ANNUAL REPORT **2022**

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ASKOLL

WITH US IN 2022…

ASKOLL'S ELECTRIC SCOOTERS ON FRENCH AND SPANISH ROADS

The Veneto-based company, leader in the production of electric scooters, was supported, in two transactions in France and Spain, thanks to the "Export Subsidy" – an instrument managed in agreement with the Ministry of Foreign Affairs and International Cooperation – interest subsidy, non-repayable and totally free, intended for the partial or total reduction of the cost of the disinvestment of payment instruments issued by the foreign purchaser against sales contracts

We thank the companies listed below for kindly
granting permission to use the photographic material:

- ASKOLL
- CERAMICA MEDITERRANEA
- DECEM
- PASTIFICIO LIGUORI
- SLAMP
- SOL
- WATER SYSTEM

SIMEST SpA - Italian Company for companies abroad

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Share capital 164,646,231.88 euro fully paid up
Enrolled in the Rome Business Register
Tax Code and VAT number 04102891001
Registration with the Rome Chamber of Commerce at no. REA
(Economic and Administrative Index) 730445

CONTENTS

SIMEST: OUR ROLE AND MISSION

SIMEST SpA is the CDP Group Company that supports the international expansion of Italian companies. It is controlled by Cassa Depositi e Prestiti, with a minority private shareholding presence (banks and entrepreneurial system).
Established in 1991 with the aim of promoting investments by Italian companies abroad and supporting them from a technical and financial point of view, since 1999 SIMEST has also managed public financial instruments to support the growth activities of Italian companies abroad, especially dedicated to SMEs. Since 2020, this management has been carried out under the guidance of the Italian Ministry of Foreign Affairs and International Cooperation (MAECI).
SIMEST uses its tools to support businesses throughout the entire international expansion development cycle, from the initial assessment of new markets to the expansion through foreign direct investments.

Business lines

1. SOFT LOANS FOR INTERNATIONAL EXPANSION

Ordinary operations. SIMEST, through management in agreement with the MAECI of the 394 Fund and related funds, finances all the main steps of the international expansion process through specific instruments: from the feasibility study to participation in fairs, from e-commerce to inclusion on new markets.

NRRP (National Recovery and Resilience Plan) operations. SIMEST has been assigned, through the National Recovery and Resilience Plan (NRRP), the European resources of Next Generation EU, through which it has reshaped its offer with the introduction of three instruments aimed at internationally-oriented SMEs that invest in:
- digital and ecological transition;
- development of electronic commerce in foreign countries (through the creation/strengthening/affiliation with an e-commerce platform);
- attendance at international fairs and events, including in Italy.

Operations for Ukraine. In order to support Italian companies adversely impacted by the Russian-Ukrainian conflict, because they operate on the export or procurement front in Ukraine, Russia and Belarus, SIMEST has structured dual intervention through interest-free loans, again using the 394 Fund, and a non-repayable financing portion.

2. EQUITY INVESTMENTS

SIMEST may acquire an equity interest of up to 49% in the share capital of the subsidiaries of Italian companies abroad both through its own resources, and in blending with the Venture Capital Fund, a public subsidy to support foreign direct investments promoted by Italian companies. The direct participation allows further intervention of SIMEST to be requested through the shareholder loan.

For investments in non-EU countries, in addition to benefiting from the participation of SIMEST and the Venture Capital Fund – managed under an agreement with MAECI – Italian companies can also access an interest subsidy, which allows them to reduce the cost of debt in relation to the financing of their own shareholding. The 2022 Budget Law also expanded the scope of operations of the Venture Capital Fund, providing for a synergistic collaboration of the Fund with CDP Venture Capital, in order to stimulate the strengthening of the Venture Capital ecosystem in Italy and bridge the development gap which still exists today with respect to other European countries. More than 200 million euros are made available to Italian innovative start-ups and SMEs with the aim of encouraging their growth, including and above all in the international domain.

Lastly, SIMEST, with only recourse to its own resources, can acquire minority interests in Italian companies in relation to international expansion and enhancement projects.

3. EXPORT SUPPORT

SIMEST, through the 295 Fund managed in agreement with the MAECI, disburses a grant that allows Italian exporters to offer their foreign customers deferred payment conditions in the medium/long term (≥ 24 months) at a subsidised fixed interest rate. This subsidy can be provided in the form of:

- Export subsidy on buyer credit: stabilisation of the interest rate of fixed-rate loans;
- Export subsidy on supplier credit: interest subsidies to support with or without recourse factoring of credit-linked notes issued by the foreign buyer.

