSs.
- **Amendments to IFRS 9 - IFRS 7: *Classification and Measurement of Financial Instruments* (publication date: 18 December 2024).** The document clarifies a number of problematic issues that emerged from the postimplementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. In particular, the amendments aim to: a) clarify the classification of financial assets with varying returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test; b) determine that the settlement date for liabilities using electronic payment systems is the date on which the liability is settled (however, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions). With these amendments, the IASB has also introduced additional disclosure requirements regarding in particular investments in equity instruments designated as FVOCI.
- **Annual Improvements Volume 11 (publication date: 1 January 2026).** The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:
 - I. IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - II. IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
 - III. IFRS 9 Financial Instruments;
 - IV. IFRS 10 Consolidated Financial Statements;
 - V. IAS 7 Statement of Cash Flows.
- **Amendments to IFRS 9 - IFRS 7: *Contracts Referencing Nature Dependent Electricity* (publication date: 18 December 2024).** The document is intended to support entities in reporting the financial effects of contracts to purchase electricity generated from renewable sources (often structured as Power Purchase Agreements). Under such contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
 - clarification regarding the application of the 'own use' requirements to this type of contract;
 - the criteria for allowing such contracts to be accounted for as hedging instruments; e,
 - of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

SECTION 2 - GENERAL PRINCIPLES OF PREPARATION

The financial statements are prepared in accordance with the general principles referred to in the "Framework" for the preparation and presentation of financial statements. Therefore, the financial statements are prepared in accordance with the accrual basis of accounting and on the basis of the assumption of functioning and going concern. The general principles of relevance and materiality of information and the prevalence of substance over form have been taken into account in the preparation. Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or purpose are presented separately unless they are immaterial. Assets and liabilities, income and expenses are not offset unless this is expressly required or permitted by a standard or an interpretation.

In the preparation of the Consolidated Financial Statements as at 31 December 2024, account has also been taken to the extent applicable:

- by ESMA in Public statement 32-193237008-8369 of 24 October 2024 'European common enforcement priorities for 2024 annual financial reports' and in Consob's Attention Reminder No. 2/24 of 20 December 2024;

- by ESMA in Public statement 32-193237008-1793 of 25 October 2023 'European common enforcement priorities for 2023 annual financial reports' and in the Consob Communiqué of 27 October 2023;
- in the indications of ESMA, which, on 13 May 2022, published the Public Statement 'Implications of Russia's invasion of Ukraine on half-yearly financial reports', regarding the accounting effects of the Russia-Ukraine conflict on financial reporting.

In preparing the consolidated financial statements, the formats and compilation rules set out in the Order of the Governor of the Bank of Italy of 17 November 2022 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries' have been observed.

The financial statements consist of the balance sheet, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the financial statements and are accompanied by the directors' report on operations.

In addition to the balances for the current year, the accounting schedules and tables in the notes to the financial statements also present the corresponding comparative values for the previous year.

Unless otherwise indicated, the statements in the notes to the financial statements are in thousands of euros.

In accordance with Article 5 of Legislative Decree No. 38/2005, the financial statements are prepared using the euro as the accounting currency.

These consolidated financial statements were approved by the Board of Directors on 16 May 2025.

No exemptions to the application of IAS/IFRS were made except for the aforementioned exemption to the application of these standards used by the Company as provided for in Article 47 of Decree-Law No. 77 of 19 May 2020 converted by Law No. 77 of 17 July 2020.

The following documents were taken into account for interpretation and application support:

- Conceptual framework for financial reporting;
- Implementation Guidance and Basis for Conclusions;
- SIC/IFRIC Interpretative Documents;
- Interpretative documents on the application of IFRS in Italy prepared by the Italian Accounting Organisation (OIC);
- Documents issued by the EBA, ESMA and Consob concerning the application of specific provisions of IFRS.

The following general principles dictated by IAS 1 - 'Presentation of Financial Statements' have been observed in the preparation of these financial statements:

- Going concern: the Company has assessed that it will continue to operate as a going concern for the foreseeable future, taking into account all available information on a medium-term scenario. Furthermore, the balance sheet and financial structure and operating performance do not present any symptoms that could lead to uncertainty at this specific point and, consequently, the financial statements have been prepared on a going concern basis;
- Accrual basis: operating events are recognised in Invitalia's accounts and financial statements (with the exception of cash flow reporting) at the time of their economic accuracy and regardless of their monetary manifestation, and costs and revenues are recognised in the income statement on the basis of the correlation criterion;
- Materiality and Aggregation: All items containing assets, liabilities, expenses and income of a similar nature and characteristics are presented separately in the financial statements, unless they are immaterial;
- Offsetting: no offsetting was carried out between assets and liabilities, income and expenses, except where expressly required or permitted by Bank of Italy instructions, an accounting standard or an interpretation;
- Periodicity of reporting: Invitalia prepares these financial statements, presenting the relevant information, on an annual basis, and compared to past financial years, there have been no changes to the closing date of its financial year, which continues to be 31 December each year;
- Comparative information: comparative information is presented for two consecutive financial years (the current and the previous year). This comparative information, both referring to the closing date of the financial

year, is provided for each of the individual documents that make up the financial statements, including the related notes.

SECTION 3 – SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date and until the date of its approval by the of the Board of Directors of 16 May 2025, no events occurred that would cause and adjustment to the Company's results of operations and financial position, as required by IAS 10 par. 10. We also refer to the paragraph "Subsequent Events" in the Report on Operations, and in particular the following note events:

Invitalia - Social Bond

Invitalia's Board of Directors, in view of the maturity next November 2025, of the Social Bond issued in 2022, authorised to proceed with the formal and instrumental fulfilment in advance of the maturity of the previous one, of a new Bond, expected in the second half of June. The Social Bond is an instrument aimed at raising finance to achieve certain results with a social value. In particular, the purpose of this class of bond is to generate positive social results by raising resources to finance new and/or existing projects in the area of basic infrastructure (e.g. health services, transport, energy), the creation of new jobs, progress and socio-economic strengthening, including through financing and micro-financing to SMEs. The advantages of issuing a social bond rather than a traditional bond are both reputational and economic.

MCC - Signing of the sale and purchase agreement for the sale of Cassa di Risparmio di Orvieto

In January 2025, Mediocredito Centrale and Banca del Fucino signed the contract of sale and purchase agreement for the disposal of the equity investment in Cassa di Risparmio di Orvieto for a countervalue 90.4 million (subject to adjustment based on the net assets of the participated at the date of completion).

Completion of the Transaction is expected within the first half of 2025, subject to the fulfilment of all conditions precedent stipulated in the agreement and the obtaining of authorisations by the relevant regulatory authorities.

MCC - Acquisition of Minority Interests from Subsidiary Banks

Mediocredito Centrale on 12 February 2025, acquired from the subsidiary CRO the minority shareholding, held by the latter, in the share capital of Banca d'Italia, at a book value of € 5.9 million.

MCC - 'Social' bond placement

On 25 February 2025, Mediocredito Centrale successfully concluded the placement of a loan Social' - unsecured senior preferred bond for a total amount of € 500 million, with a annual fixed rate coupon of 3.25% (re-offer yield 3.285%) and maturity 4 March 2030 (BTP rate 3.5% 03/01/30 +50bps). The bond loan represents the second issue under the EMTN (Euro Medium Term Note) of 1 billion, the base prospectus of which was approved on 2 August (subject of subsequent supplements of 6 September 2024 and 21 February 2025). The new placement, intended for investors institutional, recorded a more articulate diversification of Italian and foreign subscribers, when compared with the previous placement, with an increase in total orders, which were more than 1.2 billion. The bond was issued on 4 March 2025 and, as of that date, the securities representative of the same are listed on the regulated market of the Luxembourg Stock Exchange.

In February 2025, Infratel S.p.A. signed with Open Fiber S.p.A. the additional acts to the agreements related to the White Areas Plan, incorporating the revision of the Economic and Financial Plans (PEF) and regulating the modalities of rebalancing. These acts do not determine economic and financial effects for Infratel S.p.A., as the rebalancing measures, totalling approximately € 900 million, are fully covered by public resources allocated by the Ministry of Enterprise and Made in Italy, without direct charges borne by the Company.

Invitalia - BEKO

In the context of the resolution of the BEKO Europe business crisis, MIMIT, in the person of the Minister, formally requested Invitalia, together with the Municipality of Siena, to initiate a collaboration aimed at strengthening the attractiveness of the industrial area of Siena, with a view to the reindustrialisation of the plant, including through the acquisition of the property by Invitalia. On 3 April, a Memorandum of Understanding was signed by which the Agency and the above-mentioned Municipality agreed to evaluate the acquisition of the above-mentioned plant owned by DUCCIO IMMOBILIARE 1 S.r.l. Due Diligence on the property is underway.

Invitalia - Entrusting the transitional management of the integrated water service - ATI Trapani

With a resolution of 23 December 2024, as part of the exercise of the substitutive powers provided for in Article 14 of Legislative Decree No. 115 of 3 August 2022, the Council of Ministers entrusted Invitalia, on a transitional basis, with the management of the integrated water service in the Territorial Water Assembly (ATI) of Trapani. Not yet published in the Official Gazette, the resolution was made by the Presidency of the Council of Ministers (PCM), on the proposal of the Minister of the Environment and Energy Security after hearing the President of the Sicilian Region. In short, the resolution provides for the temporary assignment (4 years, renewable) directly to Invitalia of the management of the integrated water service (SII) of the Trapani ATI; that the role entrusted to Invitalia can be carried out only after the conclusion of a specific agreement with the Sicilian Region, through which the tasks, prerogatives, instruments and charges belonging to Invitalia for the temporary management of the SII, for the benefit of the municipalities of ATI Trapani, for the next four years, will be precisely defined; that the water infrastructures owned by the local authorities pursuant to art. 143 of Legislative Decree No. 152 of 3 April 2006 to be entrusted in concession of free use, for the entire duration of management to Invitalia.

SECTION 4 - OTHER ASPECTS

Starting in 2004, the parent company Invitalia also adopted the 'national tax consolidation' governed by Articles 117 and 129 of the Consolidated Law on Income Tax (TUIR), introduced into tax legislation by Legislative Decree 344/2003.

The Parent Company Invitalia is required to prepare Group Consolidated Financial Statements, which were submitted for approval by the Board of Directors on 16 May 2025. For the purposes of defining the scope of consolidation, the following should also be taken into account with reference to the application of Article 1 of Decree-Law No. 142 of 16 December 2019.

Application Article 1 of Decree-Law No. 142 of 16 December 2019

Article 1 of Decree-Law No. 142 of 16 December 2019, as amended by Decree-Law No. 104 of 14 August 2020 and Decree-Law No. 103 of 20 July 2021 converted into law on 16 September 2021, No. 125 provides:

1-bis. Starting from the date of entry into force of the law converting this decree, Banca del Mezzogiorno - Mediocredito Centrale S.p.A., or the company referred to in paragraph 2, in the event of its establishment, shall report on a four-monthly basis to the Parliamentary Committees responsible for the subject-matter, on the performance of the financial operations referred to in paragraph 1, also with reference to financial profiles and to the trend of employment levels, and shall also submit to the Chambers, by 31 January of each year, as from 2021, an annual report on the same financial operations carried out during the previous year. At the time of the possible establishment of the company referred to in paragraph 2, the Minister of Economy and Finance shall submit to the Chambers a report on the choices made, the consequent actions and the planned programmes.

1-ter. Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia is authorised to underwrite further capital contributions and to provide shareholders' account financing, up to a maximum limit of € 705,000,000, in order to ensure the continuity of the production operations of the Taranto steel plant of ILVA SpA, qualified as a plant of national strategic interest pursuant to Article 3, paragraph 1, of decree-law no. 207 of 3 December 2012, converted, with amendments, by law no. 231 of 24 December 2012. The agreements signed by the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA - Invitalia pursuant to the preceding sentence shall be included among the financial transactions, including direct or indirect equity participation, in support of enterprises and employment, including in the Mezzogiorno, referred to in paragraph 1 of this Article. The costs referred to in this Paragraph shall be covered, for the amount of €705,000,000, through the use of the resources available in the residual account referred to in Article 202, Paragraph 1, of Decree-Law No. 34 of 19 May 2020, converted, with amendments, by Law No. 77 of 17 July 2020. The provisions of Article 34-bis of Law No. 196 of 31 December 2009 shall apply to the resources referred to in the preceding period. The Minister of Economy and Finance is, to this end, authorised to issue, by his own decrees, the necessary budgetary variations, also in the residual account, and the payment, also in several instalments, of the share capital referred to in the first period.

2. Following the steps taken by the bank to implement paragraph 1, by decree of the Minister of the Economy and Finance in agreement with the Minister of Economic Development, the bank may be demerged with the

establishment of a new company, to which the assets and shareholdings acquired under paragraph 1 are assigned. The shares representing the entire share capital of the company are assigned, without consideration, to the Ministry of Economy and Finance.

3. The provisions of Legislative Decree No 175 of 19 August 2016 shall not apply to the newly established company referred to in the preceding paragraph. This shall be without prejudice to the rules on the requirements of honourableness, professionalism and autonomy of directors laid down in the Consolidated Law on Banking and Credit, referred to in Legislative Decree No 385 of 1 September 1993.

4. All acts and operations carried out for the implementation of the preceding paragraphs are exempt from taxation, direct and indirect, and from taxation.

5. Any resources referred to in paragraph 1 that are no longer necessary for the purposes set forth in this Decree shall be quantified by decree of the Minister of Economy and Finance and transferred, also by means of payment to the State budget and subsequent reallocation to the expenditure, to the chapter of origin.

In accordance with and in execution of the provisions of the aforementioned Decree-Law No. 142/2019, as subsequently amended, Invitalia provided:

- on 24.06.2020 to make a capital contribution of €430 million in favour of the subsidiary Mediocredito Centrale for the latter to subscribe a capital increase in favour of BdM Banca S.p.A. (at the time Banca Popolare di Bari);
- on 14.04.2021, it subscribed the capital increase of AM InvestCo Italy SpA (now Acciaierie d'Italia Holding SpA), the company leasing the business branches of Ilva under extraordinary administration, for an amount of €400 million
- on 25.01.2022 to set up the company DRI d'Italia with an initial share capital of €35 million for the purpose of building and operating a plant for the production of pre-doped - *direct reduced iron*.

For the purposes of the accounting framework of the grant received Invitalia, with the support of technical-legal opinion prepared for this purpose, considered that

- 1) the 'capital grant' received should be treated in accordance with the provisions of IAS 20, paragraph 24 on grants, and that it should be recognised as deferred income related to the grant received as a balancing entry to the increase in the value of the investment resulting from the capital contribution/capital increase made by Invitalia in favour of Mediocredito Centrale SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA, respectively;
- 2) the amounts that Invitalia has allocated or will be called upon to allocate in favour of Mediocredito Centrale SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA have been/will be recorded as an increase in the shareholders' equity of the investee companies as "capital contributions/capital increases", as provided for by Article 1 of Decree-Law 142/2019;
- 3) in the hypothesis of the application of the demerger with the establishment of a new company in accordance with the provisions of paragraph 2 of Article 1 of Decree-Law 142/2019, the assets and participations acquired pursuant to paragraph 1 of the aforementioned provision shall also include, for the principle of space-time continuity of management, the assets and/or liabilities generated by such assets and participations in the time between the acquisition referred to in paragraph 1 and the demerger referred to in paragraph 2;
- 4) any costs or losses in excess of the amount of the capital contributions received pursuant to Article 1(1) of Decree-Law 142/2019 - in light of the role of mandatory attributed to Invitalia by the law - would not entail an obligation for Invitalia to support the company in difficulty.

In view of all this, these contributions were treated as follows:

- Invitalia recognised the contribution received as a balancing entry under the item "Other Liabilities" called "Allocation art. 1 co 1 DL 16/12/19 no. 142" in accordance with the above provision of the law, which defined the payment to Invitalia as a "capital contribution" and then, once the payment had been made to the subsidiary Mediocredito Centrale SpA and the investees Acciaierie d'Italia Holding SpA and DRI d'Italia SpA, proceeded to increase the value of the investment in Mediocredito Centrale SpA or to recognise the investment in Acciaierie d'Italia Holding SpA and DRI d'Italia SpA as an asset.
- Exclusively the subsidiary Mediocredito Centrale SpA, recorded the payment received as a balancing entry under Shareholders' Equity in accordance with the above-mentioned provision of the regulation that defined the payment to Mediocredito Centrale SpA as a capital contribution.

This classification of the grant received implied that there was no "control" relationship, in terms of the application of the notion of "control" under IFRS 10, between Invitalia on the one hand and BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA on the other. This conclusion follows from the consideration that Invitalia, having recognised the capital contribution under the item "Other Liabilities" and accounting for the related costs incurred on the basis of the so-called *income approach* provided for by the aforementioned IAS 20, therefore aimed at neutralising the costs/revenues recorded in the income statement, Invitalia is not exposed to the "rights to variable returns arising from the relationship with the entities subject to investment" and therefore, in the absence of such exposure to variable returns, does not have the requirements to consider a control relationship with BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA as existing. As a result, Invitalia does not consolidate BdM Banca SpA, Acciaierie d'Italia Holding SpA and DRI d'Italia SpA in its consolidated financial statements.

Accounting treatment defined for participations acquired with government grants/third-party funds

In light of what has been reported above on the accounting treatment of grants received in application Art. 1 of Decree-Law no. 16 December 2019, no. 142, Invitalia has defined a specific accounting *policy* for the accounting treatment of all participations acquired with public grants that can be classified in accordance with the provisions of Accounting Standard IAS 20, considering that these participations, although presenting the characteristics envisaged for an equity instrument (IAS 32:11), could not fall within the scope of application of the international accounting standards that specifically govern the accounting treatment of equity instruments (IFRS 9, IAS 27 and IAS 28 and IFRS 11). In particular, it was considered, also on the basis of a technical opinion prepared for this purpose, that these participations are acquired by Invitalia in execution of specific regulatory provisions and through the use of public or third-party resources allocated to the company. Moreover, with reference to the participations acquired with public contributions, such regulatory provisions provide for specific rights of the grantor of the contribution/fund and specific obligations of Invitalia, so that, in substance, Invitalia is not attributed either the economic effects typical of an *equity* instrument (dividends, write-downs, etc.) - as any *equity* instrument would have been.) - as, on the other hand, any equity instrument (whether of minority or even joint control and control), which therefore represents "*a residual interest in the assets of the entity after deducting all of its liabilities*" - nor the power to take specific actions typical of ownership (e.g., the sale of the equity investment acquired through the grants received), even though it has legal title to the shares representing the share capital of a company. Taking into account the specific nature of the context just described, Invitalia has adopted a specific *accounting policy* for the recognition and measurement of equity investments acquired through the disbursement of a grant.

The initial recognition and subsequent valuation of these investments are at cost recognised at the settlement date, including any expenses or income directly attributable to the transaction.

At each balance sheet date, or interim reporting date, the presence or absence of impairment of investments is verified. The recognition of this evidence is based on the existence of qualitative and quantitative indicators illustrated below. In the presence of these indicators, an impairment test is carried out in accordance with the provisions of IAS 36, aimed at estimating the recoverable value of the equity investment and comparing it with its book value, in order to determine whether value adjustments should be recognised. With particular reference to those equity investments whose individual carrying value was deemed not relevant - in accordance with the provisions of International Accounting Standard IAS 1:7 - Shareholders' Equity is used as the method to determine the recoverable value of the equity investment - as it approximates the fair value calculated with a simple equity method - to be compared with the book value of the same in order to determine the recognition of any impairment.

As indicated above, at each date of the financial statements, or of infra-annual situations, the presence of specific qualitative and quantitative indicators is assessed, such as

- the achievement of negative economic results or, in any case, a significant deviation from budget targets (or from multi-year plans);
- significant financial difficulties of the investee company;
- likelihood that the investee company will declare bankruptcy or be subject to other financial restructuring procedures;
- the distribution of a dividend greater than the profit for the period and existing profit reserves;
- the distribution of a dividend by the investee company in excess of the profit in the comprehensive income statement (or comprehensive income for financial companies) in the year in which it declares it.

The participations currently affected by this accounting treatment, for the purposes of both the separate and consolidated financial statements, are as follows:

1. MediocreditoCentrale SpA limited to the portion related to the acquisition of the stake in BdM Banca SpA;
2. Shareholding in Acciaierie d'Italia Holding SpA;
3. Participation in Reithera Srl;
4. Participation in TLS Sviluppo Srl;
5. Shareholding in DRI d'Italia SpA;
6. Shareholdings acquired ex Lege 181/89 (CMS Srl in fallimento, Elmirad Service Srl in liquidazione, Fonderie SpA in fallimento, Gustavo De Negri & ZA.MA. Srl, Jonica Impianti Srl, Peritas Srl, PRO.S.IT. Srl in fallimento, SIE- Società Ittica Europea in Amministrazione Straordinaria, Simpe SpA in fallimento, Sural SpA in fallimento).

Accounting treatment ISA-ISMEA payment

During 2003, Law No 350 provided for the transfer of the financial resources of Sviluppo Italia SpA (now Invitalia) to ISA (now ISMEA), which took over the functions formerly performed by Invitalia itself.

In compliance with the provisions of the aforementioned Law 350, DL 203 of 30 September 2005 provided, in Article 10 'Transfer of assets from Sviluppo Italia SpA to ISA SpA (now ISMEA)' and in particular, in paragraph 5, that Sviluppo Italia SpA *'is authorised to enter in its balance sheet entries exclusively the decreases resulting from the transfer of the assets referred to in paragraph 1'*.

In this context, the company ISMEA called Invitalia before the Court of Rome asking that the plaintiff's right to receive credit of approximately € 15.5 million o.i. from SECI SpA (now Eridiana Sadam SpA) and Finbieticola SpA, arising from the sale of the shares of Zuccherificio Castiglione SpA, be ascertained.

In summary, ISMEA's reasons underlying this request lie in its assessment of the inclusion of this receivable (*rectius* crediti) in the perimeter of assets subject to transfer under the aforementioned rules. These receivables, in the meantime, have been collected and thus transformed into cash.

In the light of the following considerations:

- both parties have the same public nature;
- The transfer of assets from Invitalia to ISMEA (in the form of a transfer for the symbolic value of 1 euro) was made under a state law and therefore not at arm's length;
- such a transfer (i.e. assignment without consideration) represents a transaction between two entities subject to common control.

In the financial year ended 31 December 2022, Invitalia recorded a specific equity reserve against the payment made with reference to the event described above.

As at 31 December 2024, there were no changes with reference to the above.

Possible repercussions of the Russian-Ukrainian conflict

In relation to the Russian-Ukrainian conflict, also taking into account the indications given in the past by ESMA, the Group has no exposure to the countries involved in the conflict itself.

Disclosure of risks, uncertainties and other potential impacts of climate change

Climate change and the transition to a low-carbon economy are becoming increasingly important for companies, banks, governments, regulators and investors.

When preparing the annual financial report as at 31 December 2024, also for the purpose of complying with ESMA recommendations, companies are required to consider climate change risks, insofar as the effects of such risks may be significant.

Group companies are aware of the importance of identifying, assessing, preventing and reducing the potential environmental and climate change risk, i.e. related to direct impacts such as the use of energy resources (renewable and non-renewable sources), greenhouse gas emissions, waste production and its disposal, consumption of raw materials instrumental to their activities (paper and toner), and violation of environmental and sector regulations.

The Parent Company prepares the Consolidated Sustainability Report as at 31 December 2024, drafted in line with the new Corporate Sustainability Reporting Directive (CSRD) and included in the Management Report to the Consolidated Financial Statements, to which reference should be made for the discussion of related issues.

As stipulated in IAS 1, paragraph 7, the requirements for determining the materiality of financial information must also be considered when assessing the disclosure to be made about climate risks. In this context, the IASB Practice Statement Making Materiality Judgements provides that, in assessing whether information is material or not, companies should consider both quantitative and qualitative factors, as well as the interaction between them. Specifically, climate risks could be potential indicators of possible impairment of assets.

For this reason, in carrying out the impairment test activities, the indications of the sector authorities on the financial disclosure profiles related to risks, uncertainties, estimates, assumptions and valuations, as well as the difficulties related to the possible impacts that climate risks may have on the entities under analysis, must also be considered. Where potentially relevant, climate change factors have been taken into account, mainly through considerations and/or sensitivity analyses on the variables determining recoverable amount.

However, all things considered, although the Group attaches particular importance to environmental protection, aware of the need to use resources responsibly in order to minimise negative environmental impacts, taking into account the activity carried out by the company, issues related to climate change are considered, in the exception provided by the reference accounting standards, not relevant to the Group's financial reporting.

For details, please refer to the Consolidated Sustainability Report, prepared at Group level and included in the Report on Operations.

Disclosures on Going concern

Pursuant to the provisions of Joint Bank of Italy/Consob/Isvap Document No. 2 of 6 February 2009 on the subject of disclosures on business continuity, in compliance with the requirements for the same subject under IAS 1 Revised, and following the recommendations indicated over time by ESMA, Invitalia has carried out an assessment of the Company's ability to continue to operate as a going concern whose activities will continue in the foreseeable future, taking into account all available information on a medium-term scenario. In particular, in making the assessments, account was taken of the particular macroeconomic context made uncertain by the currently foreseeable effects relative to the evolution of the Russian-Ukrainian and Israeli-Palestinian conflicts, and still conditioned by high inflation rates and accentuated fluctuations in the prices of raw materials and the related repercussions on the national economy and, therefore, on the business of the Group's Companies. Considering the risks and uncertainties connected to the current macroeconomic context and based on the best information available at the date of preparation of these Financial Statements, it is reasonable to expect that the Group, also considering the positive results achieved in 2024, will continue to operate in the foreseeable future; moreover, the equity, financial and economic structure, as also represented in the Report on Operations, do not present any symptoms that could lead to uncertainties on this specific point and, consequently, the Financial Statements have been prepared on the assumption that the Group will continue to operate as a going concern.

Risks and uncertainties related to the use of estimates

The preparation of the Financial Statements requires the use of estimates and assumptions that may affect the amounts reported in the Balance Sheet and in the Income Statement, as well as the disclosure of contingent assets and liabilities.

The estimates and associated assumptions are based on the use of available management information and subjective assessments based also on historical experience.

By their very nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years the actual values recorded in the financial statements may differ, even significantly, as a result of changes in the subjective assessments used.

The main cases for which the use of subjective assessments by management is most required are:

- the quantification of impairment losses on loans, securities, equity investments and, in general, other financial assets;
- the quantification of provisions for risks and charges (determined on the basis of the estimated outlays required to fulfil obligations for which it is considered probable that resources will be required);

- the quantification of employee termination indemnities, the company retirement fund and other benefits due to employees (determined on the estimate of the present value of obligations referring to probable disbursements that are discounted considering financial aspects - interest rates - assumed salary trends, *turnover* rates and demographic data);
- the use of valuation models to determine the fair value of financial instruments not listed in active markets;
- the determination of fair value for the valuation of non-current assets and groups of assets classified as held for sale with particular reference to equity investments held. In this regard, it is noted that the estimate of the market value of this equity investment is particularly sensitive to changes in the key variables used to determine it (cash flows, discount rate, etc.). Taking into account the Russian-Ukrainian conflict and the conflict in the Middle East currently underway and the uncertainties associated with their evolution, as well as any further impacts arising from the particular macroeconomic context, it is not possible to exclude variations in the assumptions and valuation models adopted by Invitalia in estimating this equity investment. Any fluctuations, even marginal, in the cash flows used as a basis for the model and/or the variables of the models used, may have an impact on the estimated values, which is why the company constantly monitors the evolution of these variables.

It follows, therefore, that the assessment of risk is mainly linked to the evolution of the national and international socio-economic context, as well as to the performance of the financial markets, which have consequent repercussions on interest rate trends, price fluctuations, actuarial bases and, more generally, on the creditworthiness of counterparties.

The Russian-Ukrainian conflict, the conflict in the Middle East and the current macroeconomic context have not revealed risks previously not considered by Group companies. Please refer to Part D of the Notes to the Consolidated Financial Statements and the Report on Operations for a more detailed discussion of the risks to which Group Companies are exposed.

The current macroeconomic environment has exacerbated the levels of uncertainty inherent in accounting estimates, increasing their complexity.

Reclassification of comparative data

Based on the provisions of IFRS 5 par. 34, with reference to the balance at 31 December 2023 of the account economic data has been restated to include information on all activities discontinued operations relating to Cassa di Risparmio di Orvieto, reclassified under asset item 120 "Non-current assets and disposal groups classified as held for sale".

SECTION 5 - SCOPE AND METHODS OF CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa S.p.A. and its direct or indirect Subsidiaries. The scope of consolidation is defined with reference to the provisions of IFRS 10, 11 and IAS 28. In accordance with these principles, companies over which the Parent Company directly or indirectly exercises the power to determine financial and management policies are considered subsidiaries. Subsidiaries are consolidated on a line-by-line basis. The consolidation starts from the date on which the link of control begins and until the date on which it ceases.

The values of the financial statements as at 31 December 2024 of Group companies consolidated on a line-by-line basis have been appropriately adjusted to align them with the accounting principles of the Parent Company. In consolidation using the line-by-line method, the assets and liabilities, as well as income and expenses of the consolidated companies are included in the consolidated financial statements, after full elimination of intra-group receivables, payables, revenues and expenses, with the exception of those deemed immaterial in the context of the consolidated financial statements according to the general criteria of materiality and relevance.

Assets and liabilities are those resulting from the financial statements approved by the boards of directors and/or shareholders' meetings of the companies. The portion of shareholders' equity and the portion of the consolidated result pertaining to minority interests are accounted for as a separate item in the consolidated balance sheet and

income statement. In order to represent the Group's accounting information as if it were a single entity, appropriate consolidation adjustments are made.

Controlling interests held for sale are consolidated on a line-by-line basis and shown separately in the consolidated financial statements as a disposal group under asset item 110 and liability item 70, respectively. Investments subject to significant influence are consolidated using the equity method, the main ones being Cdp Venture Capital S.p.A., Istituto della Enciclopedia Treccani S.p.A.

Participations acquired with third-party funds, which, as better described below, do not fall within the scope of consolidation.

A.2 SECTION RELATED TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Below is the information on accounting standards considered relevant, as well as all other information considered by management useful for understanding the financial statement disclosures, in accordance with IAS 1 *Presentation of Financial Statements*.

The presentation of the accounting principles adopted is made with reference to the recognition, classification, measurement and derecognition of the various asset and liability items.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recorded at nominal value and include cash values, i.e., those values that meet the requirements of being available on demand or very short-term, of being in good standing, and of having no collection costs.

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

Classification Criteria

Financial assets other than those classified as Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost are classified in this category. In particular:

- i. Financial assets held for trading mainly consist of debt and equity securities and the positive value of derivative contracts held for trading purposes;
- ii. Financial assets mandatorily measured at fair value are those financial assets that do not meet the requirements for measurement at amortised cost or fair value with an impact on comprehensive income. These are financial assets whose contractual terms are not represented solely by payments of principal and interest on the principal amount to be repaid (so-called "SPPI test" not passed) or which are not held as part of a business model whose objective is the holding of assets for the purpose of collecting contractual cash flows ("Hold to Collect" business model) or whose objective is achieved both by collecting contractual cash flows and by selling financial assets ("Hold to Collect and Sell" business model);
- iii. Financial assets designated at fair value, i.e., financial assets so designated upon initial recognition and when the conditions are met. In relation to financial assets, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces a measurement inconsistency.

Debt securities and loans that are included in an Other -Trading business model or that do not pass the SPPI test, including portions of syndicated loans underwritten that, from the outset, are earmarked for sale and that are not attributable to a Hold to Collect and Sell business model, are reported under this heading.

This item also includes equity instruments - not qualifying as control, connection and joint control - that are held for trading purposes or for which no designation at fair value with impact on comprehensive income was opted for upon initial recognition. Also recognised under this item are OICR units. For the OICR category, given the structure of the instrument and the respective units, the SPPI test fails by definition, resulting in a single classification under FVTPL.

Another case which, due to the intrinsic characteristics of the underlying investment instruments, is represented by capitalisation policies. These instruments, like OICR units, present an objective difficulty in preparing a look-through approach and fail the SPPI test. For this reason, they must be accounted for within the item 'Financial assets at fair value through profit or loss'. Specifically, the fair value is the value of the policy communicated

periodically in the statement sent by the insurance company. This value corresponds to the premium increased with the returns generated by the separate management net of the commission component.

Derivative contracts - recorded as financial assets held for trading - are shown as assets if the fair value is positive and as liabilities if the fair value is negative.

Derivatives also include those embedded in complex financial instruments - where the host contract is not a financial asset that falls within the scope of IFRS 9 - which have been recognised separately because:

- Their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
- Embedded instruments, even if separate, meet the definition of a derivative;
- The hybrid instruments to which they belong are not measured at fair value, with changes in fair value recognised in the income statement.

According to the general rules in IFRS 9 on reclassification of financial assets (except for equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.

Recognition Criteria

The initial recognition of financial assets takes place on the settlement date for debt securities, equity securities and loans, and on the subscription date for derivative contracts.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument.

Valuation Criteria

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this criterion are recognised in the income statement under item 80. Net income from trading activities in the case of instruments held for trading or in item "110. Net result of other financial assets and liabilities measured at fair value through profit or loss" in the case of instruments designated at fair value or other financial assets mandatorily measured at fair value.

Interest income accrued during the year on these assets is recorded under item 10. Interest income and Similar Income in the Income Statement.

Derecognition Criteria

Financial assets are removed from the balance sheet only if the sale has resulted in the transfer of substantially all the risks and rewards associated with the assets.

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

Classification Criteria

Financial assets that meet both of the following conditions are included under this heading:

- the financial asset is held according to a business model whose objective is both to collect the contractually agreed cash flows and to sell (the 'Hold to Collect and Sell' business model), and
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

This item also includes equity instruments, not held for trading purposes, for which the option to designate them at fair value with an impact on comprehensive income was exercised upon initial recognition.

Reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, the financial assets may be reclassified into one of the other two categories under IFRS 9 (Financial Assets measured at Amortised Cost or Financial Assets measured at Fair Value through Profit or Loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In the case of reclassification from this category to the amortised cost category, the cumulative gain (loss) recognised in the valuation reserve is applied to adjust the fair value of the financial asset at the date

of reclassification. In the case of reclassification to the fair value category with impact on profit or loss, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from equity to profit or loss.

Recognition Criteria

The initial recognition of financial assets takes place on the settlement date for debt and equity securities and on the disbursement date for loans. Upon initial recognition, assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

Valuation Criteria

Subsequent to initial recognition, financial assets measured at fair value through other comprehensive income are measured at fair value, with the impact of the application of amortised cost and the effects of impairment recognised in the Income Statement, while other gains or losses arising from a change in fair value are recognised in a specific equity reserve, without going through the Income Statement, until the financial asset is derecognised. Upon total or partial derecognition, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the income statement.

Equity instruments classified in this category are measured at fair value and the amounts recognised as a balancing entry in shareholders' equity (Statement of Other Comprehensive Income) must not be subsequently transferred to the Income Statement, even if they are sold. The only component of these equity securities that is recognised in the income statement is the related dividends.

Financial assets measured at fair value through other comprehensive income are subject to the test of significant increase in credit risk (impairment) required by IFRS 9, with the consequent recognition of a value adjustment in the income statement to cover expected losses. More specifically, on instruments classified as stage 1 (i.e. on financial assets at the time of origination, if not impaired, and on instruments for which there has not been a significant increase in credit risk with respect to the date of initial recognition), an expected loss is recognised at the date of initial recognition and at each subsequent reporting date within a time horizon of one year. Conversely, for instruments classified as stage 2 (performing assets for which there has been a significant increase in credit risk since initial recognition) and stage 3 (impaired exposures), an expected loss is recognised for the entire remaining life of the financial instrument.

Derecognition Criteria

Financial assets measured at fair value through other comprehensive income are derecognised when the right to receive their cash flows expires or if they are sold, and only if the sale has resulted in the substantial transfer of all risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards associated with the transferred financial assets have been retained, they continue to be recognised in the balance sheet, even if legal title to the assets has been effectively transferred.

In the event that the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Otherwise, the retention, even in part, of such control results in the assets being retained in the balance sheet to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

Classification Criteria

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved through the collection of contractual cash flows ("Hold to Collect" business model);
- the contractual terms of the financial asset provide, at certain dates, for cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid (so-called 'SPPI test' passed).

According to the general rules in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.

Loans disbursed against funds provided by the State or other public entities and destined for particular lending operations provided for and regulated by specific laws ("loans with third-party funds under administration" under Law 181/89) are recognised under this item, insofar as interest accrues on them and on the related funds in favour of and at the expense of the intermediary, respectively. 181/89), inasmuch as interest accrues on the same and on the related funds, respectively, in favour of and at the expense of the intermediary, and loans disbursed against funds provided by the State ("loans with third-party funds under administration" pursuant to Article 6 of Law 64 of 1/03/86 - Tourism Revolving Fund), inasmuch as the risk of default is borne by the intermediary.

Recognition Criteria

Initial recognition of financial assets takes place on the settlement date. Upon initial recognition, financial assets classified in this category are recognised at fair value, including any directly attributable costs and income.

In particular, the first entry of a loan occurs on the date the contract is signed, which normally coincides with the disbursement date. If this coincides with the date of disbursement, a commitment to disburse funds is recorded when the contract is signed and closes on the date of disbursement of the loan.

The loan is recognised on the basis of its fair value, equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual loan and determinable from the origin of the transaction, even if settled at a later date. Costs which, although having the above characteristics, are reimbursed by the debtor counterparty or fall within normal internal administrative costs are excluded.

Valuation Criteria

Subsequent to initial recognition, the financial assets under review are measured at amortised cost, using the effective interest method, with interest income accruing in the period/year recognised in item 10. Interest Income and Similar Income of the Income Statement.

The amortised cost method is not used for assets - valued at historical cost - whose short duration makes the effect of applying the discounting logic negligible for those without a defined maturity.

Financial assets belonging to this category, regardless of their technical form, must be tested for impairment, with the related effects recognised in income statement item 130. Net losses/recoveries for credit risks associated with a) financial assets measured at amortised cost.

Gains or losses realised on the sale of such assets are to be recognised in income statement item 100. Gains (loss) on disposal or repurchase of (a) financial assets measured at amortised cost.

Derecognition Criteria

Financial assets are derecognised when the right to receive their cash flows expires or in the event of a sale, only if the sale has resulted in the substantial transfer of all risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards associated with the transferred financial assets have been retained, they continue to be recognised in the financial statements, even if, legally, title to the assets has been effectively transferred.

In the event that the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is maintained over them. Otherwise, the retention, even in part, of such control entails maintaining the assets on the balance sheet to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.

Impairment

The measurement of Impairment makes it possible to measure the magnitude of adjustments to impaired positions dependent on the deterioration of creditworthiness after the initial recognition of the financial asset and at the various balance sheet dates up to the maturity of the relationship.

According to IFRS 9, the measurement of expected losses on the performing portfolio (Stage 1 and Stage 2) falling within the scope of the Impairment calculation must consider cash shortfalls, the probability of default and the monetary value of time. The evaluation of the expected loss may take place on different time horizons

depending on the evolution registered for the creditworthiness associated with the position and therefore depending on the Stage of allocation:

- 12-month expected losses for relationships allocated to Stage 1: these are the losses resulting from possible default events that may occur over a time horizon of 12 months from the reporting date;
- expected "lifetime" losses for relationships allocated in Stage 2: these are the losses resulting from all possible default events that may occur over the expected residual life of the financial instrument.

The lifetime expected loss is defined as the sum of losses from default events that may affect the credit relationship or financial instrument over a multi-period time horizon (spanning the entire remaining life of the relationship).

Following the indications of the Standard, once the classification of the instruments in the different stages has been carried out, in the case of a relationship classified in Stage 1, the evaluation of the expected loss carried out through the formula described above will be limited to the annual time horizon; on the contrary, for relationships allocated in Stage 2, the evaluation of the expected loss carried out through the formula described above will be carried out considering the entire residual life (lifetime) of the instrument.

With regard to the new impairment model introduced by IFRS 9, a different approach was considered for the subsidiaries operating in the Banking sector (Mediocredito Centrale S.p.A and Cassa di Risparmio di Orvieto) and other Group companies. In particular, Invitalia and all the subsidiaries other than Mediocredito Centrale S.p.A and Cassa di Risparmio di Orvieto have defined the parameters and rules for the correct allocation of performing exposures to stage 1 or stage 2 and non-performing exposures to stage 3 on the basis of the definition of default adopted by the Group companies, set out below. Invitalia first considers in default all positions for which legal recovery actions have commenced. In addition, other default criteria are defined based on the number of days past due, which have been calibrated differently for trade receivables and for financial receivables as indicated above.

With reference to trade receivables, in addition to the rule defined above and based on the initiation of legal recovery actions, in order to distinguish the performing portfolio from the non-performing portfolio, Invitalia has also established the following default definition rules calibrated to the characteristics of its trade receivables portfolio and based on its own context: t- invoices to be issued that are overdue by more than 360 days, with respect to the date of sending to the principal, are considered "impaired" with the consequent need to perform an analytical type of impairment; t- receivables for Asset Valuations sent to the BU that are overdue by more than 450 days, with respect to the date of sending to the BU, are considered "impaired" with the consequent need to perform an analytical type of impairment;

- Receivables for residual assets and inventories due from counterparties of the Public Administration that are overdue by more than 720 days are considered "impaired" with the consequent need for analytical impairment;
- Receivables from residual assets and inventories due from non-Government counterparties that are overdue by more than 360 days are considered 'impaired' with the consequent need for analytical impairment;
- For invoices already issued to public administration counterparties, the New DoD was chosen, whereby the deterioration threshold was set at 180 days.

These thresholds defined for trade receivables derive from internal company assessments and benchmarks observed on similar realities to those of Invitalia.

With regard to financial receivables, in addition to the above-mentioned rule based on the initiation of legal recovery actions, all receivables with a past due amount of more than 90 days are generally considered to be in default.

Staging Rules for Trade Receivables

For trade receivables and contract assets (with or without a significant financial component), the simplified approach set forth in the Standard is applied; based on this approach, there is no need to distinguish the performing portfolio between Stage 1 and Stage 2, with the expected loss always being calculated on a lifetime basis.

For the purposes of defining the value of provisions, a distinction is therefore made only between the performing portfolio, which will be subject to the simplified approach described above, and the non-performing portfolio identified on the basis of the definition of default defined above for trade receivables.

Staging Rules for Financial Receivables

With regard to financial receivables, in order to assess the significant increase in credit risk (SICR), and thus to define the criterion for moving from stage 1 to stage 2, consistently with what is permitted by the Standard, the company

- does not adopt quantitative SICR criteria based on the comparison of credit risk indicators (ratings or PDs) observed at the reporting date and the origination date due to the unavailability of historical information that is reasonable and sustainable 'without undue cost or effort';
- adopts the methodological simplification (so-called 'practical expedient') based on the so-called 'rebuttable presumption', according to which loans are assumed to be significantly impaired when they are more than 30 days past due (Ref. IFRS9 5.5.11);
- with reference to all other potential qualitative elements provided for by the Standard in paragraph B5.5.17 (see Appendix A.1) and usable for the purpose of defining the criteria for passing to Stage 2, on the basis of the assessments made, the only criterion currently identified taking into account the information available "without undue cost or effort" appears to be that of continuous days past due.

The stage allocation of performing financial receivables is therefore currently based solely on the criterion of continuous days past due and, consistent with the company's definition of default on the financial receivables portfolio, the following criteria are adopted:

- Receivables with less than 30 days past due are allocated to stage 1;
- credits with a past due portion between 30 and 90 days are allocated to stage 2;
- loans considered non-performing based on the definition of default defined above for financial loans are allocated to stage 3.

With reference to the subsidiaries operating in the banking sector (Mediocredito Centrale and Cassa di Risparmio di Orvieto), after initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the financial statements at an amount equal to its initial recognition value less principal repayments, plus or minus accumulated amortisation and adjusted for any provision to cover losses. The effective interest rate is the rate that equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including costs/income attributable to the financial asset. This method of accounting, using a financial logic, allows the economic effect of costs/income directly attributable to a financial asset to be distributed over its expected residual life.

The amortised cost method is not used for assets - valued at historical cost - whose short duration makes the effect of applying the discounting logic negligible, for those without a defined maturity and for revocable loans.

The calculation of expected credit risk impairment is closely related to the inclusion of the instruments under consideration in one of the three stages (credit risk stages) provided for by IFRS 9, where stage 1 includes performing financial assets for which there has not been a significant increase in credit risk, stage 2 includes financial assets that, while still performing, have experienced a significant increase in credit risk, and stage 3 includes impaired financial assets (impaired past-due, probable default and non-performing).

Value adjustments are then recognised in the Income Statement:

- at the time of initial registration, in an amount equal to the expected twelve-month loss;
- at the time of the subsequent valuation of the asset, where the credit risk has not significantly increased since initial recognition, in relation to changes in the amount of expected loss adjustments over the following twelve months (stage 1);
- at the time of the subsequent valuation of the asset, where the credit risk has significantly increased compared to initial recognition (transition to Stage 2), in connection with the recognition of value adjustments for expected losses over the entire contractual residual life of the asset;
- at the time of the subsequent valuation of the asset, where - after there has been a significant increase in credit risk with respect to initial recognition - the "materiality" of this increase has then ceased to exist, in connection with the adjustment of cumulative value adjustments to take account of the change from an expected loss over the entire residual life of the instrument ("lifetime") to one at twelve months (return to stage 1).

The financial assets under review, if performing, are subjected to an assessment, aimed at defining the value adjustments to be recognised in the financial statements, at the level of the individual credit relationship, according to the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD), which take into account the provisions of IFRS 9. If, in addition to a significant increase in credit risk, there is also objective evidence of impairment (transition to stage 3), the amount of the loss is measured as the difference between the carrying amount of the asset - classified as 'impaired', like all other relationships with the same counterparty - and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the Income Statement, is defined on the basis of an analytical valuation process or determined by homogeneous categories and, therefore, attributed analytically to each position and takes into account, as detailed in the paragraph "Method of determining impairment losses", forward-looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been assigned the status of non-performing, probable default or past-due/overdrawn for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. The expected cash flows take into account the expected recovery times and the presumed realisable value of any guarantees.

If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, reversals of impairment losses are recognised in the income statement.

The write-back may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

Write-backs related to the passage of time are recognised in net interest income. In some cases, during the life of financial assets under consideration and, in particular, loans, the original contractual terms are subject to subsequent modification by the parties to the contract. When, during the life of an instrument, the contractual terms are subject to modification, it is necessary to determine whether the original asset should continue to be recognised in the balance sheet or whether, on the contrary, the original instrument should be derecognised and a new financial instrument should be recognised.

In general, changes to a financial asset lead to its derecognition and the registration of a new asset when they are 'substantial'. The assessment as to the 'materiality' of the change must be made considering both qualitative and quantitative elements.

These (qualitative-quantitative) analyses are aimed at defining the 'substantiality' of the contractual changes made to a financial asset and should therefore consider the purposes for which the changes were made, i.e.: **a)** renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty. The former, aimed at "retaining" the customer, involve a debtor who is not in a situation of financial difficulty. Included in this category are all renegotiation transactions that are aimed at adjusting the onerousness of the debt to market conditions. Such transactions entail a change in the original terms of the contract, usually requested by the debtor, that relates to aspects connected to the onerousness of the debt, with a consequent economic benefit for the debtor. As a general rule, it is considered that whenever the bank carries out a renegotiation in order to avoid losing its customer, such renegotiation must be considered as substantial since, if it were not carried out, the customer would be able to obtain financing from another intermediary and the bank would suffer a decrease in expected future revenues. The second, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise the cash flow recovery of the original loan. The underlying risks and rewards, after modification, are usually not substantially transferred and, consequently, the accounting presentation that provides the most relevant information for the reader of the financial statements is that made through "modification accounting" - which implies the recognition in the income statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate - and not through derecognition;

b) For the presence of specific objective elements ("triggers") that affect the characteristics and/or contractual flows of the financial instrument (such as, by way of example only, a change of currency or a change in the type of risk to which one is exposed, when correlated to equity and commodity parameters), which are considered to entail derecognition in consideration of their impact (expected to be significant) on the original contractual flows. With regard to impaired financial assets (stage 3) acquired as part of a business combination, these are identified on initial recognition as impaired acquired or originated financial assets (so-called 'POCI') and are subject to a special treatment with regard to the impairment process. In addition, on financial assets qualified as POCI, a credit-adjusted effective interest rate is calculated at the date of initial recognition, for the identification of which it

is necessary to include initial expected losses in the cash flow estimates. For the application of amortised cost, and the consequent calculation of interest, this credit-adjusted effective interest rate is therefore applied. Finally, with reference to impaired and non-impaired loans resulting from business combinations, the difference between the initial recognition value and the previous book value at the acquired entity is divided into two components: one linked to the lower recoverable flows estimated when determining the fair value, which therefore discount the expected credit losses over the entire residual duration, and the other linked to the discounting of these lower recoverable flows. It is specified that the reversal effect of the discounting (relative to the estimated recoverable flows attributed to the impaired loans at the time of the PPA) is accounted for, pro rata temporis, among interest income so as to integrate the contractual interest rate with the higher yield deriving from the lower value attributed to the recoverable flows.

Staging Rules for Securities

The following stage allocation criteria are applied to the securities portfolio, consistent with the requirements and provisions of the Standard:

- "Low Credit Risk Exemption" (LCRE) based on the rating check of the tranche of the security at the reporting date;
- significant impairment rule based on verification of the change in the rating of the tranche of the security between the date of origination and the reporting date.

Tranches of securities that at the reporting date present a low level of risk (low credit risk), consistent with what is permitted by the Standard, are maintained in Stage 1. In line with best practice, the threshold for recognising a security as low credit risk has been set at the investment grade threshold established by the ECAI agencies and corresponds to S&P's BBB- rating class.

Tranches of securities that are not considered low credit risk are allocated to Stage 2 if they have experienced a significant deterioration in credit risk since the date of origination, otherwise they are allocated to Stage 1. The criterion for assessing the significant deterioration in creditworthiness and the consequent move to Stage 2 is based on a comparison of the ISIN (if any) or issuer rating at the date of purchase of the individual tranche and the reporting date.

The threshold for moving to Stage 2 was set at 2 notch downgrade consistent with market best practice. The attribution of ratings was carried out by obtaining this information from public sources. The ECAI agency considered is S&P; in the absence of the S&P rating, the ratings provided by Moody's and Fitch are considered in order of priority.

If the above criteria cannot be applied due to the lack of rating information at the origination or reporting date for the issue and the issuer (unrated cases), the tranche is prudentially allocated to Stage 2.

On the other hand, if an objective loss event (credit event) occurs, the exposure is classified in Stage 3.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

IAS 32 regulates the criteria for offsetting financial assets and liabilities. Specifically, the company may present the net balance in its balance sheet when the following conditions are met simultaneously:

- i. the company has a legal right to offset the amounts recognised in the accounts;
- ii. the company intends to settle for the net residue, or realise the asset and simultaneously extinguish the liability.

Therefore, net settlement is possible when any offset reflects the future cash flows that the entity expects to obtain from the settlement of two or more separate financial instruments. When an entity has the right as well as the intention to receive or pay a single net amount, it has in effect a single financial asset or financial liability. In other cases, financial assets and financial liabilities are presented separately from each other, consistent with their characteristics as a resource or an obligation for the entity.

HEDGING TRANSACTIONS

The Group avails itself of the possibility, envisaged at the time of the introduction of IFRS 9, to continue to fully apply the provisions of the previous accounting standard IAS 39 on hedge accounting (in the carved-out version endorsed by the European Commission) for each type of hedge.

Classification Criteria

Risk hedging transactions are designed to cover risks related to changes in market value, or in future cash flows attributable to a specific item or group of items, such as to have potential effects on the Income Statement. The type of hedge used by the Group is the fair value hedge and its objective is to hedge the exposure to changes in the fair value (attributable to the various types of risk) of recognised assets and liabilities or portions thereof, groups of assets/liabilities, firm commitments and portfolios of financial assets and liabilities, as permitted by IAS 39 approved by the European Commission.

Recognition Criteria

Derivative hedging instruments, like all derivatives, are initially recognised and subsequently measured at fair value.

Valuation Criteria

In the case of fair value hedges, the change in fair value of the hedged item is offset against the change in the fair value of the hedging instrument. This offset is recognised through the recognition in the Income Statement of changes in value, referring both to the hedged instrument (as far as the concerns the changes produced by the underlying risk factor), as well as the hedging instrument. Any difference, which represents the partial ineffectiveness of the hedge, is consequently the effect net profit or loss. The derivative instrument is designated as a hedging instrument if there is formalised documentation of the relationship between the hedged item and the hedging instrument and whether it is effective from the moment the coverage begins and, prospectively and retrospectively, throughout its life. The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged item are offset by that of the hedging instrument.

Therefore, effectiveness is appreciated by comparing the the aforementioned variations, taking into account the intent pursued by the company at the time the cover was implemented. Accounting effectiveness occurs when changes in the fair value of the hedging instrument neutralise almost entirely, i.e. within the limits set by the range 80% - 125%, the changes in the covered object for the hedged risk element (so-called Dollar offset method). The assessment of effectiveness is carried out at each financial year-end, or, interim situation. If the audits do not confirm the effectiveness of the hedging, hedge accounting is discontinued from that moment on; the contract derivative is reclassified under trading instruments and the hedged financial instrument regains the valuation criterion corresponding to its balance sheet classification. IAS 39 allows the object of fair value hedging can be identified not only in an individual financial asset or liability but also in a monetary amount, derived from a multiplicity of financial assets and liabilities (or portions thereof), so that a set of derivative contracts can be used to reduce the fair value fluctuations of the hedged instruments, to changes in market interest rates (so-called generic hedging or macrohedging). Net amounts arising from the imbalance of assets and liabilities.

Similar to specific fair value hedges (microhedging), a generic hedge is considered highly effective if, both at the outset and during its life, changes in the fair value of the amount monetary hedged are offset by changes in the fair value of the hedging derivatives, and if the results effective are within the range required by IAS 39. In accordance with the instructions issued by the Bank of Italy for the preparation of banks' financial statements, the adjustment of the value of financial assets/liabilities subject to macro-hedging is recognised in items 60 under Assets and 50 under Liabilities, in contra item 90 of the Income Statement.

EQUITY INVESTMENTS

This item includes interests held in associates (in accordance with IAS 28) and acquired with government grants/third-party funds, the accounting treatment of which is described below.

Associates are companies in which the parent company holds, directly or indirectly, at least 20% of the voting rights or in which, even with a lower proportion of voting rights, significant influence is recognised, defined as the power to participate in determining financial and management policies, without having control or joint control. Investments are initially recognised at cost, at the settlement date, including costs or income directly attributable to the transaction.

At each balance sheet date, or interim reporting date, the presence or absence of impairment of equity investments is verified. In the presence of the aforementioned indicators, an impairment test is carried out in accordance with the provisions of IAS 36 aimed at estimating the recoverable value of the equity investment and comparing it with its book value in order to determine whether value adjustments should be recognised.

Equity investments in associated companies

In these financial statements, the valuation criterion for investments in associates, as permitted by IAS 27 par.10 c, is the equity method described in IAS 28. The equity method is applied retroactively from the date of acquisition of the investment, taking into account the initial difference between the acquisition cost and the corresponding fraction of the investee's equity at the date of acquisition.

In the presence of indicators such as significant financial difficulties of the investee company, the likelihood that the investee company will declare bankruptcy or be subject to other financial restructuring procedures, the distribution of a dividend greater than the profit for the period and existing profit reserves, the distribution of a dividend by the investee company greater than the profit in the statement of comprehensive income (or comprehensive income for financial companies) in the year in which it declares it, an impairment test is performed in accordance with the provisions of IAS 36 to estimate the recoverable amount of the investment and to compare it with its carrying amount in order to determine whether to recognise any value adjustments, taking into account the initial difference between the acquisition cost and the corresponding fraction of the investee's equity at the acquisition date.

In the years following the acquisition, adjustments are made to annually update the effects of the initial difference between the acquisition cost and the carrying value of the investee, recognising a corresponding change in the carrying value of the investment in the income statement.

Company dividends are recognised when the right to receive the dividend is established and are accounted for as a reduction in the carrying amount of the investment. Under the equity method, the investment is initially recognised in accordance with IAS 28 and the carrying amount is increased or decreased to recognise the investor's share of the investee's profit or loss realised after the acquisition date. The investor's share of the investee's profit (loss) for the year is recognised as a balancing entry in the income statement.

An investment is accounted for using the equity method from the moment it falls within the definition of a subsidiary and associate. Upon acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the investee's assets and liabilities is accounted for as illustrated below:

- goodwill is included in the carrying amount of the investment. Amortisation of such goodwill is not permitted;
- Any excess of the interest in the net fair value of the investee's assets and liabilities over the cost of the investment is included as income in the period in which the investment is acquired.