CORPORATE OFFICES AND CONTROL BODIES

Board of Directors
APPOINTED BY THE SHAREHOLDERS' MEETING OF 27 JUNE 2022 AND IN OFFICE UNTIL THE APPROVAL OF THE 2024 FINANCIAL STATEMENTS[1]

Chairperson
Pasquale Salzano[2]

Chief Executive Officer and General Manager[3]
Regina Corradini D'Arienzo

Directors
Guido Grimaldi
Federica Diamanti
Roberto Rio[4]
Roberto Rati
Barbara Beltrame Giacomello

Board of Statutory Auditors
APPOINTED BY THE SHAREHOLDERS' MEETING OF 27 JUNE 2022 AND IN OFFICE UNTIL THE APPROVAL OF THE 2024 FINANCIAL STATEMENTS[5]

Chairperson of the Board of Statutory Auditors
Ugo Venanzio Gaspari

Standing Auditors
Franca Brusco
Paolo Cotini

Alternate auditors
Barbara Aloisi
Massimo Scarafuggi

Judge designated by the Court of Auditors (Law 259/1958)

Stefania Petrucci[6]

Supervisory Body[7]

Chairperson (effective external member)
Raffaele Squitieri

Effective internal member
Manuela Sabbatini

Effective external member
Mario Casellato

Independent Auditors[8]

Deloitte & Touche SpA

1 In office since 27 June 2022, replacing: Pasquale Salzano (Chairperson), Roberto Rio (Deputy Chairperson), Mauro Alfonso (Chief Executive Officer and General Manager), Ilaria Bertizzolo (Director), Claudio D'Eletto (Director), Anna Mareschi Danieli (Director).
2 Formerly Chairperson of SIMEST appointed by the Shareholders' Meeting of 23 December 2019.
3 Appointed Chief Executive Officer by resolution of the Board of Directors of 28 June 2022. Appointed General Manager with effect from 1 July 2022 by resolution of the Board of Directors of 28 June 2022.
4 Formerly Deputy Chairperson of SIMEST appointed by the Shareholders' Meeting of 23 December 2019.
5 In office since 27 June 2022, replacing: Iacopo Conti (Chairperson), Alessandro Redondi (Standing Auditor), Grazia D'Auria (Standing Auditor), Lucia Cecere (Alternate Auditor), Cristiano Zanella (Alternate Auditor).
6 Appointed as the Delegate responsible for supervising the financial management of SIMEST from 1 January 2021.
7 In office from 1 November 2022 until 31 December 2025, replacing Antonio Bertani (Chairperson), Mara De Paola (Internal Member), Ugo Lecis (External Member).
8 Appointed by resolution of the Ordinary Shareholders' Meeting of 23 December 2019 for the financial years 2020, 2021 and 2022.

CERAMICA MEDITERRANEA

WITH US IN 2022…

FROM SARDINIA
TO THE REST
OF THE WORLD

Ceramica Mediterranea, a leading Sardinian company in the production of stoneware tiles, thanks to a loan for international expansion of 1 million euro, has created the new e-commerce platform and invested in ecological and digital innovation

REPORT
ON OPERATIONS

1. RECLASSIFIED FINANCIAL AND OPERATING HIGHLIGHTS

(millions of euro)	2022	2021
RECLASSIFIED BALANCE SHEET		
Total assets	545	546
Receivables for equity investments	509	513
Loans payable	215	221
Equity	310	309
RECLASSIFIED INCOME STATEMENT		
Gross income	51	43
Operating result	7	10
Net income (loss) for the year	1	4

NEW LENDING, INVESTMENTS AND MANAGED RESOURCES

(millions of euro)

Amounts for the year	**2022**	**2021**
Soft loans	512	3,406
NRRP soft loans	570	751
Equity Loans*	133	143
Total international expansion	**1,215**	**4,300**
Export support	524	5,038
Total export	**524**	**5,038**
Total new amounts	**1,738**	**9,338**

Year-end balances	**2022**	**2021**
Soft loans	2,909	2,705
NRRP soft loans	375	-
Equity Loans**	741	766
Total year-end balance	**4,026**	**3,471**