Appropriate adjustments must also be made to the investee's post-acquisition result for the year in order to take into account depreciation of depreciable assets based on their fair values at the acquisition date, impairment losses for goodwill or property, plant and equipment, and other items that make up the fair value at the time of acquisition. If there is a negative equity of the investee, after the investment is written off, further losses are accrued and recognised as liabilities/provisions for risks and charges only to the extent that the parent company has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently realises profits, the parent will recognise its share of the profits only after it has matched its share of the unrecognised losses.

Equity investments acquired with government grants/third-party funds

This category includes equity investments acquired with public grants/third-party funds. In light of what has been previously reported with respect to the accounting treatment of grants received in application of Article 1 of Decree-Law No. 142 of 16 December 2019, (see previous paragraph "Part A - ACCOUNTING POLICIES Section 4 - Other Aspects - Application of Article 1 of Decree-Law No. 142 of 16 December 2019"), Invitalia has defined a specific accounting policy for the accounting treatment of all equity investments acquired with public grants/third-party funds. 142"), Invitalia has defined a specific accounting policy for the accounting treatment of all participations acquired with public grants/third-party funds that can be classified in accordance with the provisions of Accounting Standard IAS 20, considering that these participations, although formally presenting the characteristics envisaged for an equity instrument (IAS 32:11), could not fall within the scope of application of the international accounting standards that specifically govern the accounting treatment of equity instruments (IFRS 9, IAS 27 and IAS 28 and IFRS 11).

In particular, it was considered, also on the basis of a technical opinion prepared for this purpose, that these equity investments are acquired in execution of specific regulatory provisions and through the use of public or third-party resources. These regulatory provisions provide for specific rights for the party making the contribution/third party fund and specific obligations on the part of the Agency with respect to the equity

investments acquired with the public contributions/third party funds, which in substance do not attribute to Invitalia either the economic effects typical of an equity instrument (dividends, write-downs, etc.) - as any equity instrument (whether minority or even joint control and control), which therefore represents "a residual interest in the assets of the entity after deducting all of its liabilities" - nor the power of to take specific actions typical of ownership (e.g., the sale of the shareholding acquired through the contributions received/funds of third parties), despite having the legal ownership of the shares representing the share capital of a company. Taking into account the specificity of the context just described, the Agency has adopted a specific accounting policy for the recognition and valuation of participations acquired by means of a grant/third-party funds.

The initial recognition and subsequent valuation of these participations are made at cost, on the settlement date, including costs or income directly attributable to the transaction. At each balance sheet date, or interim reporting date, the presence or absence of impairment of participations is verified.

The recognition of such evidence is based on the existence of qualitative and quantitative indicators illustrated below. In the presence of these indicators, an impairment test is carried out in accordance with the provisions of IAS 36, aimed at estimating the recoverable value of the equity investment and comparing it with its book value in order to determine whether value adjustments should be recognised. With particular reference to those equity investments whose individual carrying value was deemed not relevant - in accordance with the provisions of International Accounting Standard IAS 1:7 - Shareholders' Equity is used as the method to determine the recoverable value of the equity investment - as it approximates the fair value calculated with a simple equity method - to be compared with the book value of the same in order to determine the recognition of any impairment. As indicated above, at each balance sheet date, or interim situations, the presence of specific qualitative and quantitative indicators is assessed, such as:

- the achievement of negative economic results or, in any case, a significant deviation from budget targets (or from multi-year plans);
- significant financial difficulties of the investee company;
- likelihood that the investee company will declare bankruptcy or be subject to other financial restructuring procedures;
- the distribution of a dividend greater than the profit for the period and existing profit reserves;
- the distribution of a dividend by the investee company in excess of the profit in the comprehensive income statement (or comprehensive income for financial companies) in the year in which it declares it.

The participations currently affected by this accounting treatment, both for the purposes of the separate and consolidated financial statements, are as follows:

1. Mediocredito Centrale SpA limited to the portion of assets earmarked for the purchase of the equity investment in BdM Banca SpA;
2. Shareholding in Acciaierie d'Italia Holding SpA;
3. Participation in Reithera Srl;
4. Participation in TLS Sviluppo Srl;
5. Shareholding in DRI d'Italia SpA;
6. Shareholdings acquired ex Lege 181/89 (CMS Srl in fallimento, Ela SpA in fallimento, Elimirad Service Srl in liquidazione, Fonderie SpA in fallimento, Gustavo De Negri & Z.A.MA. Srl, Jonica Impianti Srl, Peritas Srl, PRO.S.IT. Srl in fallimento, SIE- Società Ittica Europea in Amministrazione Straordinaria, Simpe SpA in fallimento, Sural SpA in fallimento).

With regard to undertakings acquired with third-party funds for which the Agency is identified as a mere managing entity, they are recognised under 'Commitments' and not under 'Participations', as these are facilitation measures for which the Agency has sole responsibility for implementation under the same measures.

Equity investments held for sale

For these investments, please refer to the more detailed description in the section below entitled "Non-current Assets and Groups of Assets classified as Held for Sale".

PROPERTY, PLANT AND EQUIPMENT

Classification Criteria

This item includes land, buildings, furniture, plant and machinery. Property, plant and equipment are initially recognised at cost, which includes, in addition to the purchase price, any accessory charges directly attributable to the purchase and commissioning of the asset. Extraordinary maintenance costs that result in an increase in future economic benefits are recognised as an increase in the value of the assets, while other ordinary maintenance costs are recognised in the income statement.

This item also includes renovation costs of non-owned real estate, which are capitalised in consideration of the fact that, for the duration of the contract allowing for their use (lease, commodity loan, concession, etc.), the user company has control over the assets and can derive future economic benefits from them.

In application of the new accounting standard IFRS 16, property, plant and equipment also include rights of use acquired under leases and related to the use of a property, plant and equipment for lessees/owners.

Recognition Criteria

Property, plant and equipment are initially recorded at purchase cost including any directly attributable accessory charges. The cost is increased by any costs subsequently incurred to improve, replace a part or perform extraordinary maintenance that will increase future economic benefits. Ordinary maintenance costs are charged directly to the income statement. Under IFRS 16, leases are accounted for using the *right-of-use* model, whereby, at the inception date, the lessee has a financial obligation to make payments due to the lessor to compensate for its right to use the underlying asset during the lease term. When the asset is made available to the lessee for use (the initial date), the lessee recognises both the liability and the asset consisting of the right of use.

Valuation Criteria

Property, plant and equipment are measured at cost less any depreciation and impairment losses. The depreciable amount is represented by the cost of the assets (or the restated net value if the valuation method used is restatement) less the residual value at the end of the depreciation process, if significant. Buildings are depreciated at a rate deemed appropriate to represent the depreciation of the assets over time as a result of their use, taking into account extraordinary maintenance costs, which are added to the value of the assets.

Renovation costs of non-owned real estate are depreciated over a period not exceeding the duration of the utilisation contract.

If there is any indication that an asset may be impaired, the asset's carrying value is compared with its recoverable value. Any adjustments are recognised in the Income Statement.

If the reasons that led to the recognition of the loss cease to exist, a reversal of the impairment loss is recognised, which may not exceed the value that the asset would have had, net of calculated depreciation, in the absence of previous impairment losses. With regard to assets consisting of right-of-use, which are accounted for under IFRS 16, they are measured using the cost model in accordance with IAS 16 Property, Plant and Equipment; in this case, the assets are subsequently depreciated over the term of the lease agreements.

Derecognition Criteria

Property, plant and equipment are derecognised on disposal or when the asset is retired from use and no future economic benefits are expected from its disposal.

The positive or negative balance of value adjustments and reversals relating to property, plant and equipment held for functional use or investment purposes or constituting inventories of property, plant and equipment measured in accordance with IAS 2, including those relating to assets acquired under finance leases, must be recognised in the income statement under item 180. Net adjustments/write-backs to property, plant and equipment.

In addition, in the case of property, plant and equipment measured at fair value for functional use, for investment purposes and inventories, the positive or negative balance between write-downs and revaluations must be recognised in the income statement under item 230. Net result of fair value measurement of property, plant and equipment and intangible assets.

INTANGIBLE ASSETS

Classification Criteria

Intangible assets are recognised as such if they are identifiable and arise from legal or contractual rights. Intangible assets also include goodwill, which represents the positive difference between the acquisition cost and the fair value of the assets and liabilities attributable to an acquired company.

Recognition and Valuation Criteria

Intangible assets are recognised at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will materialise and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in the income statement in the year it is incurred.

In summary, the following conditions must be met for the registration of an intangible asset:

- a. The cost of the asset can be reliably determined.
- b. The activity is capable of producing future economic benefits for the enterprise.

Intangible assets must be recognised:

- i. At purchase cost, if purchased from third parties or performed on the basis of sub-contracts (contract work in progress). This cost includes directly attributable ancillary charges (e.g. installation and testing costs, notary fees, registration fees, any non-deductible VAT) and reduced for any trade discounts. If payment for an intangible asset is deferred beyond the normal terms of deferral, the cost must be discounted and determined on the basis of the equivalent cash price; the difference between this amount and the total payment is recognised as an offsetting entry to the debt as interest expense over the life of the debt;
- ii. The cost of personnel employed in the implementation of the intangible asset may contribute to the direct cost of production, especially with reference to the typical activity of the group, if it is easily calculable and adequately demonstrable (e.g. through the preparation of special reports or timesheets); other recognisable costs may relate to professional fees incurred directly in bringing the asset to its working condition, and also costs for verifying whether the asset is functioning properly;
- iii. With regard to intangible assets acquired by way of use (by way of a licence for use), it is only possible to capitalise any consideration paid initially on a 'one-off' basis. Periodic payments (fees, royalties, etc.), on the other hand, are considered costs for the financial year. In certain circumstances, an intangible asset may be acquired in whole or in part without incurring a charge by way of a government grant. This may occur where a government transfers or allocates intangible assets such as licences to operate radio stations, import licences, quotas or rights to access other scarce resources. The asset received and the contribution are recognised at a token value.

For assets with a finite useful life, the cost is amortised on a straight-line basis or on a declining balance determined by the inflow of expected economic benefits from the asset. On the other hand, assets with an indefinite useful life are not subject to systematic amortisation.

If there is any indication that an asset may be impaired, the recoverable amount of the asset is estimated. The amount of the loss, recognised in the Income Statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

The balance, whether positive or negative, of value adjustments and reversals relating to intangible assets, other than goodwill, including those relating to assets acquired under finance leases and assets granted under operating leases, must be recognised in the income statement under item 190. Net adjustments/write-backs to intangible assets.

In addition, in the case of intangible assets measured at fair value, the positive or negative balance between write-downs and revaluations must be entered in the income statement under item 230. Net result of fair value measurement of property, plant and equipment and intangible assets.

Derecognition Criteria

An intangible asset is derecognised on disposal or when future economic benefits are no longer expected.

NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The separate disclosure of "Non-current assets (or 'Asset Groups - Disposal Group') classified as held for sale" and related liabilities in the liability item "Associated liabilities held for sale" meets the need for more transparent disclosure for the reader of the financial statements. Current assets, on the other hand, may only be classified under "Non-current assets classified as held for sale" if they are part of or form part of a Disposal Group. An 'asset group' is a collection of directly associated assets and liabilities, such as cash generating units, that are intended to be disposed of through a sale, or otherwise, in a single transaction. In the case of groups of assets, separate recognition of assets and liabilities in the balance sheet is required, without the possibility of offsetting the two positions. The measurement principles set out below do not apply to deferred tax assets, assets related to employee benefits and financial assets within the scope of IFRS 9, whether held for sale as individual assets or included in a Disposal Group. Conversely, the classification methods apply without distinction to all non-current and current assets (if included in a Disposal Group) that are 'held for sale', as well as related liabilities.

Assets classified as held for sale are valued at the lower of book value and fair value less costs to sell and are shown separately and distinctly in the balance sheet.

The following assets can be classified as held for sale:

- I. Individual non-current assets (non-current assets);
- II. Group of assets only or group of assets and liabilities (disposal group);
- III. Discontinued operations.
A discontinued operation is a part of a business (e.g. a business unit) that is classified as held for sale and:
 - represents an important line of business or geographical area of activity;
 - is part of a coordinated plan to divest a branch of activity or geographical area of activity or is a subsidiary purchased solely for the purpose of resale.

Classification of assets classified held for sale

Classification as Assets classified as held for sale can be made if the following conditions are met:

- The book value is recovered mainly through sale rather than through operational use;
- The sale is highly probable.

The sale is considered highly probable if:

- Management is committed to the sale through a sales plan and a buyer identification programme;
- The selling price is reasonable in relation to the current fair value;
- The sale must take place within one year from the date of reclassification;
- The activities for the completion of the plan indicate that it is unlikely that significant changes will be made to the plan or that the plan will be withdrawn.

The extension of the aforementioned one-year period to complete the sale does not preclude classification as 'Assets classified as held for sale' if the delay is caused by events and circumstances beyond management's control and there is sufficient evidence that management will remain committed to its plan to sell.

If the period for sale extends beyond one year, the classification as Assets classified as held for sale must be maintained in the following cases:

- i. Management is committed to the sale plan but expects that others, not the buyer, will impose conditions on the sale that will increase the period required for the sale;
- ii. There is a binding commitment to purchase but the buyer or others unexpectedly impose new conditions on the assignment;
- iii. During the initial one-year period, circumstances arise which were previously considered unlikely and which extend the period of the sale.

The requirements set out above must be met at the balance sheet date: any assets (or 'groups of assets') that meet these requirements after the balance sheet date, but prior to the approval of the balance sheet, will only give rise to a disclosure obligation similar to that in the first year in which an asset is classified as 'held for sale'.

This item, within the company, includes the non-strategic equity investments that have been put up for sale or begun to be disposed of; these assets, due to both the group's operating characteristics and the peculiarities of the assets being disposed of (related to the timing of disposal or liquidation), may, depending on the specific case, be classified and maintained in this item regardless of the timing of liquidation/disposal.

Valuation of assets classified as held for sale

Assets classified as held for sale must be valued at the lower of book value and fair value less costs to sell.

If the sale extends beyond one year, the selling costs must be measured at present value. Any increase in the present value of sales costs, which results from the passage of time, must be charged to the income statement as a finance cost.

The carrying amount of Assets classified as held for sale must be determined immediately prior to their classification, taking into account the IFRS/IAS applied up to that time. At the end of the reporting period (or interim reporting period), the carrying amount so determined must be aligned, if lower, with the fair value less costs to sell of the held-for-sale asset, recognising an impairment loss. In the case of a cash-generating unit, the impairment loss shall be allocated to reduce the carrying amount of any allocated goodwill, and subsequently to reduce other assets in proportion to their carrying amount.

Capital gains in excess of accumulated impairment losses may not be recognised.

Assets classified as held for sale are not to be depreciated from the time they are classified as such.

Assets classified as held for sale that are part of a business combination are only to be measured at fair value less costs to sell.

Reductions in fair value less costs to sell resulting from the classification are recognised in the income statement as impairment losses, while any reversals of impairment losses resulting from increases in fair value less costs to sell may only be recognised to the extent of previously recognised impairment losses.

If the conditions for classification as Assets classified as held for sale are no longer met, the related assets must be valued at the lower of:

- i. The carrying amount prior to classification as Assets classified as held for sale adjusted for any depreciation or revaluation that would have been recognised had such classification not occurred, and
- ii. Recoverable value through use.

Adjustments to the carrying amount arising from the termination of the classification as Assets classified as held for sale must be recognised in the income statement under capital gains and losses relating to continuing operations.

Presentation of assets classified as held for sale in the Financial Statements

Assets classified as held for sale must be presented separately in the statement of financial position, without adjusting comparative information, according to the following criteria:

- i. Non-current assets must be shown as current assets on a separate line;
- ii. The assets and liabilities of an Assets classified as held for sale must be presented as current assets and liabilities in a single separate line without the possibility of offsetting;
- iii. Cost and revenue components recognised in other comprehensive income that relate to a non-current asset or to the assets and liabilities of an asset held for sale must be presented separately.

Investments in subsidiaries and joint ventures held for sale are not excluded from consolidation, but must be reported in the statement of financial position on separate lines, showing the total assets and liabilities of the subsidiary, valued at the lower of book value and fair value less costs to sell.

For discontinued operations only, a single amount arising from

- Profit and loss after tax realised in the period of destination for sale and in all previous periods presented;
- After-tax Gains and Losses from Fair Value Adjustment and Disposal.

In addition, it must be indicated in the Notes to the Consolidated Financial Statements:

- I. The amount of income, expenses, profit or loss before tax;
- II. The amount of income tax;
- III. The amount of after-tax income and losses arising from fair value adjustments and disposals.

The cash flow statement must show separately the amount of cash flows arising from the operating and financing activities of the discontinued operation.

The balance, whether positive or negative, of income (interest, dividends, etc.) and expenses (interest expense, depreciation, etc.) relating to groups of assets and associated liabilities held for sale, net of the related current and deferred taxation, must be recognised in the income statement under item 290. Profit (Loss) from discontinued operations after tax.

OTHER ASSETS

This item includes assets that cannot be allocated to other balance sheet asset items. They include, inter alia, receivables related to the provision of activities and services, other than financial activities and services as defined by the T.U.B. and the T.U.F., tax items other than those recognised under 'Tax assets' as well as accrued income other than those to be capitalised on the related financial assets.

This item also includes improvements and incremental expenses incurred on third-party assets other than those attributable to "Property, plant and equipment" as well as any inventories of assets as defined in IAS 2, excluding those classified as inventories of property, plant and equipment.

This item includes loans and debt securities issued from funds administered on behalf of the State or other public bodies, the management of which is remunerated solely by means of a lump-sum fee (commission) and which are therefore in the nature of a mere service.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Classification Criteria

Due to banks, Due to customers and Securities issued include the various forms of funding. Also included are liabilities recognised by the company as lessee under finance leases.

Recognition Criteria

Initial recognition of these financial liabilities takes place on the date the contract is entered into, which normally coincides with the time of receipt of the amounts collected or the issue of the debt securities. Initial recognition is based on the fair value of the liabilities, normally equal to the amount collected or the issue price, plus any additional costs/income directly attributable to the individual funding transaction. Internal administrative costs are excluded.

Valuation Criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

An exception to this are short-term liabilities, for which the time factor is negligible, which remain recorded at the amount collected.

Derecognition Criteria

Financial liabilities are derecognised when they expire or are extinguished. Derecognition also occurs when previously issued bonds are repurchased. The difference between the book value of the liability and the amount paid to purchase it is recognised in the income statement. The placing of own securities on the market after their repurchase is treated as a new issue with recognition at the new placement price.

In the event of the repurchase of one's own financial liabilities, the positive or negative balance of gains and losses must be recognised within item 100. Gains (loss) on disposal or repurchase of c) financial liabilities.

OTHER LIABILITIES

Other liabilities include cash security deposits received from third parties and tax liabilities due in more than twelve months.

Other liabilities include: short-term payables to third parties of a different nature; other types of payables (e.g. payables to social security institutions, payables to employees for wages and salaries to be paid; payables for collections received on behalf of third parties; payables for advances received from customers); accrued expenses and deferred income.

For the purpose of measuring/measuring financial instruments at amortised cost, short-term liabilities are not discounted as the effect of the time value of money is not significant. With reference to payables to personnel, these represent obligations to pay a determined amount at a pre-determined date. They are, therefore, liabilities that are certain in their existence and amount, while those that are probable or based on estimates and actuarial calculations are recognised in the item Employee benefits.

This item includes, in particular, the following types of payables:

- i. Payables to social security institutions;
- ii. Accrued expenses and deferred income;
- iii. Advances from suppliers.

Payables represent obligations to pay a specified amount on a specified date. They are, therefore, liabilities that are certain in existence and amount, while those that are probable or based on estimates are recognised in provisions.

This item also includes interest expenses arising from payables to others both in the case where the accrual period relates to two accounting periods, and in the case where interest is fully accrued at the end of the period.

This item includes liabilities for third-party funds administered on behalf of the State or other public entities, the management of which is in the nature of a mere service and is remunerated solely with a lump-sum fee (commission). Also recognised under this item are sums made available by public sector entities, for a limited period of time, provided that they are fully available to the intermediary and are not interest-bearing.

Payables for third-party funds administered on behalf of the State or other public bodies relating to facilitation measures for which the Agency acts solely as mandator are not recognised under this heading but entered under commitments as are the related uses.

This item also includes public grants received in accordance with the section on "Public Grants" below.

GOVERNMENT GRANTS

IAS 20 requires that government grants should be recognised in the balance sheet only if 'there is reasonable certainty' that:

- i. The entity will comply with the conditions;
- ii. Contributions will be received.

Government grants must be accounted for in accordance with the income system, i.e. they must be recognised as income in the Income Statement, on a systematic and rational basis, in the periods necessary to relate them to the costs attributable to them.

The possibility of crediting public grants directly to equity is excluded; in other words, there is no provision for them to be accounted for according to the 'capital system'.

Types of government grants

IAS 20 provides for the following different types of government grants:

1. **Capital Grants/Facilities Grants:** Public capital grants are defined as 'government grants for the obtainment of which it is an essential condition that the enterprise acquires, constructs or otherwise acquires fixed assets'. The granting of the contribution is therefore linked to the construction or acquisition (or other forms of acquisition) of property, plant and equipment and intangible assets, the usefulness of which is long-lasting, i.e. capital goods for the enterprise;

Accounting: 'Capital grants' are accounted for on the basis of the 'income approach', i.e. by systematically recognising them in the income statement, with two possible methods of presentation allowed by IAS 20. The

first method, known as the 'deferred revenue method', envisages the recognition of the grant as deferred revenue, which must be recognised as income, i.e. as a positive income component, on a systematic and rational basis over the useful life of the asset acquired or constructed. In essence, following this method, the grant is initially suspended among the deferred revenue in the liabilities of the balance sheet, with deferral to future years of the portion of the grant not pertaining to the year through the entry of deferred income. The amount of deferred income will be progressively reduced, until it is zeroed out, by posting the portion of the grant pertaining to future years to the Income Statement. asset acquired or constructed. In essence, following this method, the grant is initially suspended among the deferred revenues in the liabilities of the Balance Sheet, with deferral to future years of the portion of the grant not pertaining to the year through the recording of deferred income. The amount of deferred income will be progressively reduced, until it is reduced to zero, by charging the portion of the grant pertaining to future years to the Income Statement on the basis of the useful life of the assets. The second method, known as the 'net presentation method', implies that the purchased (or constructed) asset is recognised in the balance sheet net of the grant paid for its acquisition. By proceeding in this manner, the grant affects the Income Statement indirectly, through the reduction of the depreciation of the acquired (or constructed) asset. The method chosen by Invitalia for accounting for this type of contribution that of the 'method deferred income" within the item "Other Liabilities". In short, the value of this type of contribution is suspended within Liabilities and gradually released to the income statement within the item "Other operating income" in proportion to the useful life of the relevant asset, thus correlating it to the depreciation of the asset itself.

2. Operating grants: Operating grants are a residual category, i.e. all public grants other than capital grants.

Accounting: this type of grant, which is related to cost components, must be recognised within the item "Other Operating Income" and systematically spread over the various financial years so that the income is related to the costs they are intended to offset. Consistent with the "income" criterion, if a grant is correlated to future costs, this grant may be recognised in the income statement only in the financial year in which the charge against which it is intended to compensate occurs.

Where a grant is made for the purpose of providing financial support to a company, the grant is only recognised in the income statement in the year in which it becomes receivable. Given the characteristics of the company, and with specific reference to grants for plant, the related assets may be accounted for according to the assets the grant relates to; for example:

- item 40 - Financial assets measured at amortised cost;
- item 70 - Equity investments;
- item 80 - Property, plant and equipment;
- item 110 - Non-current assets and disposal groups classified as held for sale
- item 120 - Other Assets - [Inventories].

The information referred to in paragraphs 125 et seq. of Article 35 of Decree-Law No. 34 of 30 April 2019 is reported under the individual items on which the grants, subsidies or contributions or without consideration, remuneration or compensation received are based.

This item also includes the grant received pursuant to Article 1, Paragraph 1 of Legislative Decree No. 14 of 16/12/19, for the accounting treatment of which please refer to "Section 4 - Other Aspects" of "Part A1 - General Section" of these notes.

EMPLOYEE TERMINATION INDEMNITIES (EMPLOYEE BENEFITS)

The liability relating to guaranteed employee benefits paid on or after termination of employment through defined benefit plans, represented by the employee termination indemnities, is recognised over the vesting period of the right, net of any plan assets and advances paid, and is determined on the basis of actuarial assumptions and recognised on an accrual basis consistent with the work services required to obtain the benefits.

For discounting purposes, the *Projected Unit Credit Method* is used. The costs of the plan are recognised in the income statement for the period.

Actuarial gains and losses are fully recognised in the reporting period and charged to equity.

The actuarial analysis is carried out annually by an independent actuary.

PROVISIONS FOR RISKS AND CHARGES

Allocations to funds are only made when:

- there is a present obligation (legal or implied) as a result of a past event;
- it is probable that economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are recorded at the value representing the best estimate of the amount that the company would pay to settle the obligation or to transfer it to a third party at the balance sheet date. Risks for which the occurrence of a liability is possible are disclosed in the notes to the Financial Statement or in the Report on Operations without making any provision. If the effect of discounting is significant, provisions are determined by discounting the expected future cash flows at a discount rate that reflects the current market valuation of the cost of money and the risks specific to the liabilities. When discounting is performed, the increase in the provision due to the passage of time is recognised as a finance cost.

CURRENT AND DEFERRED TAXES

The effects of current and deferred taxes calculated in accordance with national tax legislation on an accrual basis are recognised, consistently with the way the costs and revenues that generated them are recognised in the financial statements, applying the tax rates in force.

Income taxes are recognised in the income statement, except for those relating to items debited or credited directly to equity.

The provision for income taxes is determined on the basis of a prudent forecast of the current, advance and deferred tax burden.

Deferred tax assets and liabilities are determined on the basis of temporary differences - without time limits - between the value attributed to an asset or liability according to statutory criteria and the corresponding values assumed for tax purposes.

Deferred tax assets and liabilities are recognised:

- the former only if there is a probability of their recovery, assessed on the basis of the company's ability to continuously generate positive taxable income;
- the latter, if any, in any case.

Assets and liabilities recognised for deferred tax assets and liabilities are systematically measured to account for any changes in regulations or rates.

Where deferred tax assets and liabilities relate to items that affected the income statement, the balancing entry is income tax. In cases where deferred tax assets and liabilities relate to transactions that directly affected equity without affecting the income statement (such as the valuation of available-for-sale financial instruments or cash flow hedging derivatives), they are recognised as a balancing entry in equity, affecting the relevant specific reserves.

RECOGNITION OF REVENUES

Revenues are recognised when a customer obtains control of the goods. The identification of the passing of control is determined on the basis of a five-step analysis model that applies to all revenues from contracts with customers:

- i. Identification of the contract with the customer;
- ii. Identification of performance obligations (i.e. contractual commitments to transfer goods and/or services to the customer);
- iii. Determination of the transaction price;
- iv. Allocation of the transaction price to identified performance obligations based on the stand-alone selling price of each good or service; and
- v. Recognition of revenue per individual performance obligation when it is met.

When signing each contract with customers, the Company, in relation to the goods or services promised, identifies as a separate obligation each promise to transfer to the customer a good, a service, a series of goods or services or, again, a combination of goods and services that are distinct. Revenues are measured at the fair

value of the consideration receivable, including any variable components, where it is considered highly probable that these will not be paid in the future.

Revenues may be recognised:

- at a specific time, when the entity performs the obligation to do by transferring the promised good or service to the customer, or
- over time as the entity performs the obligation to do by transferring the promised good or service to the customer.

Revenues are recognised to the extent that their value can be reliably determined and it is probable that the related economic benefits will accrue to the Company.

Depending on the type of transaction, revenue is recognised on the basis of the specific criteria below:

1. Provision of services/Disposal of goods - such revenue is recognised only if:
 - a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and have undertaken to perform their respective obligations;
 - b) the company may identify the rights of each party in respect of the goods or services to be transferred;
 - c) the company may determine the terms of payment for the goods or services to be transferred;
 - d) the contract has commercial substance (i.e. the risk, timing or amount of future cash flows are expected to change as a result of the contract);
 - e) It is probable that the company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer. In assessing the likelihood of receiving the amount of consideration, the company need only take into account the customer's ability and intention to pay the amount of consideration when it is due. If the consideration is variable, the amount of the consideration to which the company will be entitled may be less than the price stipulated in the contract, because the company may give the customer a discount on the price. Invitalia essentially operates with two different facts:
 - Contracts for the sale/provision of goods/services: in which revenue is directly commensurate with the costs incurred, which are reported and approved. In all contracts belonging to this category, the revenue is configured as a reimbursement of costs (Cost Contracts), accounted for under the item "Commissions receivable" sub-item 5 "services", which includes both fees and contributions for the reimbursement of costs incurred in carrying out activities related to the operating programmes assigned by the competent Administrations. This is the situation in which Invitalia is engaged in the provision of a service mainly using its own labour and providing for the reporting of the same. The valorisation of these revenues is, therefore, represented by the external costs for the acquisition of goods and services, the internal cost of the personnel involved in the implementation of the service, and the general expenses calculated as a percentage of direct costs (external and internal);
 - Contracts in which it acts as "Delegated Contracting Authority": the Public Administration contracts with Invitalia to tender the realisation of a work or service with a third-party supplier. This is the situation in which Invitalia undertakes the construction of a work or service and returns it to the client on a turnkey basis. Thus, two types of costs are accounted for:
 - External cost of the supplier awarded the contract (pass-through cost for Invitalia);
 - Internal cost of personnel dealing with the administrative/ bureaucratic management of the contract. In contracts identified as "with procuring authority", in which Invitalia acts as an "agent", consisting of the obligation to arrange for a third party to provide the specific good or service, in accordance with the new IFRS 15 accounting standard, the component of the contract price relating to the cost of the third party supplier is no longer recognised as revenue, but is netted with the cost incurred to fulfil this obligation. Internal cost of personnel involved in the administrative/ bureaucratic management of the order.
2. Interest - Income is recognised on the basis of the interest accrued on the net value of the related financial assets using the effective interest rate (a rate that exactly discounts estimated future cash flows to the net book value of the asset);
3. Dividends - Are recognised when the shareholders' right to receive payment is established.

Methods of determining impairment losses

With reference to the subsidiaries operating in the banking sector, Mediocredito Centrale and Cassa di Risparmio di Orvieto, the following table shows how impairment losses were determined.

At each balance sheet date, in accordance with IFRS 9, financial assets other than those measured at fair value through Income Statement are subject to an assessment to check whether there is evidence that may cause the carrying value of the assets to be deemed not fully recoverable. An analysis similar is also done for commitments to disburse funds and for guarantees issued that fall under the perimeter to be subjected to impairment pursuant to IFRS 9. In the event that such evidence exists (c.d. "evidence of impairment"), the financial assets in question - consistent, where they exist, with all those remaining pertaining to the same counterparty - are considered impaired and converge in stage 3. Against these exposures, represented by the financial assets classified - pursuant to the provisions of Bank of Italy Circular No. 262/2005 - in the categories of non-performing loans, non-performing probable defaults and exposures past due for more than 90 days, adjustments must be recognised for value equal to the expected losses over a time horizon equal to their entire residual life.

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), Instead, it is necessary to check whether there are indicators such that the credit risk of the individual transaction is significantly increased since the time of initial registration. The consequences of such verification, from the point of view of classification (or, more appropriately, staging) and evaluation, are the following:

- where such indicators exist, the financial asset is included in stage 2. The valuation, in this case, in accordance with the dictates of international accounting standards and even in the absence of a manifest loss of value, provides for the recognition of value adjustments equal to the expected losses throughout the entire residual life of the financial instrument. These adjustments are subject to review at each subsequent reporting date both to periodically check their congruity with respect to the constantly updated loss estimates, and to take into account - in the event that the indicators of a significantly increased credit risk cease to exist - the changed forecast horizon for calculating the expected loss;
- where these indicators do not exist, the financial asset is transferred to stage 1. The valuation, in this case, in accordance with the dictates of international accounting standards and even in the absence of a manifest impairment loss, provides for the recognition of expected losses, for the specific financial instrument, over the following twelve months. These adjustments are subject to review at each subsequent balance sheet date, both to periodically check their congruity with respect to the constantly updated loss estimates, and to take into account - should indicators of a "significantly increased" credit risk arise - the changed forecast horizon for calculating the expected loss.

Considering that at each balance sheet date, it is necessary to recognise the amount of the change in the expected lifetime loss as an impairment gain or loss in the Income Statement, the model adopted by the Group Banks for the calculation of impairment losses on financial assets at the level of individual reports is as follows:

$$ECL_{t_0} = \sum_{i=1}^N \left(\frac{EAD_{t_i} * mPD_{t_i} * LGD_{t_i}}{(1 + R)^{(t_i-1)}} \right)$$

where:

ECL_{t_0} = value adjustment calculated at the reporting date;

N = residual life of the report (contractual maturity minus reporting date);

EAD_{t_i} = value of EAD at future point in time t_i ;

mPD_{t_i} = marginal probability of default in mPD_{t_i} ;

LGD_{t_i} = value of LGD at the future point in time t_i ;

R = discount rate equal to IRR.

With reference to financial assets classified as stage 1, the calculation formula illustrated above is calculated limited to a time horizon of 1 year (n equal to or less than 12 months), while for financial assets classified as stage 2, the instants indicated in the formula are consistent with the frequency of expected cash flows in the case of a multi-period EAD or with the annual frequency in the case of an amortisation plan with a single repayment at maturity (so-called bullet).

The level of granularity used to determine impairment is the individual ratio for the loan portfolio, while for the securities portfolio reference must be made to the individual tranches outstanding. In the case of purchases of several tranches of the same security at different points in time, it is possible that the initial purchase conditions differ (different ratings of the issue or issuer) and it is therefore appropriate to consider each tranche purchased, even of the same security, as a separate financial instrument. This implies the need to assess the deterioration of creditworthiness at the level of each individual tranche purchased and the possibility of having to allocate tranches of the same security to different stages.

Probability of default (PD)

Pending the consolidation of a portfolio capable of providing robust internal risk evidence, Group banks estimate one-year PDs on their exposures using an external rating model. Specifically, PDs are estimated for each rating class based on a recalibration process that uses the model's PDs and the average default rate observed on the portfolio. The input data are subject to quality control and, where appropriate, undergo a normalisation process to ensure the monotonicity of PDs with respect to ratings. Unrated positions are assigned to the rating class with average PDs unless the analysis and monitoring activities reveal a significantly above-average risk profile.

In order to ensure a correct application of the accounting standard, the PDs are processed in the following steps:

- PIT Adjustment

As a matter of prudence, and considering the volatility of default rates observed on the loan portfolio, the PDs of the model's one-year provider (PD 1Y) are recalibrated on the basis of an average decay rate observed on the portfolio (Central Tendency - CT). This parameter is updated periodically, based on internally observed risk trends, in order to estimate PDs that are as representative as possible of the portfolio's riskiness;

- Multi-period forward-looking cumulative PD calculation

Multi-period PDs are derived from 1Y PDs through: - the Merton-Vasicek methodology, which takes as input prospective default rate data calculated using proprietary satellite models, for the first three years of the curve and, from the fourth year onwards, with a Markovian approach using a TTC matrix calculated through the historical transition matrices provided by the same provider.

- Determination of conditional marginal PDs

From the term structure of cumulative PDs, the term structures of marginal and conditional PDs are determined. Loss Given Default (LGD) During 2022, the Parent Company, together with the other LEs of the Group, initiated a project for the updated estimation of the LGD parameter, which included:

(a) the calculation of the loss given distress (LGS) value using data on observed recoveries on closed non-performing loans throughout the historical series available to date;

(b) Calculation of the Danger Rate (DR) from observed non-performing loans and related forward-looking conditioning using proprietary satellite models also developed in 2022 the product of (a) and (b) yields an LGD curve to be applied over the life of the loan.

In relation to the type of guarantee associated with the loan product, the loan portfolio was segmented as follows:

- 1) Unsecured loan (unsecured) / Other financing;
- 2) Loan with guarantee from the SME Guarantee Fund (FdG)/SACE;
- 3) Non-residential mortgage loan;
- 4) Residential mortgage loan;
- 5) Factoring.

Exposure at Default (EAD)

For On Balance positions, Mediocredito Centrale and Cassa di Risparmio di Orvieto use as Exposure at Default the cash flows resulting from the actual loan amortisation schedules. In particular, for the first year (stage 1 and stage 2 positions) the respective balance sheet value of the relationship is considered, while for subsequent years (stage 2), the residual debt of the principal component of the exposure is considered as per the IAS plan.

For Off Balance positions, the Exposure At Default is determined in accordance with the provisions of Regulation 575/2013 in Article 111, PART THREE, Chapter 2, Section 1.

TAX CREDITS RELATED TO BUILDING BONUSES

With reference to the method of accounting for tax credits, the Group's companies operating in the banking sector (Mediocredito Centrale and Cassa di Risparmio di Orvieto) apply the provisions of the joint Banca d'Italia/Consob/Ivass Document No. 95 concerning "The accounting treatment of tax credits connected with the "Cura Italia" and "Relaunch" Law Decrees acquired following transfer by direct beneficiaries or previous purchasers.

The specific characteristics of these tax credits are such that they do not fall within the scope of IAS/IFRS. Therefore, paragraph 10 of IAS 8 applies, which requires management to define an accounting treatment (so-called accounting policy) suitable for providing relevant and reliable information.

In accordance with Document No. 9 published jointly by the Bank of Italy, CONSOB, and IVASS on 5 January 2021, an accounting model based on IFRS 9 is deemed to be the most appropriate approach to provide disclosure that meets the requirements.

Therefore, upon initial recognition, tax credits are recorded under "Other Assets" in the Balance Sheet at a value equal to the purchase price, assumed to represent a Level 3 fair value according to the IFRS 13 fair value hierarchy. At subsequent measurement, as the provisions of IFRS 9 relating to the "Held To Collect" business model apply, the receivables are measured at amortised cost with interest calculated on the basis of the internal rate of return recognised under "Interest and similar income".

The valuation of these credits is carried out considering the utilisation flows through estimated future offsets; however, the accounting framework provided by IFRS 9 for calculating expected losses is not applicable to this specific case, i.e., ECL is not calculated on these tax credits, as there is no counterparty credit risk, considering that the realisation of the credit occurs through offsetting with payables and not through collection.

Any adjustments related to the total or partial unusability of receivables are recognised under 'Other operating income and expenses'.

A.3 DISCLOSURE OF TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During 2024, there were no transfers of portfolios of financial assets.

A.4 FAIR VALUE DISCLOSURES

Qualitative disclosure

IFRS 13, paragraph 9, defines fair value as '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 standard is based on the definition of 'fair market based' in that the fair value of the asset or liability must be measured according to the characteristics assumed by market participants.

Fair value measurement also assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market.

The concept of fair value is based on the so-called exit price. That is, the price must reflect the perspective of the person selling the asset or paying to transfer the liability at the date of recognition.

In this context, there is the need for the fair value of financial instruments to reflect the default risk through appropriate adjustments to the creditworthiness of the counterparty and the issuer itself. As regards the valuation of the default risk, it should be noted that the Group made an estimate at the reporting date, finding no significant effects compared to the fair value method previously adopted.

IFRS 13, from paragraph 72 to paragraph 90, provides for a classification of fair value measurements of financial instruments on the basis of a specific hierarchy that is based on the nature and significance of the inputs used in those measurements (the so-called 'Levels').

The three levels provided are:

Level 1: a financial instrument belongs to Level 1 when it is traded on a market where transactions in the instrument occur with a frequency and volume sufficient to provide useful information for pricing the instrument on an ongoing basis (an 'active market').

The key variables generally taken into account for the identification of an active market are:

- the number of contributors, chosen on the basis of their competence in the market segment in question, their reliability as well as their continuous presence in that segment;
- the frequency of price quotation, i.e. the periodic updating of the quoted figure;
- the presence of a 'bid' price and a 'ask' price;
- an acceptable difference between 'bid' and 'ask' prices;
- the volume of trade transacted: this volume must be substantial in order to be able to consider the prices generated by such trade significant;
- the possible presence of dealers, brokers and market makers.

It should be noted, however, that the listing of a security on a regulated market is not in itself indicative of the "liquidity" of the security itself and therefore of the existence of an active market. Indeed, even if a security is traded on an official market, it may not have a reasonably significant number of trades such that it can be concluded that the price formed on the market is significantly representative of its fair value.

For the purposes of determining fair value, the unadjusted price of the instrument must therefore be considered by reference to the main market or, in the absence of the latter, the most advantageous one.

Therefore, the quoted price in an active market provides the most reliable evidence of fair value and, when available, is used without modification. Any adjustments would result in the financial instrument being classified at a lower level (for example, when there is no immediate accessibility of the information or availability of the price at the valuation date).

With regard to debt securities, the valuation of the security takes place on the reference date without making any adjustment to the market price recorded on the same date. With particular reference to debt securities listed in an active "regulated" market, the price considered for valuation is the "Official" price, taken from the published price list.

They are generally considered to be major markets:

- the MOT and MTS circuits for government bonds and non-government bonds;

- the official ECB spot exchange rates of the day.

For financial instruments listed on active markets, the average offer price (so-called 'mid price') at the close of the reporting period must be used.

The main sources to be used for price acquisition for accounting purposes are primary contribution platforms (e.g. Bloomberg, Telekurs, Reuters).

For equity securities and OICR units, whose valuation is derived from primary contribution platforms (e.g. Bloomberg), which are always representative of an active market, the fair value coincides with the closing trading price on the reference date.

In the presence of an active market, listed derivative instruments are also valued by reference to the price derived from the main market, or, where there is none, the most advantageous price attributable to the instrument being valued. The market quotation is provided daily by a leading 'clearing house' and can in any case be found on the most common info-providers.

Level 2: If one does not fall into the previous case (Level 1), one must resort to a valuation technique (so-called "pricing" models) using only inputs that are directly or indirectly observable on the market (e.g. through information channels such as stock exchanges, info-providers, brokers, websites, etc.). Level 2 inputs include:

- market prices of instruments with similar characteristics to the one being valued that are listed on an active market;
- market price of the instrument being valued or of a similar instrument listed on a non-active market;
- valuation model (e.g. Discounted Cash Flow) using only market observable or market-corroborated inputs (e.g. interest rates, yield curves, volatility, etc.).

Level 3: If one does not fall under the previous circumstances (Level 1 and 2), one must use a valuation technique based on a valuation model that is consistent with the instrument being valued and that maximises the use of observable market inputs. Level 3 thus includes all instruments whose valuation is based on at least one significant unobservable input.

In some cases, the inputs used to measure the fair value of an asset or liability may be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely in the same Level as the input, provided it is 'significant', of the lowest Level of the fair value hierarchy used for the measurement. Assessing the significance of a particular input to the entire valuation requires judgement that takes into account instrument-specific factors.

Therefore, in cases where both observable market inputs (Level 2) and unobservable inputs (Level 3) are used in the valuation of a financial instrument, provided they are significant as better defined below, the instrument is classified in Level 3 of the fair value hierarchy.

Valuation techniques are used continuously and consistently over time unless alternative techniques exist that provide a more representative fair value measurement (e.g. in the case of new market developments, information no longer available or new information, different market conditions).

A financial instrument is classified in levels 2 and 3 in the absence of quoted prices in active markets.

Classification in Level 2 rather than Level 3 is instead determined on the basis of the observability in the markets of the significant *input* used in determining *fair value*.

Observable *inputs* are parameters developed using market data, such as publicly available information on actual transactions or facts, and which reflect the assumptions that market participants would use in pricing the asset or liability; unobservable *inputs*, on the other hand, are parameters for which no market information is available and which are developed using the best available information regarding the assumptions that market participants would use in pricing the financial instrument.

In cases where both observable market inputs (level 2) and unobservable *inputs* (level 3) are used in the valuation of a financial instrument, if the latter is deemed significant, the instrument is classified in level 3 of the *fair value* hierarchy.

As required by IFRS 13, valuation techniques are used that are 'appropriate to the circumstances and maximise the use of relevant observable *inputs*'.

Valuation techniques are used continuously and consistently over time unless alternative techniques exist that provide a more representative *fair value* measurement (e.g. in the case of new market developments, information no longer available or new information, different market conditions).

It should also be noted that the valuation techniques used have not changed from the previous year.

The *fair value* used for the valuation of financial instruments is determined on the basis of the criteria, outlined below, which assume, as described above, the use of observable or unobservable *inputs*.

A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

LEVEL 2 - Valuation methods based on observable market parameters

For level 2 instruments, an *input* is considered 'observable', either directly or indirectly, when it is continuously available to all market participants through regular distribution via specific information channels (stock exchanges, *info providers*, *brokers*, *market makers*, websites, etc.).

The valuation of the financial instrument is based on prices derived from market quotations of similar assets (*comparable approach*) or through valuation techniques for which all significant factors - including credit and liquidity *spreads* - are derived from observable market parameters (*mark-to-model approach*).

The '*comparable approach*' results in the search for transactions in active markets, relating to instruments that are comparable to the instrument being valued. The valuation techniques used in the '*mark-to-model approach*' are those commonly accepted and used as market '*best practice*'.

They are defined as level 2 *inputs*:

- prices quoted in active markets of similar liabilities;
- prices quoted for the instrument under analysis or similar instruments on inactive markets (i.e. markets where there are few transactions, prices are not current or vary substantially over time and between different *market makers* or little information is made public);
- observable market *inputs* other than quoted prices (e.g. interest rates or yield curves, volatility, credit curves, etc.);
- *inputs* corroborated by market data (i.e. derived from observable market data or corroborated through correlation analysis).

In this case, the input data is taken from quoted prices using appropriate numerical techniques.

With reference to the portfolio of financial instruments, OTC (*over-the-counter*) financial derivatives and equities without official quotations expressed by an active market are normally included in level 2.

Over-the-counter (OTC) financial derivatives

Interest rate, exchange rate, equity, inflation and *commodity* derivatives, where not traded on regulated markets, are "*Over The Counter*" (OTC) instruments, i.e., traded bilaterally with market counterparties. Their valuation is carried out by means of special *pricing* models, where present, fed by input parameters (such as rate curves, volatility matrices, exchange rates) that are observable on the market, even if not listed on active markets.

In addition, in order to arrive at *fair value*, the default risk is also considered. Specifically, the *Fair Value Adjustment* (FVA) is defined as that quantity that must be added to the observed market price rather than the theoretical price generated by the valuation model in order to obtain the *fair value* of the position. In determining the *fair value*, however, account is also taken of credit risk mitigation instruments, such as any collateralisation contracts entered into with high *standing* counterparties, which, in fact, can significantly reduce, if not eliminate,

The methodology used in evaluating these contracts is as follows:

- i. non-optional instruments (*interest rate swaps*, *forward rate agreements*, *overnight interest swaps*, *domestic currency swaps*, etc.): the valuation techniques belong to the '*discount cash flow models*' family in which certain or trend cash flows are discounted. In cases where linear or quasi-linear OTC derivatives incorporate option components, these are valued using the same methodologies adopted for options;

- ii. Optional tools: evaluation techniques are based on methodologies such as Monte Carlo simulation, *Fischer Black* Model, *Black Scholes* Model and Binomial Trees.

Debt and/or equity securities recorded as assets S.P. with no official quotation from an active market

With regard to purchased debt and/or equity securities valued in the absence of an active market, the following initially occurs:

- the presence of an inactive market for the financial instrument. In this case, the valuation of the financial instrument is based on prices from an inactive market as long as they are considered representative of *fair value*;
- the presence of an active market for an instrument with similar characteristics. In this case, the valuation of the financial instrument is based on prices that can be inferred from market quotations of similar assets (so-called "*comparable approach*"). The "*comparable approach*" translates into the search for transactions present on active markets for instruments that are similar to the one being valued.

Where it is not possible to apply the methods described above, valuation models are adopted on a case-by-case basis that maximise the use of observable market inputs as much as possible.

In particular, for securities classified in level 2, the *Discounted Cash Flow Analysis* is applied, i.e., the discounting of future cash flows, discounted at a market rate that still takes into account all risk factors to which the instrument is exposed (e.g. counterparty risk on the part of the issuer). The assumption of such a valuation model is, however, to use only observable market inputs. The issuer's creditworthiness is incorporated in the valuation of debt securities and is obtained from *credit spread* curves relating to the issuer itself, if any, or based on curves representative of the issuer's sector. In the event that at least one significant unobservable market input is taken into account in the determination of *fair value*, the instrument would be classified as Level 3 *fair value*.

Bonds issued

For the determination of the *fair value* of bonds issued, both for the calculation of the book value (in the case of bonds under the *fair value option*, if any) and for mere disclosure purposes (in the case of bonds recorded at amortised cost), the quotation expressed on regulated markets or multilateral systems (*Multilateral Trading Facility*) is used, where available.

Where a recent market quotation or transaction is not available, pricing follows a *Mark to Model* approach based on the *Discounted Cash Flow Model*, whereby expected cash flows are discounted using a rate that takes into account a *credit spread* calculated on the basis of *judgmental* assessments to the best of available information, market conditions, the *seniority* of the securities under consideration and additional risk aspects attributable to the Bank.

LEVEL 3 - Valuation methods based on unobservable market parameters

Classified in level 3 are all financial instruments not listed in an active market, for which the determination of the relative *fair value* is made using valuation models that assume the use of parameters not directly observable on the market.

The use of unobservable inputs is required to the extent that relevant observable inputs are not available, so they reflect the assumptions, including those related to risk, that market participants would use in pricing the asset or liability. The valuation is performed using the best available information, including internal data.

The valuations of Level 3 assets and liabilities are generally conducted using valuation methodologies quite similar to those used for Level 2 instruments; the difference lies in the presence of input parameters used in the *pricing* model that are not observable.

Below is information on the evaluation of instruments classified in level 3.

- *Debt securities*. These are complex financial instruments that do not have a significant impact on the overall portfolio. To determine the *fair value*, the price communicated directly by the issuer is used, determined on the basis of generally recognised valuation techniques, or a suitable valuation technique is used (e.g. the *Discount Cash Flow* - DCF Model).
- *Unlisted equity securities*. These are usually minority interests in unlisted financial and non-financial companies. These instruments are valued using valuation models such as i) the 'direct transactions' method, in the case of significant transactions in the same or similar securities observed over a reasonable period of

time with respect to the valuation date, ii) the 'stock market multiples and comparable transactions' method, and iii) financial, income (e.g. *Discount Cash Flow*, *income approach*, etc.) and equity valuation methods. If the *fair value* cannot be reliably deduced from the application of the valuation methods described above, or if data useful for valuation purposes is not available, reference is made to the relevant fraction of shareholders' equity based on the most recently approved financial statements of the investee (so-called *book value*).

- *Units of "closed-end" type UCITS investment funds*. These are closed-end funds, not classifiable in levels 1 and 2, which, in accordance with their investment strategies, are intended for medium- to long-term investment and their disposal normally takes place in the event of total or partial redemption of the units decided upon by the asset management company (SGR) following the realisation of the fund's investments. The *fair value* of these instruments is determined on the basis of the latest available update of the NAV communicated by the SGR. In particular, in the case of alternative investment funds ("AIFs") specialising in the management of *non-performing* loans, a corrective (so-called *fair value adjustment*) is appropriately applied to the relevant fraction of the NAV, which takes into consideration specific risk factors attributable to the O.I.C.R. units held, such as credit risk. held, such as *credit risk*, *liquidity risk*, *market risk*, also in consideration of the provisions of the joint Bank of Italy - Consob - IVASS communication no. 8 of 2019 relating to transactions involving the sale of portfolios of impaired loans for which a counterpart of units issued by a mutual fund is envisaged.

Since the results of the valuations may be significantly affected by the assumptions used, mainly for the *timing of* future cash flows, the discount rates adopted and the methodologies used to estimate *adjustments*, the estimated *fair values* may differ from those realisable in an immediate sale of the financial instruments.

Loans and receivables with banks and customers

For other financial instruments recognised in the balance sheet at cost (loans and receivables on demand) or at amortised cost, and classified substantially under loans and advances to banks and customers or, a *fair value* is determined for the purposes of this disclosure.

In particular:

- For impaired medium- and long-term loans (non-performing, probable default and past due), fair value is determined by discounting contractual flows or those quantified on the basis of repayment plans, net of loss forecasts, using effective rates of return, representative of market rates;
- For medium- and long-term performing loans, the methodology to be used must provide for the discounting of the related cash flows. The contractual cash flows must be weighted according to PD (Probability of Default) and LGD (Loss Given Default), i.e., the expected loss rate in the event of default;
- For assets and liabilities on demand or with a short-term (less than 12 months) or indefinite maturity, the carrying amount, net of collective impairment, is considered a good approximation of fair value.

Since these financial assets are generally not traded in the market, the determination of *fair value* is based on the use of internal parameters that are not directly observable in the market, and therefore these instruments are classified in Level 3 *fair value*.

Payables to banks and customers and other outstanding securities

A distinction is made between on-demand and medium/long-term liabilities for liability instruments under the headings due to banks and due to customers, the *fair value* of which is determined solely for reporting purposes.

In particular:

- For payables on demand or with a short-term (less than 12 months) or indefinite maturity, for which the time factor is negligible, the carrying amount is assumed to be representative of *fair value*;
- for medium/long-term debt, *fair value* is determined using valuation techniques such as *Discounted Cash Flow*, i.e. discounting future cash flows, discounted at a market rate that still takes into account all risk factors to which the instrument is exposed.

Since these financial liabilities are generally not traded in the market, the determination of *fair value* is based on the use of internal parameters that are not directly observable in the market, and therefore these instruments are classified in Level 3 *fair value*.

A.4.2 MEASUREMENT PROCESSES AND SENSITIVITIES

The type of instruments falling under FV level 3, as it involves a residual use of financial estimation methodologies, makes their valuation not significantly affected by changes in inputs.

A.4.3 FAIR VALUE HIERARCHY

With regard to the breakdown of portfolios by fair value hierarchy, the distinction between the three levels is highlighted:

- the fair value of the financial instrument is associated with **Level 1** when the instruments are listed in active markets that allow market prices to be used reliably for their valuation;
- the fair value of the financial instrument is associated with **Level 2** when the instrument is not listed on active markets that nevertheless permit valuation models based on observable market price data to be used to determine its fair value;
- the fair value of the financial instrument is associated with **Level 3** when the instrument is not listed in active markets that do not allow valuation models based on observable market price data to be used to determine its fair value.

Specifically, they are currently present as financial instruments measured at fair value:

- financial assets measured at fair value with an impact on comprehensive income represented by securities of the Italian Republic listed on a regulated market and associated with level 1 as the fair value shown in the financial statements is acquired from active market quotations and available in a list under regulatory authority; these prices represent actual market transactions which occur regularly in normal trading;
- financial assets measured at fair value with an impact on comprehensive income represented by ordinary shares of companies listed on a regulated market and associated with level 1 as the fair value shown in the balance sheet is acquired from active market quotations and available in a list under regulatory authorities; these prices represent actual market transactions that take place regularly in normal trading.

A.4.4 OTHER INFORMATION

This information is not provided because the case does not exist.

Quantitative disclosure

A.4.5 Fair Value Hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value hierarchy

Financial assets/liabilities measured at fair value	2024			2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	-	-	159,797	5,060	-	145,284
a) Financial assets held for trading	-	-	-	5,060	-	-
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	-	-	159,797	-	-	145,284
2. Financial assets measured at fair value through other comprehensive income	776,541	-	4,108	1,100,869	-	8,991
3. Hedging derivatives	-	28,218	-	-	30,500	-
4. Property, plant and equipment	-	-	-	-	-	22,027
5. Intangible assets	-	-	-	-	-	-
Total	776,541	28,218	163,905	1,105,929	30,500	176,302
1. Financial liabilities held for trading	-	-	-	-	-	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	4,640	-	-	11,736	-
Total	-	4,640	-	-	11,736	-

Legend

L1= Level 1

L2= Level 2

L3= Level 3

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	145,284	-	-	145,284	8,991	-	22,027	-
2. Increases	18,635	-	-	18,635	1,120	-	28,933	-
2.1. Purchases	12,711	-	-	12,711	-	-	1,195	-
2.2. Profits recognised in:	226	-	-	226	1,120	-	-	-
2.2.1. Income statement	226	-	-	226	-	-	-	-
- of which capital gains	226	-	-	226	-	-	-	-
2.2.2. Shareholders' equity	-	-	-	-	1,120	-	-	-
2.3. Transfers from other levels	5,312	-	-	5,312	-	-	-	-
2.4. Other increases	386	-	-	386	-	-	27,738	-
3. Decreases	4,122	-	-	4,122	6,003	-	5,498	-
3.1. Sales	218	-	-	218	-	-	-	-
3.2. Repayments	1,059	-	-	1,059	-	-	-	-
3.3. Losses recognised in:	875	-	-	875	-	-	-	-
3.3.1. Income statement	875	-	-	875	-	-	-	-
- of which capital losses	875	-	-	875	-	-	-	-
3.3.2. Shareholders' equity	-	-	-	-	-	-	-	-
3.4. Transfers from other levels	637	-	-	637	-	-	-	-
3.5. Other decreases	1,333	-	-	1,333	6,003	-	5,498	-
4. Closing balance	159,797	-	-	159,797	4,108	-	45,462	-

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

This item in the financial year 2024 was zero.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value hierarchy

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	2023				2022			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	5,091,712	79,317	1,628	5,078,103	6,548,798	114,017	14,284	6,666,726
2. Property, plant and equipment held for investment	20,865	-	-	20,865	22,027	-	-	22,027
3. Non-current assets and disposal groups classified as held for sale	1,686,312	-	-	1,686,312	77,331	-	-	77,331
Total	6,798,889	79,317	1,628	6,785,280	6,648,156	114,017	14,284	6,766,084
1. Financial liabilities measured at amortised cost	4,196,119	3	740,357	3,512,396	5,556,458	-	591,385	4,970,100
2. Liabilities associated with assets classified as held for sale	1,483,869	-	-	1,483,869	4,601	-	-	4,601
Total	5,679,988	3	740,357	4,996,265	5,561,059	-	591,385	4,974,701

Legend:

BV = Balance sheet value

L1= Level 1

L2= Level 2

L3= Level 3

A.5 DAY ONE PROFIT/LOSS DISCLOSURE

In the case of Level 3 financial instruments, the fair value resulting from a valuation technique may differ from the transaction price. In the case of a positive difference (day one profit), this is amortised over the residual life of the instrument, while in the case of a negative difference (day one loss), this is recognised in the income statement on a prudential basis. During the year 2024, there were no events with day one profit or day one loss recognition.

PART B - INFORMATION ON THE BALANCE SHEET ASSETS

Unless otherwise specified, amounts expressed in the notes to the consolidated financial statements are in thousands of euros.

SECTION 1 - CASH AND CASH EQUIVALENTS

1.1 Cash and cash equivalents: breakdown

	2024	2023
a) Cash	13	7,555
b) On-demand bank deposits	247,760	185,255
c) Cash and cash equivalents	57,180	254,669
Total	304,953	447,479

In addition to cash on hand, this item includes sight deposits and loans to central banks totalling €305 million.

Sub-item **(a) cash** refers mainly to cash amounts due to the balance of the subsidiary Infratel

Sub-item **b) on-demand bank deposits** include the €247.7 million held by Medio Credito Centrale.

sub-item **c) cash and cash equivalents** recorded a significant decrease in liquidity, compared to the previous year, due to both the reclassification of the assets relating to Cassa di Risparmio di Orvieto under Non-current assets and groups of assets classified as held for sale and to the enforcement, for approximately €75 million of certain guarantees and counter-guarantees granted by Invitalia in favour of Acciaierie d'Italia Holding SpA and its subsidiaries as a result of the signing of the investment agreement with the Arcelor Mittal Group, and for €30 million from the repayment of the bridging loan, entered into in the second half of 2023 to partially cover the financial requirements generated by the purchase of the former Italsider area of Bagnoli for the purpose of land reclamation and redevelopment.

SECTION 2 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 20

159,797 **150,344**

Description	2024	2023
(a) financial assets held for trading	-	5,060
(b) financial assets designated at fair value	-	-
(c) other financial assets mandatorily measured at fair value	159,797	145,284
Total	159,797	150,344

2.1 Financial assets held for trading: product breakdown

Items/Values	2024			2023		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt Securities	-	-	-	5,060	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other Debt Securities	-	-	-	5,060	-	-
2. Equities and shares of UCI	-	-	-	-	-	-
3. Financing	-	-	-	-	-	-
Total (A)	-	-	-	5,060	-	-
B. Derivative Instruments	-	-	-	-	-	-

1. Financial derivatives	-	-	-	-	-	-
1.1 trading	-	-	-	-	-	-
1.2 related to the fair value	-	-	-	-	-	-
1.3 Others	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 related to the fair value	-	-	-	-	-	-
2.3 Others	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-
Total (A+B)	-	-	-	5,060	-	-

Legend:
 L1= level 1
 L2= level 2
 L3= level 3

The sub-item 'Financial assets held for trading' shows a balance of zero following the natural maturity of the only bond present in the previous year.

See Annex A.1 for handling details.

2.6 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Values	2024			2023		
	L1	L2	L3	L1	L2	L3
1. Debt Securities	-	-	-	-	-	45
1.1 Structured securities	-	-	-	-	-	-
1.2 Other Debt Securities	-	-	-	-	-	45
2. Equity Securities	-	-	-	-	-	-
3. UCITS units	-	-	149,116	-	-	134,772
4. Financing	-	-	10,681	-	-	10,467
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	10,681	-	-	10,467
Total	-	-	159,797	-	-	145,284

Legend
 L1= level 1
 L2= level 2
 L3= level 3

Financial assets mandatorily measured at fair value include UCITS units representing medium- and long-term investments in closed-end securities funds held by the Parent Company in the amount of €130,727 thousand.

In addition, the item includes UCITS units held by MCC in relation to the subscription of: i) units of the private debt Anthilia BIT IV, managed by Anthilia SGR, for a fair value of €9.3 million and ii) units of the NPL Keystone fund, managed by Kryalos SGR, for a fair value of €6.5 million, iii) units of the Azimut fund for €2 million subscribed in 2024.

The methodology for determining the fair value of UCITS units is based on the latest available NAV (Net Asset Value) reported by the fund manager.

With reference to the units of the real estate fund called 'I-3 Sviluppo Italia', held by the parent company, the NAV (Net Asset Value) was adjusted by €4.6 million.

This adjustment was made following a benchmark analysis, in order to adjust the value of the units to their fair value, also taking into account the so-called 'liquidity risk' associated with the units received against the contribution of the Italia Turismo Tourist Villages.

In this regard, it should be noted that, although the Agency holds, as of 31 December 2024, 90.24% of the shares of said fund, it is not believed that the prerequisites envisaged by the International Accounting Standard IFRS 10 for qualifying the existing shareholding relationship as a control relationship exist. This specifically follows:

- the assessment of the independence and autonomy of the SGR appointed to manage the fund
- the assessment of the powers vested in the Agency, in its capacity as subscriber and sole participant in the specific Sub-Fund Committee provided for by the Fund Rules, which are essentially limited to the expression of a non-binding opinion for the purposes of the approval of the Sub-Fund's business plan and to a power, of an essentially protective nature, in relation to the expression of a binding opinion in the event of transactions and acts in conflict of interest.

In light of the above, it is considered that the Agency, not having 'power', as defined by IFRS 10, over the Fund, does not control the Fund itself and therefore will not consolidate it in its consolidated financial statements. It is noted, however, that even if such consolidation had occurred, given the specific nature of a real estate fund, it would not have generated significant economic or equity effects.

The sub-category of financial assets measured at fair value includes a position, amounting to 8% of the total asset allocation of financial assets, consisting of investment policies. These policies, with a total value of €9,806 thousand, provided a positive contribution to the Income Statement of approximately €179 thousand and their use serves to stabilise the performance of financial management due to the high stability and anti-cyclicity of the results achieved.

This item also includes, in the amount of €875 thousand, the employee termination indemnities investment policy referring to the partial investment of the termination indemnity accrued as of 31 December 2024 for former IG SpA employees.

See Annex A.2. and A.3 for details of the handling.

2.7 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	2024	2023
1. Equity Securities	-	-
of which banks	-	-
of which other financial companies	-	-
of which non-financial companies	-	-
2. Debt Securities	-	45
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	45
of which insurance companies	-	-
d) Non-financial companies	-	-
3. UCITS units	149,116	134,772
4. Financing	10,681	10,467
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	10,681	10,467
of which insurance companies	10,681	10,467
d) Non-financial companies	-	-
e) Families	-	-
Total	159,797	145,284

SECTION 3 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - ITEM 30

780,649

1,109,860

3.1 Financial assets measured at fair value through other comprehensive income: product breakdown

Items/Values	2024			2023		
	L1	L2	L3	L1	L2	L3
1. Debt Securities	774,658	-	-	1,098,425	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other Debt Securities	774,658	-	-	1,098,425	-	-
2. Equity Securities	1,883	-	4,108	2,444	-	8,991
3. Loans	-	-	-	-	-	-
Total	776,541	-	4,108	1,100,869	-	8,991

Legend:

L1= level 1

L2= level 2

L3= level 3

The amount of debt securities refers to the portfolio held by the subsidiary Mediocredito Centrale and relates to government securities of the Italian Republic (BTPs and CCTs) for €769 million and a bond issued by CDP for €5.8 million purchased in 2024.

Equity securities refer to equity instruments acquired as part of agreed-upon procedures concerning certain credit positions, as well as equity investments not classifiable under equity investments

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

Items/Values	2024	2023
1. Debt Securities	774,658	1,098,426
a) Public administrations	768,823	1,098,426
b) Banks	-	-
c) Other financial companies	5,835	-
of which insurance companies	-	-
d) Non-financial companies	-	-
2. Equity Securities	5,991	11,434
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	54
of which insurance companies	-	-
d) Non-financial companies	5,991	5,455
3. Loans	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which insurance companies	-	-
d) Non-financial companies	-	-
e) Families	-	-
Total	780,649	1,109,860

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total impairment provisions

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt	781,371	781,371	-	-	-	722			-	-
Loans	-	-	-	-	-	-	-	-	-	-
2024	781,371	781,371	-	-	-	722		-	-	-
2023	1,110,768	1,110,731	-	-	-	908	-	-	-	-

**value to be displayed for information purposes*

SECTION 4 - FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

5,091,712

6,553,951

This item is broken down as follows:

Description	2024	2023
a) Loans to banks	671,736	1,270,532
b) Loans to financial companies	345,453	346,184
b) Loans to customers	4,074,523	4,937,235
Total	5,091,712	6.553.951

a) Loans to banks

"Loans and advances to banks" include resources earmarked for the implementation of facilitation measures and resources dedicated "to contracts and agreements". For this reason, the balance sheet value is a reasonable approximation of fair value, which is conventionally classified at level 3 in the fair value hierarchy.

4.1 Financial assets measured at amortised cost: product breakdown of loans to banks

Type of transaction/values	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
1. Term deposits	21,827	-	-	-	-	21,827	26,014	-	-	-	-	-
2. Current Accounts	541,535	-	-	-	-	541,535	1,110,840	-	-	-	-	-
3. Financing	81,976	-	-	-	-	81,976	65,435	-	-	-	-	-
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Other Financing	81,976	-	-	-	-	81,976	65,435	-	-	-	-	-
4. Debt Securities	26,398	-	-	26,398	-	-	67,394	-	-	42,842	12,732	15,812
4.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Other Debt Securities	26,398	-	-	26,398	-	-	67,394	-	-	42,842	12,732	15,812
5. Other assets	-	-	-	-	-	-	849	-	-	-	-	1,191
Total	671,736	-	-	26,398	-	645,338	1,270,532	-	-	42,842	12,732	1,338,164

The item **Term deposits**, represents the Mandatory Reserve that MCC holds with Unicredit (€15.5 million as at 31 December 2023); given the nature of the item, the fair value is equal to the balance sheet value.

The item '**Current accounts**' comprises:

Ordinary deposits	
Financial resources dedicated to contracts and agreements	65,992
Financial resources from national and EU funds	475,544
Total deposits	541,536

Financial resources dedicated to contracts and agreements €65,992 thousand, details of which are given below:

	2024	2023

Banda Larga e Ultra Larga	28,560	104,969
Delega Stazione Appaltante	31,398	10,648
Other contracts and agreements	6,034	11,382
	65,992	126,999

The '**Banda Larga e Ultra Larga**' project, for which the subsidiary Infratel is the implementing party, is *aimed at* reducing the existing digital divide in areas of the country through the integrated development of telecommunications infrastructures that extend access to fast Internet by citizens, businesses and institutions. The Broadband Plan is substantially complete, while the Ultra Broadband Plan is estimated to be completed by 2025.

The 'Delega Stazione Appaltante' contracts hold funds of €31,398 thousand dedicated to contracts and agreements and mainly comprise:

- €2.3 million for the recovery and refunctionalisation of the former Bourbon Prison of 'Santo Stefano' by securing the buildings - CIPE Resolution 3/2016.
- €15.5 million, of which €12.8 million credited during the year, relating to the project 'Progetto Integrato di bonifica e reindustrializzazione del Sito di Interesse Nazionale di Piombino' pursuant to Article 252-bis of Legislative Decree 152/06, for which INVITALIA is acting as the works contracting station, in support of the Regione Toscana for the implementation of measures to achieve safety in the areas of the former Lucchini steel plant in Piombino.
- €6.5 million for the implementation of measures for the operational safety of the water table in the area of the Servola (TS) ironworks plant and for the redevelopment of industrial and port activities and environmental restoration in the Trieste crisis area. These activities are carried out within the framework of the national programme "Azioni di Sistema CIPE", of which Invitalia is the implementing party working alongside the Extraordinary Commissioner. During the year, financial resources increased by €10.6 million, which were used to carry out works worth about €5.7 million;
- €4.3 million for the CPR - Centre for Permanence for Repatriation - Caltanissetta Pan del Lago;
- €1.6 million euros mainly represent the resources allocated for the financial coverage of the intervention no. 15 'Lavori di manutenzione pre-consegna degli alloggi acquistati', which with Ordinance no. 4 of 3 July 2024, the Extraordinary Commissioner for the rehabilitation of the Messina slums, approved the financial variation of the Action Plan for a total amount of €2.15 million and recognised the implementing party Invitalia as the contracting station. The previous Framework Agreement for the two contracts dedicated to the urban renewal and redevelopment of the slum areas in the city of Messina has been concluded, and includes resources of €121 thousand.

The '**other contracts and agreements**' include financial resources amounting to €1.7 million, as the first tranche received, earmarked for the implementation of measure #55 - '*Promoting digitalisation and innovation, as well as strengthening security in the Public Administration, also through the use of NRRP resources*' - of the 2022-2026 National Cybersecurity Strategy Implementation Plan (Law 197 of 29/12/2022, art. 1, paragraph 899).

Finally, approximately €3.4 million left over relates to orders whose work has been completed.

The financial resources from national and EU funds are resources allocated to the implementation of concessionary measures (further described in liability item 80) or activities determined by legislative provisions that amount to €475,544 thousand, details of which are provided below:

	2024	2023
Fondo Patrimonio PMI DL 34/2020 art.26	247,370	247,726
PNRR	51,110	582,143
Blockchain	46,451	45,215
Fondo Rotazione DPR 58/87	39,615	38,084
Piano Voucher	38,679	11,565
L.181/89 (Interventi nelle Aree di crisi)	25,351	23,198
Piano Scuole	12,796	1,173
Fondo per la crescita sostenibile	8,412	9,501
Fondi WIFI FSC Mise	1,627	8,782

Promozione Turistica	432	759
Poli Museali di Eccellenza	202	201
Voucher 3I DM 18.11.19	-	776
Other dedicated funds and activities	3,498	14,718
	475,544	983,841

The financial resources earmarked to the 'Fondo Patrimonio PMI', established by Article 1 paragraph 1 of Law No. 77/2020 (the "Legge di Bilancio") and amended by Law No. 178/2020 (the "Budget Law"), is aimed at incentivising the capital strengthening of medium-sized enterprises through the subscription, under the conditions and within the terms set forth therein and within the limits of the Fund's endowment, of newly issued bonds or debt securities. Liquidity totalling €247,370 thousand also includes funds of €197,941 thousand held in the special State Treasury account, usable for expenditure commitments. The resources allocated and used in the following plans financed by the NRRP, the management of which is entrusted to the subsidiary Infratel Italia Spa, reached the following targets in the year 2024

- *Piano Italia 1 Giga*: compared to the target of 60% of remodelled house numbers (2,126,979 house numbers), there are 1,431,429 connected house numbers (40% of remodelled house numbers); 2,295,320 connected house numbers;
- *Plan 5 G*: Backhaul 6,252 interventions for innovative high-performance mobile networks compared to 6,151 foreseen in the contract target; Densification 503 interventions compared to 554 foreseen in the contract target;
- *Piano Scuole connesse fase 2*: 5,820 schools and connected school sites;
- *Piano Sanità*: 4,292 hospitals and health facilities;
- *Piano Isole minori*: 21 out of 18 routes connected by NRRP target;
- *Piano Wi Fi*: registered users of the Wi Fi Italy APP number 378,453; 2,298 municipalities and institutional locations registered for a total of 10,498 hotspots installed.

The "Fondo per lo sviluppo delle tecnologie e delle applicazioni di intelligenza artificiale, Blockchain e Internet of Things" has financial liquidity of €46,451 thousand and is earmarked for Digital Services related to Digital Transformation (technological transformation of production processes of micro, small and medium-sized enterprises in the manufacturing sector), Digital Entertainment (video games) and the design and management of Artificial Intelligence Technologies and Applications.

The financial resources inherent in the 'Fondo di Rotazione DPR 58/87' are earmarked for financial assistance to investees in the tourism sector. The increase in financial liquidity refers to the repayment of overdue principal and interest.

The **Piano Voucher** provides for a variable contribution aimed at increasing the connection speed of SMEs; as of 31 December 2024, there were 437 accredited operators.

The **fund 'L.181/89'** includes the financial resources allocated to the disbursements of the facilitation measure amounting to €25,351 thousand and the balance deriving from the repayment of capital granted. Changes in the fund are shown in liability item 80.

The '**Piano scuole connesse (fase 1)**' provides Internet connectivity service to 27,529 schools throughout Italy. As of 31.12. 2024, the provision of the 1 Gbit/s connectivity service was in place in 24,558 schools, (89.2% of schools in the plan).

The decrease in financial liquidity allocated to the '**Fondo per la crescita sostenibile**' essentially derives from the use of about €1,089 thousand for investments in Closed-end Investment Funds managed by Cdp Venture Capital SGR.

The Piano Wi-Fi Italia aims to offer a free Wi-Fi network spread throughout the territory; the network is spread over a total of 25,415 hotspots in municipalities, hospitals, schools, special projects of which 10,498 are owned by Infratel and installed by TIM, the other 14,917 belonging to federated networks (e.g. that of Poste Italiane).

The decrease in the financial liquidity of the other management funds essentially refers to the lack of the purposes provided for in Article 1 co.260-266 of Law 205/2017, which resulted in the reclassification to other liabilities. The liquidity relating to the resources allocated for the implementation of concessional interventions, in most of the measures, does not generate interest income for the Agency and the same flows directly to the fund under

management. aA similar effect occurs for some resources dedicated exclusively to covering the costs of the procurement contracts assigned by the territorial entities. It should be noted that the residual amounts of the availability dedicated to the operations provided for by the various measures will be returned to the principal at the end of the relevant activities.

The item "**Debt** securities" refers to Held to collect (HTC) securities held by the Parent Company, the fair value of which is calculated taking into account market prices as at 31.12.2024.

b) Loans to financial companies

The balance of this item refers to receivables from financial companies, determined by Medio Credito Centrale and the parent company Invitalia.

4.2 Financial assets measured at amortised cost: breakdown by type of loans to financial companies

Composition	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3
1. Financing	94,528	-	-	-	-	94,528	53,951	215	-	-	-	13,341
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Lease Financing	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	10,608	-	-	-	-	10,608	-	-	-	-	-	-
- with recourse	39	-	-	-	-	39	-	-	-	-	-	-
- non-recourse	10,569	-	-	-	-	10,569	-	-	-	-	-	-
1.4 Other Loans	83,920	-	-	-	-	83,920	53,951	215	-	-	-	13,341
2. Debt Securities	250,925	-	-	5,421	-	218,289	292,018	-	-	10,052	-	245,501
2.1 structured securities	3,719	-	-	-	-	3,787	4,549	-	-	-	-	4,620
2.2 other debt securities	247,206	-	-	5,421	-	214,502	287,469	-	-	10,052	-	240,881
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	345,453	-	-	5,421	-	312,817	345,969	215	-	10,052	-	258,842

Legend
L1= level 1
L2= level 2
L3= level 3

The item "**Debt Securities**" - Other Financial Companies includes in the Parent Company's Held to Collect (HTC) securities portfolio, mainly ABS securities issued by special purpose vehicles as part of basket bond transactions managed by the subsidiary MedioCredito Centrale for €241.5 million.

The value of structured securities amounting to €3.7 million is represented by the Minibond issued by Florian S.p.A, a bond with a total nominal value of €25 million issued on 17 March 2022. The interest rate is indexed to EURIBOR plus 2.25%.

The fair value is calculated taking into account market prices as at 31.12.24.

There are no receivables from financial institutions pledged as collateral for own liabilities and commitments.

c) Loans to customers

4.3 Financial assets measured at amortised cost: product breakdown of loans to customers

Type of transaction/values	2024						2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
1. Financing	2,528,371	723,004	-	-	-	3,346,457	3,507,659	753,850	15,296	-	-	4,455,613
1.1 Lease financing	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	276,972	977	-	-	-	-	210,059	862	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	24,048	977	-	-	-	-	210,059	862	-	-	-	-
1.3 Consumer Credit	252,924	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards, personal loans and salary-backed loans	-	-	-	-	-	-	8,704	342	-	-	-	-
1.5 Pledge loans	5,126	-	-	-	-	-	-	-	-	-	-	-
1.6 Financing granted in connection with payment services provided	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other Financing	-	-	-	-	-	-	-	-	-	-	-	-
of which: from enforcement of guarantees and commitments	2,246,273	722,027	-	-	-	-	3,288,896	752,646	15,296	-	-	-
2. Debt Securities	103,930	-	-	47,498	1,628	54,828	78,838	-	-	61,123	1,552	14,029
2.1 Structured securities	19,197	-	-	-	-	20,075	9,755	-	-	-	-	10,279
2.2 Other Debt Securities	84,733	-	-	47,498	1,628	34,753	69,083	-	-	61,123	1,552	3,750
3. Other assets	544,385	174,833	-	-	-	718,662	479,187	102,405	-	-	-	600,078
Total	3,176,686	897,837	-	47,498	1,628	4,119,947	4,065,684	856,255	15,296	61,123	1,552	5,069,720

Legend
L1= level 1
L2= level 2
L3= level 3

The item "Loans" includes the shareholder loan on account of future capital increase, of €680 million paid by Invitalia to ADIH for the financial support of the company carried out with the financial endowment made available by the MEF, as governed by Article 1 of Decree-Law 142/2019, converted, with amendments, by Law 5/2020, as amended by Decree-Law 2/2023. The credit risk of this exposure is not borne by Invitalia in consideration of the aforementioned grant, which is classified in Item 80 "Other liabilities". Considering the nature of the receivable, it was decided not to write-down this position, thus not adjusting the liability for the grant made available by the MEF.

The item also includes receivables for €34,006 thousand (of which €28,841 thousand for positions in bankruptcy proceedings), in respect of funds under Law 181/89, whose insolvency risk is not borne by Invitalia, and €3,906 thousand in respect of the DPR 58/87 revolving fund towards an associated company, whose insolvency risk is borne by Invitalia only after the delinquency has continued for more than 12 months. For further details on these funds, please see liability item 80 "Other liabilities - third-party funds under management".

The item **"Other Debt Securities"** includes mainly Held to Collect (HTC) securities issued by Public Administrations and Non-Financial Entities held by the Parent Company, as well as , mainly ABS securities issued by vehicle companies as part of basket bond transactions managed by the subsidiary MedioCredito Centrale for a total of €56.3 million, of which structured securities for €19.2 million.

The item **"Other assets"** includes receivables for services provided to Ministries, Public Administrations and commercial companies, including €507 million for invoices to be issued. This item includes amounts related to contracts for the construction of infrastructure on behalf of Regional Administrations and the assignment to telecommunications operators of rights of use on fibre optic infrastructure built by the subsidiary Infratel.

The receivable for invoices issued, relative to the subsidiary Infratel, includes the receivable claimed from the Ministry of Enterprise and Made in Italy (€17,822 thousand), the majority of which (€17,330 thousand) is related to works that will be reimbursed through regional funds and related to the Direct Model. The Ministry of Enterprise and Made in Italy (MiMIT) acts as Intermediate Body in favour of the Regions, and the receivable from it decreased by €510 thousand compared to the previous year as a result of collections made during the year. The receivable is recognised net of an allowance for doubtful accounts of €6,757 thousand, for a net amount of €11,065 thousand. During 2024 and until early 2025, the residual receivable still to be certified was subject to further analysis by MiMIT. Despite the efforts made, it has not been possible for MiMIT to complete the reconstruction of the entire receivable, given its age, in time for the approval of these financial statements. The formal certification of a partial amount of €7,162 thousand (about 40% of the total amount of €17,822 thousand) remains, as of the date of preparation of this document, while credits for a total amount of €2,517 thousand have been deemed unrecognisable on the basis of the reconnaissance activity carried out, at present, by MiMIT.

It was therefore deemed necessary to adjust the provision to reflect this information. It should be noted that, since this is a limited and new case compared to the previous year, this exclusion does not affect the validity or the documentation supporting the entire receivable. Subsequent discussions with the Ministry of the Economy and Finance (MiMIT) did not reveal any dispute concerning the documentation submitted by the subsidiary, which is complete and available, but rather the need for further in-depth studies related to the complexity and seniority of the reports, which are currently being finalised by the dedicated structure of the Ministry. This activity is expected to be completed in the coming months, compatibly with the workload of the MiMIT structure, which is currently fully involved in the reporting activities.

Acknowledging the limits to the certification of the entire amount by the Ministry, the subsidiary carried out an assessment of the residual risk, arising from the reconciliation process underway, and decided to recognise a provision for bad debts totalling €6,757 thousand, of which €2,408 thousand was recognised in the present year against the partial non-recognition that emerged in 2024.

In light of the developments since the previous year, it is not possible to exclude the occurrence of further updates arising from the reconciliation activity still in progress on the residual amount not yet certified. However, in consideration of the ongoing discussions, the soundness of the documentation provided and all the elements described above, the assessment of the adequacy of the impairment provision is currently consistent with the available evidence and any future effects are deemed to be limited.

The item "Other assets" also includes the receivable of about €75 million related to the enforcement of certain guarantees and counter-guarantees granted by Invitalia in favour of ADIH and its subsidiaries. With reference to this receivable, discussions have been initiated with the MEF in order to identify the most appropriate methods of repayment of the same, considering the particular nature of the acquisition of the ADIH shareholding that took place in implementation of the provision of law (Legislative Decree 142 of 2021).

The positions are constantly monitored in order to intervene, as far as possible, on the invoicing authorisation process and to contain the related collection times. Almost all overdue receivables are due from the Public Administration, which makes it difficult to take effective action to collect them. There are no situations in which the right to collect the receivable is time-barred and, in cases of evident uncollectability or bad debts, the Company has proceeded with the partial or full write-down of the related receivable. For receivables whose risk is not borne by the Parent Company, the value recognised in this item is gross of the related third party provisions and/or contributions recognised in the liability items. With regard to stage 3 receivables, appropriate recovery actions have been implemented and their recognition in the balance sheet is net of value adjustments that take into account their estimated realisable value.

4.4 Financial assets measured at amortised cost: breakdown by debtor/issuer of loans to customers

Composition	2024	2023

	First and second stages	Third stage	Impaired acquired or originated	First and second stages	Third stage	Impaired acquired or originated
1. Debt Securities	103,930	-	-	78,837	-	-
a) Public administrations	57,793	-	-	61,058	-	-
b) Non-financial companies	46,137	-	-	17,779	-	-
2. Receivables from:	2,528,371	723,004	-	3,507,661	753,849	15,296
a) Public administrations	61,636	-	-	70,109	-	-
b) Non-financial companies	2,162,757	714,723	-	2,484,437	735,596	9,511
c) Families	303,978	8,281	-	953,115	18,253	5,785
3. Other assets	544,385	174,833	-	479,187	102,405	-
Total	3,176,686	897,837	-	4,065,685	856,254	15,296

The item **"Receivables from: b) non-financial companies" - Third Stadium** includes the shareholder loan on account of future capital increase, of €680 million paid by Invitalia to ADIH for the financial support of the company carried out with the financial endowment made available by the MEF, as governed by Article 1 of Law Decree 142/2019, converted, with amendments, by Law 5/2020, as amended by Law Decree 2/2023. In item 80 of Liabilities - Other liabilities, the related contribution received for the realisation of the transaction as set forth in the aforementioned decree has been recognised. In addition, impaired loans to customers measured at amortised cost deriving from the banking business, referring to the subsidiary Mediocredito Centrale S.p.A., amounted to €41.2 million (€49.1 million at the end of 2023, - 16%), with an expected loss coverage ratio of 35.0% (37.7% at 31 December 2023).

4.5 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt Securities	372,623	-	16,750	-	-	6,451	1,669	-	-	-
Financing	3,021,884	-	275,246	814,474	-	17,516	11,375	91,470	-	269
Other assets	1,191	-	555,566	262,329	-	-	12,373	87,497	-	-
2024	3,395,698	-	847,562	1,076,803	-	23,967	25,417	178,967	-	269
2023	4,821,942	-	913,057	1,113,435	-	25,562	27,251	256,966	-	145

*Value to be displayed for information purposes

4.6 Financial assets measured at amortised cost: guaranteed assets

Type of transaction/values	2024						2023					
	Loans to banks		Loans to financial companies		Loans to customers		Loans to banks		Loans to financial companies		Loans to customers	
	BV	GV	BV	GV	BV	GV	BV	GV	BV	GV	BV	GV
1. Performing assets guaranteed by:	-	-	-	-	14,180	14,180	-	-	15,588	15,588	1,109,832	1,079,658
- Assets under financial leases	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables through factoring	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	14,180	14,180	-	-	84	84	860,124	647,941
- Pledges	-	-	-	-	-	-	-	-	-	-	10,988	8,366
- Personal guarantees	-	-	-	-	-	-	-	-	15,504	15,504	238,720	423,351
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-performing assets secured by:	-	-	-	-	5,220	5,220	-	-	431	431	39,500	39,051
- Assets under financial leases	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables through factoring	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	5,220	5,220	-	-	190	190	26,481	26,481
- Pledges	-	-	-	-	-	-	-	-	-	-	393	393
- Personal guarantees	-	-	-	-	-	-	-	-	241	241	12,626	12,177
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	19,400	19,400	-	-	16,019	16,019	1,149,332	1,118,709

BV = Balance sheet value
GV = Fair Value of guarantees

SECTION 5 - HEDGING DERIVATIVES - ITEM 50

28,218

30,500

"Financial derivatives" amounting to €28.2 million refer to transactions to hedge the interest rate risk on MedioCredito Centrale's bond issues, specifically the bond issued on 9 February 1998 and maturing on 10 February 2028 and the Tier 2 subordinated loan with a nominal value of €70 million issued on 29 December and maturing on 29 December 2032.

5.1 Hedging derivatives: breakdown by hedge type and level

	Fair Value			NV	Fair Value			NV
	2024				2023			
	L1	L2	L3		2024	L1	L2	
A. Financial derivatives								
1. Fair value	-	28,218	-	272,416	-	30,500	-	261,000
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	-	28,218	-	272,416	-	30,500	-	261,000

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Hedging type	Fair Value						General	Cash flows		Foreign investments
	Specific							Specific	General	
	debt securities and interest rates	equity securities and equity indices	currencies and gold	credit	goods	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	
2. Financial assets measured at amortised cost	-	-	-	-	-	-	-	-	-	
3. Portfolio	-	-	-	-	-	-	-	-	-	
4. Other operations	-	-	-	-	-	-	-	-	-	
Total assets	-	-	-	-	-	-	-	-	-	
1. Financial liabilities	28,218	-	-	-	-	-	-	-	-	
2. Portfolio	-	-	-	-	-	-	-	-	-	
Total liabilities	28,218	-	-	-	-	-	-	-	-	
1. Expected transactions	-	-	-	-	-	-	-	-	-	
2. Portfolio of financial assets and liabilities	-	-	-	-	-	-	-	-	-	

SECTION 7 - EQUITY INVESTMENTS - ITEM 70

7.1 Equity Investments: information on equity investments

491,173

487,576

Designation	Registered office	Administrative Headquarters	TYPE OF RELATIONSHIP		TYPE OF RELATIONSHIP	Fair value
			Shareholding %	Shareholding %		
Companies under significant influence						
CDP Venture Capital SGR Spa	ROME	ROME	30%	30%	10,402	10,402
ISTIT ENCICLOPAEDIA TRECCANI	ROME	ROME	7%	7%	5,506	5,506
ITALIACAMP SRL - UNIPERSONALE	ROME	ROME	5%	5%	1	1
ELECTRA SINCROTONE TRIESTE S.P.A.	BASOVIZZA (TS)	BASOVIZZA (TS)	4%	4%	2,450	2,450
FINMEK SOLUTIONS SPA IN PROC. CONC.	L'AQUILA	L'AQUILA	30%	30%		
MARINA DI VILLA IGIEA SPA	PORTO ACQUASANTA (PA)	PORTO ACQUASANTA (PA)	8%	8%	978	978
MECCANO SCPA	FABRIANO (AN)	FABRIANO (AN)	4%	4%	83	83
SOCIETA' PER CORNIGLIANO SPA	GENOA	GENOA	10%	10%	1,400	1,400
TESS Costa del Vesuvio	NAPLES	NAPLES	9%	9%		
T.S.M. TINTORIA STAMPERIA DEL MOLISE IN FALLIMENTO	BOIANO (CB)	BOIANO (CB)	30%	30%	-	-
ALTO TIRRENO COSENTINO SCARL	VERBICARO (CS)	VERBICARO (CS)	1%	1%		
CALPARK SPA	ARCAVATA DI RENDE (CS)	ARCAVATA DI RENDE (CS)	4%	4%	-	-
CENTRO PER LO SVILUPPO DEL CILENTO (CESVIC) SPA IN FALLIMENTO	VALLO DELLA LUCANIA (SA)	VALLO DELLA LUCANIA (SA)	12%	12%	-	-
COPEL - COMPONENTI PLASTICI ELETTROMECCANICI SPA IN FALLIMENTO	LATINA	LATINA	49%	49%	-	-
ITALIANA SERVIZI SRL IN FALLIMENTO	TARANTO (TA)	TARANTO (TA)	46%	46%		
SEFI SPA FALLITA	CHIVASSO (TO)	CHIVASSO (TO)	23%	23%		
WAHOO SPA	CAGLIARI	CAGLIARI	18%	18%		
Companies acquired with third-party funds:						
of which with funds from L.181/89						
CMS SRL IN FALLIMENTO	LATERZA (TA)	LATERZA (TA)	19%	19%		
ELA SPA IN FALLIMENTO	NAPLES	NAPLES	6%	6%		
ELMIRAD SERVICE SRL IN LIQ.NE	TARANTO	TARANTO	12%	12%		
FONDERIE S.p.A. IN FALLIMENTO	ROME	ROME	2%	2%		
GUSTAVO DE NEGRI & ZA.MA. SRL	CASERTA	CASERTA	20%	20%		
JONICA IMPIANTI SRL	LIZZANO (TA)	LIZZANO (TA)	9%	9%		
PERITAS SRL	BRINDISI	BRINDISI	15%	15%		
PRO.S.IT. IN FALLIMENTO SRL	NAPLES	NAPLES	27%	27%		
SIE-SOC.ITTICA EUROPEA IN AMM.STR.	ROME	ROME	15%	15%		
SIMPE SPA	ACERRA (NA)	ACERRA (NA)	4%	4%		
SURAL SPA FALLITA	TARANTO	TARANTO	1%	1%		
of which with funds L.126/2020						
REITHERA SRL	ROME	ROME	27%	27%	15,000	15,000
TLS SPA	SIENA	SIENA	30%	30%	1,067	1,067
of which with funds d.l. 16/12/2019 no. 142						
ACCIAIERIE D'ITALIA HOLDING SPA	MILAN	MILAN	38%	0%		
BDM BANCA SPA	BARI	BARI	97%	97%	419,286	419,286
DRI D'ITALIA SPA	ROME	ROME	100%	100%	35,000	35,000
Total					491.173	491.173

The carrying amount of **companies subject to significant influence** increased by about €3 million compared with 2023 due to the adjustment to equity of the value of the CDP Venture Capital investment. "Investee

companies acquired with government grants/third-party funds" include equity investments acquired pursuant to Law 181/89, equity investments acquired with funds pursuant to DL 104 of 14 August 2020, converted into Law no. 126 of 13 October 2020, and finally those acquired with funds DL 16 December 2019 no. 142. The value of the **equity investments acquired with the fund pursuant to Law 181/89** was adjusted as at 31 December 2023 in consideration of both the impairment losses recognised and the bankruptcy proceedings in progress. The aforesaid negative change had no impact on the Agency's Income Statement, as it was made against the specific financial source of the facilitation measure that sterilised its effects. The equity investments acquired **pursuant to Article 34 of Legislative Decree No. 104 of 14 August 2020, converted into Law No. 126 of 13 October 2020**, are the companies ReiThera Srl and TLS Sviluppo Srl, of which Invitalia acquired 27% and 30% of the share capital, respectively. The aforementioned law earmarked a portion of the resources of the National Contingency Fund (€80 million for 2020 and €300 million for 2021) for research and development, and the purchase of vaccines and monoclonal antibodies produced by industries in the sector, including through the acquisition of capital shares at market conditions. The original value of €30 million of the equity investments in TLS Sviluppo Srl and ReiThera Srl, acquired with the resources of the National Emergency Fund (Article 34 of Decree-Law 104 of 14 August 2020, converted into Law No. 126 of 13 October 2020) was reduced to reflect the impairment of TLS Sviluppo Srl in accordance with the accounting treatment described in the section "Section 4- Other Aspects - Accounting treatment defined for participations acquired with government grants/third-party funds".

With reference to the equity investment in ReiThera Srl, which was also acquired with the resources of the "Fondo per le emergenze nazionali", no specific impairment was recognised, since the advisory activities for the evaluation of the Company's equity value, related to the expressions of interest still in progress, confirm the value of the investment.

With regard to the equity investments acquired with the funds of DL 16 December 2019 no. 142 converted into Law 5/20 and precisely the equity investments Acciaierie d'Italia Holding SpA (or "ADIH") (38% with 50% voting rights) and DRI d'Italia (100%), it should be noted that:

- The value of ADIH was reset to zero in 2023, as the extraordinary administration was ordered and the ruling of the Court of Milan on the existence of the company's insolvency conditions is currently pending.
- The value of DRI d'Italia was not subjected to a specific impairment, despite a reduction in shareholders' equity, as the company is an implementer of the decarbonisation process of the Italian steel sector, and Decree-Law No. 19 of 2 March 2024 confirmed the refinancing of the measure for 1 billion over the 2024-2029 period.

The equity investments in Menarini S.p.A (formerly Industria Italiana Autobus) (42.76%) and Sider Alloys (20.33%) acquired with funds deriving from the Contratti di Sviluppo subsidised measure are not recognised in this balance sheet item, but are recognised in the Memorandum Accounts as they were acquired with funds administered on behalf of the State. Similarly, equity investments acquired under the measures are recognised in the Memorandum Accounts:

- Fondo Salvaguardia Imprese: Bellotti S.p.A. (34.30%), BTX Italian Retail and Brands S.r.l. (48.72%), Canepa S.p.A. (37.51%), Ceramica Dolomite S.p.A. (25.45%), Corneliani S.p.A. (48.15%), CTC Concerie del Chienti Società Benefit S.p.A. (49%), Industrie Scaffalature Arredamenti SpA (33.33%), Landi Renzo SpA (23.43%), Mer Mec Ferrosud S.r.l. (44.66%), Niche Fusina Rolled Products S.r.l. (49%), Pernigotti Holding S.p.A. (25%), S.A.L.P. S.p.A. (30.01%), Sicamb S.p.A. (30.30%), Snaidero S.p.A. (34.98%), Terme di Chianciano SpA (48.59%), Titagarh Firema S.p.A. (31.01%) and Walcor S.p.A. (24.75%);
- Fondo Cresci al Sud: E-Globe S.p.A. (5.5%), Edil San Felice S.p.A. (7.19%), Fare Spot S.p.A. (16.50%), Mare Engineering Group SpA (5.10%), Misitano & Stracuzzi SpA (7.06%), Simone S.p.A. (7%), Xenia Hotellerie Solutions S.p.A. (8.85%), Italian Cool Design S.r.l. (35%), Recupero Etico Sostenibile S.p.A. (7.44%), Lirsa S.r.l. (31.85%) and Tesi S.r.l. (20%).

For further details, please refer to Part D - GUARANTEES AND COMMITMENTS

7.2 Equity investments: annual changes

Overall Value	
A. Opening balance	487,576
B. Increases	3,644
B.1 Purchases	-
B.2 Write-backs	-
B.3 Revaluations	3,644
B.4 Other Changes	-
C. Decreases	47
C.1 Sales	-
C.2 Value adjustments	47
C.3 Write-downs	-
C.4 Other Changes	491,173

"Revaluations" under point B.3 refer to the non-group equity investment of CDP Venture Capital for €3,090 thousand, Elettra Sincrotrone Trieste SpA for €191 thousand, Marina di Villa Igea SpA for €65 thousand, Società per Cornigliano for €12 thousand and Banca Popolare di Bari for €286 thousand.

Annex A.4 shows analytical changes in equity investments.

SECTION 8 – PROPERTY, PLANT AND EQUIPMENT - ITEM 80

308.002

308.153

8.1 Property, plant and equipment used in operations: breakdown of assets measured at cost

Activities/Values	2024	2023
1. Property assets	159,142	183,975
a) land	861	1,851
b) buildings	3,270	29,983
c) furniture	454	469
d) electronic equipment	1,652	2,071
e) other	152,905	149,601
2. Rights in use acquired through leasing	42,951	23,271
a) land	-	-
b) buildings	42,453	22,906
c) furniture	-	-
d) electronic equipment	-	-
e) other	498	365
Total	202,093	207,246
of which: obtained through the enforcement of guarantees received	-	-

'Rights in use acquired through leasing' include, in accordance with IFRS 16, the value of the right of use acquired for the term of real estate leases and rental agreements for company cars.

The item 'Buildings' includes the value of the leasing contracts of the Parent Company for €18,527 thousand and €15,538 thousand of the subsidiary Mediocredito Centrale.

8.2 Property, plant and equipment held for investment: breakdown of assets measured at cost

Activities/Values	2024				2023			
	Balance sheet value	Fair value			Balance sheet value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Property assets	20,864	-	-	20,864	22,027	-	-	22,027
a) land	3,821	-	-	3,821	3,986	-	-	3,986
b) buildings	17,043	-	-	17,043	18,041	-	-	18,041
2. Rights in use acquired through leasing	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	20,864	-	-	20,864	22,027	-	-	22,027
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-	-	-

Legend
 L1= level 1
 L2= level 2
 L3= level 3

This item includes the value of the building and land at Capodichino, owned by the Parent Company for a value of €20.9 million (building €3.8 million and land €17 million), for which the first phase of the public evidence procedure began on 5 August 2024, aimed at verifying interest in a possible purchase.

Following this publication, eight expressions of interest were received by the established deadline of 4 October 2024, including that of the current owner of the property, Atitech S.p.A. Within the established deadline, four applications were received from interested operators. Of the four operators, two (in addition to Atitech) proceeded with the procedure, at the end of which it will be assessed whether or not to proceed with the subsequent sale transactions.

The decrease in this item compared to the previous year is due to the depreciation quota for the financial year 2024.

Considering the fact that the property is currently still leased at market conditions, that the same are substantially in line with those of the previous year, and considering a method of discounting cash flows for the purpose of determining fair value, it can be reasonably concluded that the carrying value coincides with the fair value of the asset.

8.5 Inventories of Property, plant and equipment covered by IAS 2: breakdown

Activities/Values	2024	2023
1. Inventories of Property, plant and equipment obtained through the enforcement of guarantees		
a) land		
b) buildings	85,044	78,880
c) furniture		
d) electronic equipment		
e) other		
2. Other inventories of Property, plant and equipment		
Total	85,044	78,880
of which: measured at fair value minus sale costs		

This item includes the value of the Bagnoli Industrial Complex whose ownership, formerly belonging to the company Bagnoli Futura in fallimento, was transferred to Invitalia pursuant to Legislative Decree 133/2014 in November 2022. The value of the compendium, whose purchase price is €68 million, is increased by the reclamation activities carried out by Invitalia between 2022 and 2024, as part of the redevelopment project of the area.

As part of the environmental remediation activities planned for the Bagnoli area, the Extraordinary Commissioner had already opened a technical roundtable in 2023 between Basi 15 Srl, owner of the real estate in the former Cementir area, and Invitalia, as the implementing party of the remediation project, in order to settle the disputes opened since 2021 against Basi 15 for the failure to complete the remediation activities in the areas under its jurisdiction.

The technical roundtable ended with the signing of a settlement agreement signed on 24 June 2024, which governed the obligation of Basi 15 to transfer the real estate owned by it to Invitalia without any consideration and the latter's commitment to carry out the reclamation operations in the manner and within the timeframe authorised by the competent authorities. Therefore, although the valuation of the real estate requested from the Inland Revenue Agency in order to identify the tax due determined the taxable base at €7,196,828.54, the book value of this real estate is zero.

During 2024, no impairment was recognised that would require a write-down of the asset's carrying amount.

8.6 Property, plant and equipment used in operations: annual changes

	Land	Buildings	Furniture	Electronic installations	Others	Total
A. Gross opening balance	1,851	90,467	7,870	14,142	328,033	442,363
A.1 Total net write-downs	-	(37,578)	(7,401)	(12,071)	(178,067)	(235,117)
A.2 Net opening balances	1,851	52,889	469	2,071	149,966	207,246
B. Increases:	-	11,103	185	1,049	21,863	34,200
B.1 Purchases	-	10,925	185	1,049	21,840	33,999
B.2 Capitalised Improvement Expenses	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value charged to	-	-	-	-	-	-
a) Shareholders' equity	-	-	-	-	-	-
b) Income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from real estate held for investment	-	-	-	-	-	-
B.7 Other changes	-	178	-	-	23	201
C. Decreases:	990	18,357	200	1,471	18,335	39,352
C.1 Sales	-	-	-	-	-	-
C.2 Amortisation	-	9,660	134	772	17,495	28,061
C.3 Impairment value adjustments charged to	-	-	-	-	-	-
a) Shareholders' equity	-	-	-	-	-	-
b) Income statement	-	-	-	-	-	-
C.4 Negative changes in fair value charged to	-	-	-	-	-	-
a) Shareholders' equity	-	-	-	-	-	-
b) Income statement	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Transfers to:	-	3,141	-	-	-	3,141
a) Property, plant and equipment held for investment	-	-	-	-	-	-
b) Non-current assets and disposal groups held for sale	-	3,141	-	-	-	3,141
C.7 Other changes	990	5,556	66	699	840	8,150
D. Net closing balance	861	45,635	454	1,649	153,494	202,094
D.1 Total net write-downs	-	(47,238)	(7,535)	(12,843)	(195,562)	(263,178)
D.2 Gross closing balance	861	92,873	7,989	14,492	349,056	465,271
E. Measurement at cost	-	-	-	-	-	-

The increase in the item 'Buildings' is mainly attributable to the signing, in December 2024, of the new lease agreement for Infratel's new headquarters. In accordance with IFRS 16, usage rights were recognised in the amount of €8,389 thousand.

The increases in the item 'Other' are mainly attributable to the subsidiary Infratel and refer to:

- the completion of fibre optic network sections of type D schools of the Piano Scuola Connessa fase I for €2,795 thousand
- the capitalisation of costs for the purchase of WI-FI devices used to cover municipalities and hospitals in the amount of €219,000;

- connecting devices (CPE) of the project, financed by the NRRP, Piano Scuola Connessa for 9,323 thousand euro
- refinement of the submarine fibre optic cables - NRRP Piano Isole Minori for €8,654 thousand
- the cost incurred for the construction of infrastructures determined on the basis of the progress invoiced by contractors still in progress in the amount of €232 thousand.

8.7 Property, plant and equipment held for investment purposes: annual changes

	Land	Buildings
A. Opening balance	3,986	18,041
B. Increases	-	-
B.1 Purchases	-	-
B.2 Capitalised expenses for improvement	-	-
B.3 Positive changes in fair value	-	-
B.4 Write-backs	-	-
B.5 Exchange gains	-	-
B.6 Transfers from intangibles for functional use	-	-
B.7 Other changes	-	-
C. Decreases	165	997
C.1 Sales	-	-
C.2 Amortisation	-	489
C.3 Negative changes in fair value	-	-
C.4 Value adjustments for impairment	-	-
C.5 Exchange losses	-	-
C.6 Transfers to:	-	-
a) real estate for functional use	-	-
b) non-current assets and disposal groups held for sale	-	-
C.7 Other changes	165	508
D. Closing balance	3,821	17,044
E. Fair value measurement	3,821	17,044

The movement mainly refers to the portion of depreciation pertaining to the year.

8.8 Inventories of Property, plant and equipment covered by IAS 2: annual changes

	Inventories of Property, plant and equipment obtained through the enforcement of guarantees					Other inventories of Property, plant and equipment	Total
	Land	Buildings	Furniture	Electronic installations	Others		
A. Opening balance	-	-	-	-	-	78,880	78,880
B. Increases:	-	-	-	-	-		
B.1 Purchases	-	-	-	-	-		
B.2 Write-backs	-	-	-	-	-		
B.3 Exchange gains	-	-	-	-	-		
B.4 Other changes	-	-	-	-	-	6,164	6,164
C. Decreases:	-	-	-	-	-		
C.1 Sales	-	-	-	-	-		
C.2 Impairment adjustments	-	-	-	-	-		
C.3 Exchange losses	-	-	-	-	-		
C.4 Other changes	-	-	-	-	-		
D. Closing balance	-	-	-	-	-	85,044	85,044

The item "Other changes" refers to the costs incurred by the Parent Company for the environmental remediation and regeneration of the urban area of the Bagnoli district as governed by Article 33 of Decree-Law No. 133/2014, as amended, and by the Prime Ministerial Decree of 15/10/2015 of 07/07/2020.

SECTION 9 - INTANGIBLE ASSETS - ITEM 90

9.1 Intangible assets: breakdown

309.175	228.511

Items/Valuation	2024		2023	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	-	-	-	-
2. Other intangible assets	309,175	-	228,511	-
Of which software:	-	-	-	-
2.1 owned	309,175	-	228,511	-
- internally generated	9,090	-	1,578	-
- others	300,085	-	226,933	-
2.2 rights of use acquired through leasing	-	-	-	-
Total 2	309,175	-	228,511	-
3. Assets acquired through financial leasing	-	-	-	-
3.1 unassigned assets	-	-	-	-
3.2 assets withdrawn after termination	-	-	-	-
3.3 other assets	-	-	-	-
Total 3	-	-	-	-
Total (1+2+3)	309,175	-	228,511	-
Total (T-1)	228,511	-	171,883	-

9.2 Intangible assets: annual changes

	Total
A. Opening balance	228,512
B. Increases	116,989
B.1 Purchases	116,989
B.2 Write-backs	-
B.3 Positive changes in fair value	-
- to shareholders' equity	-
- income statement	-
B.4 Other changes	-
C. Decreases	36,326
C.1 Sales	-
C.2 Amortisation	29,977
C.3 Value adjustments	-
- to shareholders' equity	-
- income statement	-
C.4 Negative changes in fair value:	-
- to shareholders' equity	-
- income statement	-
C.5 Other changes	6,349
D. Closing balance	309,175

The change for the year, in addition to Amortisation for the period, is mainly due to:

- the parent company's continued capitalisation of projects to implement IT and reporting platforms, which will yield future benefits in terms of cost savings and increased revenues
- increases in the item "Concessions, licences and trademarks" of the subsidiary Infratel Italia SpA in the amount of €80,203 thousand for the acquisition of IRU related to Piano Scuola Connessa fase I and II.

SECTION 10 - TAX ASSETS AND TAX LIABILITIES - ITEM 100 OF ASSETS AND ITEM 60 OF LIABILITIES

TAX ASSETS - ITEM 100

26,148	59,431

Description	2024	2023
a) current	16,128	17,446
b) deferred	10,020	41,985
Total	26,148	59,431

Current assets are still affected by residual tax receivables arising from the companies merged in the incorporation of Sviluppo Italia, for which the relevant recovery actions are still in progress.

Deferred tax assets have the following balancing entry:

10.1 Tax assets: current and deferred: breakdown

	2024	2023
- as balancing entry in the Income statement	8,563	39,343
- as balancing entry to shareholders' equity	1,457	2,642
Total	10,020	41,985

The Group has deferred tax assets (DTAs) in its Consolidated Balance Sheet Assets as at 31 December 2024 totalling € 10 million (€ 42 million as at 31 December 2023), of which € 8.6 million was recognised in the Income Statement and € 1.5 million in Shareholders' Equity.

10.2 Tax liabilities: current and deferred: breakdown

Description	2024	2023
(a) current	12,606	5,547
(b) deferred	779	1,305
Total	13,385	6,852

Deferred tax liabilities have the following balancing entry:

	2024	2023
- as balancing entry in the Income statement	-	1,044
- as balancing entry to shareholders' equity	779	261
Total	779	1,305

10.3 Changes in deferred tax assets (balancing entry to the income statement)

	2024	2023
1. Opening balance	39,343	47,799
2. Increases	3,312	4,760
2.1 Deferred tax assets recognised in the year	1,548	4,179
a) relating to previous financial years	-	1
b) due to changes in accounting policies	-	-
c) write-backs	1,505	-
d) other	43	4,178
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	1,764	581
3. Decreases	34,092	13,216
3.1 Deferred tax assets cancelled during the year	5,816	13,465
a) reversals	5,586	12,892
b) write-downs for non-recoverability	-	-
c) change of accounting policies	-	-
d) other	230	573
3.2 Tax rate reductions	-	-
3.3 Other decreases:	28,276	(249)
a) conversion into tax credits under Law 214/2011	-	-
b) other	28,276	(249)
4. Closing balance	8,563	39,343

The deferred tax assets referred to in the table above in respect of Mediocredito Centrale will be progressively recovered in the tax returns to be filed in future years.

10.3.1 Changes in deferred tax assets under Law 214/2011 as balancing entry to the income statement

	2024	2023
1. Opening balance	11,056	12,971
2. Increases	1,763	581
3. Decreases	8,111	2,496
3.1 Reversals	1,062	2,279
3.2 Conversion into tax credits	-	-
a) arising from operating losses	-	-
b) arising from tax losses	-	-
3.3 Other decreases	7,049	217
4. Closing balance	4,708	11,056

10.4 Changes in deferred taxes (as balancing entry to the income statement)

	2024	2023
1. Opening balance	1,044	1,073
2. Increases	-	-
2.1 Deferred taxes recognised in the year	-	-
a) relating to previous financial years	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	1,044	29
3.1 Deferred taxes cancelled during the year	-	-
a) reversals	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	1,044	29
4. Closing balance	-	1,044

10.5 Changes in deferred tax assets (balancing entry to shareholders' equity)

	2024	2023
1. Opening balance	2,642	14,189
2. Increases	4,836	900
2.1 Deferred tax assets recognised in the year	1,457	900
a) relating to previous financial years	-	-
b) due to changes in accounting policies	-	42
c) other	1,457	858
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	3,379	-
3. Decreases	6,021	12,447
3.1 Deferred tax assets cancelled during the year	5,062	10,742
a) reversals	5,062	10,742
b) write-downs for non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	959	1,705
4. Closing balance	1,457	2,642

10.6 Changes in deferred taxes (as balancing entry to shareholders' equity)

	2024	2023
1. Opening balance	261	(54)
2. Increases	577	326
2.1 Deferred taxes recognised in the year	287	326
a) relating to previous financial years	-	-
b) due to changes in accounting policies	-	-
c) other	287	326
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	290	-
3. Decreases	59	11
3.1 Deferred taxes cancelled during the year	-	3
a) reversals	-	3
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	59	8
4. Closing balance	779	261

SECTION 11 - NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED - ITEM 110 AND ITEM 70

ITEM 110 - NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	1,686,312	77,331
ITEM 70 - LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	1,483,869	4,601

11.1 Non-current assets and disposal groups classified as held for sale: breakdown

	2024	2023
A. Assets classified as held for sale		
A.1 Cash and cash equivalents		
A.2 Financial Assets	20,146	-
A.3 Equity investments	411	491
A.4 Property, plant and equipment	-	-
of which: obtained through the enforcement of guarantees received	-	-
A.5 Intangible Assets	-	-
A.6 Tax assets	-	-
A.7 Other assets	-	-
Total (A)	20,557	491
B. Discontinued operations		
B.1 Cash and cash equivalents	95,987	11,541
B.2 Financial assets measured at fair value through profit or loss	2,050	-
- financial assets held for trading	3	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	2,047	-
B.3 Financial assets measured at fair value through other comprehensive income	134,580	-
B.4 Financial assets measured at amortised cost	1,308,287	1,501
B.5 Changes in fair value of portfolio hedged items	3,031	-
B.5 Equity investments	-	-
B.6 Property, plant and equipment	55,544	63,358
of which: obtained through the enforcement of guarantees received	-	-
B.7 Intangible Assets	158	-
B.8 Tax assets	21,708	242
B.8 Other Assets	44,410	198
Total (B)	1,665,755	76,840
C. Liabilities associated with assets classified as held for sale		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	1,425,355	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Tax Liabilities	1,903	-
D.5 Employee termination indemnities and provision for risks and charges	6,459	2,310
D.5 Other liabilities	50,152	2,291
Total (D)	1,483,869	4,601

Non-current Assets and Disposal groups classified as held for sale amount to a total of €1,686 thousand as at 31 December 2024 and included Available-for-Sale Assets of €20.6 million and Discontinued Operations of €1,666 thousand.

In particular, Assets classified as held for sale include 14.2 million euros relating to credit positions for which MCC has defined the disposal of a portfolio of impaired positions, classified as "bad loans" and "unlikely to pay"; the

disposal transaction was carried out in implementation of the forecasts set forth in the 2024-2027 NPE Plan in the wake of the path to reduce the gross impaired stock aimed at improving the gross NPL ratio.

Instead, discontinued operations mainly include the assets attributable to the subsidiary Cassa di Risparmio di Orvieto, reclassified in this item in consideration of the signing of the sale and purchase agreement for the transfer of the Cassa by MCC (for more detailed information, please refer to the previous description in the Report on Operations); the item also includes property, plant and equipment relating to the real estate assets owned by the subsidiary Italia Turismo for €25,861 thousand and those relating to the real estate assets owned by the subsidiary Invitalia Partecipazioni for €17,986 thousand.

With reference to the real estate assets owned by Invitalia Partecipazioni and Italia Turismo, amounting to a total of €43,847 million, these fall within the scope of the assets, which have not yet been contributed to the fund managed by Invimit, as part of the plan to reorganise and dispose of the Group's real estate assets that are no longer strategic.

The determination of the fair value of the assets included in the real estate portfolio of Italia Turismo was conducted according to the Discounted Cash Flow method in the unlevered version, which foresees the discounting of the cash flows expected from operations and relative to the period of explicit forecast of the flows and the discounting of the terminal value (calculated as the present value of a growing and perpetual cash flow) at the reference date of the estimate taking into account the uncertainties connected to the macroeconomic scenario of reference and the difficulties of making assumptions on expected growth, a two-stage terminal value calculation formula was used, foreseeing a first stage of 3 years of sustained growth and a scenario, in perpetuity, of stable and contained growth.

However, the valuation model of the values of the assets included in the contribution transactions to Invimit, as well as those for which a sale to third parties is in any case envisaged, in the context of autonomous negotiations, is constantly monitored in order to appropriately adjust the estimated values.

Liabilities associated with discontinued operations amount to a total of €1,484 thousand as at 31 December 2024 and mainly include financial liabilities measured at cost amortised attributable to Cassa di Risparmio di Orvieto.

SECTION 12 - OTHER ASSETS - ITEM 120

2,085,679	1,661,454

12.1 Other assets: breakdown

	2024	2023
- Inventories	360,869	396,496
- Credits for indirect taxes	7,417	7,571
- Receivables from social security institutions	87	13
- Receivables and advances from suppliers	29,041	16,738
- Guarantee deposits	3,104	3,268
- Prepaid expenses (only those relating to other assets)	5,386	5,707
- Credits and other items	1,679,775	1,230,868
- Tax consolidation	-	793
Total	2,085,679	1,661,454

The sub-item 'Inventories' mainly includes:

- the deployment of 'Banda Larga' and 'Banda ultra larga' by Infratel SpA following mandates received from the regions through MIMIT.

Credits and other items essentially include €204 million of the Parent Company for Fondo PMI bonds, which is a measure authorised by the European Commission as part of the "Temporary Framework for State Aid Measures to Support the Economy". In particular, this item includes, as indicated in the Bankit Provision for the preparation of the financial statements of Financial Intermediaries, minibonds subscribed by Invitalia against which Invitalia assumes no risk.

In addition, the item Credits and other items essentially comprises:

- €1,512 million subsidiary Infratel to entities and customers in the national territory;
- €45.9 million related to the purchase of tax credits by MCC, linked to building bonuses purchased from third parties and usable in offsetting in 4 or 10 annual instalments depending on the type of bonus to which the credit relates.

Prepaid expenses represent costs for services that have been ascertained or paid in advance, pertaining to the following year or related to future revenues.

PART B - INFORMATION ON THE BALANCE SHEET LIABILITIES

SECTION 1 - FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

Description	2024	2023
(a) payables	3,188,143	4,646,430
(b) securities issued	1,007,976	910,027
Total	4,196,119	5,556,457

1.1 Financial liabilities measured at amortised cost: product breakdown of payables

Items	2024			2023		
	Due to banks	Due to financial companies	Due to customers	Due to banks	Due to financial companies	Due to customers
1. Due to banks	176,872	241,915	3,337	293,018	193,406	4,071
1.2 Repurchase agreements	54,248	-	-	171,970	-	-
1.2 Other loans	122,624	241,915	3,337	121,048	193,406	4,071
2. Lease liabilities	283	3	51,887	311	33	53,447
3. Other liabilities	530,952	135,724	2,047,170	1,070,772	73,867	2,957,506
Total	708,107	377,642	2,102,394	1,364,101	267,306	3,015,024
Fair value - level 1	-	3	-	-	6	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	708,107	377,639	2,102,394	1,357,663	267,300	3,019,998
Total fair value	708,107	377,642	2,102,394	1,357,663	267,306	3,019,998

The fair value was assumed to be equal to amortised cost (and therefore Level 3) in relation to the general short duration and predominantly variable-rate structure of these financial instruments.

The decrease in payables to banks and payables to customers is mainly due to the reclassification of CRO in item 70 liabilities associated with disposal groups.

1.2 Financial liabilities measured at amortised cost: product breakdown of securities issued

Type of securities/values	2024				2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	1,007,976	-	740,357	324,256	908,363	-	591,385	323,469
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	1,007,976	-	740,357	324,256	908,363	-	591,385	323,469
2. other securities	-	-	-	-	1,664	-	-	1,664
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	-	-	-	-	1,664	-	-	1,664
Total	1,007,976	0	740,357	324,256	910,027	0	591,385	325,133

This item includes the unsubordinated and unsecured bond issued by the Parent Company in November 2022 for a total value of €350 million and a duration of three years, intended exclusively for institutional and professional investors and qualified as a 'social bond'.

An amount equivalent to the proceeds from the issue of the Notes was utilised:

- for the repayment of the loan disbursed in July 2022 to Invitalia by some of the Joint Bookrunners;
- to finance or refinance, in whole or in part, new or pre-existing projects that have positive social results and meet the requirements of the Agency's Social Bond Framework, i.e. to finance the structural costs of the management of contracts entrusted by the Italian Government and/or public administrations, thereby pursuing social interest objectives.

The issue price was 99.884% of the nominal value with a nominal rate of return of 5.25%. The repayment of the principal is scheduled in a single three-year maturity and annual coupons. This loan is listed on the regulated market of the Luxembourg Stock Exchange.

The main features of this bond issue are summarised below:

- Issue amount: 350 mln
- Duration: 2022- 2025
- Market listing: Luxembourg
- Member country of origin: Italy
- Aimed at qualified investors only.

They are entered in the balance sheet at amortised cost, the changes in which are shown in item 20 "Interest expenses and similar charges".

In addition to the bond issued by the parent company, bonds issued by the subsidiary Mediocredito Centrale are also shown under this item

- €212.7 million (€200.5 million as at 31 December 2023) relating to a residual bond loan listed on the MOT, issued by MCC on 9 February 1998 and maturing on 10 February 2028;
- €401.2 million (the €300.5 million loan as at 31 December 2023 was due on 24 October 2024) relating to a "Social" unsecured senior preferred bond loan, listed on the Luxembourg Stock Exchange, fixed annual interest rate 3.750% (re-offer yield 3.822%), issued by MCC on 20 September 2024 with maturity September 2029.
- €69.4 million (€69.3 million as at 31 December 2023) related to a Tier 2 subordinated loan with a nominal value of €70 million issued by MCC in December 2022.

Since the securities are subject to fair value hedging, the value adjustment (so-called Basis adjustment) attributable to the interest rate risk totalling €21.8 million (€14.6 million as at 31 December 2023) is recognised in this item."

1.3 Details of subordinated liabilities/securities

	2024	2023
A.1 Subordinated liabilities	-	-
- banks	-	-
- customers	-	-
A.2 Unsubordinated liabilities	-	-
- banks	-	-
- customers	-	-
B.1 Subordinated securities	69,391	69,326
- banks	69,391	69,326
- customers	-	-
B.2 Non-subordinated securities	938,585	840,701
- banks	302,892	323,469
- customers	635,693	517,232
Total	1,007,976	910,027

Subordinated securities include the Tier 2 subordinated loan with a nominal value of €70 million issued by Mediocredito Centrale in December 2022 for €69.4 million (€69.3 million as at 31 December 2023).

1.5 Lease liabilities

	Up to 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Total
Lease liabilities	1,847	1,801	1,798	11,300	26,071	9,356	52,173
Total	1,847	1,801	1,798	11,300	26,071	9,356	52,173

The sub-item 'Lease liabilities' includes the valuation of rights of use, recognised on the basis of the new IFRS 16 accounting standard, related to real estate lease agreements, including that of Invitalia's registered office located in Via Calabria, and of MCC located in Viale America 351, as well as rental agreements for company cars.

SECTION 4 - HEDGING DERIVATIVES - ITEM 40

4,640	11,736

4.1 Hedging derivatives breakdown by hedge type and level

	NV	Fair value	NV	Fair value

		2024				2023		
	2024	L1	L2	L3	2023	L1	L2	L3
A. Financial derivatives	400,000	-	4,640	-	300,000	-	11,736	-
1) Fair value	400,000	-	4,640	-	300,000	-	11,736	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	400,000	-	4,640	-	300,000	-	11,736	-

Legend

NV= notional value

L1= Level 1

L2= Level 2

L3= Level 3

The item **hedging derivatives** shows the negative *fair value* of derivatives entered into by MedioCredito Centrale to hedge the interest rate risk on the September 2024 bond issue (€1.8 million).

SECTION 6- TAX LIABILITIES - ITEM 60

Please refer to Section 10 of Assets in the Balance Sheet.

SECTION 7 - LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE - ITEMS 70

Please refer to section 11 of Assets in the Balance Sheet.

SECTION 8 - OTHER LIABILITIES - ITEM 80

4,631,414

4,636,742

8.1 Other liabilities: breakdown

	2024	2023
Liabilities for third-party funds under management	2,177,887	2,102,600
Grants	1,468,643	1,448,131
Suppliers	529,248	608,528
Payables to employees	35,996	32,628
Accrued expenses and deferred income	27,380	25,087
Payables to tax authorities	22,677	16,781
Payables to social security institutions	13,604	11,383
Tax consolidation payables	2,937	3,200
Guarantee deposits received	788	267
Payables and other items	352,254	388,137
Total	4,631,414	4,636,742

“Liabilities for third-party funds under management” relate to funds of facilitation measures for which the Agency is responsible for the implementation of the measures. As regards the operations and forms of use, please also refer to the information included in Part D - Other Information.

Details are given below:

	2024	2023
NRRP Project - Italia 1 Gbps	1,041,747	1,043,016
Fondo PMI	451,452	461,581
NRRP Project - Italia 5 G	325,032	325,771
NRRP Project - Sanità Connessa	84,259	33,505
NRRP Project - Scuola Connessa	52,495	17,779
Progetto Block Chain	45,000	45,000

Fondo Rotazione DPR 58/87	43,857	43,701
BUL VOUCHER Imprese	38,035	11,479
FSC BUL	26,885	25,076
Legge 181/89 (Interventi nelle aree di crisi)	25,254	29,323
Fondo per la crescita sostenibile	38,110	37,590
NRRP Project - Isole minori	4,455	6,050
NRRP Project - Interessi netti su cc dedicati	3,259	2,092
Fondo Promozione Turismo	745	1,081
Progetto Virgo	60	60
Poli Museali di Eccellenza	0	201
Fondo Voucher 3i	0	776
Fondo per la realizzazione Banda Larga e Ultralarga	(562)	7,150
BUL VOUCHER Famiglie	(2,222)	(1,754)
More	26	13,123
Total	2,177,887	2,102,600

In more detail:

- The **NRRP Fund** is divided into the following operational plans:
 - Piano Italia a 1 Giga received financial disbursements from DTD as at 31.12.2024 in the amount of €1,041,747 thousand;
 - Piano Italia 5G received financial disbursements from DTD as of 31 December 2024 in the amount of €325,032 thousand;
 - Piano Italia Sanità Connessa received financial disbursements from DTD as of 31 December 2024 in the amount of €84,259 thousand;
 - Piano Italia Scuola Connessa received financial disbursements from DTD as of 31 December 2024 in the amount of €52,494 thousand;
 - Piano Isole Minori received financial disbursements from DTD as at 31.12.2024 amounting to €4,455 thousand.
- **The purpose of the Fondo PMI is** to underwrite newly issued bonds or debt securities in order to encourage capital strengthening and contribute to the financing of medium-sized companies that meet the conditions set forth in Article 26 of the Relaunch Law of 17 July 2020 No. 77. The underwriting and issuance of debt securities totalled €261,626 thousand; the fund remains open pending the completion of the repayment of the capital disbursed. As at 31 December 2024, there were receivables for past due and unpaid interest amounting to €830 thousand and for revoked positions amounting to €58,303 thousand.
- **The Progetto Block Chain**, amounting to €45,000 thousand, represents the balance as at 31.12.2024 of the 'Fondo per lo sviluppo delle tecnologie e delle applicazioni di intelligenza artificiale, Blockchain e Internet of Things'.
- The **Fondo Rotazione DPR 58/87** refers to sums disbursed for financial assistance to investees in the tourism sector. The fund comes from allocations made by the former Agensud in accordance with Article 9 of Presidential Decree 58/87. A fee of 0.75% per half year is paid for the management of loans granted from the fund. Assets on this fund are substantially finished, with the exception of a commitment to Italia Turismo for €24,012,535 related to the approval of an investment programme presented by that company.
- **The BUL VOUCHER Famiglie** - a project relating to the voucher plan for less affluent families as a demand support measure to guarantee the use of ultra-wideband Internet connection services by families with an ISEE of less than €20,000 - showed a negative balance of €2,222 thousand as at 31 December 2024, equal to the Infratel cash advance contractually envisaged and amounting to 5% of the value of the order. The advance will be recovered with the payment of the final report. The item "Bul Voucher Imprese", amounting to €38,035 thousand, represents the residual balance as of 31 December 2024 of the financial disbursement by MIMIT in respect of the voucher plan for the stimulation of the demand for connectivity of enterprises.
- The amount indicated under the item **FSC Bul**, equal to €26,884 thousand, represents the residual value of the amount collected in December 2016 in relation to the first tranche of FSC funds for the Large Bul Project. In accordance with the provisions of the Guidelines for the implementation, reporting, monitoring and control

of public intervention for the development of Ultralarge bandwidth in white areas - SIE Funds 2014 - 2020, having regard to the favourable opinion of the State-Regions Conference of 20 September 2018, for all advances, including those coming from the resources allocated under the FSC, it is envisaged that they will be paid by MIMIT to Infratel Italia, which will hold them on a special unavailable revolving fund aimed at financing the "Grande Progetto Bul" (approved by the European Community only on 2 April 2019) on this revolving fund Infratel Italia can operate only upon prior authorisation of the MIMIT itself;

- The purpose of the **Fondo L.181/89** is to implement investment and employment programmes in steel crisis areas. The aforesaid fund was allocated as a result of the CIPE resolution of 20 December 1990, the contents of which were confirmed by the CIPE itself with its resolution of 3 August 1993, as well as reaffirmed by the "implementation guidelines" that were formulated by the Ministry of Industry with its letter of 9 April 1994 and confirmed by Ministerial Decree 1123182/75 of 23 December 1996, to regulate the implementation of Law 513/93, which integrated the regulations contained in Laws 181/89, 408/89 and 38/90.

The composition of the Fondo L181/89 as at 31 December 2024 is shown below:

	2024	2023
Funds collected	645,697	645,697
Return of capital to the MISE	(186,131)	(181,163)
Grants awarded	(364,698)	(364,595)
Grants to be disbursed	(2,914)	(2,914)
Losses on receivables and equity investments	(66,700)	(67,702)
Total	25,254	29,323

The item "Return of **capital** " represents the amount returned to the Ministry of Economic Development pursuant to the provision of Ministerial Decree No. 1184605/75 of 9 March 2005, instituting the Fondo Unico, which provides for a six-monthly reimbursement by the Agency of capital received for loan instalments, withdrawn grants, and divestments of equity investments. This capital will subsequently be reallocated to the Agency for the continuation of the investment and employment programme in the steel crisis areas.

In the financial year 2024, the Fondo L.181/89 moved as follows:

Balance as at 31 December 2023	29,323
Capital grants disbursed and other uses	(103)
Funds collected	-
Return of capital to the MISE	(4,968)
Losses on receivables and equity investments	1,002
Other Uses	-
Balance as at 31 December 2024	25,254

As at 31 December, the funds received amounting to €645,697, net of repayments to the Ministry of €186,131 thousand, were used as follows:

	2024	2023
Capital grants	364,698	364,595
Loans to customers for pre-financing, financing and mortgages (net of returns)	4,180	9,586
Equity investments (net of tithes to be paid)	0	0
Net receivables from credit institutions	24,984	23,168
Other financial receivables (payables) for items to be recognised	(996)	(517)
Losses on receivables and equity investments and other uses	66,700	67,702
Total	459,566	464,534

In line with what had been done in the previous year, as at 31 December, grants were used to cover loans with a high risk of non-recoverability; they were appropriately written down; in particular, the value of 2 positions was adjusted.

- The **Fondo di Rotazione DPR 58/87** refers to sums disbursed for financial assistance to investees in the tourism sector. The Fund comes from allocations made by the former Agensud in accordance with Article 9 of Presidential Decree 58/87. A fee of 0.75% per half year on the exposure for loans granted from this fund is recognised for its management. Assets on this fund are substantially finished, with the exception of a commitment to Italia Turismo for €24,012,535 related to the approval of an investment programme presented by this company
- **The Fondo per la crescita sostenibile** is exclusively aimed at subscribing to the Fondo Italia Venture I, which has the objective of supporting the realisation of investments in the risk capital of companies, start-ups and innovative SMEs, with high development potential, favouring the capitalisation of small and medium-sized enterprises to allow easier access to credit and support medium- to long-term development projects. Changes in the fair value of these investments were recognised as a decrease in the related fund under management. The fund is managed by the investee Cdp Venture Capital.
- **The Fondo di Promozione Turistica** refers to sums disbursed in implementation of the CIPE resolution of 25 March 1990, aimed at carrying out tourism promotional activities in the Mezzogiorno. The aim of the Programme is to increase the flow of tourists in the areas of Southern Italy by providing adequate technical, organisational and coordination assistance to the initiatives identified. The formula envisaged is that of the co-financing of actions proposed by the Regions, business associations and important bodies operating in tourism. A commission equal to 10% of the funds managed is recognised for the organisation, coordination and quality control of the initiatives, as well as assistance in their design. The activities on this fund are substantially completed, with the exception of a residual commitment to be disbursed in favour of Marina di Portisco of approximately €125 thousand.
- **The Fondo per la realizzazione della banda larga e ultralarga** refers to the sums disbursed by Mise and earmarked for the disbursement of contributions to telecommunications operators for the construction of Broadband (model B) and Ultrabroadband (model C) infrastructures, net of the sums already disbursed to beneficiaries.

The item '**other**', amounting to €26,730 thousand, is essentially composed of the provision for **Fondo Conciliazione Paritetiche**, an economic support for consumer associations that assist their customers in successfully concluded conciliation procedures. This instrument aims to encourage the swift and effective resolution of consumer disputes.

The item '**Grants**' relates to:

- €680,000 thousand grant allocated pursuant to Article 1 of Decree-Law no. 142/2019, converted with amendments by Law no. 5/2020, as further amended by Decree-Law no. 2/2023, published in the Official Gazette on 5 January 2023, which came into force on 6 January 2023 (the "DL 2/2023"), whereby Invitalia was authorised, inter alia, to grant "shareholder account loans" in accordance with market logic, criteria and conditions, to be converted into capital at the request of Invitalia itself; in order to ensure an adequate financial and equity strengthening of Acciaierie d'Italia S.p.A, which is necessary as a consequence of the exceptional increase in energy costs, the Shareholders, together with ArcelorMittal S.A., have agreed on certain terms and conditions of the relevant financial support through a binding term sheet that provides, inter alia, for certain amendments to the Investment Agreement as well as the commitment of each Shareholder to provide the Company with the respective shareholder's contribution for a future capital increase, at market conditions and convertible into capital at Invitalia's request. This contribution will be used to cover any risk of non-recoverability of the credit granted and recognised under item 40) Financial assets measured at amortised cost c) loans to customers;
- €419,000 thousand grant allocated by the MEF for an original amount of €430,000 thousand and aimed at strengthening capital, by means of a capital contribution to Mediocredito Centrale SpA, for the purchase of the investment in BdM Banca SpA; €11,000 thousand was used following the reduction in the value of the shareholding in BdM Banca SpA recognised in previous years.

- Capital grants in the amount of €205,728 thousand recognised by MISE for the activities of the company Infratel and accounted for on an accrual basis. The release to the income statement of capital grants is related to the useful life of the assets in respect of which the grants are recognised and, subsequently, paid out.
- €48,330 thousand grant, net of the amounts accounted for, related to residual funds allocated for the reclamation of the Bagnoli - Coroglio SIN not used by the Municipality of Naples.
- €44,720 thousand grant disbursed for the environmental remediation and urban regeneration of the area of significant national interest in the Bagnoli - Coroglio district, pursuant to Article 33 of *Decree-Law No. 133 of 12 September 2014*, converted with amendments, by *Law No. 164 of 11 November 2014*, as better described in Item 100 - Property, plant and equipment.
- €35,000 thousand grant for the establishment of the company DRI d'Italia SpA, whose purpose is to carry out pre-feasibility studies for the design, construction, and management of pre-reduction plants for the green conversion of the steel industry;
- €16,067 thousand grant by the MEF in compliance with Article 34 of Legislative Decree 126 of 14/08/2020 for the purchase of the equity investments in Reithera Srl (equal to €15,000 thousand) and TLS Sviluppo Srl (equal to €1,067 thousand). The original value of €30 million was reduced by the adjustment of the value of TLS Sviluppo Srl in accordance with the accounting treatment described in the paragraph in Part A "Section 4- Other Aspects - Accounting Treatment Defined for Equity Investments Acquired with Government Grants/Third Party funds".
- €9,289 thousand grant pursuant to Article 83 L. 289/02, granted by the Ministry of Economy and Finance in 2003. Decree-Law No. 35 of 14 March 2005 provided that the same can be used for the creation of incubators for productive enterprises. The grant, originally amounting to €10,000 thousand, was adjusted by €711 thousand due to the reversal of costs incurred for the Imperia incubator project that subsequently became unfeasible.
- €3,023 thousand grant pursuant to Law No 208/98, destined for the creation of incubators. The same was disbursed by the MISE (now MIMIT) during 2005, as provided for in the Grant Terms and Conditions signed by Sviluppo Italia on 14 December 2004. The amount corresponds to the amount of the grant received, net of the portion credited to the Income Statement for the available incubators on which depreciation has commenced;
- €402 thousand 'Conciliamo' grant by the Presidency of the Council of Ministers - Department for Family Policies, aimed at the implementation of corporate welfare projects.
- €7,085 thousand grant for the realisation of the Minerva project; this project intends to create an advanced platform for the digital and intelligent transformation of the entire incentive management process managed by public administrations and aimed at businesses and citizens. In particular, the platform will have to manage the pre-delivery phases (support for the definition and promotion of incentives), the delivery and monitoring of incentives and related services (tutoring, open innovation, mentorship) and the post-delivery phases (evaluation and impact analysis, reporting, controls, credit management).

To complete the foregoing, it should be noted that the grant assigned by the MEF for the share capital increase of Acciaierie d'Italia Holding SpA, the company that is the lessee of the business branches of Ilva in Amministrazione Straordinaria, for an original amount of €400,000 thousand, was fully utilised in the previous year following the adjustment of the value of the equity investment in consideration of its financial and economic situation and the bankruptcy proceedings commenced during the year. For the accounting treatment applied, please see the paragraph in Part A "Section 4 - Other Aspects - Accounting Treatment Defined for Equity Investments Acquired with Government Grants/Third Party Funds".

The above information is also reported in compliance with the disclosure obligation provided for in paragraphs 125 et seq. art. 35 of DL 30 April 2019 no. 34.

"Suppliers" represent the exposure for invoices received and to be received from third parties.

"Payables to employees" consist mainly of accruals for accrued and untaken holidays and fourteenth month's pay.

"Tax consolidation payables" represent payables to subsidiaries that participated in the group tax consolidation.

"Payables to social security institutions" refer almost entirely to contributions for the month of December on employees' salaries.

"Payables to tax authorities" consist mainly of VAT and IRPEF payables, on employee salaries and self-employment income, due for the month of December.

"Payables for miscellaneous items" include transitory items processed in the last days of the year 2024 and settled in the first days of the following year by the subsidiaries MCC and CRO, transitory items of assets summarised in Guarantees and Commitments, miscellaneous payables of €2,605 thousand and payables of €15,418 thousand for amounts to be repaid in respect of lending operations, now completed, carried out on measures managed by Invitalia.

It should be noted that the Parent Company manages additional funds disbursed by the State (amounting to €3,643 million), destined for particular employment operations provided for and regulated by specific laws, recognised in the memorandum accounts as administered funds whose management is remunerated exclusively with a fee (commission) and is therefore in the nature of a mere service.

SECTION 9 – TFR (Employee Termination Indemnities) - ITEM 90

10,110

11,529

9.1 TFR (Employee Termination Indemnities): annual changes

	2024	2023
A. Opening balance	11,529	10,734
B. Increases	10,903	9,725
B.1 Provisions for the year	10,903	9,696
B.2 Other increases	-	29
C. Decreases	(12,322)	(8,930)
C.1 Settlements made	(922)	(756)
C.2 Other decreases	(11,400)	(8,174)
D. Closing balance	10,110	11,529

This item represents the 'post-employment benefit' and is calculated by projecting the amount already accrued to the presumed termination date. The value thus obtained is discounted to the balance sheet date, using the 'accrued benefit' method using the 'Projected Unit Credit' (PUC) criterion as provided for in paragraphs 67-69 of IAS 19.

The provision for the year includes the so-called 'interest cost', i.e. the 'notional' charge that would be incurred by requesting a loan from the market for an amount equal to the liability at the beginning of the year, appropriately discounted at the rate adopted. The 'other decreases' essentially refer to the portion of employee termination indemnities transferred to supplementary pension funds and to the INPS treasury. The main demographic and financial assumptions adopted in the valuation of benefits are:

- Annual inflation rate;
- Annual rate of increase TFR;
- Annual rate of real wage increase.

In particular, it should be noted that:

- the annual discount rate used to determine the present value in accordance with Paragraph 83 of IAS 19 refers to the Euro Composite Curve AA as at 31 December 2024;
- the annual rate of increase of the TFR as provided for in Article 2120 of the Civil Code is 75% of inflation plus 1.5 percentage points.

The main actuarial assumptions for MedioCredito Centrale and CRO are summarised below:

- Annual discount rate for employee termination indemnities: 2.93% (2.95% as at 31 December 2023)
- Annual rate of inflation: 2.00% (unchanged with respect to 31 December 2023) Annual rate of increase in employee termination indemnities: 3.00% (unchanged with respect to 31 December 2023), as provided for in Article 2120 of the Civil Code, is equal to 75% of inflation plus 1.5 percentage points
- Rate of salary increase: 1.00% (unchanged from 31 December 2023).

The discount rate used to determine the present value of the bond was derived from the Iboxx Eurozone Corporate AA index recorded at the valuation date. For this purpose, the yield with a duration comparable to the duration of the group of employees being valued was chosen.

SECTION 10 - PROVISIONS FOR RISKS AND CHARGES - ITEM 100

51,570	43,525

10.1 Provisions for risks and charges: breakdown

Items/Components	2024	2023
1. Provisions for credit risk related to commitments and financial guarantees given	1,510	1,650
2. Provisions on other commitments and other guarantees given	-	24
3. Post- retirement benefit obligation	2,034	3,381
4. Other provisions for risks and charges	48,026	38,470
4.1 legal and tax disputes	13,552	10,712
4.2 personnel charges	10,683	4,065
4.3 others	23,791	23,693
Total	51,570	43,525

The item "Provisions for risks and charges" recorded a net increase of about €8 million compared to the previous year, of which about €3.8 million against the incentive resolved by the Board of Directors to encourage early departure from work of resources now close to retirement age, and the difference against contingent liabilities arising from litigation outstanding at the end of the year and that could materialise in future years.

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and other guarantees given	Post-retirement benefit obligation	Other provisions for risks and charges	Total
A. Opening balance	24	3,381	38,470	41,875
B. Increases	-	68	18,823	18,891
B.1 Provision for the year	-	-	18,823	18,823
B.2 Time value changes	-	68	-	68
B.3 Changes due to changes in the discount rate	-	-	-	-
B.4 Other Changes	-	-	-	-
C. Decreases	24	1,415	9,267	10,706
C.1 Use during the financial year	-	191	4,182	4,373
C.2 Changes due to changes in the discount rate	-	-	-	-
C.3 Other changes	24	1,224	5,085	6,333
D. Closing balance	-	2,034	48,026	50,060

10.3 Provisions for credit risk related to financial commitments and guarantees given

	Provisions for credit risk related to financial commitments and guarantees given				
	First stage	Second stage	Third stage	Impaired acquired or originated	Total
Commitments to disburse funds	484	668	15	-	1,167
Financial guarantees given	72	21	250	-	343
Total	556	689	265	-	1,510

The table shows, reported by stage, the adjustment provisions connected with irrevocable commitments, relating to loans stipulated and endorsement credits issued.

10.5 Post- retirement benefit obligation

Post- retirement benefit obligation shown in the balance sheet relates to the segregated management of the Supplementary Pension Fund since 1982, limited to a small group of retired employees who at the time decided not to join the dissolution. As at 31 December 2024, 5 pensioners were members of the fund, as there were no longer any active employees. The main actuarial assumptions used are summarised below:

- Demographic assumptions:

- The mortality table A62 published by ANIA at the end of January 2014 was used for the probability of death of retired personnel, in line with the significant reduction in mortality of the Italian population that has been taking place for a substantial number of years;
- INPS tables by age and gender were taken into account for the probability of incapacity.

- Economic and financial assumptions:

- Annual inflation rate: 2.00% (unchanged from 31 December 2023)
- Annual discount rate: 3.38% (3.17% as at 31 December 2023)

IAS 19 requires a sensitivity analysis to be performed on the obligation related to the pension funds with respect to the actuarial assumptions considered most significant, in order to show how much the balance sheet liability would change in relation to the reasonably possible fluctuations of each of these actuarial assumptions. In particular, the following table shows the change in the stocks of the pension funds, assuming increase or decrease in the discount rate and inflation by 25 basis points compared to the parameters actually used.

SECTION 11 - EQUITY - ITEMS 110, 120, 130, 140, 150, 160, 170

836,384

836,384

11.1 Capital: breakdown

	2024	2023
A. Capital		
1.1 Ordinary shares	836,384	836,384
1.2 Other shares	-	-

Liabilities items 150 and 160, "Reserves" and "Valuation Reserves" respectively, are commented on in Part D Section 4 - Information on equity.

SECTION 12 – MINORITY SHAREHOLDERS' EQUITY - ITEM 180

14,283

13,885

12.1 Minority shareholders' equity: breakdown

	2024	2023
1. Capital	7,485	7,485
2. Own shares	-	-
3. Capital instruments	-	-
4. Share premiums	6,989	6,989
5. Reserves	(2,276)	(1,476)
6. Valuation reserves	(36)	(280)
7. Profit (loss) for the year	2,121	1,167
Total	14,283	13,885

Third-party assets refer to 14.68% of the share capital of Cassa di Risparmio di Orvieto held by the Fondazione Cassa di Risparmio di Orvieto.

PART C - INFORMATION ON THE INCOME STATEMENT

SECTION 1 - INTEREST - ITEMS 10 AND 20

INTEREST INCOME AND SIMILAR INCOME - ITEM 10

1.1 Interest income and similar income: breakdown

192,252	144,350

Technical items/forms	Debt Securities	Financing	Other Operations	2024	2023
1. Financial assets measured at fair value through profit or loss:	14,098	-	-	14,098	8,417
1.1 Financial assets held for trading	30	-	-	30	143
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	14,068	-	-	14,068	8,274
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets measured at amortised cost:	11,486	158,847	-	170,333	132,532
3.1 Loans to banks	3,780	26,122	-	29,902	9,788
3.2 Loans to financial companies	59	-	-	59	1,227
3.3 Loans to customers	7,647	132,725	-	140,372	121,517
4. Hedging derivatives	-	-	-	-	-
5. Other assets	-	-	7,817	7,817	2,223
6. Financial liabilities	-	-	4	4	1,178
Total	25,584	158,847	7,821	192,252	144,350
of which: interest income on impaired financial assets	-	2,322	-	2,322	501
of which: interest on leases	-	-	-	-	-

This item mainly relates to interest earned by the bank, primarily interest on customer loan portfolios.

As indicated in "Part A - Accounting Policies, Section 4 - Other Aspects, Reclassification of Comparative Data", the subsidiary Mediocredito Centrale reclassified the differential interest on hedging derivatives in the amount of €9,472 thousand from the item interest income to the item interest expense, for a better understanding.

INTEREST EXPENSES AND SIMILAR CHARGES - ITEM 20

141,322	117,187

1.3 Interest expenses and similar charges: breakdown

Technical items/forms	Debts	Titles	Other Operations	2024	2023
1. Financial liabilities measured at amortised cost	82,624	46,848	-	129,472	105,866
1.1 Due to banks	20,517	-	-	20,517	42,430
1.2 Due to financial companies	4,076	-	-	4,076	-
1.3 Due to customers	58,031	-	-	58,031	20,697
1.4 Debt securities	-	46,848	-	46,848	42,739
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	147
4. Other liabilities and funds	-	-	2,378	2,378	3,896
5. Hedging derivatives	-	-	9,472	9,472	7,267
6. Financial assets	-	-	-	-	11
Total	82,624	46,848	11,850	141,322	117,187
of which: interest expenses related to leases	1,448	-	-	1,448	1,508

The sub-item 'Due to banks' includes interest income from financing repurchase agreements.

The sub-item 'Due to customers' and 'Due to financial companies' includes interest expenses related to transactions that fall within the scope of IFRS 16 (referring mainly to real estate leases).

The sub-item "Debt securities" includes the interest expenses of the Bonds issued by the Parent Company and the subsidiary MCC, as well as the change in the amortised cost of the same Bonds recorded under liability item 10 - Financial liabilities measured at amortised cost - b) securities issued.

SECTION 2 – FEES AND COMMISSIONS INCOME - ITEMS 40 AND 50

507,885
513,043

This item is shown net of the contracts in which Invitalia acts as "Qualified Contracting Station" in compliance with IFRS 15. These are contracts characterised by the fact that Invitalia acts as an "agent", i.e. the obligation to act consists of arranging for a third party to provide the specific good or service.

The reimbursement received is netted with the cost incurred in discharging that obligation.

2.1 Fees and Commissions income: breakdown

Detail	2024	2023
a) leasing transactions	-	-
b) factoring transactions	2,179	1,678
c) consumer credits	-	-
d) guarantees given	3	3
e) services	484,128	494,601
- fund management for third parties	204,288	278,356
- foreign exchange brokering	-	-
- product distributions	-	-
- others	279,840	216,245
f) collection and payment services	-	-
g) servicing in securitisation transactions	342	-
h) Other commissions	21,233	16,761
Total	507,885	513,043

Following the reclassification of the assets relating to Cassa di Risparmio di Orvieto under Non-current assets and groups of assets classified as held for sale and in consideration of the provisions of IFRS 5 par. 34, with reference to the balance as at 31 December 2023 of the income statement, the data was restated to include the information referring to all discontinued operations. Therefore, an amount of €19 thousand was reclassified from the 2023 balance to item 290 of the income statement; the reclassification concerned the items "Other services" for €15 thousand and "Other commissions" for €4 thousand.

The item "Fund management for third parties" and "Other" essentially includes €273 million relating to fees and contributions for the reimbursement of costs incurred in carrying out activities related to the operational programmes assigned by the competent Administrations to the Parent Company; €50.7 million of the subsidiary MCC for services rendered for the management of Fondo di Garanzia per le PMI. (45.1 million as at 31.12.2023)

In addition, the item includes €159,217 million of Infratel Italia SpA and related to the valorisation of the construction of sections for which the company has been entrusted by the Regions through MIMIT, in dependence of agreements signed between MIMIT and the Regions.

Details are given below:

	2024	2023
Banda Larga	159,217	226,821
MCC - Fondi Agevoalti per le PMI	50,700	45,100
CDS 2015	19,257	6,269
Terremoto Centro Italia	9,939	8,215
Resto al Sud	8,678	9,937
Nuove Imprese a tasso zero	8,159	6,869
IF azione 2	5,631	1,154
Alluvione (EMILIA R., TOSCANA, MARCHE)	5,319	0
Cresci al Sud	5,290	5,178
Fondo Salvaguardia	5,051	5,181
Smart&Start Italia	4,762	3,856
AT MISEDGIAI POC Imprese e competitività	4,700	
Hub scuola lavoro	4,666	2,181
A.T. REACT – EU Linea 1	4,524	15,461
Attrazione Investimenti – ass tec CAIE	4,429	2,961
PNC Sisma	4,201	3,704
Attuazione progetti Mur	4,102	924
MEF - Supporto tec operativo PNRR e PNC	4,007	9,199
PNRR 2.2.3 Digitalizzazione SUAP-SUE	3,918	1,337
Beni strumentali Sabatini	3,617	2,815
AT Valutazione ambientale	3,572	1,846
Bonifica Bagnoli-Coroglio	3,557	3,502
Valutazione Avviso 12 aree	3,477	1,315
A.T. REACT – EU Linea 2	3,469	4,270
Azioni di sistema-IV atto integrativo	3,331	1,942
Contratti per Logistica Agroalimentare	3,331	0
MATTM DG ECI	3,299	2,586
Imprenditorialità femminile	3,237	3,654
Cultura e Turismo FSC 2014-2020	3,086	1,659
Comunicazione per DGSCERP	3,038	1,233
Investimenti innovativi - DM 9/3/2018	3,007	1,785
CDS PNRR	2,926	7,741
Incentivi finanz imprese turist - IFIT	2,816	2,779
Valut valoriz prog ric MUR	2,709	6,499
Nuovo Ecobonus	2,685	3,077
Assistenza Tecnica Programma naz. FSC	2,677	1,012
Consumatori 2023-2024	2,629	1,064
PO MIT FSC14/20	2,597	1,867
Bando borghi per le imprese	2,574	
Assistenza Tec PO Ambiente MATTM DGSTA	2,519	2,597
Ricostruzione Ischia	2,142	0
CIS capitanata	1,984	1,453
FRI turismo	1,874	1,135
Servizi di supporto AT per UIBM	1,860	0
AT miglioramento qualità corpi idrici	1,680	0
Digitalizzazione Imprese Creative	1,654	0
Bagnoli - Lavori	1,543	1,724
Brevetti +2	1,487	1,893
PNRR M1C1-2.2.4-DFP-Monit e com semplif	1,454	0

MPLS POC servizi sociali 2	1,437	0
Nuovo Regime 181	1,403	
Supp. emerg. accog. migranti	1,381	
Azioni di accompagn Connettività Imprese	1,368	0
Infratel PNRR BUL	1,329	
ATG PNC AREA SISMA 2009-2016	1,309	0
A.T. PON FEAD	1,258	0
D.Lgs 185/00 - Titolo II	1,165	1,363
Consorzi industriali	1,083	
Ricostruzione Area Etnea	1,081	0
AT UDM MIMIT	1,071	0
Misura in favore enti terzo settore	1,034	0
POC Energia e sviluppo terr. 2014-2020	1,028	0
Terremoto Emilia Romagna 2019-2020	1,017	4,134
MASE Parchi nazionali M2C4I3.2a	1,014	0
AT PSC MASE	955	0
Accelerazione investimenti pubblici	945	0
Monitoraggio Programmi PCM/DIPE-CIPESS	943	969
Fondo piccole e medie imprese creative	929	0
AT PO salute FSC	916	884
CIS ex carcere S. Stefano Ventotene	909	985
MIMS REACT	909	0
Terzo settore disabilità	889	0
Supporto PON Cultura e Sviluppo	725	1,011
CdC MIBACT interv. politica di coesione	571	2,637
MiTUR - Valorizzazione	379	895
MLPS Controlli I livello	312	3,208
MATTM – DG RiA - Amianto	201	952
Supp. UIBM rafforz amm e lotta contraff	31	1,164
Imprenditorialità Innovativa 2	10	3,493
AT PON Imprese e competitività 2014-2020	0	5,476
PNR 2015-2020- Piano Stralcio FSC	0	2,498
PON Govern e capacità Istituz 2014-2020	0	1,541
AT REACT-UE – MiTE DGIE	0	1,166
Consumatori 2019-2021	(0)	1,006
Other orders	60,142	62,137
	484,128	509,316

FEES AND COMMISSIONS PAYABLE - ITEM 50**(198,186)****(263,136)****2.2 Fees and commissions payable: breakdown**

Services/Values	2024	2023
a) guarantees received	(333)	(369)
b) services distributed by third parties	(32,332)	(26,103)
c) collection and payment services	(289)	(367)
d) other commissions	(165,232)	(236,297)
Total	(198,186)	(263,136)

The item "Other commissions" includes €157,778 thousand of the subsidiary Infratel Spa referring to costs incurred for the acquisition and construction of telecommunications infrastructures, as well as costs related to the realisation of infrastructures realised within the framework of contract activity

Below is a list of activities relating to commissions for 'services distributed by third parties'.

	2024	2023
IF azione 2	3,272	27
Comunicazione RPO	2,034	151
A.T. REACT – EU Linea 1	1,975	3,558
Fondo Salvaguardia	1,831	1,229
CDS 2015	1,550	840
Bagnoli - Lavori	1,360	1,598
Resto al Sud	1,154	1,123
AT PN RIC	1,096	-
Contratti per Logistica Agroalimentare	993	384
Terremoto Centro Italia	914	790
Azioni di sistema-IV atto integrativo	566	403
Hub scuola lavoro	531	276
Ricostruzione Ischia	478	270
Valut valoriz prog ric MUR	446	1,264
Valutazione Avviso 12 aree	284	-
Sea Modal Shift(SMS)	242	-
Gestione Fondo transizione indust. MIMIT	239	-
Nuove Imprese a tasso zero	231	303
PNRR 2.2.3 Digitalizzazione SUAP-SUE	230	-
Investimenti Sostenibili 4.0 2	209	-
Terremoto Emilia Romagna 2019-2020	197	264
PNRR M2C2 Inv 3.2 Idrogeno Hard to abate	194	-
FRI turismo	188	-
Assistenza Tec PO Ambiente MATTM DGSTA	184	341
Incentivi Ristor. Pasticc. Gelaterie	177	-
Misura in favore enti terzo settore	172	-
Alluvione (EMILIA R., TOSCANA, MARCHE)	165	-
AT controlli PN Inclusione 21-27 - MLPS	129	-
MPLS POC servizi sociali 2	106	-
Terzo settore disabilità	104	-
Fondo Microprocessori/semiconduttori	96	-
Bonifica Bagnoli-Coroglio	96	278
ATG PNC AREA SISMA 2009-2016	95	332
CPM Tagetik Infratel	84	-

PNC Sisma 2016	75	-
POC Energia e sviluppo terr. 2014-2020	67	-
PNRR M1C1-2.2.4-DFP-Monit e com semplif	64	-
Supporto Suam Marche	59	-
Ricostruzione comuni provincia CB	45	-
Piattaforma inform acceleraz invest pub	36	-
Piatt Radioamatori eserc, manut e assist	35	-
CRM e contact center Infratel	34	-
Economia circolare	33	-
AT PSC MASE	31	-
Potenziamento Rete Naz Radiomonitoring	31	-
Piattaforma incentivi fiscali	31	-
PNR 2015-2020- Piano Stralcio FSC	3	337
AT PON Imprese e competitività 2014-2020	2	1,102
Imprenditorialità Innovativa 2	-	1,193
PON Govern e capacità Istituz 2014-2020	-	672
Rafforzamento digital export	-	345
Nuovo Ecobonus	-	302
Incubatore Milano-Lavori	16	275
Other contracts	10,147	8,447
	32,332	26,103

The item "Other contracts" includes all the valuation of orders with insignificant amounts in 2024. Accordingly, the value referring to the year 2023 was reclassified.

SECTION 3- DIVIDENDS AND SIMILAR INCOME - ITEM 70

321

41

3.1 Dividends and similar income: breakdown

Items/Income	2024		2023	
	Dividend s	Similar income	Dividend s	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	309	31	-
C. Financial assets measured at fair value through other comprehensive	12	-	10	-
D. Equity investments	-	-	-	-
Total	12	309	41	-

Equity securities classified as 'Financial assets measured at fair value through other comprehensive income' and 'Other financial assets mandatorily measured at fair value' generated dividends of €12 thousand and €309 thousand, respectively.

SECTION 4 - NET INCOME FROM TRADING ACTIVITIES - ITEM 80**171****678****4.1 Net income from trading activities: breakdown**

Transactions/Income components	Capital gains (A)	Trading gains (B)	Capital losses (C)	Losses from trading (D)	Net profit [(A+B) = (C+D)]
1. Financial assets held for trading	-	29	-	-	29
1.1 Debt securities	-	29	-	-	29
1.2 Capital Securities	-	-	-	-	-
1.3 UCITS shares	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange rate differences	-	-	-	-	-
4. Derivative instruments	2,473	1,932	(2,890)	(1,373)	142
4.1 Financial derivatives	-	1,932	(2,890)	(1,373)	(2,331)
4.2 Credit derivatives	2,473	-	-	-	2,473
of which natural hedges related to the fair value option	-	-	-	-	-
Total	2,473	1,961	(2,890)	(1,373)	171

This item represents the positive result achieved on the redemption of the bond held by the Parent Company (€29 thousand) and the net positive result on derivative contracts classified in item 20 of Liabilities - "Financial liabilities held for trading", entered into by MedioCredito Centrale (€142 thousand).

SECTION 5 - NET INCOME FROM HEDGING ACTIVITIES - ITEM 90**(351)****(494)****5.1 Net income from hedging activities: breakdown**

Income Components/Values	2024	2023
A. Income related to:		
A.1 Fair Value Hedging Derivatives	9,808	15,836
A.2 Hedged assets (fair value hedging)	-	-
A.3 Hedged liabilities (fair value hedging)	2,894	-
A.4 Cash Flow Hedging Derivatives	-	-
A.5 Other	-	-
Total income from hedging activities (A)	12,702	15,836
B. Charges relating to:		
B.1 Fair Value Hedging Derivatives	(3,188)	-
B.2 Hedged assets (fair value hedging)	-	-
B.3 Hedged liabilities (fair value hedging)	(9,865)	(16,330)
B.4 Cash Flow Hedging Derivatives	-	-
B.5 Other	-	-
Total expenses of hedging activities (B)	(13,053)	(16,330)
C. Net income from hedging activities (A - B)	(351)	(494)
of which: net result of hedging positions	-	-

This item represents the net negative result of €351 thousand from hedging activities realised through derivatives.

SECTION 6 - GAINS (LOSS) ON DISPOSAL OR REPURCHASE - ITEM 100**4,679 3,276****6.1 Gains (Loss) on disposal or repurchase: breakdown**

Items/Income components	2024			2023		
	Profits	Losses	Net Profit	Profits	Losses	Net Profit
A. Financial Assets	-	-	-	-	-	-
1. Financial assets measured at amortised cost	-	(44)	(44)	4,422	(1,146)	3,276
1.1 Loans to banks	-	(36)	(36)	-	-	-
1.2 Loans to financial companies	-	(1)	(1)	-	-	-
1.3 Loans to customers	-	(7)	(7)	4,422	(1,146)	3,276
2. Financial assets measured at fair value through other comprehensive income	13,684	(8,812)	4,872	3,566	(3,566)	-
2.1 Debt Securities	13,684	(8,812)	4,872	3,566	(3,566)	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	13,684	(8,856)	4,828	7,988	(4,712)	3,276
B. Financial liabilities measured at amortised cost	-	-	-	-	-	-
1. Due to banks	-	-	-	-	-	-
2. Due to financial companies	-	-	-	-	-	-
3. Due to customers	-	-	-	-	-	-
4. Securities issued	91	(240)	(149)	-	-	-
Total liabilities (B)	91	(240)	(149)	-	-	-

Financial assets measured at amortised cost, sub-item 1.2 Loans to customers includes the proceeds from the sale by MCC and CRO of certain positions classified as NPLs to the Keystone Fund during the year.

**SECTION 7 - NET RESULT OF OTHER FINANCIAL ASSETS AND LIABILITIES
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110****5,134 6,808****7.2 Net value change of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value**

Transactions/Income components	Capital gains (A)	Realised gains (B)	Capital losses (C)	Realised losses (D)	Net profit [(A+B) - (C+D)]
1. Financial assets	5,040	1,384	(1,290)	-	5,134
1.1 Debt securities	-	-	-	-	-
1.2 Equity Securities	-	-	-	-	-
1.3 UCITS units	4,861	1,348	(1,290)	-	4,919
1.4 Loans	179	36	-	-	215
2. Financial assets in foreign currencies: exchange rate differences	-	-	-	-	-
Total	5,040	1,384	(1,290)	-	5,134

The UCITS units held in portfolio by the Parent Company and MedioCredito Centrale generated net capital gains of €5,040 thousand. Gains on realisation of UCITS units refer to the recognition made to the Parent Company of a contribution, proportional to the units subscribed, received from the Fondo di Garanzia NEXT, activated by the managing entity following the ascertainment of substantial losses recorded by the Next Fund and aimed at safeguarding the minimum return for investors.

The item 'Loans' includes net changes arising from the positive year-end valuation of capitalisation policies (€179 thousand) and the capital gain on the TFR investment policy (€36 thousand).

SECTION 8 - NET LOSSES/RECOVERIES FOR CREDIT RISKS

ITEM 130

(23,832)	(21,864)

This item can be broken down as follows:

Items / Sectors	2024	2023
Net losses/recoveries for credit risk associated with financial assets measured at amortised cost	(23,986)	(21,841)
Net losses/recoveries for credit risk associated with financial assets measured at fair value through other comprehensive income	154	(23)
Total	(23,832)	(21,864)

8.1 Net losses/recoveries for credit risk associated with financial assets measured at amortised cost: breakdown

Transactions/Income components	Losses (1)						Recoveries (2)				2024	2023
	First stage	Second Stage	Third stage		Impaired acquired or originated		First stage	Second Stage	Third stage	Impaired acquired or originated		
			Write-offs	Others	Write-offs	Others						
1. Loans to banks	(35)	(1,400)	-	-	-	-	705	-	-	-	(730)	(585)
- for leasing	(28)	-	-	-	-	-	150	-	-	-	122	-
- for factoring	-	-	-	-	-	-	30	-	-	-	30	-
- other receivables	(7)	(1,400)	-	-	-	-	525	-	-	-	(882)	(585)
2. Loans to financial companies	(6)	(2)	-	-	-	-	13	2	-	-	7	(7)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(6)	(2)	-	-	-	-	13	2	-	-	7	(7)
3. Loans to customers	(4,809)	(7,688)	(164)	(24,095)	-	-	2,627	581	10,285	-	(23,263)	(21,249)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	(4)	-	-	-	-	-	-	-	-	(4)	-
- for consumer credits	-	-	-	-	-	-	-	-	-	-	-	-
- pawn loans	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(4,809)	(7,684)	(164)	(24,095)	-	-	2,627	581	10,285	-	(23,259)	(21,249)
Total	(4,850)	(9,090)	(164)	(24,095)	-	-	3,345	583	10,285	-	(23,986)	(21,841)

The item " Net losses/recoveries for credit risks" is made up of €14,213 thousand of recoveries and €38,199 thousand of losses on receivables mainly due from customers and classified in stage 3 for which, also based on the opinions of the legal advisors appointed for the purpose, it was deemed necessary to recognise adequate adjustment provisions and proceed with writedowns on positions, the bankruptcy proceedings of which have been closed

8.2 Net losses/recoveries for credit risk associated to financial assets at fair value through comprehensive income: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				2024	2023
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-offs	Others	Write-offs	Others						
A. Debt Securities	(615)	-	-	-	-	-	769	-	-	-	154	(23)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to financial companies	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(615)	-	-	-	-	-	769	-	-	-	154	(23)

SECTION 9 – GAINS/LOSSES FROM CONTRACT CHANGES WITHOUT DERECOGNITION - ITEM 140

(38)

(23)

9.1 Gains/losses from contract changes without derecognition: breakdown

		2024	2023
a.	Losses from contract changes without derecognition	(38)	(23)
b.	Gains from contract changes without derecognition	-	-
Total a+b		(38)	(23)

SECTION 10 - ADMINISTRATIVE EXPENSES - ITEM 160

(348,143)

(279,732)

This item can be broken down as follows:

Items / Sectors	2024	2023
Personnel expenses (a)	(290,773)	(229,432)
Other administrative expenses (b)	(57,370)	(50,300)
Total	(348,143)	(279,732)

10.1 Personnel expenses: breakdown

Type of expenditure/Values	2024	2023
1) Employees	(263,350)	(219,732)
a) wages and salaries	(181,270)	(145,080)
b) social security charges	(55,138)	(51,418)
c) termination indemnity	(1,815)	(2,502)
d) social security expenses	-	(400)
e) provision for employee termination indemnity	(7,929)	(9,584)
f) provision for pensions and similar obligations:	(3,272)	(144)
- defined contribution	(3,204)	-
- defined benefit	(68)	(144)
g) payments to external supplementary pension funds:	(649)	(1,060)
- defined contribution	(649)	(1,060)
- defined benefit	-	-
h) costs arising from payment agreements based on own equity instruments	-	(6,041)
i) other employee benefits	(13,277)	(3,503)
2) Other working personnel	(25,547)	(8,226)
3) Directors and Statutory Auditors	(1,876)	(1,474)
4) Retired personnel	-	-
Total	(290,773)	(229,432)

'Payments to external defined-contribution supplementary pension funds' include TFR payments made to INPS.

The increase in the items 'wages and salaries' and 'social security charges' is mainly due to the contractual renewal of the subsidiary MCC (CCNL + second level contract), and the bonus system. The amount is also affected by new hires at the parent company and MCC itself.

The item "Other employee benefits" shows an increase due to the new conditions of the Assistance programme for employees of the Parent Company, which provides for an increase in insurance coverage for employees and their families under the Employee Benefits package.

Number of employees per category

Number of employees	2024	2023
Executives	77	72
Middle managers	631	598
Other employees	3,215	3,107
Atypical workers	211	206
Total	4,134	3,983

10.2 Average number of employees by category

Average number of employees	2024	2023
Executives	76	72
Middle managers	618	565
Other employees	3,127	2,839
Atypical workers	176	222
Total	3,997	3,698

10.3 Other administrative expenses: breakdown

Type of expenditure/Values	2024	2023
Other administrative expenses		
- Use of third-party assets	1,272	(752)
- Legal and notary	(10,352)	(8,052)
- Sundry third-party services	(13,493)	(10,833)
- Maintenance, utilities and insurance	(6,588)	(5,937)
- Other personnel expenses	(5,975)	(4,136)
- Information systems	(11,338)	(12,757)
- Indirect taxes and fees	(1,158)	(1,008)
- Communication expenses	(1,059)	(853)
- Consumables and other operating charges	(218)	(302)
- Membership contributions	(378)	(376)
- Board of statutory Auditors expenses	-	(5)
- Other	(8,083)	(5,289)
Total	(57,370)	(50,300)

The increase in the items 'wages and salaries' and 'social security charges' is mainly due to the contractual renewal of the subsidiary MCC (CCNL + second level contract), and the bonus system. The amount is also affected by new hires at the parent company and MCC itself.

The item "Other employee benefits" shows an increase due to the new conditions of the Welfare programme for employees of the parent company, which provides for increased remodelling at the company's expense, under the Employee Benefits package, employee insurance cover and their household.

SECTION 11 - NET PROVISIONS FOR RISKS AND CHARGES - ITEM 170

(13,305)	(2,246)

This item can be broken down as follows:

Items / Sectors	2024	2023
Commitments and guarantees given (a)	(177)	742
Other net provisions (b)	(13,128)	(2,988)
Total	(13,305)	(2,246)

11.1 Net provisions for credit risk related to commitments and guarantees given: breakdown

Items / Sectors	2024		
	First and second stages	Third stage	Total
Provisions	(667)	-	(667)
Write-backs	490	-	490
Total	(177)	-	(177)

11.3 Net provisions for other risks and charges: breakdown

Type of expenditure/Values	2024	2023
Other net provisions		
- Utilisation of provision for charges	386	11.953
- Net provisions for other risks	(13,514)	(14,941)
Total	(13,128)	(2,988)

The item includes provisions relating to litigation with an estimated probable risk of losing the case, as well as provisions of €5.8 million to the "Provision for personnel expenses" relating to the allocation for redundancy incentives (2.0 million euros for MCC and €3.8 million for the Parent Company) following the activation of a redundancy incentive plan based on the recognition of an economic incentive to be offered to a target population of resources closest to retirement (from 60 years of age onwards).

For a description of the main litigations for which the risk was assessed as possible or for which the assessment was not possible and for which no provision was made, please refer to the section 'Litigation' in the Report on Operations.

SECTION 12 - NET ADJUSTMENT/WRITE-BACKS TO PROPERTY, PLANT AND EQUIPMENT - ITEM 180

(28,551) (26,449)

12.1 Net adjustments/write-backs to Property, plant and equipment: breakdown

Activity/Income component	Amortisation	Adjustments	Write-backs	Net result
	(a)	(b)	(c)	(a + b - c)
A. Property, plant and equipment				
A.1 For functional use	(28,062)	-	-	(28,062)
- Owned	(18,954)	-	-	(18,954)
- Rights of use acquired through leasing	(9,108)	-	-	(9,108)
A.2 Held for investment purposes	(489)	-	-	(489)
- Owned	(489)	-	-	(489)
- Rights of use acquired through leasing	-	-	-	-
A.3 Inventories	-	-	-	-
Total	(28,551)	-	-	(28,551)

This item includes depreciation for the year on owned assets as well as value adjustments related to rights of use acquired in transactions falling within the scope of IFRS 16.

SECTION 13 - NET ADJUSTMENTS/WRITE-BACKS TO INTANGIBLE ASSETS - ITEM 190

13.1 Net adjustments/write backs to intangible assets: breakdown

Activity/Income component	Amortisation	Adjustments	Write-backs	Net result
	(a)	(b)	(c)	(a + b - c)
1. Intangible assets other than goodwill				
of which software:				
1.1 owned	(29,977)	-	-	(29,977)
1.2 rights of use acquired through leasing	-	-	-	-
2. Assets acquired through financial leasing	-	-	-	-
3. Assets acquired through operating leases				
Total	(29,977)	-	-	(29,977)

This item includes amortisation for the year on owned intangible assets.

SECTION 14 - OTHER OPERATING EXPENSES/INCOME - ITEM 200

100,066	81,922

This item can be broken down as follows:

Items / Sectors	2024	2023
Other operating expenses (a)	(4,081)	(2,563)
Other operating income (b)	104,147	84,485
Total	100,066	81,922

14.1 Other operating expenses: breakdown

Services/Values	2024	2023
- Other operating charges	(4,081)	(2,563)
Total	(4,081)	(2,563)

14.2 Other operating income: breakdown

Services/Values	2024	2023
- Rental income	3,736	726
- Revenues from contractual penalties	-	-
- Revenues from capital grants	44,031	33,658
- Revenues from operating grants	31,868	37,559
- Reversals	82	166
- Other operating income	24,430	12,376
Total	104,147	84,485

The item "Other operating expenses" mainly includes other charges recorded by the subsidiary MCC for depreciation on third-party assets, settlements and disputes, and securitisation charges.

Revenues from capital and operating grants relate to grants from the company Infratel.

The increase in 'Other operating income' essentially refers to income from tax consolidation net of deferred tax assets.

SECTION 15 – GAINS(LOSSES) FROM EQUITY INVESTMENTS - ITEM 220

3,090	(3,191)

15.1 Gains (losses) from equity investments: breakdown

Income Components/Sectors	2024	2023
1. Gains	3,090	2,556
1.1 Revaluations	3,090	2,556
1.2 Gains on disposal	-	-
1.3 Write-backs	-	-
1.4 Other gains	-	-
2. Losses	-	(5,747)
2.1 Write-downs	-	(5,747)
2.2 Losses on disposal	-	-
2.3 Impairment adjustments	-	-
2.4 Other losses	-	-
Net result	3,090	(3,191)

The item includes the adjustment to equity of the value of equity investments not consolidated on a line-by-line basis: 'Revaluations' refer to Cdp Venture Capital SGR SpA (€3,091 thousand).

SECTION 18 - PROFITS (LOSSES) ON DISPOSAL OF INVESTMENTS - ITEM 250

(3)	8

18.1 Profits (losses) on disposal of investments: breakdown

Income Component/Sectors	2024	2023
A. Properties	(3)	8
- Profits on disposal	-	8
- Losses on disposal	(3)	-
B. Other activities	-	-
- Profits on disposal	-	-
- Losses on disposal	-	-
Net profit	(3)	8

SECTION 19 - INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS - ITEM 270

(18,492)	(9,025)

19.1 Income Taxes for the year on current operations: breakdown

Income Components/Sectors	2024	2023
1. Current taxes (-)	(16,094)	(5,464)
2. Changes in current taxes of previous years (+/-)	107	(100)
3. Reduction in current taxes for the year (+)	-	-
3.bis Reduction in current taxes for the year due to tax credits under Law 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(2,505)	(3,461)
5. Change in deferred tax liabilities (+/-)	-	-
6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(18,492)	(9,025)

SECTION 20– PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX - ITEMS 290

12,836	4,890

20.1 Profit (Loss) from discontinued operations after tax: breakdown

Income Components/Sectors	2024	2023
1. Income	89,856	76,534
2. Charges	(72,667)	(55,794)
3. Result of measurement of the group of assets and associated liabilities	-	(4,728)
4. Profit (loss) realised	774	(4,787)
5. Taxes	(5,127)	(6,335)
Profit (loss)	12,836	4,890

SECTION 22 – PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS - ITEM 310

(2,121)	(1,167)

22.1 Profit (loss) for the year pertaining to minority interests

Company Name	2024	2023
Profit pertaining to third parties	(2,121)	(1,167)
Total	(2,121)	(1,167)

PART D - OTHER INFORMATION**SECTION 1 - SPECIFIC REFERENCES ON ACTIVITIES CARRIED OUT****B - FACTORING AND ASSIGNMENT OF RECEIVABLES****B.1 - Gross value and book value***B.1.1 Factoring operations*

Item/Values	2024			2023		
	Gross Value	Value Adjustments	Net Value	Gross Value	Value Adjustments	Net Value
1. Performing	288,254	673	287,581	210,938	-	210,938
Exposures to assignors (with recourse)	24,177	89	24,088	210,938	-	210,938
- Assignment of future receivables	21,890	68	21,822	-	-	-
- Other	2,287	21	2,266	210,938	-	210,938
Exposures to assigned debtors (without recourse)	264,077	584	263,493	-	-	-
2. Non -performing	5,137	4,159	978	1,719	1,719	-
2.1 Non-performing loans	4,250	3,353	897	1,719	1,719	-
Exposures to assignors (with recourse)	3,905	3,008	897	1,374	1,374	-
- Assignment of future receivables	2,531	1,634	897	-	-	-
- Other	1,374	1,374	-	1,374	1,374	-
Exposures to assigned debtors (without recourse)	345	345	-	345	345	-
- Purchases below nominal value	-	-	-	-	-	-
- Other	345	345	-	345	345	-
2.2 Unlikely to pay	887	806	81	-	-	-
Exposures to assignors (with recourse)	887	806	81	-	-	-
- Assignment of future credit	887	806	81	-	-	-
- Other	-	-	-	-	-	-
Exposures to assigned debtors (without recourse)	-	-	-	-	-	-
- Purchases below nominal value	-	-	-	-	-	-
- Other	-	-	-	-	-	-
2.3 Non-performing Past Due Exposures	-	-	-	-	-	-
Exposures to assignors (with recourse)	-	-	-	-	-	-
- Assignment of future credit	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Exposures to assigned debtors (without recourse)	-	-	-	-	-	-
- Purchases below nominal value	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Total	293,391	4,832	288,559	212,657	1,719	210,938

B.2 - Breakdown by residual life*B.2.1 - Factoring with Recourse: advances and total receivables*

Time bands	- prepayments	- total receivables	- prepayments	- total receivables
	2024	2023	2024	2023
On demand	-	-	-	-
Up to 3 months	-	-	-	-
Over 3 months up to 6 months	-	-	-	-
From 6 months to 1 year	-	-	-	-
Over 1 year	21,821	-	-	-
Indefinite	-	-	28,082	212,312
Total	21,821	-	28,082	212,312

B.2.2 - Non-recourse Factoring: exposures

Time bands	- exposures	- exposures
	2024	2024
On demand	-	-
Up to 3 months	-	-
Over 3 months up to 6 months	-	-
6 months to 1 year	-	-
Over 1 year	-	-
Indefinite	264,422	345
Total	264,422	345

B.3 – Other information

B.3.3 Nominal value of contracts for the acquisition of future credit

Nominal value of contracts for the acquisition of future credit		
	2024	2023
Flow of contracts for the purchase of future credit in the financial year	-	-
Number of contracts existing at the reporting date	293,390	212,657
Total	293,390	212,657

D - GUARANTEES GIVEN AND COMMITMENTS

D.1 - Value of guarantees (real or personal) given and commitments

TRANSACTIONS	2024	2023
1) Financial guarantees given on first demand		
a) Banks		
b) Finance companies	1,033	1,033
c) Customers	17,280	17,280
2) Other financial guarantees given		
a) Banks	3,482	4,034
b) Finance companies		
c) Customers	27,956	35,429
3) Commercial guarantees given		
a) Banks		
b) Finance companies		
c) Customers	23,236	39,650
4) Irrevocable commitments to disburse funds		
a) Banks		
For certain use		
For uncertain use		
b) Finance companies		
For certain use	298	75
For uncertain use		
c) Customers		
For certain use	4,245,658	4,092,181
For uncertain use	-	350
5) Underlying commitments to credit derivatives: protection sales		
6) Assets pledged as collateral for third-party obligations		
7) Other irrevocable commitments		
a) to issue guarantees	12,171	14,151
b) other	11,926	15,239
Total	4,343,040	4,219,422

It should be noted that as at 31/12/2024, commercial guarantees have been issued on behalf of MENARINI SPA in favour of the following Institutions:

- Generali SpA for € 12,997 thousand
- HDI Assicurazioni for € 80 thousand
- Allianz Euler Hermes for approximately € 1,413 thousand
- Itas Mutua for € 382 thousand
- S2C for € 562 thousand

A commercial guarantee was issued on behalf of Sider Alloys in favour of Intesa S. Paolo for € 7.8 million;

Under a loan agreement between Arrilrsa and the financing banks, the entire subscribed capital of € 5 million was pledged as security for the obligations undertaken;

Finally, a guarantee was issued in favour of Sicamb and on behalf of Illimity Bank in the amount of approximately € 2 million.

It should also be noted that commercial guarantees were issued on behalf of Acciaierie d'Italia Holding S.p.A. in favour of ENI (for approximately € 57 million), of which about € 28.8 million were enforced during the year 2024

prior to the preparation of these financial statements; counter-guarantees in favour of AM S.A. (for approximately € 57 million, of which € 45 million for the Performance Bond) , in execution of the Investment Contract signed on 10 December 2020 with Arcelor Mittal S.A. for the purchase of the 38% shareholding in Acciaierie d'Italia Holding SpA (ADIH) with capital grants assigned by the Ministry of Economy and Finance (Decree Law No. 142 of 2019). During the financial year 2024, sums (including expenses and interest) amounting to approximately € 46.5 million were paid against enforcement.

Under "Irrevocable commitments to disburse funds" shows the availability of funds exclusively for the disbursement of subsidies to from third-party funds under management accounted for in the memorandum accounts, as Invitalia's operations consist merely of a service activity on behalf of the State.

Concerning the disclosure obligations under co. 125 et seq. Art. 35 of Decree-Law No. 34 of 30 April 2019, it should be noted that all expenditure commitments made by Invitalia in respect of funds under management are published in the National Register of State Aid pursuant to Art. 52 of Law No. 234 of 24 December 2012, in the transparency section provided therein.

Type of service	Amount
1. Execution of orders on behalf of customers	
a) purchases	
1. regulated	
2. unregulated	
b) sales	
1. regulated	
2. unregulated	
2. Individual portfolio management	
3. Safe custody and administration of securities	17,176,487
a) third-party securities on deposit: related to custodian bank activities (excluding portfolio management)	17
1. securities issued by the reporting bank	
2. other securities	17
b) third-party securities on deposit (excluding portfolio management): other	278,169
1. securities issued by the reporting bank	60
2. other securities	278,109
c) third-party securities deposited with third parties	277,616
d) own securities deposited with third parties	16,620,685
4. Other transactions	28,269,989

With reference to item 4. "Other transactions" in the above table, the breakdown of this amount is as follows:

	2024	2023
Fondo di Garanzia L.23/12/96 n.662	27,976,922	24,130,291
Fondo per la crescita sostenibile D.L. 22/06/12 n.83 c.2	231,815	122,107
Fondo L.23/12/00 article 106	32,327	32,327
Fondo L.23/12/97 article 454	1,477	1,476
Fondo del programma operativo nazionale ric. e innovaz. 2014-2020	1,397	7,686
Gestione quota fondo unico Regione Marche	1,829	1,798
Gestione quota fondo unico Regione Liguria	26	26
L.488 RTI (MCC/BDS/IRFIS) Map (now MiSE)	7,671	7,441
Other funds	16,525	21,055
Liquidity as at 31/12	28,269,989	24,324,207

Contratti di Sviluppo

	2024	2023
Fondo Sviluppo e Coesione 2014-2020		
- Fondo Rotativo (DM 24/09/10)	31,749	24,402
- Fondo Rotativo APQ Campania	9,030	9,425
- Fondo Rotativo CIPE 25 – 52/16	32,499	17,544
- Contributo c/impianti CIPE 25 - 52/16	76,326	125,606
- Contributo c/impianti (DMe 24/09/10)	14,883	14,233
- Contributo c/impianti APQ Calabria	7,794	10,249
- Contributo c/impianti Regione Toscana	1,503	1,483
PNRR Rinnovabili e batterie		
- PNRR Batterie	47,794	50,462
- PNRR Eolico	0	10,092
- PNRR Tecnologie Fotovoltaiche ed Eoliche	1,500	40,369
Mobilità Sostenibile		
- Contributo c/impianti	94,853	97,313
FCS III (2021-2027)		
- Fondo Rotativo	30,010	30,000
- Contributo c/impianti	21,997	60,000
PNRR Filiera		
- Incasso Fondi	61,735	75,730
Fare Centro Nord – D.L. 69/2013		
- Fondo Rotativo (DM 24/09/10)	80,915	70,884
Asse II - Sostegno all'innovazione (Obiettivo operativi 4.2.1.1 "Rafforzamento sistema produttivo")		
- Fondo Rotativo (DM 24/09/10) Asse II - (DM 06/08/10)	43,716	39,436
- Contributo c/impianti DM 06/08/10	0	4
- Contributo c/impianti DM 06/08/10	1,507	1,500
Budget Law 2020		
- Fondo Rotativo	15,366	15,096
- Contributo c/Impianti	13,170	17,556
Regioni		
- Contributo c/Impianti Nord Ovest	1,092	1,092
- Contributo c/Impianti Regione Puglia	7,759	1,352
- Contributo c/Impianti equipment Regione Marche	94	109
- Contributo c/Impianti Regione Sicilia	5,671	5,553
- Contributo c/Impianti Regione Veneto	616	799
- Contributo c/Impianti Regione Umbria	230	246
- Contributo c/Impianti Regioni Nord Est	644	770
- Contributo c/Impianti Regione Basilicata	2,553	2,704
- Fondo Rotativo - Contributo c/Impianti Regione Sardegna	6,737	9,118
- Contributo c/Impianti Regione Abruzzo	763	454
- Contributo c/Impianti Regione Lazio	5,341	3,651
Asse I - Sostegno ai mutamenti strutturali (Obiettivo operativo 4.1.1.2 "Aree tecnologico-produttive per la competitività del sistema")		
- Fondo Rotativo (DM 24/09/10) Asse I	28,500	25,667
PON SIL 2000-2006		
- Fondo Rotativo (DM 24/09/10)	14,928	9,798
- Contributo c/impianti (DM 24/09/10)	7,083	7,047
PAC Campania		
- Fondo Rotativo (DM 24/09/10)	4,563	3,663
- Contributo c/impianti (DM 24/09/10)	277	334
- Regione Campania	114	10,690
Legge di Stabilità 2014 -L.147/2013		
- Fondo Rotativo (DM 24/09/10)	9,630	13,609
Fondo Crescita Sostenibile		
- Fondo Rotativo	5,106	5,018
- Contributo c/impianti	15,220	8,536
PON I&C Asse III Competitività PMI		
- Fondo Rotativo	14,465	9,657
- Fondo Rotativo POR Lazio	563	557

PON I&C Asse IV		
- Fondo Rotativo	264	10,122
- Contributo c/impianti	0	-
Cratere Sismico dell'Aquila - Fondo Sviluppo e Coesione		
- Contributo c/impianti - Fondo Rotativo (DM 24/09/10)	7,812	10,095
PON I&C Asse I Innovazione		
- Fondo Rotativo	9,491	7,833
- Contributo c/impianti	519	1,369
PAC - Piano di Azione e Coesione		
- Fondo Rotativo (DM 24/09/10)	5,301	4,355
- Contributo c/impianti (DM 24/09/10)	2,558	4,279
POC "Imprese e Competitività" 2014-2020		
- Fondo Rotativo	10,093	7,435
- Contributo c/impianti	413	407
Risorse Nazionali		
- Contributo c/impianti	3,595	5,654
POC- Programma di Azione e Coesione 2014- 2020 "Imprese e Competitività" Asse III		
- Contributo c/impianti	50	5,590
Legge di Stabilità 2013 Basilicata - L. 228/2012		
- Fondo Rotativo - Legge 228/2012	1,294	914
- Contributo c/impianti - Legge 228/2012	1,773	1,747
Capitanata		
- Contributo c/impianti	2,663	2,637
AdP Termini Imerese		
- Fondo Rotativo (DM 09/12/14)	80	79
- Contributo c/impianti (DM 24/09/10)	2,176	2,150
Asse II - Competitività delle imprese del settore turistico, culturale e ambientale e promozione dell'offerta delle Regioni obiettivo della Convergenza		
- Fondo Rotativo	699	462
POR Sardegna		
- Fondo Rotativo	725	353
Logistica Agroalimentare		
- Logistica Agroalimentare Fondo Rotativo	1	
- Logistica Agroalimentare Contributi	11	
- Porti	0	
- Mercati	14	
NRRP Hard To Abate		
- NRRP Hard to Abate	0	
Automotive		
- Contributo c/impianti - Automotive	19,904	
NRRP ZERO NET M1C2		
- NRRP NET ZERO M1C2 - 7.1	0	
- NRRP FILIERE III M1C2 - 7.2	0	
Partecipazioni		
- Acquisitions of equity investments	1,070	74
Total	788,802	897,363

Fondo Sviluppo e Coesione 2014-2020

The FSC is the main financial instrument through which policies for the development of economic, social and territorial cohesion and the removal of economic and social imbalances are implemented in accordance with the provisions of the Italian Constitution and the Treaty on the Functioning of the European Union.

CDS PNRR Rinnovabili e Batterie

It aims to support the development of a renewables and batteries value chain through the realisation of three different sub-investments relating respectively to PV Technology (PhotoVoltaics) for which it is envisaged, by 31 December 2025, to increase the power generation capacity of photovoltaic panels produced from the current 200

MW/year to at least 2 GW/year thanks to high-efficiency photovoltaic panels; Wind Industry; Batteries Sector for which it is envisaged, by 31 December 2024 a battery production with a target capacity of 11 GWh.

CDS Mobilità Sostenibile

In implementation of the provisions of paragraph 613 of Law No. 232 of 11/12/2016, the MISE (now MIMIT), in agreement with the Ministry of Infrastructure and Transport, enters into an agreement for the purpose of implementing a National Strategic Plan on Sustainable Mobility intended for the renewal of the bus fleet of local and regional public transport services, the promotion and improvement of air quality with innovative technologies.

CDS FSC III (2021-2027)

The Fondo Sviluppo e Coesione is earmarked to finance strategic projects, both infrastructure and intangible, of national, interregional and regional significance, in the form of major projects or investments divided into individual interventions that are functionally interconnected.

CDS PNRR Filiere

Strengthening production chains, including emerging ones, is considered strategic. The sectors involved are: automotive, design, fashion and furniture, microelectronics and semiconductors, metal and electromechanics, agro-industry, chemical/pharmaceutical.

Fare Centro Nord - D.L. 69/2013

Among the active financial sources for Development Contracts is Law 69/ 2013, which contains provisions for economic growth.

Asse II – Sostegno all'innovazione (Obiettivo operativo 4.2.1.1 "Rafforzamento sistema produttivo")

The project provides for two investment programmes aimed at industrialising the results of research or experimental development programmes and pursuing specific objectives of innovation, competitive improvement and environmental protection. For this operational programme, a Revolving Fund was set up for the disbursement of subsidised loans under Operational Objective 4.2.1.1 managed with capital and separate accounts.

CDS Legge Bilancio 2020

Regarding this measure, the Ministerial Directive of 15/04/2020 provided for an additional allocation of financial resources for the Contratti di Sviluppo instrument amounting to 600 million euro for Development Agreement and Programme Agreement applications throughout Italy.

CDS Regioni

Ministerial Decree 09/05/2017 introduced a procedure called 'Development Agreements' (Accordi di Sviluppo) to encourage the implementation of large strategic projects. The Agreement, signed between the Regions and the MISE (now MIMIT), provides for a share of co-financing to be borne by the latter from FSC 2014-2020 resources.

Asse I - Sostegno ai mutamenti strutturali (Obiettivo operativo 4.1.1.2 "Aree tecnologico-produttive per la competitività del sistema")

This measure provides funding for investment and research and development programmes carried out in the industry, tourism and trade sectors.

PON SIL 2000-2006

The resources released by PON SIL 2000- 2006 were used as a financial source for Contratti di Sviluppo.

PAC Campania

The Action and Cohesion Plan of the Campania Plan was set up to provide incentives for productive investments oriented towards innovation and competitive improvement in the manufacturing, power generation and specific service sectors. The objective is the reconversion of the crisis area, through innovation, the management integration of companies, the valorisation of disused or underused structures, and the creation of new employment.

Legge di Stabilità 2014 - L.147/2013

The purpose of this concessional measure is to finance land securing, reclamation of sites of national interest and other environmental policy interventions.

CDS Fondo Crescita Sostenibile

The purpose of this Measure is to finance industrial investment and environmental protection programmes located in central and northern regions.

CDS PON I&C Asse III Competitività PMI

This development contract encourages the implementation of industrial, tourism and environmental protection programmes through the promotion and support of SMEs.

CDS PON I&C Asse IV

This financial source is aimed at the implementation of intelligent storage systems connected to smart grids and RES distribution plants' related to Axis IV 'Energy Efficiency'.

Cratere Sismico dell'Aquila- Fondo Sviluppo e Coesione

The Agency has been specifically tasked with interventions aimed at fostering economic and employment recovery in the area of Abruzzo affected by the earthquake of April 2009.

CDS PON I&C Asse I Innovazione

These Contratti di Sviluppo are aimed at the realisation of initiatives under the PON I&C for the management and implementation of the "implementation of intelligent energy distribution networks (smart grids) and interventions on transmission networks that are strictly complementary and aimed at directly increasing the distribution of energy produced from renewable sources, introduction of equipment equipped with digital communication systems, smart metering and control and monitoring, as infrastructure of 'cities' and peri-urban areas".

PAC - Piano di Azione e Coesione

The purpose of the Piano di Azione e Coesione is to accelerate the implementation of the 2007-2013 programming period, to increase the effectiveness of interventions by targeting them at measurable results and concentrating resources, and to launch new actions, some of which are prototypical in nature, which, depending on the outcomes, may be taken up in the 2014-2020 programming period.

POC "Imprese e Competitività" 2014-2020

The financial resources of the POC are earmarked for financing two lines of intervention in the most disadvantaged areas of the country: one line for attracting investments capable of ensuring a spill-over effect on SMEs at regional level (60% of the financial envelope), the other (40% of the financial envelope) for investments of significant financial size.

CDS Risorse Nazionali

The financial sources that can be used to realise the investments are from the special account no. 1726 called "Interventi Aree Depresse" (Actions in Depressed Areas), within the resources earmarked for the Programme Contracts that have not been used.

POC- Programma di Azione e Coesione 2014- 2020 "Imprese e Competitività" Asse III

The FSC contains additional national financial resources earmarked for economic and social rebalancing purposes, as well as for incentives and public investments.

Legge di stabilità 2013 Basilicata - L. 228/2012

In order to favour the start-up and continuation of entrepreneurial initiatives aimed at the development of the tourist offer in the Basilicata region through the strengthening and improvement of the quality of the accommodation offer and of the relative supplementary activities as well as of the support services for the fruition of the tourist product for the realisation of which one or more investment projects are necessary, financial facilities are granted to support private investments.

CDS Capitanata

On 13 August 2019, the "Contratto Istituzionale di Sviluppo per la Capitanata" – (CIS Capitanata) was signed, through which Invitalia ensures the management of business incentive measures on the basis of what has been allocated for the Contratti di Sviluppo. The measure is financed with funds from the Prime Minister's Office.

AdP Termini Imerese

This is the Programme Agreement for the regulation of the reconversion and redevelopment of the Termini Imerese Industrial Complex.

Asse II - Competitività delle imprese del settore turistico, culturale e ambientale e promozione dell'offerta delle Regioni obiettivo della Convergenza

The funds allocated to the EU programme are intended for investments in the tourism and cultural sector for the qualification and innovation of accommodation and hospitality services.

CDS POR Sardegna

In 2015, the Sulcis Plan was launched with the aim of revitalising the economic system and enhancing the territory's potential.

Logistica Agroalimentare

The Contratto di Sviluppo for logistics in the agri-food, fishery and aquaculture, forestry, floriculture and nursery sectors aims to strengthen logistics and storage systems, reduce environmental and economic costs and support innovation in production processes.

NRRP Hard To Abate

The development contract supports industrial decarbonisation plans aimed at replacing at least 10 per cent of the methane and fossil fuels used in the production processes of highly polluting sectors with low-carbon and/or renewable hydrogen, also self-produced, and, as a residual measure, the electrification of production processes.

Automotive

This development contract supports investments in production and environmental protection related to the development and reconversion of the automotive sector. Research, development and innovation projects that are closely linked and functional are also eligible for funding.

PNRR ZERO NET M1C2

The aim of this Contratto di Sviluppo is to support the production system for the ecological transition, net-zero technologies and the competitiveness and resilience of strategic supply chains

CDS Partecipazioni

This Fund has been set up to intervene in the risk capital of beneficiary companies only under certain circumstances and market conditions (Article 8 bis Min. Decree 09/12/2014). Subsequently, the MISE (now MIMIT) directive of 05/08/2019 authorised Invitalia to issue guarantees and counter-guarantees in favour of public entities and suppliers in order to avoid the interruption of activities with consequent negative effects on the employment base as well as the relaunch of production of the same. As at 31 December 2024, guarantees had been issued to Industria Italiana Autobus for approximately €15.4 million and to Sider Alloys for approximately €7.8 million.

DM 09 MARZO 2018 - INVESTIMENTI INNOVATIVI PON I&C Asse III 2014-2020

DM 30-10-2019 -Investimenti Innovativi PON I&C Asse III 2014-2020

This measure is aimed at supporting innovative investment programmes designed to increase the degree of efficiency or the level of flexibility of economic activity, in order to foster the transition of the manufacturing sector towards what is known as the Smart Factory'.

	2024	2023
DM 09 MARZO 2018 -Investimenti Innovativi PON I&C Asse III 2014-2020		
- Fondo Rotativo	52,686	41,720
- c/impianti	21,684	22,113
DM 30-10-2019 -Investimenti Innovativi PON I&C Asse III 2014-2020		
- Fondo Rotativo	5,355	18,126
- Fondo Rotativo	20,296	35,017
- c/impianti	315	28,468
DM 09 MARZO 2018 -Investimenti Innovativi PON I&C Asse IV 2014-2020		
- Fondo Rotativo	256	22
- c/impianti	86	85
Liquidity as at 31/12	100,678	145,551

During the year, facilities in the amount of €67,567 thousand were paid out from this financial source and capital repayments in the amount of €19,959 thousand were recorded.

POI "Energie Rinnovabili e risparmio energetico" FESR 2007-2013

A number of implementing decrees were issued by the Ministry in connection with the Operational Programme, as outlined below.

On 6 August 2010, the Ministry of Economic Development (MiSE) issued three decrees implementing the provisions of the Ministerial Decree of 23 July 2009 with an original allocation of €500 million, later reduced to €495 million.

The MiSE, with the Decree of 5 December 2013 (Min. Decree Energy Efficiency), has promoted the implementation of investment programmes aimed at reducing and rationalising the use of primary energy used in the processing cycles and/or the provision of services carried out within an existing production unit, in favour of companies located in the 'Obiettivo Convergenza' regions (Calabria, Campania, Puglia and Sicily).

Activity Line 1.2/2.1 - Interventions to support the development of entrepreneurship linked to research and the application of innovative technologies in the renewable energy sector

This programme provides for the financing of investment projects concerning the production of capital goods functional to the development of renewable energy sources and energy saving. In this regard, two open-ended revolving funds were set up for business lines 1.2 and 2.1, which are managed with capital and separate accounts.

	2024	2023
- Activity Line 1.2		
- Fondo rotativo per finanziamenti agevolati	13,102	9,842
- Contributo conto impianti	0	2
- Activity Line 2.1		
- Fondo rotativo per finanziamenti agevolati	7,485	5,531
- Contributo conto impianti	181	178
More		
Receivables from other measures	0	-
Liquidity as at 31/12	20,768	15,553

No subsidies were granted on this financial source during the year, but capital of €5,160 thousand was repaid from loan instalments.

Smart & Start Italia

The Smart&Start Italia facilities are reserved for innovative start-ups located throughout Italy, whose business idea must have technological and innovative features, or develop products, services or solutions in the digital economy, or economically exploit the results of the research system. With Relaunch Decree N. 34 of 19/05/2020, €100,000,000.00 was allocated for the refinancing of facilities granted in the form of subsidised financing.

	2024	2023
- Fondo Rotativo DM 24/09/2014 - c/impianti e c/gestione (DM 24/09/2014)	36,043	39,128
- Decreto Rilancio	19	17,662
- Fondo Rotativo - c/impianti e c/gestione Legge di Stabilità 2017	6,057	13,597
- Fondo Rotativo - c/impianti e c/gestione PON 2014/2020	35,981	7,324
- PNRR	8,637	9,857
Liquidity as at 31/12	86,737	87,568

From these financial sources during the year, subsidies in the amount of €46,613 thousand were disbursed, €6,383 thousand was received for capital repayments, and €3,805 thousand was received from the Ministry.

Nuove Imprese a tasso zero

This measure is aimed at supporting new entrepreneurship through the creation of micro and small enterprises. Article 29 of Decree-Law No 34 of 30/04/2019, known as the "Growth Decree", has partly redefined the regulations by broadening the range of beneficiaries and changing the conditions eligible for financing.

	2024	2023
- Tesoreria Centrale	242,026	253,762
- Fondo Rotativo per finanziamenti PON SIL 2000-2006	7,945	12,055
- Fondo Rotativo per finanziamenti Stabilità 2017	10,436	8,524
- Fondo Rotativo per finanziamenti PAC CAMPANIA	6,894	8,065

- PNRR	4,952	6,668
- Conto impianti Nito ON	11,869	6,000
- Fondo Rotativo per finanziamenti agevolati Fondo Unico	6,377	608
Liquidity as at 31/12	290,499	295,682

From this financial source, subsidies in the amount of €43,636 thousand were disbursed during the year, funds from the Ministry in the amount of €43,000 thousand and €1,676 thousand for capital repayments were received.

Programma Cultura Crea (Mibact Decree 11/05/2016)

This programme promotes the creation and development of entrepreneurial initiatives in the cultural-tourism industry and for the support of non-profit enterprises that aim to enhance the cultural resources of the territory in the regions of Basilicata, Calabria, Campania, Apulia and Sicily.

	2024	2023
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.A.1.A PON Nuove Imprese		
- Fondo Rotativo	6,069	6,179
- Contributo c/Impianti	226	437
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.B.1.A PON Cons. PMI		
- Fondo Rotativo	5,530	5,425
- Contributo c/Impianti	55	529
Programma Cultura Crea (Decreto Mibact 11/05/2016) - AZ 3.C.1.A PON Terzo Settore		
- Contributo c/Impianti	201	1,514
Programma Cultura Crea POC		
- Fondo Rotativo	1,967	-
- Contributo c/Impianti	5,051	10,029
Taranto crea		
- Contributo c/Impianti	1,369	
Liquidity as at 31/12	20,468	24,113

From these financial sources during the year, subsidies in the amount of €7,911 thousand were disbursed, funds in the amount of €3,000 thousand were received from the Ministry, and €1,069 thousand was received for the return of capital.

Nuova Legge 181

With the decree 09/06/2015, the MiSE has regulated the conditions and modalities for the interventions to be carried out under the new aid system. territories in which the interventions are to be carried out are divided as follows:

- Complex industrial crisis areas, where the new aid scheme was applied to 2 new crisis areas; 1 application submitted
- Non-complex industrial crisis areas, for which 3 applications were submitted, all under evaluation;
- Other areas, for which 2 applications were submitted, both suspended due to lack of financial availability

Commitments to third parties are set out in the following schedules:

	2024	2023
- Fondo Crescita F.do Rotativo	16,678	29,075
- PON I&C Asse III F.do Rotativo	7,534	5,425
- POR FESR 2014-2020 Campania F.do Rotativo	2,296	1,667
- Fondo Crescita Crescita c/impianti	3,063	10,739
- PON I&C Asse III c/impianti	1,323	1,319
- POR FESR 2014-2020 Basilicata F.do Rotativo	503	495
- FSC Campania F.do Rotativo	547	1,083
- FESR c/impianti	21	432
- L. 80/05 c/impianti	1,034	2,522
- Fondo Unico F.do Rotativo	1,143	2,375
- Fondo Unico c/impianti	649	1,032
- L. 80/05 F.do Rotativo	8,474	9,662

- FSC Campania c/impianti	206	474
- FSC Calabria F.do Rotativo	418	217
- FSC Calabria c/impianti	0	-
- ADP Puglia F.do Rotativo	119	116
- ADP Puglia c/impianti	1	1
- ADP Veneto F.do Rotativo	219	136
- ADP Veneto c/impianti	60	59
- ADP Piemonte F.do Rotativo	449	372
- ADP Marche F.do Rotativo	208	182
- ADP Marche c/impianti	46	45
- ADP Lazio F.do Rotativo	38	97
- ADP Lazio c/impianti	11	41
- ADP Liguria F.do Rotativo	270	238
- ADP FVG c/impianti	19	46
- ADP FVG F.do Rotativo	54	84
- ADP Calabria Addendum F.do Rotativo	3,435	3,401
- ADP Calabria Addendum c/impianti	1,718	1,701
- ADP Toscana Reg. F.do Rotativo	299	1,408
- ADP Toscana Reg. c/impianti	58	603
Liquidity as at 31/12	50,893	75,047

During the year, subsidies in the amount of €40,469 thousand were disbursed and funds in the amount of €727 thousand were collected. Loan instalments of €15,106 thousand were also collected.

Other measures

	2024	2023
Fondo Grandi Imprese		
- F.do Rotativo	297,602	276,179
Fondo Nazionale Efficienza Energetica		
- Garanzie	85,454	77,041
- F.do Rotativo	191,513	175,014
Fondo Salvaguardia Imprese		
- Partecipazioni-F.do Rotativo-Prest. Obbligaz	282,525	247,294
PNC Sisma		
Grandi Investimenti B1.1 F.do Rotativo e c/impianti	24,846	24,601
Investimenti medie dimensioni B1.2+B3.3 F.do Rotativo e c/impianti	23,369	27,501
Startup e sviluppo microimprese B1.3a c/impianti	34,529	46,932
Innovazione PMI B1.3b c/impianti e c/gestione	5,964	11,921
Startup e sviluppo PMI B1.3c - F.do Rotativo e c/impianti	9,084	16,000
Agrosilvopastorale B3.1	-	-
Economia Circolare B3.2 F.do Rotativo	8,593	8,508
Voucher Investimenti Innovativi		
- C/impianti - C/gestione	98,075	109,473
Fets		
- C/impianti	83,198	99,730
Investimenti Sostenibili 4.0		
- C/impianti	192,181	57,263
Brevetti +		
- C/impianti - C/gestione	7,560	48,021
- PNRR	1	2
Digital Transformation		
- F.do Rotativo	9,224	13,268
- C/impianti - C/gestione	18,169	18,989
Resto al Sud		
- C/impianti - C/gestione	95,947	28,561

Ifit		
- C/impianti	69,631	25,358
Fetsda		
- C/impianti	131	25,173
Bonus Export Digitale		
- C/impianti - C/gestione	15,571	23,550
Bonus Terme		
- C/impianti	20,246	20,807
Curaltalia		
- Curaltalia D.L. 17 Marzo 2020 n. 18 - art.5	14,043	12,088
- Curaltalia D.L. 17 Marzo 2020 - Bando Impresa Sicura art. 43	607	579
Digitalizzazione Cultura Investimento 3.3 NRRP		
- Transizione Organismi Culturale e Creativi 3.3.2	25,168	10,734
- Capacity Bulding - Trans. Dig. -Av. A1 inv. 3.3.1	2,213	
- GREE Transizione Digitale 3.3.4	4,223	
- Capacity Bulding - Trans. Dig. -EC Adv. B1 inv. 3.3.3	2,111	
Fondo Cresci al Sud		
- Partecipazioni	65,569	10,337
Smart & Start Titolo II e III		
- Contributo spese gestione Tit. II (DM 06/03/2013)	4,069	4,051
- Contributo conto Impianti Tit. III (DM 06/03/2013)	6,218	6,189
- Contributo Smart e Start Abruzzo	0	-
SelfiEmployment		
- Fondo Rotativo	10,526	9,162
Bonus Fiere		
- C/impianti - C/gestione	9,148	9,121
Rilancio PMI		
- Fondo Rotativo	138	8,633
DM Campania 13/02/2014		
- Fondo Rotativo	5,727	4,816
- C/impianti	1,352	1,345
Smart Money		
- C/impianti - C/gestione	4,038	5,659
Crasi L'Aquila DM 14/10/2015		
- Misura I C/impianti - C/gestione Nuova Crasi	3,917	4,694
- Misura II C/impianti - C/gestione	465	458
Fondo Intrattenimento Digitale		
- C/impianti	2,390	3,338
Tessile Moda		
- C/impianti	2,609	2,978
Economia Circolare		
- C/impianti - C/gestione	2,489	1,905
Mimit POC NRRP Proof of Concept		
Incasso Fondi	1	1,390
Murgia		
- C/impianti	96	1,269
Biomasse		
- Fondo Rotativo	860	742
- C/impianti	41	41
Voucher Internalizzazione		
- C/impianti- C/gestione Tempor Exp.Manager	0	763
Bando Alluminio		
- Contributo c/impianti	211	605
Programma Acceder		
- Contributo c/impianti	0	503
Avviso POC Mise 2020		
- Contributo c/impianti	0	404

Economia Sociale		
- Contributo c/impianti	201	262
Imprenditorialità Femminile		
- Az.1 Capo II Avvio	2,873	-
- Az.1 Capo III F.do Rotativo	2,649	11
- Az.1 Capo III Contributo c/impianti	3,111	206
- Az.2 Capo V Grant	2,908	
Bando Carburanti		
- Contributo	90	117
Educazione Consumo Digitale		
- Contributo	110	109
Fondo Crisi Ucraina		
- Contributo	1	99
Imprenditorialità Innovativa 2		
- Contributo c/impianti	22	62
Dara - Incentivi per la montagna		
- Contributo	2,983	
Contrasto alla Deindustrializzazione		
- Contributo	11,288	
NRRP Bando Imprese borghi		
- Contributo	17,812	
FRI-TUR		
- Contributo	29,111	
Matera DL 91-2017 art 7 co 1-BIS	3,511	6,817
Gestione delle leggi in concessione		
- Fondo unico Art. 27 c. 11 L. 488/1999	388,794	376,614
- Fondo Invitalia Ventures II	76,661	85,393
Total	2,283,767	1,952,680
Other commitments of uncertain use	466	816
Total	2,284,233	1,953,496
Grand total	3,643,078	2,850,859

Fondo Grandi Imprese

The Fund operates by granting aid in the form of loans, to be repaid within a maximum of five years, to large companies in temporary financial difficulty, excluding companies in the banking, financial and insurance sectors.

Fondo Nazionale Efficienza Energetica

The Fund is an incentive that supports the implementation of interventions aimed at ensuring the achievement of national energy efficiency targets. The recipients of the incentives are companies, ESCOs and public administrations in individual or associated form.

Fondo Salvaguardia Imprese

The Fund is aimed at the restructuring of companies owning historic brands of national interest, with at least 250 employees, that are in a state of economic-financial difficulty or companies that, regardless of the number of employees, hold assets and relations of strategic importance for the national interest.

In 2023, three shareholdings were acquired in Bellotti (+€3.5 million), Snaidero (+€7 million) and Pernigotti (+€4.375 million), and two further capital increases were made in favour of two portfolio companies in 2022: Canepa (+€5 million) and Ceramica Dolomite (+€3 million). In addition, non-repayable grants were provided to support employment levels in favour of a portfolio company (Walcor). These transactions are in addition to the 3 acquisitions in 2021: Sicamb (€45 million), Cornelianani (€6.5 million) and Canepa (€3 million) and the 7 in 2022: SALP (€4 million), Niche Fusina Rolled Products (€4.9 million), Walcor (€3.6 million), Ceramica Dolomite (€7 million), BTX (€3.8 million), Titagarh Firema (€10 million) and Conceria del Chienti (€2.450 million).

PNC Sisma

In accordance with the provisions of the Decree of the Minister of Economy and Finance of 15 July 2021 and the specific project sheet relating to the Interventions for the earthquake areas of 2009 and 2016, these were then merged into a single unitary Intervention Programme divided into two macro-measures

A. Safe, sustainable and connected towns and villages, the aim of which is to improve infrastructures, spaces and the urban environment in order to restore vitality to local communities. The interventions concern urban design (sustainable lighting, water recovery facilities, environmentally friendly roads, green systems), energy efficiency of public buildings and in particular schools, integrated plans for sustainable mobility and transport, 'smart cities', telemedicine, tele-assistance, support for risk prevention, promotion of digital infrastructures.tB. Economic and social revitalisation, with the aim of supporting the revitalisation of territories and communities by promoting activation to work and business activity in local productive sectors, through the valorisation of territorial vocations, environmental resources, the agri-food system, and the strengthening of concrete measures aimed at skills training as well as support for cultural, tourist and creative enterprises.

Voucher for Innovative Investments

On 23/10/2019, an agreement was signed with MISE (now MIMIT) aimed at supporting, through the granting of non-repayable contributions in the form of Vouchers, SMEs wishing to purchase specialised consultancy on technological and digital transformation processes.

FETS

Extraordinary contribution in favour of organisations providing socio-medical or socio-assistance services in residential or semi-residential settings for the elderly people

Investimenti Sostenibili 4.0

Granting of subsidies in favour of investment programmes proposed by small and medium-sized enterprises that comply with current environmental protection principles and have a high technological content, consistent with the Transition 4.0 plan, with priority given to those capable of making a particular contribution to the sustainability objectives defined by the European Union and to those intended to foster the transition of the enterprise towards the circular economy paradigm, i.e. to improve the energy sustainability of the enterprise.

Brevetti+

The aim of the measure is to support more qualified patent valorisation projects of public and private research.

Digital Transformation

The measure is aimed at supporting the Digital Transformation of micro, small and medium-sized enterprises, in the manufacturing sector and in the direct business services sector, in the tourism sector for enterprises engaged in the digitisation of the use of cultural assets, and in the trade sector, thus contributing to the objectives of innovation and growth of competitiveness of the entire productive fabric of the country.

Resto al Sud

With Decree-Law No. 91 of 20 June 2017, the Resto al Sud Measure was established, which aims to incentivise the creation of new Enterprises in the South, having as beneficiaries individuals aged 45 years or less, having their registered office in the regions of Abruzzo, Basilicata, Calabria, Molise, Puglia, Sardinia and Sicily. By Decree-Law No. 123 of 24 October 2019, the Measure was also extended to the municipalities of the earthquake crater in the regions of Lazio, Marche and Umbria.

IFIT

'Incentivi finanziari per le imprese turistiche' is the measure that encourages the upgrading of facilities in the tourism sector.

FETSDA

Extraordinary contribution in favour of bodies providing social welfare or social assistance services in residential or semi-residential settings for people with disabilities.

Bonus Export Digitale

It is a project of the Ministry of Foreign Affairs and the ICE Agency that aims to support manufacturing micro-enterprises in their internationalisation activities through digital solutions.

Bonus Terme

The measure provides for vouchers for the purchase of spa services. Voucher applications can be submitted by users at previously accredited spa establishments.

Curalitalia

This decree provides incentives for companies that implement investments to increase the availability of medical devices and personal protective equipment in order to contain the Covid-19 epidemiological emergency.

Curitalia D.L. 17 March 2020 - Bando Impresa Sicura Art. 43

This Call for Proposals provides access to reimbursement of expenses incurred by companies for the purchase of personal protective equipment.

Digitalizzazione Cultura Investimento 3.3

Measures to improve the ecosystem in which the cultural and creative sectors operate, encouraging cooperation between cultural operators and organisations and facilitating upskilling and reskilling.

Upskilling means activities to improve the competences and skills of those who work, aiming at a real upgrade of what they know and can do, in order to grow in the role.

Reskilling, on the other hand, is the procedure for moving the resource to another role and making it perform a different job from its current one: a company-led 'professional conversion' project. It intervenes on the tasks by 'reconstructing' the professional figure, equipping it with new skills.

Fondo Cresci al Sud

The Budget Law of 27/12/2019 created a fund called 'Fondo Cresci al Sud' (Grow in the South Fund), intended to facilitate, through capital investments, the competitiveness and growth of SMEs having their legal and operational headquarters mainly in the following regions: Abruzzo - Basilicata - Calabria - Molise - Puglia - Sardinia - Sicily.

In 2023, 6 participations were acquired: E-Globe S.p.A. for €1.5 million, Edil San Felice S.p.A. for €3.5 million, Fare Spot S.p.A. for €2.6 million, Simone S.p.A. for €900 thousand, Xenia Hotellerie Solutions S.p.A. for €804 thousand, and Recupero Etico Sostenibile S.p.A. for €3.8 million.

These acquisitions are in addition to those made during 2022 in Italian Cool Design S.r.l. for €5.5 million, Lirsa S.r.l. for €5 million and Tesi S.r.l. for €8.4 million.

Smart&Start Titolo II e III

This programme provides aid for small start-up companies (SMART) and support for investment programmes by digital and/or technology-based start-ups (START).

SelfiEmployment

The SelfiEmployment measure finances with interest-free loans the start-up of small business initiatives, promoted by young NEETs. The fund is managed by Invitalia within the framework of the Youth Guarantee Programme, under the supervision of the Ministry of Labour.

Bonus Fiere

This trade fair bonus is a voucher worth up to **€10,000, which** can be granted to companies for participation in international trade fairs organised in Italy.

Rilancio PMI

This measure deals with the new incentive promoted by the Extraordinary Commissioner of the Government to support the restoration and restarting of damaged economic activities in Umbria, Marche, Abruzzo and Lazio, inherent to entrepreneurial initiatives in the following sectors: industry, handicrafts, processing of agricultural products, provision of services, tourism, agricultural production, fishing and aquaculture.

DM CAMPANIA 13/02/2014

The Agency is the Managing Entity of the Campania DM Call for Proposals, promoted pursuant to the Ministerial Decree of 13 February 2014, whose purpose is the industrial revitalisation and/or redevelopment of the production system of the territories of the municipalities falling within the areas affected by industrial crisis in Campania.

Smart Money

By Decree No. 34 of 19 May 2020, innovative start-ups were granted subsidies for the acquisition of services provided by incubators, accelerators, innovation hubs (a physical space where start-ups can present their projects), business angels (a figure that helps promising start-ups both economically and through technical assistance) and other public or private entities operating for the development of innovative businesses.

Crasi L'Aquila DM 14/10/2015

This initiative promotes economic and employment recovery in the area of Abruzzo affected by the 2009 earthquake and is divided into Measure I Measure II. The first one supports the creation of new enterprises or the upgrading of existing ones, the second one finances the excellences of the area with initiatives to increase their visibility.

Fondo Intrattenimento Digitale

With the Decree of 18.12.2020, the MISE (now MIMIT) signed an incentive that favours the conception and pre-production of video games. It is aimed at companies that, on the date of application, have their registered office in the European Economic Area and physical residence in Italy.

Tessile Moda

The Textile, Fashion and Accessories measure, envisaged by the 'Relaunch Decree' (Art. 38 bis), is aimed at supporting and promoting the textile, fashion and accessories industry, with a special focus on start-ups that invest in design by enhancing made-in-Italy products with high artistic and creative content.

Economia Circolare

Granting of subsidies to support projects involving industrial research and experimental development aimed at the productive reconversion of economic activities through the creation of new products, processes or services or the significant improvement of existing products, processes or services through the development of key enabling technologies.

MIMIT POC NRRP Proof of Concept

The aim is to launch and manage a Call for Proposals to finance actions to facilitate the realisation of the proof of concept (prototyping) phase and to boost the process of transferring patented inventions from public entities (universities, research centres, Scientific Institutes for Research, Hospitalization and Healthcare - IRCCS) to the business system and the market.

Murgia DM 18/10/2013

The Agency is the managing body of the Bando DM Murgia, promoted pursuant to the Ministerial Decree of 13 October 2013, whose aim is the reconversion and reindustrialisation of the Murgia area affected by the upholstered furniture crisis.

Linea di attività 1.1 - Biomasse

The Agency is the Managing Entity of the Bando Biomasse (Biomass Call for Proposals), promoted pursuant to the Ministerial Decree of 13 December 2011, whose purpose is to finance investment programmes for the activation, strengthening and support of biomass supply chains in the regions of Campania, Puglia, Calabria and Sicily.

Voucher Internalizzazione

On 29 September 2017, an agreement was signed with MISE (now MIMIT) aimed at supporting, through the granting of non-repayable contributions in the form of Vouchers, SMEs that intend to turn their interests towards markets outside their national territory, through a specialised figure capable of analysing, designing and managing these processes.

Bando Alluminio

The Fund is aimed at supporting companies operating aluminium waste recycling plants with **CER code 150104**, which, in the last year of the Covid-19 pandemic crisis, continued to operate with difficulty despite the crisis in the system generated by the drop in demand for recycled material.

Programma Acceder

This programme is aimed at facilitating the access of disadvantaged persons and, in particular, the Roma, Sinti and Caminanti (RSC) populations to the self-employed and dependent labour market, with the objective of improving employment levels and subsequent progressive inclusion in the formal economy. Recognition of skills, training.

Avviso POC Mise 2020

Agreement entrusting the Agency with the support service for the design and management of a funding measure aimed at fostering the development of the level of technological maturity of industrial property titles held by universities, research organisations and institutes of a scientific nature.

Economia Sociale

Convention signed with the MISE DGIAI (now MIMIT) on 21.11.2018 expiring on 31.12.2021 addressed to type B social cooperatives (aimed at the work placement of disadvantaged people) and type A social cooperatives (aimed at the realisation of social, sociomedical and educational services). An aid scheme aimed at supporting the creation and growth of enterprises operating, throughout the national territory, in pursuit of the general interests and socially useful purposes identified by the sector regulations.

Imprenditorialità Femminile

The Women's Enterprise Fund is the national incentive that supports the creation and consolidation of enterprises led by women, promoted by the Ministry of Economic Development. It finances investment programmes in industry, handicrafts, processing of agricultural products, services, trade and tourism.

Bando Carburanti

The measure is aimed at micro, small and medium-sized enterprises resident in Italy operating motorway fuel distribution services, which, in consideration of maintaining the service during the health emergency period, even in the presence of a considerable drop in demand for fuel, are granted a contribution commensurate with the social security and welfare contributions due on wages and salaries for the months of March, April and May 2020.

Educazione Consumo Digitale

The new call for Innovative Investments supports projects that foster the technological and digital transformation of companies through the use of technologies consistent with the Impresa 4.0 plan and accelerate the transition of the manufacturing sector towards a circular economy model.

Fondo Crisi Ucraina

This measure is designed to address, through the provision of non-reimbursable grants, the negative economic repercussions for domestic enterprises resulting from the international crisis in Ukraine, which have resulted in losses of turnover due to the contraction of demand, the interruption of existing contracts and projects, and the crisis in supply chains.

Imprenditorialità Innovativa 2

The aim is to provide tools for post-pandemic recovery, giving continuity to the experiences made in the 'Innovative Entrepreneurship' Plan, extending and enhancing open innovation and networking projects and actions and orienting them towards a model of open innovation, attentive to green issues and an intelligent use of technology.

Dara – Incentivi per la montagna

The Dipartimento per gli Affari Regionali e le Autonomie", finances investment programmes with high technological and innovative content supported by women's enterprises located in mountain municipalities.

Contrasto alla Deindustrializzazione

The incentive is granted to companies in the manufacturing sector that carry out investments for the expansion or redevelopment of existing production facilities in the municipal territories under the jurisdiction of certain consortia, or that plan to establish new production units in the same municipal territories.

PNRR Bando imprese Borghi

The 'Imprese Borghi' incentive promotes the start-up or consolidation of business initiatives for the cultural, social and economic regeneration of villages at risk of abandonment or neglect.

FRI - TUR

The incentive aims to improve hospitality services and upgrade accommodation facilities, with a view to digitisation and environmental sustainability.

MATERA DL 91-2017 art 7 co 1-BIS

These are the resources transferred to the special account no. 6065 in the Agency's name, opened at the State Treasury for the intervention provided for by Law 208/2015 art. 1 co 435 "Matera Capitale Europea della Cultura 2019".

Fondo Unico art. 27 comma 11 Law 488/1999

Commitments to third parties relating to the management of the Facilitation Measures under Legislative Decree 185/2000 are set out below. Titolo I refers to measures in support of self-entrepreneurship and Title II to those in favour of self-employment.

Fondo Invitalia Ventures II

The shares of the Italia Venture II fund are acquired with the available funds of the Fondo Imprese Sud managed with third-party funds off balance, which has an endowment of €150 million, all subscribed by Invitalia and aims to support and develop start-ups and SMEs in southern Italy. It is managed by CDP Venture SGR, which was initially 100% owned by Invitalia and then, with the 2019 Stability Law, 70% of its capital was transferred to Cassa Depositi e Prestiti S.p.A.

E - MERCHANT BANKING

E.1 - Summary table of merchant banking equity investments

	2024				2023			
	Original value	Total value adjustments and/or impairment	Total value readjustments and/or revaluations	Balance sheet value	Original value	Total value adjustments and/or impairment	Total value readjustments and/or revaluations	Balance sheet value
Equity investments								
Merchant banking								
- of which with funds 181/89								
CMS SRL IN FALLIMENTO					1,370	(1,370)		
ELA SPA IN FALLIMENTO								
ELMIRAD SERVICE SRL					120	(120)		
FONDERIE SPA IN FALLIMENTO	-	-	-	-	-	-	-	-
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO	-	-	-	-	202	(202)	-	-
JONICA IMPIANTI SRL IN FALLIMENTO	-	-	-	-	278	(278)	-	-
PERITAS SRL								
PRO.S.IT S.R.L.					499	(499)		
SIE-EUROPEAN FISHERIES ASSOCIATION IN PROC. CONCORS.	-	-	-	-	-	-	-	-
SIMPE SPA IN FALLIMENTO	-	-	-	-	3,600	(3,600)	-	-
SURAL SPA					253	(253)		
TEKLA SRL								
Total					6,322	(6,322)		

In the previous year, equity investments under insolvency procedure were fully written off in view of the unrecoverability of the invested capital.

E.2 - Information on investment relations

Company name	Original value	Total value adjustments	Total revaluations	Balance sheet value	Headqu	Listed (Yes/No)	Share %	Voting rights %
Investee companies								
CMS SRL IN FALLIMENTO					LATERZ	NO	19.2	19.22%
ELA SPA IN FALLIMENTO					NAPLES	NO	5.77	5.77%
ELMIRAD SERVICE SRL					TARANT	NO	12.4	12.40%
FONDERIE SPA IN FALLIMENTO					ROME	NO	1.73	1.73%
GUSTAVO DE NEGRI & ZA.MA. SRL IN					CASERT	NO	20.2	20.20%
JONICA IMPIANTI SRL IN FALLIMENTO					LIZZAN	NO	8.70	8.70%
PERITAS SRL					BRINDIS	NO	15.1	15.16%
PRO.S.IT S.R.L.					NAPLES	NO	27.0	27.06%
SIE-EUROPEAN FISHERIES					ROME	NO	15.0	15.00%
SIMPE SPA IN FALLIMENTO					ACERRA	NO	4.01	4.01%
SURAL SPA					TARANT	NO	1.42	1.42%
TEKLA SRL					SARNO	NO	26.3	26.33%
	-	-	-	-				

F - OPERATIONS WITH THIRD-PARTY FUNDS

F.1 - Nature of funds and types of use

	2024		2023	
	Public funds		Public funds	
		of which: own risk		of which: own risk
1. Performing				
Leasing loans	-	-	-	-
Factoring	-	-	-	-
Other loans	566,136	3,120	631,871	4,602
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
Equity investments	-	-	-	-
Guarantees and commitments	-	-	-	-
2. Non performing				
2.1 Bad loans				
Leasing loans	-	-	-	-
Factoring	-	-	-	-
Other loans	147,402	-	136,147	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
Equity investments	7,355	-	7,355	-
Guarantees and commitments	-	-	-	-
2.2 Unlikely to pay				
Leasing loans	-	-	-	-
Factoring	-	-	-	-
Other loans	-	-	-	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
Guarantees and commitments	-	-	-	-
2.3 Past Due exposures				
Leasing loans	-	-	-	-
Factoring	-	-	-	-
Other loans	-	-	-	-
<i>of which: for enforcement of guarantees and commitments</i>	-	-	-	-
Guarantees and commitments	-	-	-	-
Total	720,893	3,120	775,373	4,602

F.2 - Gross and net values of own risk assets

	Public funds		
	Gross value	Value Adjustments	Net value
1. Performing			
. Leasing loans			
. Factoring			
. Other loans	3,906	(786)	3,120
<i>. Of which: for enforcement of guarantees and commitments</i>			
. Equity investments			
. Guarantees and commitments			
2. Non performing			
2.1 Bad loans			
. Leasing loans			
. Factoring			
. Other loans			
<i>. Of which: for enforcement of guarantees and commitments</i>			
. Equity investments			
. Guarantees and commitments			
2.2 Unlikely to pay			

. Leasing loans			
. Factoring			
. Other loans			
. <i>Of which: for enforcement of guarantees and commitments</i>			
. Equity investments			
. Guarantees and commitments			
2.3 Past Due exposures			
. Leasing loans			
. Factoring			
. Other loans			
. <i>Of which: for enforcement of guarantees and commitments</i>			
. Equity investments			
. Guarantees and commitments			
Total	3,906	(786)	3,120

Please note that the values expressed are gross of any write-downs and/or losses.

SECTION 2 - SECURITISATION TRANSACTIONS, DISCLOSURE OF UNCONSOLIDATED STRUCTURED ENTITIES (OTHER THAN SECURITISATION VEHICLES) AND ASSET SALE TRANSACTIONS

A - SECURITISATION TRANSACTIONS

Qualitative disclosure

As at 31 December 2024, there were no securitisation transactions originated with the objective of achieving the transfer of credit risk, while there are some *tranchéd cover* transactions with collateral portfolio of the PMI Guarantee Fund to cover the first losses aimed at financing of enterprises.

Own securitisation - MCC Group SME Srl

On the funding side, a Securitisation Transaction of performing loans, backed by FCG or SACE guarantees, was finalised on 28 December 2023, promoted by several originators belonging to the Mediocredito Centrale Banking Group, pursuant to Law No. 130 of 30 April 1999.

Based on a so-called *multi-originator* loan assignment structure, a loan portfolio was sold by MCC and BdM Banca S.p.A. in favour of the SPV for a price of €349,838,771.5 for MCC and €348,443,765.87 for BdM Banca.

In particular, the receivables were assigned to the specially incorporated vehicle company 'MCC Group SME Srl' for the securitisation transaction pursuant to Law 130/1999.

The purchase of the Portfolio was financed through the proceeds of the SPV's issuance of *asset-backed floating rate* and *variable return* securities with limited recourse, pursuant to Articles 1 and 5 of the Securitisation Act, having the following characteristics:

- a) two classes of senior securities (respectively, 'Class A1 Securities' for €244 million and 'Class A2 Securities' for €244 million), which were subscribed by J.P. Morgan SE, with reference to Class A1, and by BdM, with reference to Class A2;
- b) a class of junior securities, which was subscribed by MCC for €110,734,000 and by BdM for €109,339,000, depending on the price of the portfolio sold by each of them.

MCC therefore received, on the issue date of the Securities, funding in an amount equal to the subscription price paid by JP Morgan in respect of the Class A1 Securities, amounting to €244 million.

The securities were issued at 100% of their nominal amount and in denominations of €100,000.00 and integer multiples of 1,000.00 euro; they are bearer, issued in dematerialised form and deposited with Monte Titoli S.p.A.

The securities issued by SPV MCC Group SME changed as follows during the year 2024:

- a) with reference to the class A1 securities subscribed by JPMorgan in 2023, the portion decreased from €244 million to €154,650,125.91 as a result of capital repayments made by the SPV during the year.
- b) The class A2 securities subscribed by BDM in 2023 were replaced by class A1 securities also subscribed by J.P. Morgan SE. This share of securities was also reduced from €244 million to €154,650,125.91 as a result of capital repayments made by the SPV during the year.
- c) With reference to the Junior securities, MCC's share decreased from Euro 110,734,000 to Euro 97,521,513.670, while BDM's share decreased from Euro 109,339,000 to Euro 96,292,962.79 as a result of capital repayments during the year,

The securities issued are not rated, nor listed or admitted for trading on any regulated market or multilateral trading facility.

In consideration, inter alia, of the subscription of the Junior Securities by the originator banks, the Transaction does not provide for the accounting and prudential deconsolidation of the securitised loans.

Third-party' ABS securities

Starting in 2019, in compliance with the defined guidelines and the pursuit of prevalence, MCC assumed the role of investor in *Basket Bond* transactions to support the growth of SMEs in Southern Italy (Basket Bond Campania, Basket Bond Puglia). As at 31 December 2024, these transactions did not entail any securitisation risk as they are standard transactions, in which the risk assumed and any mitigating guarantees are clear. In relation to the above, therefore, it is considered that there is no risk that "the economic substance of the securitisation transaction is not fully reflected in the valuation and risk management decisions". This transaction falls within the

operations identified by the MCC for the realisation of its mission to support the economy.

Mediocredito Centrale participated among others:

- together with Banca Sella and Cassa Depositi e Prestiti, to the 'Basket Bond Sella', for a maximum amount of €80 million (MCC share), aimed at financing growth projects of Italian SMEs and Mid Caps, with a three-year programme;
- together with Cassa Depositi e Prestiti and Banca Finnat, in the '*Basket Bond Euronext Growth*' programme aimed at issuing bonds for a maximum amount of €17.5 million (MCC share) The *minibond* is aimed at financing the respective development and growth programmes and enhancing their competitive capacity;
- together with Cassa Depositi e Prestiti and *Credit Agricole* in the '*Basket Bond Crédit Agricole*' issue programme, aimed at supporting the growth programmes of Italian SMEs and Mid Caps. MCC is a co-investor (30% shareholding), In the context of this operation, in compliance with certain requirements, the Minibonds benefit from a 90% guarantee issued by the European Investment Bank up to a maximum loss equal to 35% (cap) of the portfolio of Bonds, from time to time still to be redeemed, subject to subscription (EIB Guarantee);
- together with Cassa Depositi e Prestiti in the 'Basket Bond Equita' issue programme aimed at supporting the growth programmes of SME companies. MCC is a co-investor (50% stake);
- together with Cassa Depositi e Prestiti in the 'Basket Bond Italia' issue programme aimed at supporting the growth programmes of SME companies. MCC is a co-investor (50% stake);
- together with Cassa Depositi e Prestiti in the 'Basket Bond Sistema Confindustria' issue programme aimed at SMEs and mid-caps oriented towards innovation and access to alternative finance. MCC is a co-investor (50% share);
- in the role of co-arranger, together with Cassa Depositi e Prestiti in the "Basket Bond Lazio" issue programme, aimed at supporting SMEs with operational headquarters in the Regione Lazio, through minibonds for a maximum amount of €60 million (increasable up to €80 million); the transaction involves an SPV and the issue of ABS with the minibonds themselves as underlying assets. The transaction is backed by collateral provided by Lazio Innova S.p.A. in the form of cash collateral, to cover the first losses recorded on the minibond portfolio, up to a maximum of 25% of the portfolio amount (with a maximum financial endowment of €15 million, increasable up to €20 million);
- moreover, it has subscribed the securities issued by the vehicle Lumen, set up in the context of the operation structured together with Credimi, as assignor of the credits originated from the financing disbursed by the same and subsequently transferred to the vehicle, for a maximum amount of 25€/m, with the purpose of financing SMEs; MCC's participation is 95%, while 5% of the operation is subscribed by Credimi; in relation to the latest events that have involved the operator Credimi, the company Quinservizi S.p.A. took the place of Credimi as Subservicer in relation to the relations with the vehicle in order to guarantee the continuity of the operation.

C – ASSIGNMENT TRANSACTIONS

Qualitative disclosure

C.3 - Financial assets sold and not fully derecognised

Pursuant to the provisions of the Bank of Italy Communication of 23 December 2019, this section provides qualitative and quantitative disclosure on transactions involving the sale of impaired loans to a mutual fund with the simultaneous subscription of units issued by the fund itself.

The instrument of the assignment of receivables to mutual funds aims to entrust the management of exposures of the bank, classified as 'NPLs', to specialised and independent professional operators (represented by asset management companies, 'SGRs'), which, should enable a more effective management and valorisation of impaired loans, while improving quality indicators of the assignor's credit. The strategies pursued by the SGR managing the fund, in fact, focus on levers management such as, for example, the conversion of receivables into equity, corporate restructuring solutions aimed at to safeguard the value of companies through industrial partnerships and the injection of new finance by third-party investors aimed at relaunching companies through instruments that allow a degree priority in repayment over existing financial debt.

Derisking of NPLs at the Keystone Fund

In December 2023, a *derisking* transaction of impaired loans, classified as bad loans and unlikely to pay, with a total GBV, at the reference date of 30 June 2023, of approximately €16.3 million, was finalised. The transaction was realised through the contribution of the impaired loans to the "Keystone" Fund, with the transfer price, equal to approximately €8.7 million, offset by the subscription price, of the same amount, of the transferee Fund's shares.

The Keystone Fund is a closed-end mutual fund under Italian law, falling under the category of AIFs (Alternative Investment Funds) reserved for professional investors, established and managed by the company Kryalos SGR S.p.A.

The Fund's management policies are focused on maximising the *recovery rate of loans* and, more in general, of the value of the assets within the scope of the Fund.

The Fund Rules govern the structure and investment activities carried out by the Fund, including in terms of governance. In this latter respect, the body responsible for the management of the Fund and for the carrying out investment activities is the Board of Directors, which is supported by the Committee Advisory Board, which may only express a binding opinion to the Board of Directors. In the event of approval of any investment, divestment, contract or other act in conflict of interests, even potential, between related parties and with other funds managed by the SGR. There is also a third body decision-making process, i.e. the fund's Assembly, in which all unit holders of the Fund's sub-funds participate.

From an accounting point of view, consistent with IFRS 9, the transaction *derisking* entailed the so-called *derecognition* of the assigned receivables, in return for the recognition of the allocated shares of the Keystone Fund, as the Bank transferred substantially all risks and benefits of owning the divested assets and, moreover, did not retain any power on the management of the Fund itself that was assumed by Kryalos SGR S.p.A.

The units received from the Keystone Fund for the NPLs sold were recognised in item 20 c) of Assets S.P. 'Financial assets at fair value through profit or loss - other assets compulsorily measured at fair value', with a fair value, as at 31 December 2024, of approximately €6.5 million. For more details on the determination of the fair value of the units, please refer to Part A.4 "Fair Value Disclosures in these Notes to the Financial Statements".

Qualitative and quantitative information on the above-described transaction is provided below.

Amounts in €/million

Transferor	Mediocredito Centrale S.p.A.
Buyer Investment Fund:	Keystone Fund
AMC managing the Investment Fund:	KRYALOS SGR S.p.A.
Month of sale:	December 2023
Assets sold:	Financing to enterprises
Quality of assets sold:	Non-performing and Probable Defaults
GBV of assets sold (in million €):	16,3
NBV of assets sold (in million €):	5,4
Price of assets sold	8,7
Fund shares allocated:	
- ISIN	IT0005474462
- No. of units allocated for subscription	8,703,441
- Book value of units at subscription	7,8
- No. of quotas remaining at year-end	8,703,441
- Balance sheet value of units at year-end	6,5

SECTION 3 - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

In relation to Invitalia's specific operations and reference markets, the following were identified during the analysis phase, the following risks:

- credit risk
- market risk
- operational risk
- concentration risk
- counterparty risk
- interest rate risk
- liquidity risk
- strategic risk
- reputational risk
- property risk

The risks under analysis were classified into the following categories:

- quantifiable risks (against which a prudential capital requirement can be determined and/or internal capital);
- assessable risks (for which no quantification is possible).

The risks listed above were then subjected to materiality analysis, excluding liquidity risk and risk real estate that were deemed not material in relation to the current asset allocation and the scope of the regulatory capital.

Quantifiable risks include credit risk, counterparty risk, market risk, and operational risk, concentration risk and interest rate risk on the investment portfolio. The assessable risks include reputational risk and strategic risk.

The materiality analysis made it possible to define Invitalia's positioning in terms of potential exposure than the risks themselves.

At the end of this analysis, it was concluded that the risk levels Invitalia is subject to with regard to the organisation in charge of controlling them determined a contained level of risk possibly to be monitor and improve with small corrective actions.

3.1 CREDIT RISK

Qualitative disclosure

1. General Aspects

Credit risk has been defined by the Invitalia Group as the risk of incurring losses due to worsening unexpected creditworthiness of a customer, to whom financing has been granted, including as a result of contractual defaults. Credit risk is also related to the risk of incurring losses, following the provision of services and/or consultancy and the acquisition of equity investments not classified in the trading portfolio, due to counterparty default.

Financing activities are carried out within the framework of the management of subsidised or concessionary laws. By their very nature, interventions using funds provided by law or within the framework of the management of concessionary laws do not determine financial and economic effects on the Company, with the exception of certain lines of activity of reduced importance.

Moreover, with particular reference to Mediocredito Centrale and Cassa di Risparmio di Orvieto, the development lines lending activities and risk-taking strategies are defined by senior management and periodically submitted to the Board of Directors for approval at the annual budget session and at the examination of risk policies and the associated system of limits.

Credit decisions are, in any case, based on risk detection systems such as counterparty rating together with Probability of Default (PD) and Loss Given Default (LGD) and take into account, in addition, the need to ensure an adequate level of credit fractioning. In fact, credit decisions are made on the basis of an expert-based approach flanked by automated evaluation systems (scoring/rating). In addition, the analysis of the risk profile of counterparties and Connected Client Groups, the sustainability and nature of the risks is also conducted in compliance with the recent principles expressed by the regulations on the subject, including the recent innovations introduced by the EBA "Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06)" published on 29 May 2020 and in force from 30/06/2021. Risk is monitored and carried out on the main determinants of risk, identified through the system of limits, defined and articulated in a manner consistent with the actual evolution of operations and subject to regular review, as established in the Risk Management Process, contained within the Regulations of the Risk Control Function.

Mediocredito Centrale's main credit exposures are mainly attributable to risk to banks, risk to customers (companies and other public and private entities, in accordance with the principle of prevalence) and other risks; as far as Cassa di Risparmio di Orvieto is concerned, loans are generally disbursed primarily to households (producers and consumers) and small and medium-sized enterprises.

As part of the ESG Implementation Plan, the Group's banks conducted numerous activities to integrate climate and environmental (C&E) risks within their processes, in compliance with the Good Practices indicated by the Regulator. In particular, in 2024, they identified an external infoprovider dedicated to the enrichment of information in the ESG area, both on the counterparty perimeter (emissions, physical risk score and transition risk score, ESG score, indications on the level of alignment with the taxonomy and other variables useful for Pillar III reporting) and on the real estate perimeter (physical risk score and APE). The evaluation of the scores is carried out on the basis of a proprietary model, differentiated for each score, which includes geolocation evaluations and the related probability of occurrence of individual events, under different scenarios from a climate change perspective, to estimate the related expected losses. Based on this information, the materiality analysis of the physical and transitional risk factors on credit risk was carried out, identifying the perimeter of Corporate and Household counterparties and, for each of them, the transmission channel. The methodology is based on the analysis of the exposure or value of collateral attributable to at least medium to high risk levels. The incidence for the individual portfolio cluster on the total exposure provides a materiality judgement. The evidence showed that the banking group is most exposed to transition risk on the corporate portfolio with an overall materiality rating of 'Medium', while the exposure to physical risk is non-material.

Impacts resulting from the macroeconomic scenario

In view of the escalation of military and geopolitical tensions, first and foremost, it is emphasised that Group companies have no direct exposure to countries involved in the conflict between Russia and Ukraine.

Despite this, the Group Banks have implemented various preventive measures over time, at the Group level, to capture, manage and mitigate the indirect effects that could possibly affect their activities and results. In particular, during 2024, the owner function of proactive management, supported by the relationship managers, constantly monitored the counterparties that, as a result of the sensitivity analysis and according to the management guidelines already applied in 2022 and 2023, were found to remain in the highest risk range. In this context, the perimeter was periodically audited by the first-level control function and, having ascertained the stabilisation at physiological levels of the indicators under observation, in the absence of overshooting of the intercepting triggers, the positions were gradually subjected to the ordinary management and monitoring processes without the application of management overlays.

In view of the still evolving general framework, the Group Banks will continue the assessment process in order to intercept any further points of attention.

Moreover, the current macroeconomic environment is particularly complex, characterised by a combination of geopolitical tensions (already reflected in the macroeconomic scenarios used to condition default probabilities for the calculation of provisions) and sectoral fragilities that are putting global financial stability to the test. International tensions, linked to regional conflicts, political instability and rivalries between powers, have contributed to creating a climate of uncertainty that is affecting markets and economic dynamics. Added to this is the precarious health of some economic sectors, including Automotive and Commercial Real Estate, which are facing significant challenges due to structural and cyclical factors.

In the automotive sector, the transition to electric mobility, supply chain constraints and slowing demand in some regions are putting companies under pressure. At the same time, the commercial real estate sector has to cope with changing work habits, an increase in smart working that has reduced the demand for office space, and rising interest rates that have made it more expensive to finance real estate investments.

In this scenario, it was decided to apply a management overlay to counterparties deemed to be high-risk, i.e. those with a Probability of Default (PD) greater than 5%, belonging to the Automotive and Commercial Real Estate sectors. This measure is a prudential response to growing uncertainties and aims to mitigate the risks associated with potentially critical exposures. The management overlay allows for a more conservative approach to credit risk assessment, incorporating qualitative and forward-looking factors that may not be fully captured by traditional models. The objective is to guide guidelines for a more careful and proactive management of exposures, closely monitoring the evolution of counterparties' financial performance and taking timely corrective action where necessary. This approach is particularly relevant in a context where market volatility and the unpredictability of geopolitical events can amplify systemic risks.

2. Credit risk management policies

2.1 Organisational aspects

On the whole, the structure of delegated powers is inspired by the containment of the level of risk concentration, both in quantitative and economic-sector terms. Credit lines are carried out in compliance with the delegated powers resolved by the Board of Directors of the individual Group companies and attributed to the business units involved in the evaluation processes that precede the granting of credit.

With reference to the Banks of the Group, during 2023, Mediocredito Centrale, in line with the regulatory framework, continued the evolutionary interventions aimed at ensuring a common approach for MCCs and CROs with regard to methodological frameworks, process aspects and the implementation of supporting tools, and related standards and operating manuals, to complete the higher framework of principles, rules and criteria through which the Group intends to assume and monitor, among others, credit risk.

Similarly, initiatives were carried out in order to strengthen and optimise credit disbursement, monitoring and management processes, in compliance with the principles expressed by the regulations on the subject, including the innovations introduced by the EBA "*Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06)*" published on 29 May 2020 and in force from 30/06/2021.

The Group's banks adopt the criteria issued in the "Group Policy on the Classification and Valuation of Loans", which sets out uniform and harmonised rules, defining the requirements for the classification and valuation of loans, consistent with the sector regulations issued by the Bank d'Italy, the European Commission and the EBA. In this context, the same have incorporated the most recent regulatory updates that have taken place on the subject, such as those relating to the so-called "*New Definition of Default*" (governed by EU Regulation no. 575/2013 and related interpretative EBA Guidelines) and declined the guidelines consistently with the provisions of European Regulation no. 575/2013, so-called CRR, as amended by European Regulation no. 630/2019.

In compliance with sound and prudent management - in line with the sector regulations issued by the Bank of Italy, the European Commission and the EBA - the guidelines used by the Group's banks mark the guidelines of the credit model, whose main innovations concerned first of all the definition of a homogeneous model of decision-making autonomy according to a risk-based approach, which takes into account not only the type of transaction and the related collateral, but also the counterparty's risk profile and the associated credit strategy. In addition, common rules have been refined to manage risks with single name counterparties and/or Groups of Connected Clients with larger credit exposures, as well as credit risk sharing mechanisms have been outlined.

In addition, the policies on the subject have outlined a new framework for the management and monitoring of credit which envisages, first of all, the adoption of a model aimed at intensifying proactive and preventive management measures to prevent the deterioration of credits thanks to the constant monitoring and intervention on the existing portfolio by the Relationship Manager in concert with the Proactive Performing Credit Manager. The aforementioned framework aims at enhancing risk governance through the introduction of a specific oversight within the scope of first-level controls on the Group's banks, in addition to the definition of rules and escalation mechanisms that can be activated to direct timely corrective actions to resolve any critical issues encountered.

In order to make the non-performing management activity more timely and effective, specific controls have been envisaged according to differentiated approaches of credit management: one of management of the NPE credit in continuity aimed at recovering the relationship, containing its deterioration and pursuing the return to performing status of the counterparty; the other of credit recovery management, which is based on a "gone concern" approach of counterparty evaluation, with the aim of maximising the recovery of the exposure.

The management policies in use in the Group's banks are outlined below.

In terms of risk management, the organisational set-up adopted by MCC and CRO provides for a clear separation between business functions, which originate and propose new loans, and functions that assess their risk profile.

Firstly, in order to ensure adequate levels of control, guidelines, safeguards and tools are in place to manage risks to single name counterparties and/or Groups of Connected Clients that have more significant credit exposure. As part of the process of granting credit facilities, MCC and CRO completed the evolutionary programme of applications and processes from a LO&M perspective and strengthened the management coordination points between Medio and the individual Legal Entities with the aim of guaranteeing an integrated approach in maintaining adequate levels of exposure, also with a view to cross-selling and product mix.

In addition, in line with the action programme, a new credit policy framework was adopted in 2024, which is value-oriented and integrates information from risk analysis, sector forward-looking forecasts and strategic business plan guidelines. In this context, the scoring/rating models are flanked by an expert-based approach through which individual risk assumptions are analysed on the basis of various factors, including the correctness of the purposes, the adequacy and time compatibility of the flows generated for debt repayment, and the riskiness of the structure.

Where guarantees are in place to safeguard complementary and collateral, these are also analysed and assessed. Operational monitoring of the credit relationship with customers is carried out by the corresponding operational functions, in accordance with specific company regulations: they establish an effective and timely interaction with the customers entrusted, as soon as the first symptoms of difficulty appear, such as late payment of amortisation instalments or requests for contractual waivers.

The Group's Banks use a platform for monitoring and managing credit through the use of specific IT tools to support operations, and the adoption of related interception/identification models for customers at risk of potential deterioration, in order to guarantee timely monitoring of positions on the basis of customised alert thresholds, and to ensure second and third level control activities. This platform was subject, during the last quarter of 2024, to an evolutionary release aimed at equipping the Banks with common tools and processes, and characterised by a reorganisation of the interception system and related intervention strategies, in order to make the recognition of positions with increased riskiness more timely and to promptly implement the necessary countermeasures.

Within Mediocredito Centrale's structures, a specific credit risk governance unit has been set up, responsible for first-level credit risk control activities, carried out on both the lending process and the management of performing and non-performing loans and related guarantees. This function is in charge of intercepting any criticalities or qualitative/quantitative deviations with respect to the credit risk granting and management policies, activating, if necessary, escalation mechanisms on the functions owning the credit processes in order to implement timely corrective actions. In continuity with the approach adopted in the final months of 2023, also in 2024 the Group has enhanced ESG elements in its Environmental Credit Policies: consistent with the developments of the ESG Implementation Plan and has identified and selected, on the basis of indications coming from the regulators and on the basis of proprietary assessments, a set of sectors considered critical from an environmental point of view with respect to which to take a more prudent approach, through a disincentive notching system, in relation to the granting of credit. Upon completion of further planned project activities, the Group will proceed to define the evolutionary lines for the integration of C&E risk factors in credit policies at the counterparty level.

2.2 Management, measurement and control systems

Invitalia and the Group's companies not operating in the banking sector are not subject to capital requirements for risk control, and furthermore, a large part of the credit activity is carried out through the use of third-party funds and therefore without the involvement of company assets.

Consequently, the Invitalia Group does not have to make estimates in terms of prospective internal capital as well as stress tests for the aforementioned risk.

However, with regard to **Mediocredito Centrale and Cassa di Risparmio di Orvieto**, in the context of credit risk control and measurement activities, State Bank of Italy Circular 285 articulates the control activities as shown below:

- Level I controls;
- Level II checks;
- Level III checks.

First-level controls in the credit area, consistent with the "Group Policy on the monitoring of *Performing* and *Non-Performing* credit", are carried out by a specific Mediocredito Centrale credit risk management function - also by virtue of strengthened coordination mechanisms and flows with the counterpart function of Cassa di Risparmio di Orvieto - which is responsible for intercepting any critical issues and activating escalation mechanisms on the functions that own the credit processes in order to implement timely corrective actions for resolution.

Specifically, in addition to monitoring the performance of Major Risks, Shared Clients and Connected Client Groups, the aforementioned function is responsible for first-level control activities on the process of granting and managing Performing and Non-Performing loans and related guarantees, including

- analyses to identify possible deviations such as/quantitative deviations from credit granting policies;
- monitoring the proper and timely operational management of credit;
- monitoring the effectiveness of the process of classifying and granting Forbearance measures, including supervision of the credit assessment process;
- control of activities related to the management of guarantees and related intervention on the *owner* functions to the management aimed at maintaining and enhancing them.

According to the new model adopted, if the function owner of Mediocredito Centrale's monitoring activities, during the execution of Level I checks carried out on the credit exposures of its and Cassa di Risparmio di Orvieto's

portfolios, detects elements that do not comply with the defined logic, it may activate corrective actions, direct resolution actions by the functions responsible for managing the cases identified from time to time, or directly carry out activities according to escalation criteria.

Moreover, the corporate figures who have contact with customers (*Relationship Managers* or *Customer Managers*) and the corporate functions in charge of assessing the related credit, also with the support of IT tools used in all phases of the relationship with the customer, oversee the phases of identification, measurement and operational monitoring of risks, both at the *origination* and subsequent management stages. In particular, reference is made to the rules deriving from credit policies, to rating systems, and to all other sources of information that make it possible to assess and keep under control, both at the time of granting and subsequent monitoring and management, the quality of credit. From a regulatory point of view, the estimate of capital absorption for credit risk is prepared using the standardised method provided for by the Prudential Supervisory Instructions, with reference both to the treatment of exposures and to any guarantees that accompany them.

Within the same framework, the Risk Control Function is entrusted with the task of carrying out, at central and peripheral level, the verification of the correct performance monitoring of individual exposures, in particular of non-performing exposures, and the assessment of the consistency of classifications, the adequacy of provisions and the adequacy of the recovery process.

In order to achieve this objective, regulations concerning these aspects were drafted and issued, specifically the 'Group Policy on Level II controls on the loan portfolio' and the related Methodological Manuals, which outlined the Group's *framework* for carrying out these activities.

In particular, the Policy describes the set of governance arrangements and management and control mechanisms adopted by Mediocredito Centrale and Cassa di Risparmio di Orvieto in order to allow the proper performance of Level II controls on the loan portfolio by the Risk Control Function, both at central and peripheral level. The following are formally and organically set out in the Policy:

- roles and responsibilities of the Corporate Bodies and Functions involved in the process of Level II controls;
- general principles and criteria of Level II controls, i.e. the scope and nature of controls;
- phases characterising the control process, including the escalation phase.

The scope of the control activities includes the exposures present in the loan portfolios of Mediocredito Centrale and Cassa di Risparmio di Orvieto, relating to the various customer segments and product types. Level II controls defined in the Policy on Level II Controls are carried out by the Risk Control Function of Mediocredito Centrale and Cassa di Risparmio di Orvieto and are divided into the following areas: controls on the granting phase, verification of the correct performance of performance monitoring, verification of the correct classification of exposures, controls on the management of guarantees, assessment of the adequacy of provisions, and assessment of the adequacy of the recovery process.

The purpose of **Level II controls** is to ascertain, on a periodic basis, that the performance monitoring of individual loan positions takes place on a regular basis, in compliance with internal procedures, and that the procedures themselves are effective and reliable, with reference to the ability to promptly report the occurrence of anomalies, as well as to ensure the appropriateness of value adjustments. Furthermore, the

The purpose of the controls carried out is to ensure that the internal procedures are complied with and, at the same time, that they are suitable to guarantee efficient and effective credit management. This is also in order to contribute, over time, to the progressive increase in the degree of reliability of the procedures used and their ability to guarantee the timely identification and classification of anomalous positions, as well as the correct estimation of the degree of coverage associated with them.

The macro-types of Level II controls, which make up the framework, are the following:

Bulk analysis: checks applied to the loan portfolio as a whole or to relevant subsets thereof, which allow the identification of potential anomalies in the portfolio under analysis in terms of *misclassification* or *provisioning* deficits;

analytical checks on a sample basis: analytical checks on individual credit exposures appropriately selected on a sample basis, conducted through specific assessments based on the overall information available on the individual exposure, the associated guarantees/collateral and the counterparty, including its current and prospective risk profile. In addition to the substantive verification phase concerning the consistency of the classification, the adequacy of the provisions and the adequacy of the credit recovery process, it is envisaged - for selected positions in the non-performing portfolio - to verify the presence of updated collateral values, the recording in the automatic

procedures of all the information necessary for the valuation of the loans, the traceability of the recovery process, and estimates of recovery times.

The results of the control activities carried out are shared with the owner functions in the credit area, as part of the interlocution process (feedback); the latter provides its own feedback on the matter. In the event of a discrepancy, an escalation process is set in motion to ensure resolution and to remedy any anomalies found during the control phase.

The results of the control activity, its follow-up and the escalation process are reported to the Board of Directors, the Managing Director, the Audit and Risk Committee and the Statutory Board of Auditors.

Credit risk monitoring activities include the verification both of compliance with the concentration limits established by the Bank of Italy ("Large Exposures"⁽⁶⁾ 6) and "risk activities towards related parties"⁽⁷⁾ regulations, and with the general guidelines established as part of credit activity planning. As regards concentration risk, Mediocredito Centrale and Cassa di Risparmio di Orvieto monitor the level of concentration of exposures with reference to the component:

- single name borrower: through the methodology called Granularity Adjustment (GA) provided for by the prudential supervisory regulations⁽⁸⁾
- geosectoral: through methodologies based on practices adopted by the prevalence of the banking system and shared with the Supervisory Board.

In particular, the commercial and control structures monitor in detail, according to specific needs, branches and sectors of economic activity for which economic trends characterised by even only potential and/or temporary criticality have become apparent.

Mediocredito Centrale's risk control function periodically conducts targeted analyses aimed at monitoring the sectoral performance of Mediocredito Centrale and Cassa di Risparmio di Orvieto's loan portfolio, also from a forward-looking perspective, with the objective of intercepting potential areas of emerging risk, using the sectoral composition of the portfolio as a driver, further broken down on the basis of information inferable from the *scoring* service, provided by an external provider, representative of prospective risk over a medium-term horizon (3 years). Moreover, as part of the Credit Policies, in accordance with the regulations on Large Exposures, in compliance with parameters compatible with the business plan, the RAF and the maintenance of balanced and sustainable limits for capital size, internal limits of permitted exposure were defined according to the *rating* of the counterparty, consistent with a strategy of growth in lending to selected customer sectors. The management of credit risk is carried out following a forward-looking perspective, for the implementation of which, among other things, *stress* tests are used in order to assess its vulnerability to exceptional but plausible events, attributable to specific hypotheses inherent to individual economic/financial variables (sensitivity analysis) or to joint movements of a set of variables in the event of adverse scenarios (scenario analysis). In this regard, Mediocredito Centrale and Cassa di Risparmio di Orvieto have a specific policy governing the definition of macroeconomic scenarios to support Risk Governance processes and, more generally, risk management processes.

In drawing up macroeconomic scenarios under ordinary and adverse market conditions, Mediocredito Centrale may make use of forecasts formulated by recognised external sources, suitably integrated with internal assumptions to better capture Mediocredito Centrale's vulnerabilities (e.g. attributable to its business model), in order to conduct *stress* tests consistent with the current market scenario and its possible evolutions.

In this regard, as part of the ICAAP and ILAAP processes, in line with the indications provided by the Supervisory Authority in the specific communication on the "ICAAP/ILAAP requirements for the start of the 2023 SREP cycle", stress scenarios, including those on credit risk, were developed, consistent with those formulated as part of the EBA 2023 EU wide stress test.

With reference to counterparty risk, within the scope of the standardised approach, the definition of credit equivalents is estimated using the current value method provided for by prudential supervisory regulations. In addition, with reference to derivative instruments, an additional capital requirement is calculated against the risk of unexpected losses generated by fluctuations in *fair value* arising from changes in the creditworthiness of counterparties (Credit Value Adjustment - CVA) if not collateralised.

In the last quarter of 2023, Mediocredito Centrale began discussions with a leading consulting firm in order to obtain forecasts on macroeconomic scenarios, with a specific focus on ESG issues.

2.3 Methods of measuring expected losses

With regard to the impairment model adopted by the **Invitalia Group**, with the exception of Mediocredito Centrale and Cassa di Risparmio di Orvieto, *the* Impairment assessment measures the extent of the adjustments on the positions subject to Impairment, dependent on the deterioration of creditworthiness after the initial recognition of the financial asset and at the various balance sheet dates until the maturity of the relationship itself.

According to IFRS 9, the measurement of expected losses on the performing portfolio (Stage 1 and Stage 2) falling within the scope of the Impairment calculation must consider cash shortfalls, the probability of default and the monetary value of time. The evaluation of the expected loss may take place over different time horizons depending on the evolution registered for the creditworthiness associated with the position and therefore depending on the Stage of allocation:

- 12-month expected losses for relationships allocated in Stage 1: these are the losses resulting from possible default events that may occur over a time horizon of 12 months from the reporting date;
- expected "lifetime" losses for relationships allocated in Stage 2: these are the losses resulting from all possible default events that may occur over the expected residual life of the financial instrument.

The lifetime expected loss is defined as the sum of losses from default events that may affect the credit relationship or financial instrument over a multi-period time horizon (spanning the entire remaining life of the relationship).

Following the indications of the Standard, once the classification of the instruments in the different stages has been carried out, in the case of a relationship classified in Stage 1, the evaluation of the expected loss carried out through the formula described above will be limited to the annual time horizon; on the contrary, for relationships allocated in Stage 2, the evaluation of the expected loss carried out through the formula described above will be carried out considering the entire residual life (lifetime) of the instrument.

Set out below are the ways in which the various parameters and elements that enter into the formula for calculating the expected loss depicted and described above are estimated and defined.

Multi-period PD estimation on the loan portfolio

For the construction of the PD *lifetime* curves necessary to assess the IFRS 9 *provision* on the loan portfolio, systemic decay rates (TD) extracted from the Bank of Italy's public database are used. In order to consistently reconcile the decay rates extracted from the database with Invitalia's loan portfolio, a segmentation of the Group's portfolio was performed based on the institutional segments defined by the Bank of Italy. These segments are as follows:

- Public administrations;
- Producer families;
- Non-profit institutions;
- Financial companies other than monetary financial institutions;
- Non-financial companies.

The decision to use external information was made with a view to prudence and to ensure the methodological soundness of the results.. In particular, Invitalia investigated a possible methodology for estimating PD curves based on the group's internal data; however, it was decided not to use PD curves obtained on the basis of the following rationales:

- PD curves estimated on internal data have a particularly improving effect on the ECL, and it is considered that the application of these values is not conservative;
- The sample used to estimate PD curves has a limited number and number of observations over time and does not lead to statistically robust results. The low sample size also does not allow the production of PD curves differentiated according to the institutional sector of the counterparty.

An analysis of the development of PD curves on internal data and the impact on provisions resulting from their application can be found in the Appendix to this document.

TDs are extracted from the Bank of Italy's public Infostat platform by selecting TRI30486 - 'Quarterly flow of new adjusted non-performing loans/adjusted non-performing loans previous quarter - by customer sector and size class of global exposure used'. The filters to be set are:

- Economic phenomenon: Quarterly loan decay rate - adjusted non-performing loans (T): used;
- Institutional sector of the counterparty: all the above segments;

- Size class of global exposure used: Total size classes including 0;
- Reporting entity: Entities reported to the risk centre - 3691030.

For each defined *cluster*, the time series of Decay Rates (TD) is downloaded. These TDs are observed quarterly and estimated over a time horizon between the years 2022 and 2024. The decision to use a 3-year time horizon is motivated by the desire to produce a risk parameter that is **Point in Time** as required by IFRS 9.

In order to estimate a lifetime PD curve, the cumulative TDs obtained as described above are interpolated and projected over a multi-period horizon using the Weibull distribution function as the fitting curve. The motivation behind the choice of interpolating the observed system TDs using the Weibull distribution function lies in the fact that the default of a credit or financial instrument can be interpreted as a survival process. The Weibull is one of the most widely used distribution functions in best practice for these purposes.

Once the curve of cumulative PDs (CPD) has been defined, the marginal PDs (mPDs) to be applied at the reporting date for the purposes of calculating the ECL are identified for each segment based on the differences in cumulative PDs obtained since the valuation reference period.

IFRS 9 requires that expected credit losses be measured to reflect reasonable and demonstrable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and expectations of future economic conditions (Ref: IFRS9 5.5.17 (c)). In order to meet the requirements of the Standard, the multi-period PD estimates described above have been conditioned on a forward-looking perspective for calculating the expected loss.

In order to impact multi-period PD curves for the loan portfolio from a forward-looking perspective:

- Four (4) econometric models, differentiated by institutional sector of the counterparty, were estimated to predict the future evolution of lapse rates as a function of different macroeconomic variables (i.e. Satellite Models);
- Different decay rate forecasts for macroeconomic scenarios with different severity levels were considered.

Specifically, in compliance with the requirements of the Standard, for which the expected loss must be a weighted average of the values relative to at least two alternative scenarios with weights proportional to their respective probabilities of occurrence (Ref. IFRS9 B5.5.42), the EBA projections adopted for the 2023 Stress Test exercises of the main macroeconomic variables in the two Baseline and Adverse scenarios were considered.

The Satellite Model's forecasts for the evolution of decay rates in the two alternative scenarios are for the years between 31/12/2024 and 31/12/2026. This choice is motivated by:

- The availability of EBA projections in the *Baseline* and *Adverse* scenarios limited to the years, 2025, 2026 and 2027;
- The decrease in the prediction accuracy of the Satellite Model over long time horizons.

The multipliers obtained from the Satellite Model forecasts are applied to the multi-period PD curves in order to condition them from a *forward-looking* perspective^[1]. The marginal PDs derived from the multi-period PD curves of the different segments are corrected by applying the *forward-looking* multipliers for the reference years.

Multi-period PD estimation on the securities portfolio

For the construction of the lifetime PD curves needed to assess the IFRS 9 provision on the securities portfolio, the one-year transition matrices obtained from studies, published annually by the Standard & Poor *rating* agency, on the transitions to *default* of both government securities and corporate exposures are used. The matrices used are as follows:

- "Average multiyear global corporate transition matrices, 1981-2024: One-year transition rated" ", publicly available from the S&P annual report "Default, Transition, and Recovery: 2024 Annual Global Corporate Default And Rating Transition Study" for tranches issued by *corporate* counterparties;
- "Sovereign foreign currency average one-year transition rates (1975-2024*)" publicly available from the S&P annual report "Default, Transition, and Recovery: 2024 Annual Global Sovereign Default And Rating Transition Study" for tranches issued by *Sovereign* counterparties .

^[1] See "A.3 Integration of PIT and forward-looking information" in the "Appendix" for more details on the forward-looking conditioning system adopted.

Using the migration rates between rating classes and *default* rates reported in these matrices, *lifetime* PD curves on the securities portfolio are obtained using the discrete-time homogeneous Markov chain method. The methodology for estimating multi-period PDs based on the homogeneous Markov chain method is based on the following assumptions:

- future migrations between *rating* classes depend only on the current rating, not on any past *ratings* (conditional independence of future developments with respect to the entire past);
- The migration probabilities $m_{i,j}$, i.e. the probability that within one year a debtor *rated* i will become *rated* j, are not a function of time, i.e. the transition rates $m_{i,j}$ do not change with time t .

For the two defined counterparty segments (*Sovereign* and *Corporate*), using the discrete-time homogeneous Markov chain method, the cumulative PDs up to the last year of residual maturity in the Group's securities portfolio are derived for each *rating* class. In order to render the cumulative PDs *forward looking* as required by the accounting standard, the values were conditioned by applying the multipliers obtained for the loan portfolio. Specifically, the marginal PD values of the securities portfolio were conditioned using the same methodology as for the loan portfolio and applying the multipliers obtained from the satellite models as follows:

- For Sovereign counterparties, the multipliers provided for the institutional sector of 'General government' were applied to the 'Sovereign' marginal PDs;
- For the counterparties Financial Companies, the multipliers provided for the institutional sector of 'Financial Companies' were applied to the marginal PDs 'Corporate';
- For the counterparties Non-financial corporations, the multipliers provided for the institutional sector of 'Non-financial corporations' were applied to the 'Corporate' marginal PDs.

For less risky *rating* classes, the use of Moody's migration matrices leads to the definition, through the methodology outlined above, of zero cumulative PD values for the first year. In order not to render the ECL calculated for the first year for positions in these rating classes nil, a minimum PD value of 0.03% was imposed. This *floor* was set in accordance with the provisions of the CRR (ex-Article 160).

Multi-period LGD

For both the loan and securities portfolios, in the absence of an internal estimation model and given the unavailability of internal recovery and loss rates after default, the multi-period LGD (Loss Given Default) is set equal to 45% and is assumed constant throughout the remaining life of each relationship.

The assigned multi-period LGD value was chosen on the basis of market benchmarks and is considered conservative with respect to the actual recovery and loss rate expected to occur on portfolio exposures considered in default.

Multi-period EAD

EAD is conventionally defined as the balance sheet value of the financial asset at the valuation date.

If the asset under valuation has already been subject to an analytical write-down or for which advances have been received, the value of EAD has been calculated net of these amounts.

For instalment relationships, the EAD value is equal to the residual debt of the exposure obtained by considering a decreasing trend of the multi-period EAD over each period as a function of the cash flows that characterise the amortisation schedule of each relationship. For debt securities, the EAD value is considered equal to the purchase value of the *tranche* and in the absence of amortisation schedules, the EAD value is considered constant over the entire residual life of the position.

Expected Loss Valuation Methods for Group Banks

With reference to the Group's banks, following the introduction of IFRS 9, credit risk management is closely related to the recognition and measurement of expected losses. According to the accounting standard, assets and commitments that fall within a well-defined scope⁴⁸ are divided into three categories (stages). This classification is based on transfer criteria linked to the credit quality of the item under consideration, which affect the way in which value adjustments are recognised, differentiated with respect to the reference time horizon and the recognition of interest income. The Banks of the Group have therefore implemented instruments that, in line with the dictates of the aforementioned principle, allow them to automatically assess the significant increase in credit risk. These instruments are differentiated with respect to the reference portfolio.

With regard to the securities portfolio, the Group Banks use the following valuation method:

- for securities with an investment grade rating at the reporting date, the low credit risk exemption (LCRE) is applied;
- for securities with a speculative rating at the reporting date, the trend in the counterparty's creditworthiness between the purchase/subscription date and the reporting date, as measured by the change in rating class, is considered. The significant deterioration triggering a stage 2 classification is identified by a deterioration of at least 2 notches in the rating scale. If an objective credit event occurs, the exposure is classified as a stage 3 exposure. If there is no significant deterioration in the position, the exposure is classified as a stage 1 exposure.

For the credit portfolio, these instruments use:

- information from the scoring models, comparing the ratings obtained at the date of origination of the position with periodic updates;
- information on the progress of payments (exceeding 30 days overdue);
- the presence of forbearance measures on performing positions;
- information from internal early warning systems (presence of the customer on the watchlist).

The information that Group Banks use to recognise expected losses on loans classified as stage 1 or stage 2 is broken down as follows:

- probability of default (PD) of the client, obtained from an external rating model; this information is subject to the adjustments dictated by the accounting standard, namely:
 - o a point-in-time (PIT) adjustment, which, from a prudent point of view and given the volatility of default rates observed on the loan portfolio, consists in recalibrating on the basis of the average deterioration rate observed on the proprietary portfolio;
 - o a forward-looking correction on the first three years of the curve according to the Merton-Vasicek methodology, which takes as input forward-looking default rate data calculated using proprietary satellite models;
 - o after the first three years, a calibration through the cycle, with a Markovian approach using a TTC matrix calculated from the historical transition matrices provided by the provider itself.
- loss given default (LGD), obtained using observed values on its portfolio. These values are appropriately updated using, where necessary, conservatism margins and segmentation based on the type of collateral associated with the loan;
- exposure at default (EAD), differentiated between on and off balance sheet positions;
- residual life of the relationship;
- discount rate equal to the position's internal rate of return.

For the purposes of quantifying the ECL to be applied to the loan portfolio acquired as part of the business combination, Mediocredito Centrale considered it reasonable and prudent to maintain the staging allocation deducible from CRO's management archives, as the allocation of ad hoc staging for the consolidated financial statements alone would have required, as explicitly provided for by IFRS 9, excessive costs or effort. With reference to the ECL applied to the same loans, the coverage percentages of loans classified as stage 1 and stage 2 of BdM as at 31 December 2024 were used.

Impaired loans resulting from business combinations are qualified as POCI; for these loans, a credit-adjusted effective interest rate is calculated at the date of initial recognition, for the identification of which it is necessary to include initial expected losses in the cash flow estimates. For the application of amortised cost, and the consequent calculation of interest, this credit-adjusted effective interest rate is therefore applied.

During 2024, the Group Banks conducted an initial exercise for the inclusion of C&E risk factors in the calculation of provisions, using the so-called "post model adjustment" approach. In particular, high-risk sectors were identified through the sector heatmap methodology, selecting the minimum risk threshold on which to apply an expert add-on to the ECL calculation. Work is currently underway to evolve this methodology to include estimates based on different climate-environmental scenarios.

Evaluation of Significant Increase in Credit Risk (SICR)

The assessment of a significant increase in credit risk is made, as indicated by IFRS 9, through qualitative-quantitative assessments such that the probability of default of the counterparty worsens.

As regards Mediocredito Centrale and Cassa di Risparmio di Orvieto, the approach adopted is based on an analytical classification principle, i.e. based on the analysis of individual positions. The staging drivers employed are:

- Evaluation of the Significant Increase in Credit Risk (i.e., SICR) by measuring the change in the rating/PD at the reference date with respect to the date of origination of the position: if a certain rating/PD threshold is found to have been exceeded with respect to the value recorded at origination, the position is automatically classified as stage 2. Otherwise, the position is classified as a stage 1 position. This criterion is of a relative nature, requiring a comparison with the credit situation observed at the time the loan was extended.
- Backstop criterion on overdue days: if 30 or more days of continuous overdue are detected, the position is automatically classified as stage 2;
- Backstop criterion on forbearance measures: if the position is classified as forbore performing, it is automatically classified as stage 2;
- Criterion backstop on prejudicial events/EWS (Mediocredito Centrale): in the event of prejudicial events or triggers of the EWS, the position is automatically classified as stage 2.

During 2024, therefore, no methodological changes were applied in terms of assessing the significant increase in credit risk; however, the use of the most recent macroeconomic scenarios, including the effects of the incumbent wars, related geo-political tensions and the inflationary environment, resulted in a worsening of lifetime PDs leading to an increase in the population classified as stage 2.

In addition, in view of the macroeconomic context and potential climatic effects, the following management overlay was applied:

- Taking into account the crisis affecting the Automotive and Commercial Real Estate sectors, a management overlay was applied on the performing portfolio belonging to these two sectors with PD values above 5%, for the purpose of determining the provisioning as at 31.12.2024, which was correlated to the ECL lifetime levels regardless of the staging allocation;
- Taking into account the sudden rise in interest rates, a management overlay was applied to the Private Variable Rate portfolio with PD values above 2% for the purpose of determining the provisioning as at 31 December 2023, which was correlated to the lifetime ECL levels regardless of the staging allocation;
- For counterparties belonging to an economic sector deemed to have a 'high' climate/environmental risk, a provisioning add-on of 5% was applied.

Measuring expected losses

In 2024, Mediocredito Centrale and Cassa di Risparmio di Orvieto, with a view to a continuous harmonisation of methodologies, conducted an update of the IFRS 9 parameters related to credit risk, which were reflected in the measurement of expected losses. In particular, they have:

- recalibrated default probabilities to better reflect the riskiness of its portfolio and the changed macroeconomic environment;
- updated the loss given default values using the most recent available internal time series.

Specifically, for the measurement of expected losses, under IFRS 9 all financial assets not measured at fair value through profit or loss, consisting of debt securities and loans, and off-balance sheet exposures must be subject to the new impairment model based on expected losses.

In detail, the impairment model introduced by IFRS 9 is based on the concept of 'forward-looking' valuation, i.e. the notion of an expected loss (Expected Credit Loss), whether calculated at 12 months (Stage 1) or up to the residual life of the instrument (lifetime loss for Stages 2 and 3).

In particular, the model requires financial assets to be classified into three distinct 'stages' to which different valuation criteria correspond:

- Stage 1: to be assessed on the basis of an estimate of expected loss with a time horizon of one year.

Stage 1 includes performing financial assets for which no significant deterioration in credit risk has been observed since initial recognition;

- Stage 2: to be assessed based on an estimate of expected loss over the entire remaining life of the financial asset. Financial assets that have experienced a significant deterioration in credit risk since initial recognition are included in Stage 2;
- Stage 3: to be assessed on the basis of an estimate of expected loss assuming a 100% probability of default. Financial assets considered impaired are included in Stage 3.

According to the Expected Credit Loss calculation model, losses must be recorded not only by reference to objective evidence of impairment losses already manifested at the reporting date, but also on the basis of the expectation of future impairment losses not yet manifested, which must reflect:

- the probability of the occurrence of different scenarios;
- the discount effect by using the effective interest rate;
- historical experiences and current and future evaluations.

It follows that the determination of expected losses is a complex exercise that requires significant judgement and estimation, also with reference to forward-looking information of a macroeconomic nature. The main innovation introduced by IFRS 9 consists in the requirement to calculate lifetime expected losses for all positions that, with respect to origination, have presented a 'significant increase in credit risk' (i.e. Stage 2). For these positions, therefore, the Group must proceed with the estimation of expected losses over a time horizon covering the entire life of the relationship until maturity (and not only for the first year of the life of the relationship as required by IAS 39). The calculation of lifetime expected losses is developed by estimating the PD, LGD and EAD parameters over a time horizon equal to the entire residual life of the financial asset.

Based on this assumption, IFRS 9 'compliant' risk parameters are periodically elaborated, in terms of:

- probability of default (PD) at one year and lifetime;
- loss given default (LGD);

parameters were taken into account in the definition of the parameters:

- of current business cycle conditions (Point-in-Time);
- forward-looking information concerning the future dynamics of market factors (forward looking risk measures) on which the expected lifetime loss depends.

2.4 Credit risk mitigation techniques

An essential component of proper credit risk control is the adequate management of the mitigation techniques and tools, both in the acquisition and subsequent phases of monitoring the value and effectiveness of guarantees. Mediocredito Centrale and Cassa di Risparmio di Orvieto have regulated in their Policy on the Management of guarantees the principles and guidelines of the governance system to support the appropriate use of guarantees and credit risk mitigation techniques for Credit Risk Mitigation (CRM) purposes. These guidelines are supplemented by internal procedures supported by appropriate IT tools, designed to ensure the methods for evaluating, managing and monitoring the guarantees acquired, as well as their eligibility as credit risk mitigation instruments and the related capital absorption. These elements oversee the overall process of granting, acquiring and perfecting, monitoring, managing and changing, realising and extinguishing guarantees in accordance also with the overall regulatory framework governed by the regulations issued by the Supervisory Authority.

Mediocredito Centrale and Cassa di Risparmio di Orvieto acquire the types of real, personal and "atypical" guarantees recognised in the guidelines and follow the provisions issued in line with the sector regulations issued by the ABI, the Bank of Italy, the European Commission and the EBA, including the guidelines set out in the "Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06)".

The guarantees acquired are intended to support the credit and in no way to replace the capacity of the the debtor to honour its obligations. The legal validity of the guarantees received is verified at the acquisition by the operational units, which are responsible, prior to disbursements, for verifying certainty and effectiveness; the temporal validity of the guarantees acquired normally covers the entire time span of the credit facilities granted.

With regard to the verification phase of the eligibility of guarantees, Mediocredito Centrale and Cassa di Risparmio di Orvieto verify periodically:

- The statistical revaluation of the value of mortgaged properties for all those contracts for which the Regulation 575/2013, allows the use of this type of assessment. For this purpose, it makes use of a database on real estate market trends by geographical area and type of property acquired by an external supplier;
- The general and specific eligibility of credit risk mitigation tools.

The internal guidelines pursue the following objectives:

- promote the proper management of credit and related guarantees;
- maximise the risk mitigation effect provided by protective instruments;
- optimise capital requirements according to the Basel guidelines (Credit Risk Mitigation);
- define general rules for eligibility, evaluation, monitoring and management collateral and personal guarantees.

2.5 Impaired financial assets

The management of credit risk is governed by procedures that establish rules of conduct on the subject. In particular, in the pre-litigation phase, the activity is carried out by the administrative function in concert with the function in charge of monitoring the position; subsequently, credit recovery is delegated to the legal function. With respect to the classification of credit exposures into "impaired/impaired" exposures, Invitalia considers positions for which legal recovery actions have begun to be in default.

Forecasts of specific losses are formulated by the administrative function, based on information on recoverability conditions provided by the operational and/or legal function using a methodology of *Impairment Lifetime*.

On 26 April 2019, EU Regulation 630/2019 came into force, which obliges banks to record provisions on impaired positions (Non-Performing Exposures), referring to disbursements arising after 26 April 2019, according to a calendar provisioning that takes into account the ageing of the exposure and the type, providing for a differentiated calendar depending on whether the transaction is secured or unsecured. Specifically, a three-year calendar is applied for unsecured impaired exposures, and a longer calendar is applied for secured exposures: nine years for those secured by real estate and seven years for others. The calendar mechanism provides for the full write-down of impaired loans according to pre-defined timelines. It aims to ensure that NPLs do not accumulate on bank balance sheets without adequate write-downs.

The calendar provisioning introduces a binding Pillar I requirement for all banks. This regulation, although having regulatory and non-accounting validity, represents an important point of reference for the determination of value adjustments. Mediocredito Centrale and Cassa di Risparmio di Orvieto adjusted their application procedures to allow compliance with the new regulatory provisions on loan provisions. The information assets with evidence of the regulatory minimum requirement are, therefore, made available to provide additional elements for the determination of accounting write-downs.

Management strategies and policies

With reference to the banking subsidiaries, the performance monitoring activities on the status of individual files and the related assessments are carried out by the Non-Performing Loans Management MCC, based on criteria that are systematically monitored. In line with regulatory developments, the Risk Control Function verifies the correct performance of performance monitoring, with particular reference to impaired loans. Considering the characteristics of its portfolio, the external context and its own management capabilities, MCC has chosen the model of internal management of impaired loans and evaluates the possibility of carrying out derisking operations, such as the one implemented with the Keystone Fund. In this regard, the operational plan for the management of short-term (indicatively one year) and medium/long-term (three years) impaired loans is prepared and periodically updated, and is forwarded to the Supervisory Authority for information. Targets are set with reference to the level of Non-Performing Loans (NPLs) gross and net of adjustments, in absolute terms and as a percentage of total credit exposures to customers, providing details of the inflows and outflows of non-performing loans and the methods used to reduce the stock of impaired loans. The NPL management strategy is integrated with the RAF, the ICAAP budget processes and the Group's remuneration and incentive policies. The Board of Directors, at the proposal of the CEO:

- defines and annually updates the NPL management operational plan;
- assesses and monitors, on a six-monthly basis, the progress made against the targets set in the plan;
- It defines and updates the Mediocredito Centrale Banking Group's guidelines on NPL strategies and management, as well as the criteria for the classification and valuation of loans governed by the relevant MCC Group policy, updating the Credit Regulations accordingly;
- identifies the units responsible for the classification, evaluation and management of NPLs and defines their management objectives;

- verifies that the chosen organisational structure is adequate to limit the scope for managerial discretion of those involved in the processes of classification, evaluation and management of NPLs, in the presence of conflicts of interest;
- approves the objective systems for selecting selected counterparties in the case of counterparty outsourcing and monitors the results;
- ensures adequate internal controls over NPL management processes.

As a general rule, in relation to the way impaired loans are classified, in addition to the criteria defined by the Supervisory Authority (for non-performing loans, probable defaults, impaired past due and/or overdue exposures - past due), events affecting the entrusted customer are verified, such as

- significant difficulties of the debtor;
- serious breaches of contractual agreements;
- high probability of failure;
- extension to the debtor of concessions resulting from financial difficulties, which would not normally have been granted.

The classes of which the non-performing portfolio is composed are as follows:

- Past Due Exposures,
- Unlikely to pay,
- Bad loans.

The accounting status represents the overall position of the customer, as represented in the balance sheet and reported in the Bank of Italy's Accounts Matrix. It relates to the customer as a whole, and therefore does not refer to individual credit lines or individual outstanding exposures. It follows that, in the case of customers with more than one credit product, the reclassification assessment is carried out considering the overall debt exposure, with the consequent verification and application of the uniform classification for all the credit lines enjoyed, taking particular care in analysing all the personal positions of the subject. Within each class, forbore exposures are highlighted, i.e., credit transactions that have been subject to concessions. Such exposures fall into either Bad Loans, Unlikely to pay, or Past Due Exposures, as appropriate, and do not form a separate category of impaired assets. The concept of forbearance refers to the individual credit contract; therefore, only credit relationships with a customer that have been subject to concessions should be reclassified as forbore. For credit exposures classified as past due, UTP and non-performing, the MCC envisages minimum loss provision percentages expressly regulated in its internal regulations in which the cases in which the application of the aforementioned minimum provision thresholds may be waived are also specifically identified. The criteria for determining adjustments and the relative levels of provisions are subject to benchmarking and continuous review and updating, in order to ensure an adequate representation of the Bank's risk profiles, as well as compliance with the relevant regulatory provisions. For positions falling within the Non-Performing Loans perimeter, write-downs are determined on the basis of the valuation approach identified (lump-sum or specific analytical) for the individual counterparty, based on the group policies approved in 2021. In the analytical valuation approach (so-called "lump-sum valuation"), the Expected Credit Loss Lifetime is calculated on the basis of the risk parameters defined by the competent Risk Management organisational units. This valuation methodology is used with reference to:

- counterparties classified as impaired past due and/or in arrears (so-called "Past Due"), regardless of the amount;
- counterparties classified as Unlikely to pay, whose gross exposure (on a cash and/or unsecured basis), at the counterparty level, is equal to or below a certain threshold; In the specific analytical assessment, lifetime expected losses are estimated in a timely manner by the organisational units in charge of the assessment, taking into account the specificities of the individual position, by means of appropriate assessment models, and consistently with the minimum impairment percentages.

In order to carry out an analytical valuation of a counterparty, it is first necessary to define whether it should be valued optically:

- of going concern ('Going Concern' approach), where the assessment focuses on verifying the sustainability of the company's debt over time on the basis of estimated cash flows;
- liquidation ("Gone Concern" approach), where recovery is possible through realisation of collateral and/or liquidation of the company's assets, or in the absence of reliable information to estimate expected cash flows.

In the Going Concern scenario, the debtor's operating cash flows continue to be generated and can be used to repay (at least in part) the financial debt; in this scenario, collateral can be enforced to the extent that it does not

affect the counterparty's operating cash flows, as it is not functional to the business. In the Gone Concern scenario, the debtor's operating cash flows cease or are otherwise clearly insufficient to guarantee the recovery of the exposure; in this scenario, recoveries are estimated from the enforcement of all collateral present, without making a distinction based on whether or not the assets are used for production purposes, which is typical of the Going Concern approach. Interest on arrears is included in the item Interest income in the Profit and Loss Account only if actually collected, as the portion not collected is fully adjusted

Write-off

A write-off is the derecognition of a financial asset when there is no longer a reasonable expectation that the financial asset will be recovered. It may concern the entire amount of a financial asset or a portion thereof and corresponds to the reversal of total value adjustments, offsetting the gross value of the financial asset, and, for the portion exceeding the amount of the total value adjustments, the impairment loss on the financial asset recognised directly in the profit and loss account. It does not result in the derecognition of contractual rights.

The write-off of uncollectable accounting items and the consequent allocation to losses may take place in the following cases:

- unrecoverability of the claim, resulting from certain and precise elements;
- waiver of the claim, as a result of: unilateral remission of the debt; residual under settlement agreements;
- assignment of credit.

In relation to the different cases in which write-off is possible, it is necessary, also for tax purposes, that all documents suitable to demonstrate the validity of the choice made are kept, such as documents showing the activities performed and the date of completion of the recovery attempts, even if unsuccessful. The amount to be written off is determined as the gross account balance at customer level and must be fully written off.

With regard to Mediocredito Centrale and Cassa di Risparmio di Orvieto, in addition, in certain circumstances it is necessary to make write-downs of gross receivables in order to adjust them to Mediocredito Centrale's actual receivables. Such circumstances arise, for example, in the case of measures not contested, within the framework of bankruptcy proceedings, whereby a lower receivable is recognised than that recognised in the accounts. In these hypotheses, it is necessary to proceed with write-downs subject to the resolution of the Deliberating Body identified on the basis of the current Delegations of Powers (indicating as "amount offered" the receivable admitted). It should be noted that the portions of the receivable subject to write-off must already be entirely set aside and that the partial write-offs resolved upon contribute to the formation of the overall loss limit in the event of transactions subsequent to the write-off.

The situations identified that could lead to a write-off, except for other situations identified on a case-by-case basis by the Deliberative Body, are attributable to the unsuccessful outcome of recovery actions connected to bankruptcy proceedings, to the waiver of the receivable as well as to long periods of time spent in default credits as well as non-performing positions for which a settlement agreement has been concluded with the debtor party, duly fulfilled by collecting the agreed amount.

3. Purchased or originated impaired financial assets

Under IFRS 9, 'purchased or originated credit-impaired financial assets' - 'POCI' - are defined as exposures that are impaired at the date of purchase or at the date they are originated. In particular, an exposure is identified as 'POCI' as a result of the purchase of an impaired loan from a third party, or subsequently:

- *the derecognition of a previous relationship to which substantial contractual changes have been made* (see IFRS 9, paragraph B5.5.26). In this case, because there is evidence that the modified financial asset is impaired at initial recognition, the new financial asset is recognised as an original impaired financial asset (POCI), unless the instrument fails the SPPI test;
- *the provision of new finance to counterparties with a high credit risk profile, not aimed at maximising recovery value.*

POCI loans are therefore initially recognised in *stage 3* and present peculiarities with regard to the *staging* process and the consequent calculation of the expected loss. From the date of initial recognition and for the entire residual life of the instruments in question, the impairment is always equal to the *expected credit loss* on a lifetime basis. It follows, therefore, that the expected losses on the POCI, even in the event of the return of the performing exposure, can never be calculated over a time horizon of 12 months (as envisaged for *stage 1* positions).

By virtue of the provisions of IFRS 9, all of Cassa di Risparmio di Orvieto's loans that, at the date of the acquisition of control by MCC, were classified in *stage 3*, were considered 'POCI'.

4. Financial assets subject to trade renegotiations and exposures subject to concessions

According to the EBA's ITS (*Implementing Technical Standard*), a concession is defined as a "forbearance measure" granted by a bank to a borrower that is experiencing, or about to experience, difficulty in meeting its financial commitments⁴⁶. An exposure to which a forbearance measure has been applied by the bank must be classified as an impaired concessional exposure or other concessional exposure regardless of whether the concession results in a loss for the bank. One of the following forbearance measures is considered a concession:

- a modification of the contractual terms and conditions to which the debtor would not be able to comply, in whole or in part, in view of the financial difficulties in which it finds itself, which is aimed at pursuing the interest of making the debt more sustainable for the debtor and which would not have been granted if the debtor had not been in financial difficulties;
- a total or partial refinancing of a problematic loan, which would not have been granted if the debtor had not been in financial difficulty.

It is considered evidence of concession:

- a change in the contractual terms favourable to the debtor (concession in absolute terms);
- a change in the contractual terms which results in the application to the borrower of terms and conditions more favourable than those which the bank applies to customers with the same risk profile as the borrower (concession in relative terms);
- the exercise of contractual clauses the application of which is left to the debtor's discretion in the event that the bank approves the exercise of such clauses or finds that the debtor is in financial difficulty.

Therefore, in the case of renegotiations with a commercial value, which do not fall within the scope of this paragraph, the assessments take into account the cost-effectiveness of the actions required and the decisions made never entail a change in the "*status*" of the position. The rescheduling of debts motivated by current or prospective financial difficulties of customers, which fall within the scope of this paragraph, are based on the verification of the sustainability of the commitments with respect to the cash flows received and expected. This assessment is carried out through an ordinary preliminary and deliberative process. Any "*forbearance*" measures adopted are incorporated within the corporate systems and are monitored over time by the relevant structures, in compliance with the reference legislation. Any changes to be made to the classification of relationships benefiting from "*forbearance*" measures are expressly governed by the internal regulations on the classification of loans.

Quantitative information

1. Breakdown of financial assets by associated portfolio and credit quality (book values)

Portfolio/quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	860,518	36,321	998	99,253	4,094,622	5,091,712
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	774,658	774,658
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	10,680	10,680
5. Financial assets held for trading	13,985	20,187	368	3,822	1,424,573	1,462,935
2024	874,503	56,508	1,366	103,075	6,304,533	7,339,985
2023	819,581	49,442	2,737	95,323	6,919,344	7,886,427

The item "Bad loans" includes the shareholder loan on account of future capital increase, of €680 million paid by Invitalia to ADIH for the financial support of the company carried out with the financial endowment made available

⁴⁶ European Banking Authority, EBA FINAL draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No 575/2013.

by the MEF, as governed by Article 1 of Decree-Law 142/2019, converted, with amendments, by Law 5/2020, as amended by Decree-Law 2/2023.

The related contribution is classified under item 80 - Other liabilities.

2. Breakdown of financial assets by associated portfolio and credit quality (gross and net values)

Portfolios/quality	Non-performing				Performing			Total (net exposures)
	Gross exposure	Total write-downs	Net exposure	Overall partial write-offs	Gross exposure	Total write-downs	Net exposure	
1. Financial assets measured at amortised cost	1,076,802	178,967	897,835	290	4,243,645	49,768	4,193,877	5,091,712
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	775,380	722	774,658	774,658
3. Financial assets designated at fair value	-	-	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	10,680	-	10,680	10,680
5. Financial assets held for trading	87,945	53,405	34,540	302	1,438,054	9,659	1,428,395	1,462,935
2024	1,164,747	232,372	932,375	592	6,467,759	60,149	6,407,610	7,339,985
2023	1,128,725	256,966	871,759	145	6,922,363	52,979	7,014,668	7,886,427

Non-performing exposures, which also include the loan to ADIH as indicated above, have been subject to appropriate recovery actions and the value adjustments take into account their presumed realisable value, with the exception of loans whose default risk is not borne by Invitalia.

The related contribution is classified under item 80- Other liabilities.

3. Breakdown of financial assets by maturity (book values)

Portfolios/risk stages	First stage			Second stage			Third stage			Impaired assets acquired or originated		
	From 1 day to 30 days	More than 30 days up to 90 days	Over 90 days	From 1 day to 30 days	More than 30 days up to 90 days	Over 90 days	From 1 day to 30 days	More than 30 days up to 90 days	Over 90 days	From 1 day to 30 days	More than 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortised cost	4,693	-	12,081	27,601	54,437	194,401	436	3,783	873,734	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for trading	1,305	-	-	1,007	1,293	200	239	910	6,403	-	-	-
2024	5,998	-	12,081	28,608	55,730	194,601	675	4,693	880,137	-	-	-
2023	26,669	-	202	4,037	13,832	89,084	12,697	5,364	827,614	-	-	-

4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total value adjustments and provisions

Causes/ risk stages	Total value adjustments																					Total provisions for commitments to disburse funds and financial guarantees given				Total	
	Stage 1 assets						Stage 2 assets						Stage 3 assets						Purchased or originated impaired financial assets								
	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for trading	of which: individual impairments	of which: collective impairments	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for trading	of which: individual impairments	of which: collective impairments	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for trading	of which: individual impairments	of which: collective impairments	Financial assets measured at amortised cost	Financial assets measured at fair value with impact on comprehensive income	Financial assets held for trading	of which: individual impairments	of which: collective impairments	First stage	Second stage		Third stage
Opening balance	(157)	(25,562)	(908)	-	-	(26,627)	-	(27,251)	-	-	-	(27,251)	-	(256,966)	-	-	(256,966)	-	-	-	-	-	(1,331)	(67)	(2)	-	(312,244)
Increases in financial assets acquired or originated	-	-	-	(762)	-	(762)	-	-	-	(638)	-	(638)	-	-	(1,468)	(1,468)	-	-	-	-	-	-	-	-	-	-	(2,868)
Cancellations other than write-offs	-	-	-	192	-	192	-	-	-	216	-	216	-	1,267	-	1,992	3,259	-	-	-	-	-	-	-	-	-	3,667
Net value adjustments/write-backs for credit risk (+/-)	141	1,594	186	570	-	2,491	-	1,835	-	517	-	2,352	-	76,731	-	(2,030)	74,701	-	-	-	-	-	489	(651)	(15)	-	79,367
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,440)	(3,440)	-	-	-	-	-	-	-	-	-	-	(3,440)
Write-offs not recognised directly in the profit and loss account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,105	2,105	-	-	-	-	-	-	-	-	-	-	2,105
Other changes					-	-						-				-											-
Closing balance	(16)	(23,968)	(722)	-	-	(24,706)	-	-25,416	-	95		(25,321)	-	(178,968)	-	23,999	(154,969)	-	-	-	-	-	(842)	(718)	(17)	-	(206,573)
Recoveries from write-offs of financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(596)	-	(863)	(1,459)	-	-	-	-	-	-	-	-	-	(1,459)
Write-offs recognised directly in the Income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,054	1,054	-	-	-	-	-	-	-	-	-	-	1,054

6. Exposures to customers, banks and financial companies

6.1 On- and off-balance-sheet credit exposures with banks and financial companies: gross and net values

Exposure types/values	Gross exposure					Total value adjustments and provisions					Net Exposure	Overall partial write-offs*
	Total	First Stage	Second Stage	Third Stage	Impaired acquired or originated	Total	First Stage	Second Stage	Third Stage	Impaired acquired or originated		
A. On-balance sheet credit exposures												
A.1 A view												
a) Non performing	-	-	-	-	-	-	-	-	-	-	-	-
(b) Performing	247,760	247,760	-	-	-	-	-	-	-	-	247,760	-
A.2 Other												
(a) Non-performing loans	-	-	-	-	-	-	-	-	-	-	-	-
- of which: exposures subject to concessions	-	-	-	-	-	-	-	-	-	-	-	-
(b) Unlikely to pay	-	-	-	-	-	-	-	-	-	-	-	-
- of which: exposures subject to concessions	-	-	-	-	-	-	-	-	-	-	-	-
(c) Non performing past due exposures	-	-	-	-	-	-	-	-	-	-	-	-
- of which: exposures subject to concessions	-	-	-	-	-	-	-	-	-	-	-	-
(d) Performing past due exposures	-	-	-	-	-	-	-	-	-	-	-	-
- of which: exposures subject to concessions	-	-	-	-	-	-	-	-	-	-	-	-
(e) Other performing exposures	1,083,466	1,054,797	28,669	-	-	9,085	6,650	2,435	-	-	1,074,381	-
- of which: exposures subject to concessions	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	1,331,226	1,302,557	28,669	-	-	9,085	6,650	2,435	-	-	1,322,141	-
B. Off-balance-sheet credit exposures												
a) Non performing	-	-	-	-	-	-	-	-	-	-	-	-
(b) Performing	31,137	31,137	-	-	-	-	-	-	-	-	31,137	-
Total (B)	31,137	31,137	-	-	-	-	-	-	-	-	31,137	-
Total (A+B)	1,362,363	1,333,694	28,669	-	-	9,085	6,650	2,435	-	-	1,353,278	-

6.2 On-balance sheet credit exposures with banks and financial companies: changes in gross non performing exposures

There are no non-performing exposures to banks and financial companies.

6.2bis On-balance sheet credit exposures with banks and financial corporations: changes in gross credit exposures broken down by credit quality

There are no non-performing exposures to banks and financial companies.

6.3 Non-performing on-balance sheet credit exposures to banks and financial companies: changes in total value adjustments

There are no non-performing exposures to banks and financial companies.

6.4 On and off-balance sheet credit exposures with customers: gross and net values

Types of exposures/values	Gross exposure					Total value adjustments and provisions					Net exposure	Overall partial write-offs
	Total	First stage	Second stage	Third stage	Impaired acquired or originated	Total	First stage	Second stage	Third stage	Impaired acquired or originated		
A. On-balance credit exposures												
a) Non-performing loans	1,078,148	-	-	1,078,148	-	203,645	-	-	203,645	-	874,503	322
- of which: exposures subject to concessions	6,974	-	-	6,974	-	5,267	-	-	5,267	-	1,707	-
b) Unlikely to pay	85,506	-	-	85,506	-	28,998	-	-	28,998	-	56,508	-
- of which: exposures subject to concessions	34,913	-	-	34,913	-	9,446	-	-	9,446	-	25,467	-
c) Non-performing past due exposures	1,634	-	-	1,634	-	268	-	-	268	-	1,366	-
- of which: exposures subject to concessions	77	-	-	77	-	11	-	-	11	-	66	-
d) Performing past due exposures	106,124	6,482	99,642	-	-	3,049	485	2,564	-	-	103,075	-
- of which: exposures subject to concessions	7,272	-	7,272	-	-	278	-	278	-	-	6,994	-
e) Other performing exposures	5,339,844	4,487,139	852,705	-	-	52,499	20,777	31,722	-	-	5,287,345	-
- of which: exposures subject to concessions	34,850	-	34,850	-	-	1,538	-	1,538	-	-	33,312	-
Total (A)	6,611,256	4,493,621	952,347	1,165,288	-	288,459	21,262	34,286	232,911	-	6,322,797	322
B. Off-balance credit exposures												
a) Non-performing	6,296	-	-	6,296	-	1	-	-	1	-	6,295	-
b) Performing	360,998	346,495	14,503	-	-	158	143	15	-	-	360,840	-
Total (B)	367,294	346,495	14,503	6,296	-	159	143	15	1	-	367,135	-
Total (A+B)	6,978,550	4,840,116	966,850	1,171,584	-	288,618	21,405	34,301	232,912	-	6,689,932	322

6.5 Credit exposures with customers: changes in gross non-performing exposures

Cause/Category	Bad loans	Unlikely to pay	Non performing past due exposures
A. Opening gross exposure	1,046,882	80,905	3,471
- of which: transferred exposures not derecognised	2,952	19,314	22
B. Increases	76,614	49,833	4,819
B.1 Inputs from performing exposures	603	37,417	3,597
B.2 Inputs from acquired or originated impaired financial assets	-	-	-
B.3 transfers from other impaired exposure categories	12,556	2,938	168
B.4 contractual changes without cancellation	2,982	-	-
B.5 other increases	60,473	9,478	1,054
C. Decreases	45,348	45,232	6,656
C.1 Outflows to performing exposures	20	6,944	2,586
C.2 write-offs	11,623	251	-
C.3 collections	18,154	22,426	692
C.4 Proceeds from disposals	158	-	-
C.5 Losses on disposal	-	-	-
C.6 transfers to other non-performing exposure categories	-	12,419	3,242
C.7 contractual changes without cancellation	-	-	-
C.8 other decreases	15,393	3,192	136
D. Closing gross exposure	1,078,148	85,506	1,634
- of which: transferred exposures not derecognised	1,313	3,786	120

6.5bis On-balance-sheet credit exposures with customers: changes in gross forborne exposures broken down by credit quality

Cause/Quality	Forborne Exposures: non performing	Other exposures subject to concessions
A. Opening gross exposure	39,983	36,234
- of which: transferred exposures not derecognised	2,679	2,070
B. Increases	22,874	26,315
B.1 Inputs from performing exposures not subject to concessions	581	19,930
B.2 Inputs from performing exposures subject to concessions	3,127	-
B.3 Inputs from non performing concessions exposures	-	2,593
B.4 Inputs from non performing exposures not subject to concessions	6,525	-
B.5 Other increases	12,641	3,792
C. Decreases	20,893	20,427
C.1 Outflows to performing exposures not subject to concessions	-	8,596
C.2 Outflows to performing exposures subject to concessions	2,593	-
C.3 Outflows to non performing exposures subject to concessions	-	3,127
C.4 write-offs	1,789	-
C.5 collections	9,222	7,097
C.6 Proceeds from disposals	-	-
C.7 Losses on Disposal	-	-
C.8 other decreases	7,289	1,607
D. Closing gross exposure	41,964	42,122
- of which: transferred exposures not derecognised	1,789	1,497

6.6 Non performing on-balance credit exposures with customers: trend of overall write- downs

Causes/Categories	Bad loans		Unlikely to pay		Non performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening Total Adjustments	227,517	5,643	31,462	12,010	735	8
- of which: transferred exposures not derecognised	945	219	1,463	894	32	-
B. Increases	15,527	2,114	16,482	2,694	248	11
B.1 Value adjustments of purchased or originated non performing assets	-	-	-	-	-	-
B.2 other value adjustments	10,106	256	15,650	2,092	248	11
B.3 Losses on Disposal	-	-	-	-	-	-
B.4 Transfers from other non performing exposure categories	3,815	1,398	331	4	-	-
B.5 contractual changes without cancellation	-	-	-	-	-	-
B.6 other increases	1,606	460	501	598	-	-
C. Decreases	39,399	2,490	18,946	5,258	715	8
C.1 Write-backs from valuations	2,367	293	7,087	2,084	311	-
C.2 write-backs from collections	10,759	411	7,689	1,334	30	-
C.3 Gains on disposal	-	-	-	-	-	-
C.4 write-offs	11,623	1,786	251	3	-	-
C.5 transfers to other non performing exposure categories	-	-	3,772	1,394	374	8
C.6 contractual changes without cancellation	-	-	-	-	-	-
C.7 Other decreases	14,650	-	147	443	-	-
D. Closing final adjustments	203,645	5,267	28,998	9,446	268	11
- of which: transferred exposures not derecognised	-	-	186	-	-	-

7. Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external and internal ratings

7.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating classes (gross values)

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortised cost	140	0	85.427	50.507	143	0	4.955.495	5.091.712
- First stage	140	-	85.427	35.425	143	-	3.241.517	3.362.652
- Second stage	-	-	-	15.082	-	-	816.143	831.225
- Third stage	-	-	-	-	-	-	897.835	897.835
- Impaired acquired or originated	-	-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	0	0	774.658	0	0	0	0	774.658
- Stage 1	-	-	774.658	-	-	-	-	774.658
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
-Non performing acquired or originated	-	-	-	-	-	-	-	-
C. Financial assets held for trading	0	0	126.769	0	14.117	0	1.322.049	1.462.935
- Stage 1	-	-	126.769	-	-	-	1.175.870	1.302.639
- Stage 2	-	-	-	-	14.117	-	111.639	125.756
Stage 3	-	-	-	-	-	-	34.540	34.540
- Non performing acquired or originated	-	-	-	-	-	-	-	-
Total (A+B+C)	140	0	992.845	50.507	14.260	0	6.277.544	7.329.305
D. Commitments to disburse funds and financial guarantees Issued	0	0	0	(31.888)	0	0	(243.496)	(275.384)
- Stage 1	-	-	-	(31.888)	-	-	(202.661)	(234.549)
- Stage 2	-	-	-	-	-	-	(40.818)	(40.818)
Stage 3	-	-	-	-	-	-	(17)	(17)
- Non performing acquired or originated	-	-	-	-	-	-	-	-
Total (A+B+C+D)	140	0	992.845	18.619	14.260	0	6.034.048	7.053.921

The table shows, for MCC, the breakdown of cash and off-balance sheet exposures of externally rated counterparties. The breakdown shown refers to the Standard & Poor's rating classes, to which the ratings assigned by other agencies (Moody's and Fitch) are also allocated.

The ratio of externally rated exposures to total exposures is about 27%.

9. Credit Concentration

Concentration risk is the risk arising from a concentration of the credit portfolio's exposures to counterparties, groups of counterparties in the same economic sector or exercising the same activity or belonging to the same geographical area.

9.3 Large exposures

As at 31 December 2024, the Group, without considering Mediocredito Centrale and Cassa di Risparmio di Orvieto, did not hold any risk positions to be covered with corporate assets that could be classified as 'large exposure', with the exception of the physiological exposure to the Public Administrations.

With reference to Mediocredito Centrale, for the purposes of the application of the prudential supervisory rules on large exposures (see Part II, Chapter 10 of Bank of Italy Circular 285/2013 and cf. Articles 387 et seq. of EU Regulation 575/2013), as at 31 December 2024 there were 6 exposures of this kind (exceeding 10% of Own Funds) for a nominal amount of €1,961,361 thousand, corresponding to a weighted amount of €58,627 thousand.

3.2 MARKET RISKS

Market risk analysis is carried out voluntarily as Invitalia is not subject to Bank of Italy supervision

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

This risk, for Invitalia, is represented by the risk of adverse changes in the value of a position in financial instruments, included in the trading book for supervisory purposes, due to adverse trends in interest rates, exchange rates, inflation rates, volatility, share prices, credit spreads, commodity prices (generic risk) and issuer creditworthiness (specific risk).

Market risk comprises three types of risk: interest rate risk, price risk and exchange rate risk.

Invitalia's financial management follows the asset allocation policies and risk limits imposed by the Board of Directors.

As already noted in the Annual Report, there are no appreciable liquidity, interest rate and credit risks.

As far as liquidity risk is concerned, it is noted that the cash flow from ordinary operations fully covers the structural operating costs. The stress test, aimed at verifying the financial resilience of operations in the event of an exogenous liquidity shock, notes that the investments of financial operations comply with the principle of high liquidity, being two-thirds of the total readily monetisable.

Interest rate and credit risk are similarly low.

In this regard, it is specified that the long-term securities portfolio (HTC) has a very low risk profile with an average duration of about 5 years (against a financial mandate limit of 7 years) and an average rating of BB+ with a component of securities of the Italian Republic exceeding 50%.

The Agency's intention and ability to hold these securities for the long term in order to collect coupon yields means that, in accordance with international accounting standards, any capital losses (fair value) caused by temporary fluctuations in rates and prices (valuation of securities at historical cost) are not incurred.

Investment policies are largely made up of segregated management schemes with a prudent profile, which, by virtue of the segregation of the related funds and the rules governing them, offer high protection against credit and interest rate risks.

Finally, mutual funds, marginal in size, by virtue of the selection process, which led to the choice of the world's leading asset managers, and by virtue of the conservative balanced asset class, do not appreciably increase the risk profile of management.

With regard to Mediocredito Centrale, the positions attributable to the trading portfolio for supervisory purposes are nil. On the other hand, Cassa di Risparmio di Orvieto does not hold a proprietary portfolio for trading purposes.

3.2.1 Interest rate risk

Qualitative disclosure

1. General Aspects

With reference to Mediocredito Centrale, interest rate risk can be defined as the risk that changes in interest rates will have unfavourable effects on assets and liabilities held for purposes other trading, thus impacting profitability and/or economic value.

Exposure to interest rate risk derives mainly from the degree of maturity transformation, i.e., the collection of funds with a short-term repricing frequency and the investment in assets with a longer-term rate revision; for these reasons, its quantification is based primarily on the analysis of the mismatch between the repricing maturities of asset and liability items (so-called "gap risk"). They are also relevant for the Banks of the Group, depending on the specific business model adopted by each entity:

- basis risk, i.e. the risk related to imperfect correlation in the adjustment of lending and borrowing rates on different instruments, but with otherwise similar repricing characteristics (maturity and/or repricing frequency);
- option risk, i.e. the risk associated with the presence of options in Mediocredito Centrale's assets, liabilities and off-balance sheet instruments.

In order to strengthen the processes for measuring and managing exposure to interest rate risk at a consolidated level, Mediocredito Centrale implemented specific procedures aimed at monitoring the levels of risk assumed and

containing them within the overall framework of thresholds defined by the corporate bodies. In particular, they include:

Among strategic indicators:

- the Δ Present Value/Tier1 ratio, an indicator designed to monitor the negative impact of interest rate changes on the net economic value of the banking book against each of the standard shocks provided by the EBA Guidelines;
- the ratio Δ Interest Margin/Tier1, an indicator designed to monitor the impact on the interest margin of parallel shocks of ± 200 bps;

Among operational limitations include:

- the average duration of the HTCS securities portfolio: an indicator designed to measure the contribution to interest rate risk exposure from HTCS-owned securities;
- the Delta FV +200bps loan portfolio + mortgage hedging derivatives / Tier1: an indicator designed to measure the contribution to interest rate risk exposure, from a medium-long term perspective, deriving from loans to customers, taking into account the portion hedged through interest rate swap derivatives.

For the measurement and monitoring of these indicators for the purposes of the Mediocredito Centrale Banking Group's RAF, the following indicators have been adopted, consistent the new EBA Guidelines:

- an internal measurement model based on the 'full evaluation' methodology;
- econometric estimates of customer behavioural patterns, in relation to on-demand items and pre-payment of mortgages.

Regarding the first aspect, full evaluation consists of determining the market value of each funding/borrowing and derivative position by discounting future cash flows to the risk-free interest rate curve and repeating this operation after applying a shock to the discount curve: the difference between the two results measures the impact on the economic value. This method accurately captures the effects of embedded options in floating-rate assets and liabilities. Similarly, the Δ Interest Margin is determined by calculating the interest generated, at the level of the individual funding/loan position and in derivative instruments, on the basis of current rates and repeating the operation on the basis of post-shock rates. In terms of risk factors, both parallel shifts of the curve and non-parallel movements are considered (e.g. parallel shock equal to a change of ± 200 basis points, non-parallel so-called "steepener" shock, non-parallel so-called "flattener" shock, etc.).

As far as the estimation of behavioural patterns is concerned, sight deposits with customers are characterised by:

- 1) absence of a contractually defined deadline;
- 2) absence of an explicit rate-indexing rule, where the extent to which and the manner in which the rate is re-set depends not so much on market rate developments as on the relationship between the bank and its customers and the related negotiation.

As a result, especially for funding masses, there is a low level of elasticity with respect to market rates, which generates a significant rate risk in terms of both interest margin and economic value. In order to represent these positions correctly, it is therefore necessary to model: the persistence of the aggregates, which being high makes them comparable to medium- to long-term liabilities; the limited degree of responsiveness to market rates, which makes them partly analogous to fixed-rate instruments.

For this purpose, two separate econometric models were estimated:

- a) volume model, which determines the stable share of the masses (the 'core' component, of which it provides a profile of stock persistence) and the volatile share (the 'non-core' component, which is assumed to have a 1-day maturity);
- b) rate model, which describes the dynamics of the customer rate by identifying a heuristic indexation formula to a market parameter.

With regard to prepayment, this arises from the presence of an option implicit in the loan contract: the borrower has the option of extinguishing the contract early at any time before its contractual maturity. Since the introduction of Law 40/2007, for loans to natural persons for the purchase of real estate, this option may be exercised without penalty.

From a financial point of view, the borrower should exercise the option when the refinancing rate of the loan in the market is lower than the current rate paid on the contract. However, a sub-optimal exercise of the prepayment

option is observed; moreover, the presence of non-marginal prepayment rates even on variable-rate mortgages does not render the phenomenon exclusively characterisable in terms of a rational exercise of the financial option. The modelling adopted is, therefore, behavioural, based on a time-series analysis of prepayment events occurring within an observation period. In these models, unlike market models, the explanatory variables are not exclusively financial, but also depend on the characteristics of the loan and the borrower.

Price risk, on the other hand, is essentially linked to the presence of investments within the portfolio of assets held as part of the "Held to Collect and Sell" business model, i.e. with the objective of both collecting the contractual cash flows and the eventual sale of the financial instruments. In particular, MCC monitors price risk exposure through the VaR (Value at Risk) and CVaR (Conditional Value at Risk) indicators of the investments allocated in the banking book, with an investment horizon of two weeks and a confidence interval of 99%.

With regard to the activities envisaged in the ESG Action Plan, the impact of climate and environmental risk factors is not directly applicable to the interest rate risk of the banking book and not material in relation to price risk.

Quantitative disclosure

1. Breakdown by residual maturity (repricing date) of financial assets and liabilities

Type/Remaining duration	On demand	Up to 3 months	Over 3 months up to 6 months	From more than 6 months to up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite
1. Activities	4,350,786	2,153,699	923,818	162,871	387,253	64,780	183,293	232,465
1.1 Debt Securities	107,797	235,565	531,373	123,861	213,029	-	-	-
1.2 Credits	2,453,600	1,918,134	392,445	39,010	174,224	64,780	111,910	5,483
1.3 Other assets	1,789,389	-	-	-	-	-	71,383	226,982
2. Liabilities	4,128,863	523,228	299,181	55,784	956,201	8,944	288,679	3,332,374
2.1 Debts	1,574,379	523,228	299,181	55,784	251,117	8,944	155,197	320,152
2.2 Debt Securities	-	-	-	-	705,084	-	-	324,256
2.3 Other Liabilities	2,554,484	-	-	-	-	-	133,482	2,687,966
3. Financial derivatives	122,134	550,282	0	0	672,416	0	0	0
- Options	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
- Other derivatives	122,134	550,282	-	-	672,416	-	-	-
3.3 Long positions	-	-	-	-	672,416	-	-	-
3.4 Short positions	122,134	550,282	-	-	-	-	-	-

3.2.2 PRICE RISK

Qualitative disclosure

1. General Aspects

With regard to price risk, Mediocredito Centrale's exposure is negligible, as it holds shares for insignificant amounts, while Cassa di Risparmio di Orvieto does not hold a proprietary trading portfolio.

3.2.3 Exchange rate risk

This case does not arise. Mediocredito Centrale does not have any transactions in currencies other than the euro that could generate exchange rate risk. The foreign currency activity of Cassa di Risparmio di Orvieto is residual compared to total lending and is hedged from time to time through similar funding transactions. Exposure to exchange rate risk and any hedging activities of a managerial nature are monitored by the competent structures of MCC, in its capacity as Parent Company of Gruppo Bancario Mediocredito Centrale through specific *Asset and Liability Management* (ALM) procedures.

3.3 OPERATIONAL RISKS

Qualitative disclosure

1. General aspects, management processes and operational risk measurement methods

Operational risk is the risk of incurring losses resulting from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This includes, inter alia, losses resulting from fraud, human error, business interruption, systems unavailability, breach of contract, and natural disasters.

Operational risk includes legal risk and, with a view to integrated risk management for prudential purposes, certain specific features of IT and security risk; strategic and reputational risk are not included.

The main processes of the company's activities are regulated in specific internal documents. These documents, together with IT procedures, allow for the control of operational risks related to the occurrence of technical and human errors in all phases of company operations, which

could give rise to damaging consequences from an economic and image point of view for the Company.

From an organisational point of view, the Internal Auditing function supervises the operation and adequacy of the internal control system, verifying the adherence and consistency of the processes, actions and practices implemented by the corporate Functions with the law, regulations, directives, delegated powers and issued procedures, with particular reference to the provisions of Legislative Decree 231/2001.

The Organisational, Management and Control Model adopted, which complies with the requirements of Legislative Decree 231/01, is based, in brief:

1. on adherence to the code of ethics, with particular regard to relations with the Public Administration;
2. on the definition of written and shared operational procedures;
3. on the separation of duties and responsibilities;
4. on the establishment of an autonomous and independent Supervisory Board;
5. the systematic verification by the Supervisory Board and Internal Auditing of compliance with the established internal control procedures.

As far as Mediocredito Centrale and Cassa di Risparmio di Orvieto are concerned, operational risks are measured through the "basic method" according to which risk exposure is a function of *business* volumes. In view of the Banks' operations, the exposure to operational risks is mainly attributable to lending to corporate and retail customers, to operations in investment services and the management of collection and payment processes, and to operations relating to the management of subsidised funds as far as MCC is concerned.

In line with the relevant regulations and market *best practices*, the *operational risk management* system adopted by the Banks is based on a *framework* that envisages as its main operational management phase the identification of operational risks on a historical basis and from a forward-looking perspective,

which is flanked by the measurement, control and reporting phases. In particular, the main elements of this framework are represented by the following processes:

- collection of Operational Risk events (Loss Data Collection) accompanied by all relevant information for measurement and "management" purposes (i.e. economic effects of the event, recoveries, etc.) and classified according to Basel II taxonomies ("Event Type");
- qualitative and quantitative assessment of Operational Risk exposure (Operational Risk Self Assessment).

This process is aimed at self-assessing the adequacy of the safeguards put in place for the management and control of individual risk events, as well as obtaining estimates of the frequency and impact (both expected and worst case) of risk events. This approach is intended to orient the risk analysis mainly towards the identification of the vulnerabilities of the Risk Factors, in order to guarantee the immediate usability of the results, both from a management perspective and for the identification of mitigation actions.

In relation to the assessment and management of operational risks closely related to ICT risk events, the operational risk management framework is integrated with the IT risk assessment framework mainly through the phases of incident management, IT Risk Assessment and monitoring and reporting of the evolution of IT risk exposure, business continuity and disaster recovery.

With regard to the integration of the operational risk management framework with the ESG framework, on the other hand, an initial "pilot" activity was conducted in 2023 aimed at associating environmental/social/governance factors and operational risk scenarios in the self-assessment perimeter, in order to map the potential transmission channels of ESG risk factors on the corporate context. The factoring of ESG developments within the operational

risk management framework will in any case be assessed and implemented in line with the findings of the broader ESG project conducted for Mediocredito Centrale and Cassa di Risparmio di Orvieto.

Through this *framework*, the Banks aim to achieve the following main objectives:

- ensure adequate control and *reporting* of identified and assessed operational risks;
- improve the effectiveness of operational processes in order to ensure the quality and continuity of activities and to raise the level of service offered to customers;
- Spreading the culture of operational risk to ensure full awareness of the risks taken.

In the organisational structure adopted, the Function responsible for the control and measurement of operational risks at a consolidated level is the CRO, which avails itself of a specific OU reporting directly to the CRO set up in the course of 2023, as well as the transversal collaboration of all the structures involved, including those of the individual subsidiaries, in order to identify the main operational risk mitigation initiatives and monitor their effective implementation. Moreover, following the 40th update of Bank of Italy Circular 285/2013, during 2023 a further specific OU was also set up, again reporting directly to the CRO, dedicated to the management, monitoring and reporting of ICT risk.

The activities carried out in 2024 in the ESG area on the perimeter in question were mainly concerned with materiality analysis, assessing the exposure of the MCC and CRO Banks to operational losses deriving from physical damage related to exogenous events on properties used for functional purposes. The analysis was carried out using the physical risk scores on the properties obtained from the external infoprovider, showing a low exposure to physical risk, resulting in non-materiality of C&E risk factors on operational risk.

Quantitative disclosure

With reference to the financial year 2024, it should be noted that the process of collecting historical losses resulted in a net loss for the Mediocredito Centrale Banking Group of €33.2m. The overall estimate includes both cash losses and provisions recognised throughout the financial year 2024. This loss stream does not include pending losses and credit risk boundary.

3.4 LIQUIDITY RISK

Qualitative disclosure

1. General aspects, management processes and liquidity risk measurement methods

With regard to the Parent Company and Subsidiaries, with the exception of the group banks, liquidity risk was not subject to a specific materiality analysis, given the current asset allocation.

For Mediocredito Centrale and Cassa di Risparmio di Orvieto (hereinafter also referred to as the Banks), on the other hand, the risk liquidity, in general terms, is understood as the risk of the bank being unable to finance

new jobs and/or fulfil their payment commitments on time; the system of governance and liquidity risk management is geared towards preventing the emergence of conditions on which it can develop such a state of non-compliance.

Exposure to liquidity risk primarily reflects the Banks' specific business model.

Also relevant are management choices regarding risk mitigation tools, such as:

- the quali-quantitative composition of the liquidity reserves, the proportion of restricted assets, the degree of diversification of funding.

In relation to these aspects and the risk factors likely to affect expected cash flows, the following are noted the following types of liquidity risk to which MCCs and CROs are exposed:

- a. contingency liquidity risk;
- b. risk of refinancing on unfavourable terms (mismatch liquidity risk);
- c. risk of forced sale of securities - or credit assets - at a price below fair value (market liquidity risk);
- d. risk, related to the composition of funding and concentration by counterparties/technical forms/maturities, of negative effects on market appetite for unsecured debt of the Bank (funding liquidity risk);
- e. risk, related to the portion of assets tied up in secured funding transactions, of bills negative market appetite for the Bank's unsecured debt (asset encumbrance risk).

Against these risks, the liquidity monitoring system is structured as follows.

- with regard to funding liquidity risk, contingency liquidity risk and market liquidity risk, risk exposure is jointly monitored through the maturity ladder model, positioning the expected cash flows and counterbalancing capacity on a monthly schedule and by calculating the cumulative balance for each maturity band. The scenario analysis includes the introduction of stress assumptions regarding the non-renewal of short-term funding and the haircut on liquidity reserves. Risk exposure is expressed in terms of days of survival and, in particular, according to the formulation of the Liquidity Coverage Ratio;
- funding liquidity risk exposure is also measured in terms of the concentration of funding by technical forms, by counterparties and by renewal maturities;
- exposure to mismatch liquidity risk is expressed as a share of illiquid assets financed by stable funding and, in particular, according to the formulation of the Net Stable Funding Ratio;
- for asset encumbrance risk, risk exposure is expressed both as the ratio of assets and total pledged assets that as a pledged portion of collateral eligible at the Eurosystem;
- the risk factor side (monitoring of unfavourable events likely to affect the expected cash flows) a system of Early Warning Indicators is in place, with the purpose of detecting in advance events capable of triggering tense situations or crises of liquidity.

In this regard, the liquidity indicators included in the RAF are particularly relevant:

- Liquidity Coverage Ratio and Net Stable Funding Ratio as strategic indicators for monitoring the Group's liquidity in the short and medium to long term;
- Counterbalancing Capacity and the level of Available Eligible Assets as indicators of monitoring aimed at highlighting in advance the emergence of tensions potentially capable of to be reflected in the development of strategic indicators and trigger 'enhanced surveillance' on the overall system of indicators.

The liquidity governance framework and the principles guiding the Banks' interaction, control and management processes of liquidity risk, both under normal business and stress conditions, are governed by a specific Liquidity Policy. It also includes the Contingency Funding and Recovery Plan, aimed at identifying in advance, analysing and managing situations of 'liquidity stress' generated by idiosyncratic and/or market factors, while the Recovery Plan is aimed at managing situations of true 'liquidity crisis'.

The Group's banks adopt advanced methodologies and integrated processes to monitor liquidity risk, following the implementation of a single data and calculation environment, encompassing the entire consolidated perimeter. The system enables, among other things, the simulation of liquidity indicators for funding and strategic planning purposes, under ordinary and stressed conditions.

As part of the ESG Initiative Plan, they carried out prospective analysis and assessment of the impact of ESG risk factors on their risk profile in the processes of determining liquidity adequacy, including stress tests. These analyses show that the exposure of the Bank's liquidity profiles to such risk factors is rather limited both at an idiosyncratic level, as a result of the specific business model and the composition of the liquidity reserves held, and at a systemic level, given the low correlation between climatic events and the dynamics of liquidity supply/demand. In particular, according to the methodology in use, the reference portfolio was identified, consisting of the funding volumes potentially affected by the materialisation of climatic and environmental risks relating to the acute and chronic physical risk component. The occurrence of extreme weather events resulting in 546 physical risk threats lead to reduced collection balances at sight and maturity for reconstruction/remediation/immediate spending activities. To capture the acute physical risk on the collection, evidence from an external public domain database was used, created from specific data sourcers in order to determine classes of exposure to specific physical risk threats. The scores are available on a geographical view, so the Bank structured the analysis on the three geographical macro-areas: north, centre and south. On the basis of the risk scores on the provinces belonging to each geographical area, it emerged that the analysed portfolio was exposed to a non-material degree to physical risk.

Impacts from the Russia-Ukraine conflict

Following the escalation of military and geopolitical tensions, the Group Banks have taken various preventive measures to identify, manage and mitigate potential effects on business activities and results.

There were no direct impacts in terms of liquidity risk, partly due to the absence of exposure to countries involved in the conflict. As regards indirect effects on the macroeconomic framework, deriving from the combination of geopolitical risks and the rise in energy prices with the residual effects of the pandemic, the high level of uncertainty regarding future developments and the changed orientation of monetary policy, the Group's banks have raised the level of attention and monitoring of liquidity reserves, risk indicators and early warning indicators. The latter, in particular, are aimed at detecting in advance any signs of liquidity stress, given the changed environment compared to the previous phase of abundant and cheap liquidity.

Quantitative disclosure

1. Time distribution by contractual residual maturity of financial assets and liabilities

Items/ Time scale	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month up to 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Indefinite Duration
A. On-balance assets	318,069	636	188	76,190	310,179	483,938	491,336	1,806,897	767,470	152,564
A.1 Government Securities	-	-	-	-	1,345	134,778	99,526	439,000	100,000	-
A.2 Other Debt Securities	14	595	188	357	2,374	4,841	34,333	125,749	186,623	-
A.3 UCITS units	18,389	-	-	-	-	-	-	-	-	130,727
A.4 Loans	299,666	41	-	75,833	306,460	344,319	357,477	1,242,148	480,847	21,837
- Banks	276,083	41	-	-	-	25,342	-	-	60,000	21,837
- Customers	23,583	-	-	75,833	306,460	318,977	357,477	1,242,148	420,847	-
B. On-balance liabilities	1,539,842	10	253,267	193,765	48,417	128,415	122,845	1,065,144	79,168	324,256
B.1 Deposits and Current Accounts	1,485,032	-	3,068	193,761	44,249	105,421	56,364	280,546	-	-
- Banks	-	-	-	-	-	-	-	250,021	-	-
- Customers	1,485,032	-	3,068	193,761	44,249	105,421	56,364	30,525	-	-
B.2 Debt Securities	-	-	-	-	-	-	22,350	612,734	70,000	324,256
B.3 Other liabilities	54,810	10	250,199	4	4,168	22,994	44,131	171,864	9,168	-
C. Off-balance transactions	137,239	0	2,353	9,375	0	1,844	0	27,415	49,067	0
C.1 Financial derivatives with capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange										
- Long positions	2,890	-	-	-	-	-	-	-	-	-
- Short positions	2,890	-	-	-	-	-	-	-	-	-
C.3 Receivable financing										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	20,703	-	2,353	9,375	-	1,844	-	27,415	49,067	-
- Short positions	110,756	-	-	-	-	-	-	-	-	-
C.5 Financial securities provided	-	-	-	-	-	-	-	-	-	-
C.6 Financial securities provided	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Self-Securitisation Transactions

The self-securitisation transactions of performing loans were structured with the objective of improving liquidity risk management, focusing on optimising the management of the loan portfolio and the diversification of financing sources, reducing their cost and matching the natural maturities of assets with those of liabilities. The direct and full subscription by Mediocredito Centrale of the ABS ("Asset Back Securities") notes issued by the Special Purpose Vehicles established pursuant to Law 130/1999, while not allowing direct liquidity to be obtained from the market, nevertheless made it possible to dispose of securities that could be used for refinancing operations with the European Central Bank, improving the safety margin and liquidity risk position.

Therefore, the originator banks, having retained substantially all the risks and rewards relating to the assets sold, maintain these loans in the balance sheet for their full amount, applying the accounting treatment envisaged by IFRS 9 for the category of financial instruments to which they belong, while the notes issued by the vehicle company and subscribed to are not represented. At least until part of the junior securities are eventually placed on the market, the aforesaid sale and purchase transactions, to be considered jointly by virtue of the principle of substance over form, configure a simple transformation of the receivables into securities (securities), without any substantial economic effect.

Servicing agreements have been entered into with the SPVs, under which Mediocredito Centrale carries out all activities related to the management of the assigned loans (administration, management, collection and recovery) and, as Master Servicer: coordination, administration and recovery activities for non-performing loans.

3.5 DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

Trading derivatives

The Group does not trade in derivative instruments for trading purposes.

Accounting hedges

Quantitative disclosure

General aspects of hedging strategy

A. Fair Value Hedging Activities

In order to immunise the economic value of the subsidiary Mediocredito Centrale from the impact of changes in interest rates on fixed-rate/zero-coupon bond funding, each bond issue was hedged by means of an Interest Rate Swap derivative contract, entered into with a primary market counterparty; therefore, these positions are configured as Fair Value Hedges.

With reference to CR Orvieto, during the 2024 financial year no. 8 fair value hedge transactions were resolved on the same number of fixed rate mortgage portfolios with monthly amortisation, aimed at reducing CRO's exposure to interest rate risk. The hedging transactions were structured on the basis of specific analyses aimed at identifying fixed-rate mortgages with extremely homogeneous characteristics both from a financial point of view (e.g. frequency of payment of instalments, interest calculation methods) and from the point of view of the type of borrower (retail mortgages with a regular trend), in order to guarantee, consistently over time, a high level of effectiveness of the hedging relationship. The medium/long-term efficiency strategy of the overall asset management profile envisaged, in fact, specific hedging operations of long-term loans, in order to contain CRO's overall exposure to interest rate risk at levels consistent with the established objectives.

B. Cash flow hedging activities

There are no cash flow hedging transactions.

C. Hedging of foreign investments

There are no foreign investment hedging activities.

D. Hedging Instruments

Each hedging instrument is characterised by an active leg that exactly replicates the interest accruing on bond issues and a passive leg indexed to Euribor plus a spread, so that changes in cash flows on the hedged item due to changes in rates are perfectly offset.

E. Hedge items

Since the purpose of the hedging transaction is to immunise the economic value of the banking portfolio from interest rate risk, the hedged item is not exactly the bond, but rather a portion of it, represented by the component to which the impact of changes in interest rates is referable.

The verification of hedge effectiveness uses methodologies accepted by the reference accounting standards and professional practice and consists of verifying that the change in value of the hedged item, in the face of a conventional interest rate shock, is equal to the change in value of the hedging instrument. Any difference (ineffectiveness) must be attributable solely to the difference between the fair market spread and the spread actually negotiated with the counterparty.

With reference to CR Orvieto, starting in 2024, certain transactions were put in place for which the "Group Micro Fair Value Hedge" method was adopted to hedge the interest rate risk relative to fixed-rate residential mortgage exposures. The fair value adjustment of the hedged items concerns clusters of mortgages, individually identified, that have been fair value hedged with one or more derivative contracts (interest rate swaps). The accounting method used makes it possible to represent, in a symmetrical manner, the effects on both the mortgages and the hedging derivatives. The hedging relationship is formally documented by a hedging card, and the hedge's resilience over time is verified through both prospective and retrospective tests. The hedge is considered effective if the ratio of the change in fair value of the hedged item to the hedging instrument is within the range of 80-125%. Loans totalling approximately €110.1 million are hedged using this technique.

Quantitative disclosure

3.5.2. Hedging financial derivatives: end-of-period notional values

Type of derivatives	2024		2023	
	Over the counter - Central Counterparties	Over the counter - Without central counterparties - Without netting agreements	Over the counter - Central Counterparties	Over the counter - Without central counterparties - Without netting agreements
1. Debt securities and interest rates	-	672,416	-	-
a) Options	-	-	-	-
(b) Swaps	-	672,416	-	-
c) Forwards	-	-	-	-
(d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equities and Equity Indices	-	-	-	-
a) Options	-	-	-	-
(b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
(d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Currencies and gold	-	-	-	-
a) Options	-	-	-	-
(b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
(d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other	-	-	-	-
Total	-	672,416	-	-

3.5.3 Residual life of hedging derivatives: notional values

Underlying/Residual life	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	-	672,416	-	672.416
A.2 Financial derivatives on equities and equity indices	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other Financial Derivatives	-	-	-	-
2024	0	672,416	0	672,416
2023	300,000	261,000	0	561,000

3.5.4 Hedging financial derivatives: gross positive and negative fair value, change in value used to recognise hedge ineffectiveness

Derivative type	Positive and negative fair value - 2024				Positive and negative fair value - 2023				Change in value used to calculate hedge effectiveness	
	Over the counter - Central Counterparties	Over the counter - Without central counterparties - With netting agreements	Over the counter - Without central counterparties - Without netting agreements	Organised markets	Over the counter - Central Counterparties	Over the counter - Without central counterparties - With netting agreements	Over the counter - Without central counterparties - Without netting agreements	Organised markets	2024	2023
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
(b) Interest rate swaps	-	28,218	-	-	-	30,500	-	-	-	-
(c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
(e) Forwards	-	-	-	-	-	-	-	-	-	-
(f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	28,218	-	-	-	30,500	-	-	-	-
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
(b) Interest rate swaps	-	1,750	-	-	-	11,736	-	-	-	-
(c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
(e) Forwards	-	-	-	-	-	-	-	-	-	-
(f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	1,750	-	-	-	11,736	-	-	-	-

SECTION 4 - INFORMATION ON EQUITY

Quantitative disclosure

4.1.2.1 Equity: composition

Items/Values	2024	2023
1. Capital	836,384	836,384
2. Additional paid-in capital	-	-
3. Reserves	15,289	(5,351)
- profit reserves	47,646	29,039
(a) legal	873	873
(b) statutory	-	-
(c) treasury shares	-	-
(d) other	46,773	28,166
- Other reserves	(32,357)	(34,390)
of which Reserve as per Art. 47 DL 19/5/2020	(95)	-
of which ISMEA Special Reserve (ISA) as per Art. 10ter(5)	(15,494)	(15,494)
4. (Treasury shares)	-	-
5. Valuation reserves	(7,358)	(17,154)
- Equities securities designated at fair value through other comprehensive income	(4,517)	(4,760)
- Hedges of equities designated at fair value through other comprehensive income	-	-
- Financial assets (other than equities) measured at fair value through other comprehensive income	608	(9,269)
- Property, plant and equipment	-	-
- Intangible Assets	-	119
- Hedging of foreign investments	-	-
- Cash Flow Hedging	-	-
- Hedging Instruments (non-designated items)	-	-
- Exchange rate differences	-	-
- Non-current assets and disposal group classified as held for Sale	-	-
- Financial liabilities designated at fair value through profit or loss (changes in creditworthiness)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit pension plans	(3,449)	(3,244)
- Share of valuation reserves relating to equity-accounted investments	-	-
6. Capital instruments	-	-
7. Profit (loss) for the year	22,113	12,004
Total	866,428	825,883

The ISMEA special reserve (formerly ISA) was established in 2022 following the issuance by the Rome Court of Appeals of the sentence in civil case no. 2095/2015, with which the first instance sentence was confirmed, condemning the Agency to pay in favour of Istituto Sviluppo Agroalimentare (ISA) SpA, the sum of Euro 15.5 thousand. This amount, since the first instance sentence had become final, was recognised as a negative item of Shareholders' Equity (for more details on this accounting treatment, see the paragraph in Part A - Section 4 Other Aspects - Accounting treatment of ISA- ISMEA payment).

4.1.2.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Value	2024		2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt Securities	1,658	(1,050)	586	(9,855)
2. Equities	1,172	(5,689)	38	(4,798)
3. Financing	-	-	-	-
Total	2,830	(6,739)	624	(14,653)

4.1.2.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: annual changes

	Debt Securities	Equities	Loans
1. Opening inventories	(9,269)	(4,760)	-
2. Positive changes	9,877	571	-
2.1 Increases in fair value	8,012	553	-
2.2 Value adjustments for credit risk	-	-	-
2.3 Transfer of negative realisation reserves to the Income statement	-	-	-
2.4 Transfers to other equity components (equities)	-	-	-
2.5 Other changes	1,865	18	-
3. Negative changes	-	328	-
3.1 Reductions in fair value	-	328	-
3.2 Write-backs due to credit risk	-	-	-
3.3 Transfer to profit and loss account from positive reserves: from realisation	-	-	-
3.4 Transfers to other equity components (equities)	-	-	-
3.5 Other changes	-	-	-
4. Closing inventories	608	(4,517)	-

Disclosure of regulatory capital

Regulatory capital disclosure is not applicable.

SECTION 5 - ANALYTICAL CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Item		2024	2023
10.	Net profit (loss) for the year	24,234	13,171
	Other Income Components without Recognition in the Profit and Loss Account	407	(167)
20.	Equities instruments designated at fair value through other comprehensive income:	750	22
	(a) change in fair value	750	22
	(b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	-	-
	(a) change in fair value	-	-
	(b) transfers to other components of equity	-	-
40.	Hedges of equities instruments designated at fair value through other comprehensive income:	-	-
	(a) change in fair value (hedged instrument)	-	-
	(b) change in fair value (hedging instrument)	-	-
50.	Property, plant and equipment	-	-
60.	Intangible Assets	-	-
70.	Defined benefit plans	290	(189)
80.	Non-current assets and disposal group held for sale	-	-
90.	Portion of valuation reserves from investments valued at equity method	-	-
100.	Income taxes on other income components without reversal to the Income statement	(538)	-
	Reserve Art. 47	(95)	-
	Other income components with reversal to the profit and loss account	9,786	20,666
110.	Coverage of foreign investments:	-	-
	(a) changes in fair value	-	-
	(b) reversal to Income statement	-	-
	(c) other changes	-	-
120.	Exchange rate differences:	-	-
	(a) change in value	-	-
	(b) reversal to Income statement	-	-
	(c) other changes	-	-
130.	Cash flow hedging:	-	-
	(a) changes in fair value	-	-
	(b) reversal to Income statement	-	-
	(c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments (non-designated items):	-	-
	(a) change in value	-	-
	(b) reversal Income statement	-	-
	(c) other changes	-	-
150.	Financial assets (other than equities) measured at fair value through other comprehensive income:	13,950	20,666
	(a) changes in fair value	12,625	19,594
	(b) reversal to Income statement	1,325	1,072
	- credit risk adjustments	(71)	(21)
	- realised gains/losses	1,396	1,093
	(c) other changes	-	-
160.	Non-current assets and disposal groups held for sale:	-	-
	(a) changes in fair value	-	-
	(b) reversal to Income statement	-	-
	(c) other changes	-	-
170.	Part of valuation reserves from investments valued at equity method:	-	-
	(a) changes in fair value	-	-
	(b) reversal to Income statement	-	-
	- impairment adjustments	-	-
	- realised gains/losses	-	-
	(c) other changes	-	-
180.	Income taxes on other income components with reversal to Income statement	(4,164)	-
190.	Total other income components	10,193	20,499
200.	Overall profitability (Item 10+190)	34,427	33,670
210.	Minority consolidated other comprehensive income	2,365	1,683
220.	Parent company's Consolidated other comprehensive income	32,062	31,987

SECTION 6 - RELATED PARTY TRANSACTIONS

The perimeter of natural and legal persons qualifying as related parties for the consolidated financial statements was defined on the basis of the indications provided by IAS 24, appropriately applied with reference to the specific organisational and *governance* structure of the Agency.

In particular, the following are considered related parties:

Entities exercising Significant Influence over the Company

The company has a single shareholder, the Ministry of Economy and Finance. In this regard, in accordance with the regulations in force, the shareholder's rights with respect to the Agency are exercised by the Minister of Economy and Finance, in agreement with the Minister of Economic Development.

It follows that operationally, the Ministry of the Economy, the Ministry of Economic Development, all companies controlled by the Ministry of the Economy, any other *in-house* companies of the Ministry of Economic Development are to be considered as related parties.

Subsidiaries

These are the companies over which the Agency directly or indirectly exercises control as defined by IFRS 10.

Affiliated companies

These are the companies in which the Agency directly or indirectly exercises significant influence as defined in IAS 28.

Key Management personnel and controlling bodies and their family members

Key management personnel are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the entity, including the directors (executive or otherwise) of the entity. In the Agency, in addition to the Board of Directors, 'key management personnel' are defined as top organisational level executives and their family members.

6.1 Information on the remuneration of key management personnel

Below is information on the remuneration paid in the financial year 2024 to key management personnel, the Board of Directors and the Board of Statutory Auditors by fully consolidated companies.

Information on the remuneration of key management personnel (including directors and statutory auditors)	
(a) short-term benefits	4,360
(b) post-employment benefits	1,150
of which related to defined benefit plans	-
of which related to defined contribution plans	1,150
(c) other long-term benefits	-
(d) compensation for termination of employment	-
(e) payments in shares	-

6.2 Loans and guarantees issued in favour of directors and auditors

There are no creditor relationships and/or guarantees issued in favour of directors and auditors.

Intra-group transactions

Given that, as illustrated elsewhere in these Notes to the Financial Statements and in the Report on Operations, the reorganisation plan is still in progress, intragroup relations continued without interruption for the entire year. In this regard, it should be noted that, within the Group, relations between the various economic entities that make up the Group are inspired by criteria of centrality with regard to the fundamental activities of governance and control, supplemented by those of guidance and assistance, in the form of advice on legal, economic, organisational and resource management matters. Instead, the individual companies are entrusted with the mission of managing products and services of various kinds.

Transactions carried out with related parties, including intra-group transactions, are neither atypical nor unusual, as they are part of the ordinary course of business of Group companies. The economic effects connected with the aforementioned transactions are normally regulated on the basis of usual market conditions. In the case of services rendered by the Parent Company as part of normal group synergies, the fees are determined with the aim of recovering at least the specific and general costs. These transactions, when not concluded at standard conditions or dictated by specific regulatory conditions, were in any case settled at market conditions. Any loans

granted by the parent company to subsidiaries and associates at more favourable or non-interest-bearing conditions have been recognised in accordance with IFRS 9, as illustrated in the section 'Accounting Policies'.

6.3 Information on related party transactions

Transactions carried out with related parties, even if concluded at normal market conditions and even in cases where the amounts are not significant, are reported because the materiality of the transactions is linked to the reasons that led to the decision to deliberate and conclude the transaction with the related party.

Below is information on related party transactions by nature and by counterparty:

Equity-related transactions

Company name	Assets			Liabilities			Commitments	
	Financing	Receivabl es	Equity investmen ts	Other active transactio ns	Financial liabilities	Due to customer s	Guarantee s issued	Commitm ents to disburse funds
Direct subsidiaries								
DRI D'ITALIA SpA		-		1,097	-	-		
Direct investee companies								
ACCIAIERIE D'ITALIA HOLDING SpA				725,784				
CDP VENTURE CAPITAL SGR SpA (già INVITALIA VENTURES SGR SpA)								
ITALIACAMP S.r.l.								
I.T.S. INFORMATION TECHNOLOGY SERVICES SpA in liq.								
IP INIZIATIVE PORTUALI PORTO ROMANO S.r.l. in liq.								
ISTITUTO ENCICLOPEDIA TRECCANI SpA						(6)		
MARINA D'ARECHI SpA	12,053							
MENARINI SpA (già INDUSTRIA ITALIANA AUTOBUS S.p.A								
REITHERA S.r.l.								
SIDERALLOYS ITALIA SpA				77				
TLS SVILUPPO S.r.l. in liquidazione				31				
Other related parties								
ANPAL SpA							-	-
ANAS SpA						(9)		
CASILLO SOCIETA' PER AZIONI		6,982						
CASSA DEPOSITI E PRESTITI SpA						(175,513)		
ENEL SpA- ENEL DISTRIBUZIONE SpA				45		(775)	-	-
ENIBIOCH4IN SAN BENEDETTO PO Srl SOCIETA' AGRICOLA								
FINCANTIERI CANTIERI NAVALI ITALIANI SpA								-
FONDO UNICO DI GIUSTIZIA						(101)		
GRUPPO POSTE ITALIANE SpA		2,225			(2)	(56,468)		
GSE- GESTORE DEI SERVIZI ENERGETICI SpA				2,287		(184)	-	-
ISTITUTO DELLA ENCICLOPEDIA ITALIANA FONDATA DA GIOVANNI TRECCANI SpA			600					
ITALIA TRASPORTO AEREO SpA						(1,048)		
LEONARDO SpA							-	-
MARINA DI VILLA IGEEA SpA								
MECAER AVIATION GROUP SpA		3,438						
MONTE DEI PASCHI DI SIENA SpA		98,515					-	-
OPEN FIBER SpA						(177,078)		
RAFFINERIA DI MILAZZO SCpA		18,750						
RETE FERROVIARIA ITALIANA						(145)		
TINTORIA STAMPERIA DEL MOLISE SpA								
SACE FCT SpA		20,000						
SICAMB SpA						(2)		
SOCIETà PER CORNEGLIANO SpA								
SO.I.GE.A. SRL		4,630				(496)		
SPORT E SALUTE SpA						(1)	-	-

Financial Transactions

Company name	Income statement			
	Net Interest	Net Commissions	Administrative Expenses	Other income and expenses
Direct subsidiaries				
DRI D'ITALIA SpA	5		-	269
Direct investee companies				
ACCIAIERIE D'ITALIA HOLDING SpA				
CDP VENTURE CAPITAL SGR SpA (formerly INVITALIA VENTURES SGR SpA)				
INDUSTRIA ITALIANA AUTOBUS SpA				
I.P. INIZIATIVE PORTUALI PORTO ROMANO S.r.l. in liq.				
ISTITUTO ENCICLOPEDIA TRECCANI SpA			1	
MARINA D'ARECHI SpA	582			
MENARINI SpA (formerly INDUSTRIA ITALIANA AUTOBUS S.p.A)			8	
REITHERA S.r.l.				
SIDERALLOYS ITALIA SpA			25	
TLS SVILUPPO S.r.l.			8	
Other related parties				
ANAS SpA			11	
CASILLO SCOIETA' PER AZIONI	694			
CASSA DEPOSITI E PRESTITI SpA	(5,645)			
ENEL SpA- ENEL DISTRIBUZIONE SpA	(1,028)		1	
FONDO UNICO DI GIUSTIZIA				
GSE- GESTORE DEI SERVIZI ENERGETICI SpA				
GRUPPO POSTE ITALIANE SpA	(1,463)	(1)	(1,809)	
ITALIA TRASPORTO AEREO SpA	(37)			
MECAER AVIATION GROUP SpA	204			
MONTE DEI PASCHI DI SIENA SpA				
OPEN FIBER SpA			152,149	
RAFFINERIA DI MILAZZO SCpA	1,065			
RETE FERROVIARIA ITALIANA			33	
SACE FCT SpA	14			
SO.I.GE.A. S.R.L.	340			
SPORT E SALUTE SpA				

SECTION 7 - LEASING

Qualitative disclosure

The Group, as lessee, has concluded the following property leases concerning:

- the building in Rome, Viale America 351, which houses the Bank's registered office
- the building in Rome, Viale dell'Arte 25, for office use
- the building in Rome, Via Silvestro Gherardi, 3 for guesthouse use
- the building in Rome Via Nino Bixio 41, for guesthouse use
- the building in Rome Viale America, 93-95 for guesthouse use
- the building in Rome Via Panico 81, for guesthouse use
- the building in Rome Via Domenichini, 5 for guesthouse use
- the building in Rome Via Dessi 34 for guesthouse use
- the property in Orvieto Strada di Porta Romana 8 for guesthouse use
- the building in Bari Via Putignani 50 for foresteria use
- the property in Bari Via Quintino Sella 72 for guesthouse use
- the property in Rome Viale Tupini 133 for foresteria use
- the buildings housing the representative offices in Bari, Milan, Naples and Pescara;
- a lease agreement for commercial use concerning the building in Rome, Via Calabria No. 46, which houses the registered office of the parent company Invitalia SpA, as well as the subsidiaries Infratel Italia SpA, Italia Turismo SpA and Invitalia Partecipazioni SpA;
- a lease agreement for commercial use concerning the building in Rome, Via Pietro Boccanelli No. 12/30, which houses certain offices of the above-mentioned companies;
- a state-owned concession concerning the building in Rome, Compendio Roma Eur, which houses the offices of Infratel Italia SpA;
- a lease agreement for commercial use concerning the building in Bologna, Viale Aldo Moro no. 44, housing the offices of the Emilia-Romagna Earthquake Reconstruction Area 2019-2020;
- a lease agreement for commercial use concerning the use of 4 studio apartments at the Residenza Carracci in Bologna, for employees working on contracts with the Emilia-Romagna Region and the Extraordinary Commissioner for Reconstruction as well as the Commissioner Delegate for the Earthquake.

In addition, 49 medium- to long-term rental contracts (24 or 36 months) of company cars were activated, with a duration of 2, 3 or 4 years.

Leasing contracts with a term of less than 12 months or of low value are accounted for without recognising a right of use, but rather by allocating the costs relating to the lease payments to administrative expenses on an accrual basis.

Quantitative disclosure

Reference should be made in this item to:

- the information on rights of use acquired *under leases* contained in Part B, Assets;
- the information on *leasing* liabilities contained in Part B, Liabilities;
- information on interest expenses on *leasing* debts and other related charges with rights of use acquired *under leases*, as well as gains and losses arising from sale and leaseback transactions contained in Part C. In addition, the quantitative disclosures required by IFRS 16, paragraphs 53(a) and 59, and the disclosure of commitments associated with short-term *leases* shall be provided, if the conditions of paragraph 55 of IFRS 16 are met.

SECTION 8 - OTHER INFORMATION DETAILS

FEES THE AUDITING FIRM

Below is the schedule of fees pursuant to Article 149-duodecies of the Regulation on Issuers.

Type of services	Service provider	Recipient	Amount
Audit Service	Deloitte&Touche Spa	Invitalia Spa	185
Other services	Deloitte&Touche Spa	Invitalia Spa	15
Audit Service	Deloitte&Touche Spa	Medio Credito Centrale	227
Other services	Deloitte&Touche Spa	Medio Credito Centrale	428
Audit Service	Deloitte&Touche Spa	Cassa di Risparmio di Orvieto	56
Other services	Deloitte&Touche Spa	Cassa di Risparmio di Orvieto	32
Audit Service	Deloitte&Touche Spa	Infratel Spa	108
Other services	Deloitte&Touche Spa	Infratel Spa	30
Audit Service	Deloitte&Touche Spa	Invitalia Partecipazioni	49
Other services	Deloitte&Touche Spa	Invitalia Partecipazioni	12
Audit Service	Deloitte&Touche Spa	Italy Tourism	46
Other services	Deloitte&Touche Spa	Italy Tourism	2
			1,190

The fees indicated refer to the fees for the audit of the 2024 Budget.
During the year, the companies in the auditor's network did not perform any consulting assignments.
These fees are net of expense reimbursements, non-deductible VAT and the CONSOB contribution.

SEGMENT REPORTING

The Group's segment reporting is based on the elements that the parent company's management uses to make operational decisions on an ongoing basis (so-called *management approach*) and is therefore consistent with the disclosure requirements of IFRS 8.

The following segments have been identified: Lending Activities, Facilitation Fund Management Activities and Services to the Public Administration and Divestment Activities.

The allocation of the economic and financial results to the business segments is based on the accounting principles used for the preparation and presentation of the Financial Statements.

The main figures of the income statement and balance sheet aggregates are summarised below.

	Lending	public funds management and PA services	Disposal	Other	Shareholders' equity
TOTAL ASSETS	4,599,580	4,969,840	1,686,312	16,086	
<i>of which FINANCIAL ASSETS MEASURED AT AMORTISED COST</i>	<i>2,992,419</i>	<i>2,088,443</i>	<i>1,322,508</i>	<i>10,850</i>	
TOTAL LIABILITIES	3,700,508	5,199,680	1,483,869	7,050	
SHAREHOLDERS' EQUITY					866,428
MINORITY SHAREHOLDERS EQUITY					14,283

INCOME STATEMENT	Lending	public funds management activities and PA services	Disposal	Other	total
120. NET INTEREST AND OTHER BANKING INCOME	73,378	235,599	61,522	84	370,583
<i>130. NET LOSSES/RECOVERIES FOR CREDIT RISKS ASSOCIATED WITH:</i>	<i>(16,502)</i>	<i>(1,411)</i>	<i>(5,576)</i>	<i>(343)</i>	<i>(23,832)</i>
150. NET INCOME FROM FINANCIAL ACTIVITIES	93,352	197,674	55,946	(259)	346,713
210. OPERATING COSTS	(74,434)	(204,925)	(38,635)	(1,916)	(319,910)
260. PROFIT (LOSS) FROM CURRENT OPERATIONS BEFORE TAX	20,082	(5,328)	17,311	(2,175)	29,890
270. INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS					(18,492)
280. PROFIT (LOSS) FROM CONTINUING OPERATIONS AFTER TAXES					11,398
290. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX					12,836
300. PROFIT (LOSS) FOR THE YEAR					24,234
310. PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS					(2,121)

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEX A.1

Movements in 'Financial assets held for trading' – debt securities

Amounts in €/thousand

	Opening inventory	Purchases	Positive changes in fair value	Other positive changes	Repayments	Sales	Negative changes in fair value	Other negative changes	Final inventory	Issuer risk rating		
Debt securities										MOODY'S	S&P	FITCH
Banks												
BP SONDRIO 03/04/24	5.060	-			(5.060)				-			
Total debt securities	5.060	-	-	-	(5.060)	-	-	-	-			
Grand total	5.060	-	-	-	(5.060)	-	-	-	-			

ANNEX A.2

Movements in 'Other financial assets mandatorily measured at fair value' – UCITS units

Other financial assets mandatorily measured at fair value	Opening balance	Purchases	Write-backs	Other positive changes	Positive changes in fair value	Repayments	Other negative changes	Negative changes in fair value	Closing balance
UCITS units									
FONDO NEXT	716					(79)		(637)	-
FONDO NORDOVEST	-								-
FONDO ITALIA VENTURE I (*)	28,449	1,112			497				30,058
FONDO i3-SVILUPPO ITALIA	92,693	3,342			4,635				100,670
FONDO PRIVATE DEBT ANTHILIABIT IV	3,600				2,900				6,500
FONDO DI NPL KEYSTONE	7,800				1,400				9,200
FONDO AZIMUT	-	2,000							2,000
Other UCITS units	689								689
	133,946	6,453	-	-	9,433	(79)	-	(637)	149,116

(*) The units of this fund are acquired with the available funds from Fondo Crescita Sostenibile, therefore, changes in fair value are deducted from the relevant fund.

Movement of Italia Venture II – Fondo Imprese Sud

Other financial assets mandatorily measured at fair value	Opening balance	Purchases	Write-backs	Other positive changes	Positive changes in fair value	Repayments	Other negative changes	Negative changes in fair value	Closing balance
ITALIA VENTURE II - FONDO IMPRESE SUD	44,221	15,283				(6,551)		(7,852)	45,101
	44,221	15,283	-	-	-	(6,551)	-	(7,852)	45,101

The units of the Italia Venture II fund are acquired with the available funds from Fondo Imprese Sud, managed with third-party off balance funds.

ANNEX A.3

Movements in 'other financial assets mandatorily measured at fair value' - financing

Amounts in €/thousand

Financial assets at fair value	Opening balance	Purchases	Positive changes fair value	Other positive changes	Repayments	Other negative changes	Closing balance
HDI ASSICURAZIONI SPA	3.027		65				3.092
HDI ASSICURAZIONI SPA	3.028		65				3.093
HDI ASSICURAZIONI SPA	1.009		22				1.031
SARA VITA SPA	2.563		27				2.590
Total investment policies at fair value	9.627		179				9.806
TFR (Employees termination indemnity) investment policy	840	-		35			875
Total financial assets at fair value	10.467	-	179	35	-	-	10.681

ANNEX A.4

Equity investments - annual changes

Amounts in €/thousand

Equity investments	Book value 01/01/2024	Increases				Decreases			Book value 31/12/2024
		Purchases	Write-backs	Revaluations	Other changes	Sales	Value Adjustments	Other changes	
Companies subject to significant influence:									
CDP VENTURE CAPITAL SPA	7,312			3,090					10,402
ELETTRA SINCROTRONE TRIESTE S.P.A.	2,259			191					2,450
FINMEK Solutions S.p.A. (in amministrazione straordinaria)									
ISTITUTO DELLA ENCICLOPEDIA TRECCANI SPA	5,548						(42)		5,506
ITALIACAMP SRL	1								1
MARINA DI VILLA IGEEA SPA	913			65					978
MECCANO SCPA	83								83
SOCIETA' PER CORNIGLIANO SPA	1,388			12					1,400
T.E.S.S. Costa del Vesuvio S.p.A. (concordato preventivo)	5						(5)		-
T.S.M. Tintoria e Stamperia del Molise S.p.A. (in fallimento)									
ALTO TIRRENO COSENTINO SCARL									
CALPARK SPA									
CENTRO PER LO SVILUPPO DEL CILENTO (CESVIC) SPA IN									
COPEL - COMPONENTI PLASTICI Elettromeccanici SPA									
ITALIANA SERVIZI SRL (IN FALLIMENTO)									
SEFI SPA (FALLITA)									
WAHOO S.P.A. (in fallimento)									
Companies acquired with third-party funds:									
referred to in Decree-law no. 142 of 16 December 2019									
ACCIAIERIE D'ITALIA SPA									
BANCA POPOLARE DI BARI	419,000			286					419,286
DRI D'ITALIA SPA	35,000								35,000
of which with funds under Law 181/89									
CMS SRL IN FALLIMENTO									
ELMIRAD SERVICE SRL IN LIQ.NE									
ELA SPA IN FALLIMENTO									
FONDERIE SPA IN FALLIMENTO									
GUSTAVO DE NEGRI & ZA.MA. SRL IN FALLIMENTO									
JONICA IMPIANTI SRL IN FALLIMENTO									
PERITAS SRL									
PRO.S.IT. IN FALLIMENTO SRL									
SIE-SOC.ITTICA EUROPEA IN AMM.STRAORD.									
SIMPE SPA IN FALLIMENTO									
SURAL SPA FALLITA									
of which with funds under Law 126/2020									
REITHERA SRL	15,000								15,000
TLS SRL	1,067								1,067
Total equity investments	487,576			3,644			(47)		491,173

ANNEX A.5**Non-current assets and disposal groups classified as held for sale: accounting information - equity investments**

Amounts in €/thousand

Name	Stake held %	Book value
I.T.S INFORMATION TECHNOLOGY SERVICES SPA	17.33%	-
IP PORTO ROMANO SRL	34.23%	-
MARINA DI ARECHI	1.00%	300
SALERNO SVILUPPO S.C.R.L. IN LIQUIDAZIONE	20.00%	111
Total other companies		411

Non-current assets and disposal groups classified as held for sale: annual changes - equity investments

Amounts in €/thousand

Name	Opening balance 01/01/2024	Positive changes	Negative changes	Revaluations	Disposals	Depreciation	Closing balance 31/12/2024
I.T.S INFORMATION TECHNOLOGY SERVICES SPA	-					-	-
IP PORTO ROMANO SRL	74					(74)	-
MARINA D'ARECHI	300					-	300
SALERNO SVILUPPO S.C.R.L. IN LIQUIDAZIONE	117					(6)	111
Total other companies	491		-	-	-	(80)	411

Certification of the consolidated financial statements pursuant to Article 154-bis, par. 5, of Legislative Decree 58/1998 and Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned Bernardo Mattarella, as Chief Executive Officer, and Domenico Tudini, as Manager in charge with preparing the company's financial reports of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A., hereby certify as follows, also in light of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - the adequacy of the consolidated financial statements as at 31.12.2024 to the Group's characteristics
 - and the effective application of the administrative and accounting procedures for its preparation.

The adequacy and actual application of the administrative and accounting procedures for preparing the consolidated financial statements as at 31 December 2024 were verified in compliance with the COSO model, the reference Internal Controls - Integrated Framework adopted by the Agency and recognised internationally. The COSO has been developed by the Committee of Sponsoring Organisations of the Treadway Commission, a US body engaged in improving the quality of financial reporting and was used as a guiding document.

During 2024, the Manager in charge with preparing the company's financial reports of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A., with the support of the Internal Auditing function, audited the adequacy and actual application of the existing administrative and accounting procedures, in relation to the internal control system on financial reporting.

Assessment of the internal control system for financial reporting did not reveal any significant aspects.

2. It is further attested that:

21. The consolidated financial statements of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. as at 31 December 2024:
 - 2.1.1. were prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - 2.1.2. they correspond to the content in books and accounting records;
 - 2.1.3. they are adequate to give a true and fair view of the financial and economic position of the company producing them.
- 2.2 The Report on operations includes a reliable analysis of the performance and results of the management, as well as of the situation of both the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 16 May 2025

Chief Executive Officer

[signature]

Bernardo Mattarella

Manager in charge with preparing the company's
financial reports

[signature]

Domenico Tudini

Certification of the Sustainability Report pursuant to Article 81-ter, par. 1, of Consob Regulation no. 11971 of 14 May 1999, as amended and supplemented

1. The undersigned Bernardo Mattarella, as Chief Executive Officer, and Domenico Tudini, as Manager in charge with preparing the company's financial reports of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A., hereby certify as follows, in compliance with Art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the Consolidated Sustainability Report included in the Report on operations was prepared:
- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125 of 6 September 2024;
 - with the specifications adopted in accordance with Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Rome, 16 May 2025

Chief Executive Officer

[signature]

Bernardo Mattarella

Manager in charge with preparing the company's
financial reports

[signature]

Domenico Tudini

AGENZIA NAZIONALE PER L'ATTRAZIONE DEGLI INVESTIMENTI E LO SVILUPPO D'IMPRESA S.p.A.
REPORT OF THE BOARD OF STATUTORY AUDITORS
TO THE SOLE SHAREHOLDER'S MEETING SUMMONED FOR THE APPROVAL OF THE 2024
FINANCIAL STATEMENTS

Dear Sole Shareholder,

the Board of Statutory Auditors is called to report the Meeting about the activities performed by the Board during the financial year pursuant to Article 2429, par. 2 of the Italian Civil Code.

In this regard, during 2024, the Board of Statutory Auditors has performed their institutional tasks in compliance with the Italian Civil Code and Legislative Decree 39/2010 and the By-laws, by also taking into account the conduct rules issued by the Italian National Council of Certified Accountants and Bookkeepers (CNDCEC).

The Board of Statutory Auditors currently in office - composed by Mauro Zanin (President) and Antonella Bientinesi and Cristiano Maccagnini (Statutory Auditors) - was appointed by the Shareholders' Meeting on 2 August 2023 and will terminate office with the Shareholders' Meeting to approve the financial statements for the year ending 31.12.2025.

During the 2024 financial year, the statutory auditing activities were performed by Deloitte & Touche S.p.A. based on the mandate conferred to the latter by the Shareholders' Meeting of 30 September 2020, with reference to the financial years from 2020 to 2028.

1) Supervisory activities related to compliance with the Law and Bylaws and the principles of fair administration

The Board has collected all the necessary information required to perform their supervisory and monitoring tasks through participation in the meetings of the Board of Directors, the Risk and Related Parties Committee and the Nomination and Remuneration Committee (the Committees' meetings were attended by the President), as well as in meetings with the Heads of Functions and with the company appointed to carry out statutory independent auditing activities, Deloitte & Touche S.p.A., and through the analysis of the information submitted by corporate structures.

These supervisory activities were carried out taking into account the size of the Company and the nature and manner in which it pursues its corporate purpose.

In particular, the Board of Statutory Auditors has gathered twelve times up to the date of presentation of this report, in meeting of an average duration of two hours face-to-face and/or remotely via audio-video connection, thus ensuring uninterrupted supervision. The Delegated Control Magistrate of the Court of Auditors was always invited to attend the Board meetings.

The Board of Statutory Auditors attended the meetings of the Board of Directors and the different committees' meetings. The decision-making process of the Board of Directors was found to be correctly inspired by respect for the fundamental principle of informed action.

Moreover, the Board was regularly informed by the Chief Executive Officer while taking part in the Board of Directors' Meetings, about the general management trend, its expected evolution and the most relevant economic, financial and asset transactions resolved and operated by the Company and the Group's Companies during the financial year.

The Board of Statutory Auditors acquired the information necessary to perform its duties by collecting documents, data and information, as well as through periodic meetings aimed at obtaining the said relevant data and information; these meetings involved the Company's management team, its Supervisory Body, representatives of the Auditing Firm as well as subsidiary companies' control bodies.

In this regard, the Board of Statutory Auditors can reasonably ensure that the transactions resolved and implemented comply with the Laws and the By-laws and the principles of fair administration and are not manifestly imprudent, risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting or such as compromising the integrity of the Company's assets.

A detailed description of the main activities performed by the Company is provided in the Report on operations for the 2024 financial year, which also makes specific reference to each of the organisational units making up the Company.

The Board of Statutory Auditors also acknowledges that in the course of its auditing activities, it did not find

any atypical and/or unusual transactions with Group companies, third parties or related parties, nor did the Board of Directors, the Risk and Related Parties Committee or the independent auditors reported such transactions.

2) Supervisory activity related to adequacy of the organisational structure

The Board of Statutory Auditors monitored, for the areas within its competence, the adequacy of the organisational setting in terms of structure, procedures, competences and responsibilities, in relation to the size of the Company, the nature and the procedures for pursuing the corporate purpose. To this end, it collected information from the heads of the competent corporate functions (including the Internal Auditing Function), had meetings with the Risk and Related Parties Committee and meetings with representatives of Deloitte & Touche S.p.A., also in relation to the exchange of relevant data and information, from which no critical issues emerged.

For the purpose of Legislative Decree no. 14/2019 and subsequent amendments and additions, the Board of Statutory Auditors presented its evaluations and suggestions to the Board of Directors, within the framework of ordinary exchange between corporate bodies.

3) Supervisory activity related to the adequacy of Internal Control

The Board monitored the effectiveness of the internal quality control and enterprise risk management systems, mainly through regular meetings with the head of the Company's Internal Audit Department. In particular, in the meetings held on 27 February 2024 and 17 September 2024, specific audit reports and issues that had emerged and the relevant corrective actions were discussed with the Head of the Internal Audit Department. In addition, during the audit of 14 November 2024, the Board met with the Chief Operating Officer - Information and Communication Technologies (COO - ICT) for an update on the actions taken following the findings reported in the Report drawn up pursuant to Law No. 262/2005 (Grant Thornton Consultants' Report with supervision from Internal Auditing, dated 27 May 2024).

During the audits, the Board noted the Company's focus on the continuous improvement of its internal control system.

The Board of Statutory Auditors acknowledged the information contained in the Report on Corporate Governance and Ownership Structure regarding the internal control and risk management system.

With regard to internal auditing, the Board of Statutory Auditors also took note of the 2025 Audit Plan prepared by the Internal Auditing function and illustrated during the Board of Directors' meeting of 23 January 2025.

The Manager in charge with preparing the company's financial report issued a specific certification pursuant to Article 154-bis, para. 5, of Legislative Decree no. 58/1998 and Art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions, stating to have carried out, in collaboration with the Head of Internal Auditing, verifications on the adequacy and effective application of the existing administrative and accounting procedures in the framework of the internal control system on financial reporting. In this regard, it was pointed out that the assessment of the internal control system for financial reporting did not reveal any significant issues.

On 23.02.2024, the Board of Director of the Company approved the Three-year Plan for Corruption Prevention and Transparency 2024-2026 (PPCT), published on the institutional website of the Agency in the 'Transparency' section. The Plan aims to prevent and mitigate the risk of bribery and corruption offences to which the Company is potentially exposed, through the adoption of an Internal Control System integrated with the Model prepared pursuant to Legislative Decree no. 231/2001.

Finally, as a result of the mutual exchange of information held on 14 November 2024 with the Supervisory Board, the Board of Statutory Auditors has not become aware of any issue to be brought to the attention of the corporate bodies concerning the effectiveness of the internal control system.

4) Supervisory activity related to the adequacy of the administrative-accounting system and statutory audit activities

The Board of Statutory Auditors also assessed and supervised, to the extent of its competence, pursuant to Art. 19 of Legislative Decree 39/2010, the financial reporting process and the effectiveness and reliability of the administrative-accounting control systems in order to ensure correct representation of management events by:

- i. regularly exchanging information with the Executive in Charge of Financial Reporting pursuant to Art. 154-bis of Testo unico delle disposizioni in materia di intermediazione finanziaria (TUF – Consolidated Law on Finance);
- ii. reviewing the reports prepared by the Head of Internal Auditing, including information on the outcome of any corrective actions taken as a result of auditing;
- iii. acquiring information from the heads of the different corporate functions;
- iv. thoroughly examining the activities carried out and the results of the work performed by auditing firm Deloitte & Touche S.p.A. In this regard, the exchange of information with Deloitte & Touche S.p.A. representatives revealed no significant deficiencies in the internal control system on financial reporting;
- v. participating in the work of the Risk and Related Parties Committee.

The Company's Chief Executive Officer and Manager in charge with preparing the company's financial report drafted a special report in which, referring to the financial statements for the 2024 financial year, they confirmed: 1) the adequacy to the business features and the effective application of the administrative and accounting procedures for preparing the financial statements; 2) the adequacy and effective application of the administrative and accounting procedures the preparing the 2024 financial statements, consistent with the model of the Committee of Sponsoring Organisations of the Treadway Commission (COSO); 3) the compliance of the financial statements' content with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002; 4) that the financial statements correspond to the results in the books and accounting records and provide a true and fair view of the Company's financial, equity and economic position; 5) the Report on Operations includes a reliable analysis of the Company's performance and results of operations, as well as a description of the main risks and uncertainties to which it is exposed.

A similar statement was prepared with regard to the Group's consolidated financial statements for the 2024 financial year.

During 2024, the Board of Statutory Auditors had an intensive exchange of information with the auditing firm Deloitte & Touche S.p.A., whom they met during seven audits.

5) 2024 Annual and Consolidated Financial Statements

Following approval on 16 May 2025, the Board of Directors promptly submitted the Board of Statutory Auditors the annual and consolidated financial statements and the Report on operations.

According to Company's statement, the 2024 financial statements: **1)** have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) (and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC)), endorsed by the European Commission, as provided for by Regulation (EU) 1606/2002 implemented in Italy by Legislative Decree 38 of 28 February 2005 (except for the waiver to the application of these standards provided for by Article 47 of Decree-Law of 19 May 2020 converted by Law 77 of 17 July 2020, in compliance with the provisions of para. 19 of IAS 1 in exceptional cases, where applicable); **2)** has been prepared on the basis of the formats and compilation rules set forth in the Bank of Italy Governor's Order of 17 November 2022 'The Financial Statements of IFRS Intermediaries other than Banking Intermediaries'; **3)** has been prepared on a going concern basis.

Since the Board of Statutory Auditors has not been entrusted with the function of legal audit, it has supervised the general layout of the financial statements and their compliance with the law in terms of formation and structure.

In this regard, a relevant aspect is related to the fact that a decree of the Ministry of Economy and Finance (MEF) dated 10 October 2012 exempted from applying the rules set forth under Title V of Testo unico delle leggi in materia bancaria e creditizia (TUB, Consolidated Act on Banking) (as it is subject to other equivalent forms of supervision, namely the MEF and the Court of Auditors). This exemption has not changed the Company's nature as a 'Financial Intermediary' and has consequently no impact on the previously indicated and continuously applied rules on financial statements. With a view to continuity of reporting, the Company has decided to keep the drafting criteria set forth in Title V of TUB, even though it is not subject to these rules. In particular, for preparing the financial statements, the Agency deemed abiding by the Bank of Italy's Instructions to be the preferable solution; therefore, the Agency specifically decided to abide by the said Instructions, even though it was not obliged to do so (the obligation only concerns the entities appearing in the list contained in paragraph 1.1. of the said Instructions, which does not include the name of the Company). The said approach has also been confirmed by an opinion pro-veritate opinion issued by a qualified professional.

However, the Agency, being an issuer of listed debt securities, is obliged to use IAS/IFRS international accounting principles.

In preparing the Financial Statements as at 31 December 2024, account was also taken, to the extent applicable, of the following:

- that which was reported by ESMA in Public Statement 32-193237008-8369 of 24 October 2024 'European common enforcement priorities for 2024 annual financial reports' and CONSOB's Warning Notice No. 2/24 of 20 December 2024;
- that which was reported by ESMA in Public Statement 32-193237008-1793 of 25 October 2023 'European common enforcement priorities for 2023 annual financial reports' and CONSOB's Notice of 27 October 2023;
- the guidance of ESMA which, on 13 May 2022, published Public Statement 'Implications of Russia's invasion of Ukraine on half-yearly financial reports', regarding the accounting effects of the Russia-Ukraine conflict on financial reporting.

The financial statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the financial statements, and are accompanied by the directors' report on operations.

The Board of Statutory Auditors met several times with the auditing firm Deloitte & Touche S.p.A. and the Company's management team to discuss the accounting principles adopted as well as the other legal and regulatory provisions relating to the preparation of the Financial Statements, the Consolidated Financial Statements and the accompanying Report on operations.

The Board of Statutory Auditors, together with Deloitte & Touche S.p.A., extensively discussed and thoroughly examined, inter alia, the key aspects of the audit conducted on the 2024 financial statements, and in particular: **1)** the item 'Non-current assets and disposal groups held for sale'. This item amounts to €36.5 million and includes the equity investment held in Italia Turismo S.p.A., whose value is €36.2 million. This item is measured at the lower of carrying amount and fair value less costs to sell. In particular, the fair value net of selling costs to sell is determined using valuation techniques characterised by elements of complexity and subjectivity as well as assumptions that are based on assumptions influenced by future expectations on market conditions. Given the significant value of the aforementioned equity investment and the other aspects just highlighted, Deloitte & Touche S.p.A. Deems that the valuation of this item is a key element for the audit.

Deloitte & Touche S.p.A. Indicated the following as key elements of the audit on the 2024 consolidated financial statements: **1)** the item 'Non-current assets and disposal groups classified as held for sale'. This item amounts to €1,686 million and includes €43.8 million of tangible assets pertaining to the disposal groups of Invitalia Partecipazioni S.p.A. and Italia Turismo S.p.A. These assets are measured at the lower of carrying amount and fair value less costs to sell. There is no quoted price on an active market for such assets and, therefore, the fair value net of selling costs to sell is determined using valuation techniques characterised by elements of complexity and subjectivity as well as assumptions that are based on assumptions influenced by future expectations on market conditions. Given the significance of the value of property assets and the other aspects referred to above, Deloitte & Touche S.p.A. deems that the valuation of this item is a key element of the audit; **2)** net loans to customers, measured at their amortised cost, impaired, arising from Mediocredito Centrale's banking activity and totaling €41.2 million, against a gross value of €63.4 million, with a coverage ratio of 35.0%. Given the significant amount of impaired loans to customers measured at amortised cost and recognised in the financial statements, the complexity of the estimation processes adopted by the Bank, as well as the relevance of the discretionary components proper to the estimative nature of the recoverable value, also due to the uncertainties of the current macroeconomic context, Deloitte consider this item to be a key element of the audit of the Group's financial statements.

At the end of the activity, on 12 June 2025 Deloitte & Touche S.p.A., issued their reports on the 2024 annual and consolidated financial statements, both without observations, also in terms of compliance of the Report on Operations and of specific information contained in the Report on Corporate Governance and Ownership Structure with the annual and consolidated financial statements and their compliance with the law. The opinion does not extend to the section of the report on operations relating to the consolidated sustainability report (which is the object of a separate certification pursuant to Article 14-bis of Legislative Decree No. 39/2010).

In addition, on 12 June 2025, Deloitte & Touche S.p.A. issued the Report provided in Art. 11 of Regulation (EU) 537/2014 of 16.4.2014 and on the same date the Board of Statutory Auditors submitted it to the Board of Directors without observations.

On 12 June 2025 the auditing firm also issued its 'Declaration of Independence'.

These reports were delivered by the auditors to the Board of Statutory Auditors on 12 June 2025.

The Board of Auditors reports that the notes to the Financial Statements and the Consolidated Financial Statements as at 31 December 2024 include the fees for the year due to the auditing firm Deloitte & Touche S.p.A. With particular reference to the Agency, (€185,000.00) were paid for the auditing and (€ 15,000.00) for other services. The latter amount was paid for the services performed by the Auditing Firm with reference to the Social Bond Report, and pre-approved by the Board of Statutory Auditors in its capacity as the Committee for Internal Control and Audit (CCIRC) pursuant to Article 19 of Legislative Decree 39/2010.

The Board of Auditors examined the proposal made by the Board of Directors to carry forward the profit of the 2024 financial year, amounting to €22,392,978.00.

In relation to all the above, the Board of Statutory Auditors has no particular observations to submit to the Shareholders' Meeting.

6) Sustainability reporting

Pursuant to Article 10, paragraph 1, of Legislative Decree No. 125 of 2024 - implementing Directive 2022/2464/EU (CSRD Corporate Sustainability Reporting Directive), amending Regulation (EU) 537/2014, and Directive 2004/109/EC, Directive 2006/43/EC and Directive (EU) 2013/34- the Board of Statutory Auditors within the framework of the performance of the functions attributed to it by regulations, it supervises the observance of the provisions laid down in this decree and it in its annual report reports on it to the shareholders' meeting'.

As is well known, the aforementioned Legislative Decree no. 125 repealed Legislative Decree no. 254 of 2016 bearing the reference rules on non-financial declarations (NFDs), which the Company prepared until 2023.

The Consolidated Sustainability Report (CSR) was prepared on a consolidated basis pursuant to Art. 4 of Legislative Decree no. 125 of 2024. In compliance with Legislative Decree 125/2024, the Invitalia Group (hereinafter also referred to as the 'Group') conducted an assessment starting from the Consolidated Financial Statements as at 31 December 2023 in order to identify the companies that, as at 31 December 2024, should be included in the scope of sustainability reporting. This analysis led to the inclusion in the reporting scope fully-owned subsidiaries that are fully consolidated in the consolidated financial statements.

The Board of Statutory Auditors has supervised and verified, to the extent of its competence, that the Company has fulfilled its obligations under the said Legislative Decree, by preparing the Consolidated Sustainability report, contained in a specific section of the Report on Operations, and, within the scope of its activities, has not encountered any evidence of non-compliance and/or violation of applicable laws and regulations or reference standards.

In particular, the Board of Statutory Auditors met several times the heads of the relevant departments and representatives of the auditing company for an in-depth examination of the Consolidated Sustainability Report.

Within the scope of these auditing activities, the Board of Statutory Auditors was able to ascertain the substantial adequacy of the procedures and processes adopted by the Company that govern the production, reporting, measurement and representation of the results and information related to the Consolidated Sustainability Report.

The new control system of the Company for sustainability reporting was discussed with the involved corporate functions. The said control system was designed and implemented following the entry into force of Legislative Decree no. 125 of 2024, in synergy with the control system on financial reporting.

In a specific report, the Chief Executive Officer and the Executive in Charge of Financial Reporting certified that the Sustainability Report had been prepared in accordance with the reporting standards set forth in Directive (EU) 2013/34 of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125/2024, and with specifications adopted pursuant to Art. 8, para. 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Lastly, the Board of Statutory Auditors recalls that the same auditing firm appointed to perform the statutory audit, Deloitte & Touche S.p.A., is also responsible for issuing the declaration of conformity of the 'Consolidated Sustainability Report', pursuant to Article 8 of the aforementioned Legislative Decree no. 125 (based on an assignment aimed at acquiring Limited assurance). In this regard, the Board of Statutory Auditors has taken note of the Auditor's Report pursuant to Article 14-bis of Legislative Decree no. 39, of 2010 and Articles 8 and 18, paragraph 1, of Legislative Decree no. 125 of 2024, report issued on 12 June 2025, from which it can be inferred that the 'Consolidated Sustainability Report' has not been drawn up, in all significant aspects, in compliance with the relevant regulations and reporting standards.

Considering all the above, the Board of Statutory Auditors has no particular observations to submit to the Shareholders' Meeting.

7) Supervisory activity on transactions with related parties

The Supervisory Board points out that the Board of Directors in the Notes to the Financial Statements (chapter 'Section 6 - Related Party Transactions') provided an illustration of the effects of ordinary transactions of major economic, financial and equity significance carried out with related parties (which were settled at normal market conditions).

Please refer to this chapter for the identification of the type of transactions in question and their economic, equity and financial effects.

8) Organisation and management model pursuant to Legislative Decree no. 231/2001

The Company, in order to comply with the regulations in force concerning the 'Administrative liability for offences of legal persons' (as per Legislative Decree no. 231/2001), adjusted the Special Part of Model 231 in order to incorporate the regulatory provisions as well as the operational and organisational changes that have occurred in the meantime. On 2 December 2024, the Board of Directors approved Model 231, as amended.

At its meeting of 14 November 2024, the Board of Statutory Auditors met the members of the Supervisory Board (SB) and obtained information on the organisational and procedural activities implemented pursuant to Decree 231. The report submitted by the Supervisory Board on the activities carried out did not reveal any facts and/or circumstances worthy of reporting.

9) Opinions rendered by the Board of Statutory Auditors and examination of complaints submitted to it

The Board of Statutory Auditors did not issue any opinions during the financial year 2023.

No complaints pursuant to Article 2408 of the Italian Civil Code were received by this Board of Statutory Auditors during the year.

The Board of Statutory Auditors made no reports to the Board of Directors pursuant to Article 25-octies of Legislative Decree no. 14 of 12 January 2019 and received no reports from qualified public creditors pursuant to Article 25-novies of Legislative Decree no. 14 of 12 January 2019.

10) Other activities

The Board of Statutory Auditors also contributed to the reflections on the applicability of Law 49/2023, concerning 'Provisions on fair compensation for professional services', the remuneration due to members of corporate bodies, including investee companies.

11) Conclusions

In the course of the supervisory activity carried out in the 2024 financial year, no reprehensible facts, omissions or irregularities emerged that need to be reported in this Report, nor did the Board of Statutory Auditors become aware of any transactions carried out that did not comply with the principle of proper administration or that were resolved or implemented not in compliance with the Law or the By-laws, in contrast with the resolutions passed by the Shareholders' Meeting, manifestly imprudent or risky or such as to compromise the integrity of the company's assets.

In light of the foregoing, the Board of Statutory Auditors, considering the content of the reports prepared by the independent auditor, and having acknowledged the attestations issued by the Chief Executive Officer and the Manager in charge with preparing company's financial report, finds no grounds, within the scope of its authority, to oppose the approval of the proposal for the financial statements as of 31 December 2024 and the carry-forward of profit for the year, as formulated by the Board of Directors.

Rome, 12 June 2025

The Board of Statutory Auditors

Mauro Zanin – President

[signature]

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2024 and the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity and the cash flows statement 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, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of non - current assets and disposal groups classified as held for sale

Description of key audit matter

In the financial statements as at 31 December 2024, the item “Non-current assets and disposal groups classified as held for sale” amounts to Euro 36.5 million (Euro 42.5 million at the end of 2023), it includes for 36.2 million the equity investments in Italia Turismo S.p.A..

These assets are measured at the lower of carrying amount and their fair value less costs to sell. In particular, the determination of fair value less costs to sell is carried out using valuation techniques characterized by elements of complexity and subjectivity as well as assumptions that are influenced by future expectations on market conditions.

Disclosures on the above matters are included in the notes to the financial statements “Part A - Accounting policies - A.2 Section related to the main items of the financial statements”, in “Part B - information on the Balance Sheet - Section 11 - Non-current assets and disposal groups classified as held for sale - Item 110” and in “Part C - Information on the income statement - Section 20 - Profit (Loss) from discontinued operations after tax - Item 290”.

Given the significance of the amount of the above mentioned equity investment and the complexity of the process of determining fair value less costs to sell used by the Company characterized by subjectivity in estimate of the related key variables, we consider the valuation of these assets as a key audit matter in relation to the audit of the financial statements of the Company as at 31 December 2024.

Audit procedures performed

The main procedures carried out as part of the audit work, also with the support of our specialist, have included the following:

- understanding of the process and relevant controls adopted by the Directors for the valuation of the equity investment in Italia Turismo S.p.A.;
- obtaining an understanding of the methods and assumptions adopted for the valuation of assets for sale;
- obtaining and analysing the updated valuations of the equity investment prepared by the Directors with the support of external experts appointed for this purpose, also evaluating their competences, capabilities and objectivity;

- verification of the reasonableness of the main assumptions and of the key variables of the models used for the valuation of the equity investment, also through meetings and discussions with the Directors;
- verification of the logical and mathematical correctness of the determination of fair value less costs to sell.

Finally, we checked the adequacy and compliance of the disclosures provided in the financial statements with the requirements of the relevant accounting standards and applicable legislation.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 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 for the termination of the operations or have no realistic alternative 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. has appointed us on September 30, 2020 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98**

The Directors of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. are responsible for the preparation of the report on operations and the information contained in the section related to the report on corporate governance and ownership structure required by paragraph 2, letter b) of article 123-bis of Italian Legislative Decree No. 58/1998 of the Company as at December 31, 2024, including their consistency with the related financial statements and their 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 and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of report on operations, excluding the section related to the consolidated sustainability report, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the information required by paragraph 2, letter b) of article 123-bis of Italian Legislative Decree No. 58/1998 and contained in the section related to the report on corporate governance and ownership structure are consistent with the financial statements of the Company S.p.A. as at December 31, 2024. In addition, in our opinion, the report on operations, excluding the section related to the consolidated sustainability report, and the

information required by paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), 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.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
June 12, 2025

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.

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Sole Shareholder of
Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. (the "Parent Company" or the "Company") and its subsidiaries (the "Group"), which comprise the balance sheet as at December 31, 2024 and the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity and the cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

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 Consolidated Financial Statements* section of our report. We are independent of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Valuation of property, plant and equipment included in non - current assets and disposal groups classified as held for sale related to Invitalia Partecipazioni S.p.A. and Italia Turismo S.p.A.

Description of key audit matter

In the consolidated financial statements as at 31 December 2024, the item “Non-current assets and disposal groups classified as held for sale” amounts to Euro 1,686 million (Euro 77.3 million at the end of 2023), it includes for 43.8 million property, plant and equipment related to disposal group classified as held for sale of Invitalia Partecipazioni S.p.A. and Italia Turismo S.p.A. (the “real estate assets”).

These assets are measured at the lower of carrying amount and their fair value less costs to sell.

There is no quoted price on an active market for such assets and, consequently, the determination of fair value less costs to sell is carried out using valuation techniques characterized by elements of complexity and subjectivity as well as assumptions that are influenced by future expectations on market conditions.

Disclosures on the above matters are included in the notes to the consolidated financial statements “Part A - Accounting policies - A.2 Section related to the main items of the financial statements”, in “Part B - information on the Balance Sheet - Section 11 - Non-current assets and disposal groups classified as held for sale - Item 110” and in “Part C - Information on the income statement - Section 20 - Profit (Loss) from discontinued operations after tax - Item 290”.

Given the significance of the amount of property, plant and equipment related to the real estate assets and the complexity of the process of determining fair value less costs to sell also characterized by subjectivity in estimate of the related key variables, we consider the valuation of these assets as a key audit matter in relation to the audit of the consolidated financial statements of the Group as at 31 December 2024.

Audit procedures performed

The main procedures carried out as part of the audit work, also with the support of our specialist, have included the following:

- understanding of the process and relevant controls adopted by the Directors for the valuation of real estate assets;
- obtaining an understanding of the methods and assumptions adopted for the valuation of real estate assets;

- obtaining and analysing the updated valuations of the real estate assets prepared by the Directors of Invitalia Partecipazioni S.p.A. and Italia Turismo S.p.A. with the support of external experts appointed for this purpose, also evaluating their competences, capabilities and objectivity;
- verification of the reasonableness of the main assumptions and of the key variables of the models used for the valuation of the real assets, also through meetings and discussions with the Management of the Parent Company, Invitalia Partecipazioni S.p.A. and Italia Turismo S.p.A.;
- verification of the logical and mathematical correctness of the determination of fair value less costs to sell.

Finally, we checked the adequacy and compliance of the disclosures provided in the financial statements with the requirements of the relevant accounting standards and applicable legislation.

Classification and valuation of non-performing loans to customers measured at amortised cost arising from banking activity

Description of key audit matter

The consolidated financial statements as at 31 December 2024 include net non-performing loans to customers measured at amortised cost arising from banking activity related to Mediocredito Centrale (hereinafter also “the Bank”) of Euro 41.2 million (Euro 49.1 million as at the end of 2023), against a gross amount of Euro 63.4 million (Euro 78.8 million as at the end of 2023), with a coverage ratio of 35.0% (37.7% as at the end of 2023). In particular, as at 31 December 2024, the ratio of impaired loans to total loans to customers gross of provisions (gross NPL ratio) was 2.2%, down from the previous year (2.9% as at 31 December 2023).

For the rules on the classification of non-performing loans to customers measured at amortised cost, the Bank refers to the regulatory requirements of the sector, as supplemented by internal guidelines that establish the rules on classification and transfers between different categories.

When determining the recoverable amount of non-performing loans to customers measured at amortised cost, as part of its measurement criteria, the Bank used valuation processes and methods involving a degree of subjectivity and estimates of certain variables such as expected cash flows, expected recovery periods and estimated recoverable value of guarantees which could cause the recoverable amount to vary if they, themselves change. The determination process was based on the use of information available at the valuation date and is also affected by the current uncertainty regarding the current

macroeconomic situation characterized by the prolongation of conflicts in Europe and the Middle East.

Disclosures on the above matters are included in the report on operations in the paragraph “Economic and financial results” and in the notes to the consolidated financial statements in “Part A – Accounting Policies”, in “Part B – Information on the consolidated balance sheet – Section 4 of Assets” and in “Part D – Other Information – Section 3 - Information on risks and related hedging policies”.

Considering the significance of the non-performing loans to customers measured at amortised cost recognised in the financial statements, the complexity of the estimation processes adopted by the Bank which involved detailed work on classification into homogeneous risk categories and the significant amount of discretion used when estimating recoverable amount, also considering the uncertainty regarding the current macroeconomic situation, we considered the classification and valuation of the non-performing loans to customers measured at amortised cost a key audit matter in relation to the audit of the consolidated financial statements of the Group as at 31 December 2024.

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

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’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 Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. has appointed us on September 30, 2020 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98**

The Directors of Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. are responsible for the preparation of the report on operations and the information contained in the section related to the report on corporate governance and ownership structure required by paragraph 2, letter b) of article 123-bis of Italian Legislative Decree No. 58/1998 of the Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their 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 and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n.4 of Legislative Decree 58/98, with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated sustainability report, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the information required by paragraph 2, letter b) of article 123-bis of Italian Legislative Decree No. 58/1998 and contained in the section related to the report on corporate governance and ownership structure are consistent with the consolidated financial statements of the Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated sustainability report, and the information required by paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), 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.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
June 12, 2025

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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED SUSTAINABILITY REPORT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**

**To the Sole Shareholder of
Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.**

Conclusion

Pursuant to Arts. 8 and 18, paragraph 1, of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability report of the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa Group (hereinafter also the "Invitalia Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the report on operations.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Invitalia Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information included in the paragraph "*Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*" of the consolidated sustainability report is not prepared, in all material respects, in accordance with Art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability report* of this report. We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability report.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability report in the paragraph “*Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*” has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Agenzia nazionale per l’attrazione degli investimenti e lo sviluppo d’impresa S.p.A. for the consolidated sustainability report

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability report in accordance with the ESRS (hereinafter the “double materiality assessment process”) and for disclosing this process in the paragraph “*ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*” of the consolidated sustainability report.

The Directors are also responsible for the preparation of the consolidated sustainability report, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph “*Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*” with Art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability report in accordance with the requirements of the Art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability report, regarding events that may occur in the future and possible future actions of the Invitalia Group, as indicated in the paragraph “*ESRS 2 BP-2 Disclosure in relation to specific circumstances*”. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Invitalia Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain indicated in the paragraph “*ESRS 2 BP-2 Disclosure in relation to specific circumstances*”.

Auditor’s responsibilities for the limited assurance of the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability report.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability report where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability report. We remain solely responsible for the conclusion on the consolidated sustainability report.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability report are based on our professional judgement and included inquiries, primarily with the personnel of the Invitalia Group responsible for the preparation of information included in the consolidated sustainability report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- understanding the business model, the Invitalia Group's strategies and the context in which it operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability report, including an analysis of the reporting perimeter;
- understanding the process carried out by the Invitalia Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Invitalia Group to identify eligible exposures and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability report;
- comparison of the information reported in the consolidated sustainability report with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;

- verification of the structure and presentation of the information included in the consolidated sustainability report in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
June 12, 2025

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