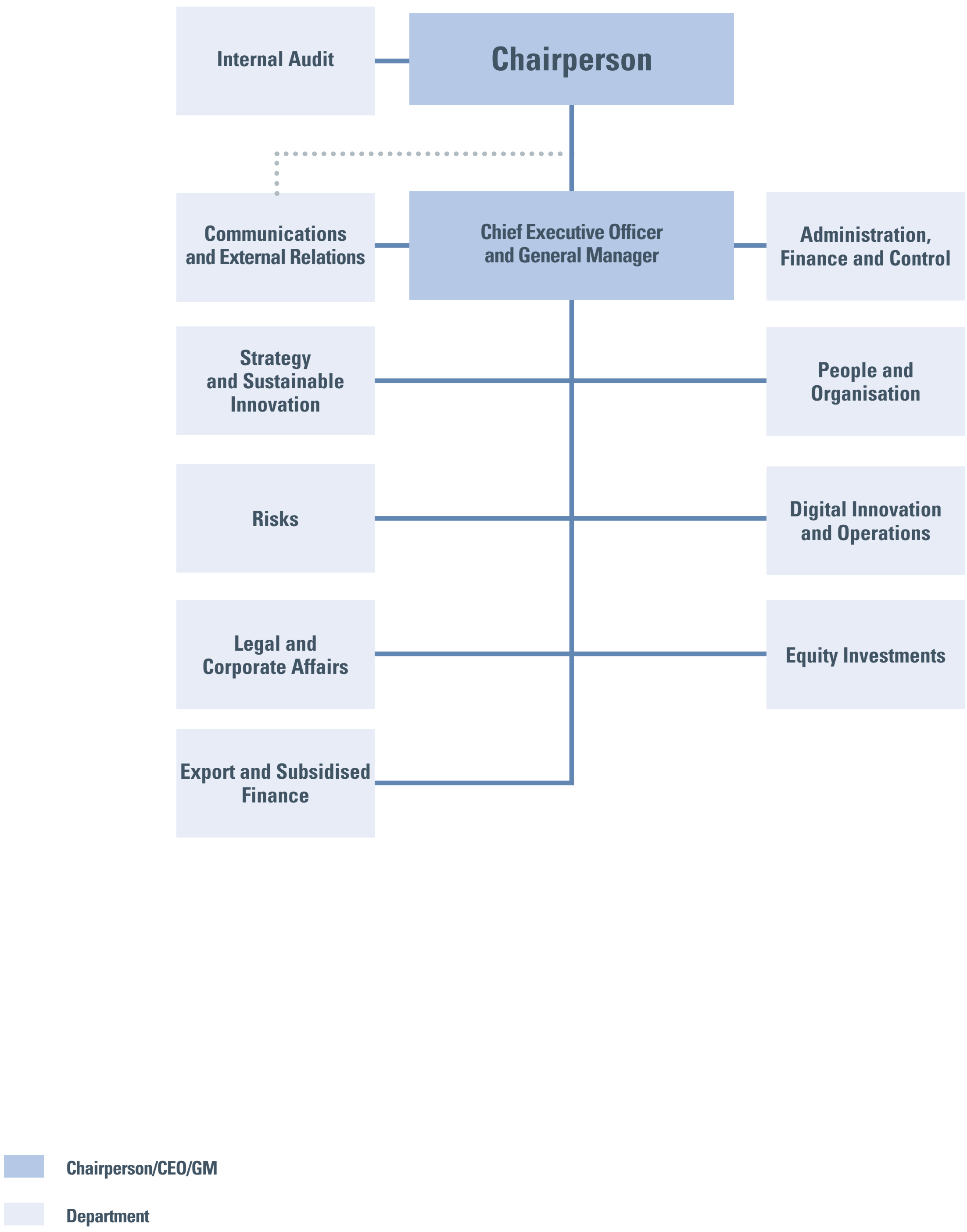
PERFORMANCE HIGHLIGHTS

(units; percentages)	2022	2021
PROFITABILITY RATIOS		
Cost/income ratio (%)	85	81
ROE (%)	0.2	1
OPERATING STRUCTURE		
Average headcount (including secondments)	201	183

	2022	**2021**
Customers	14,958	10,170
Target countries	124	123

* The item includes: direct equity investments, equity investments of the Venture Capital Fund and interest-rate support on Equity Loans.
** The item includes: direct equity investments and equity investments of the Venture Capital Fund.

2. ORGANISATIONAL STRUCTURE



Note: the Organisational Chart reports the changes following the revision of the SIMEST organisational structure in compliance with the resolution of the Board of Directors, at the meeting of 21 February 2023, with effect from 1 April 2023.

3. 2023-2025 STRATEGIC PLAN

In December 2022, SIMEST's Board of Directors approved the Company's Strategic Plan for the three-year period 2023-2025.
Over the next three years, SIMEST expects to commit 18.5 billion euro by leveraging innovation, efficiency and greater systemic cooperation between all institutional players.
The Strategic Plan, which is part of the broader framework of the strategic lines established by CDP, aims to strengthen the role of SIMEST in supporting the international expansion of virtuous Italian companies, through a path of qualitative and economically sustainable growth, enabled by the enhancement of the human capital, by digital innovation and with a focus on generating an impact on the territory. The Strategic Plan defines the intervention guidelines starting from four pillars of evolution and transformation that will have a cross-company impact on SIMEST's activities:

1. economically sustainable and quality revenues;
2. risk management, digitalisation and operational efficiency;
3. people and corporate culture;
4. impact on the territory and ESG (Environmental, Social, Governance).

The development of revenues, again in terms of support to companies, will be achieved through four intervention guidelines: (i) the evolution of the participatory loan product with the aim of increasing the quality and profitability of the portfolio; (ii) the development of consulting services for international expansion enabled by the strengthening of overseas coverage; (iii) the creation of an integrated and synergistic distribution model between SIMEST, CDP, the banking system and the main institutional players; and (iv) innovation in the management of public funds, as part of which SIMEST aims to expand the measures aimed at the international expansion of Italian companies with a focus on the key issues of digitalisation, sustainability and support for production chains.
At the same time, during the three-year period SIMEST, through a deep digital transformation process, aims to strengthen and maximise the speed of service to the customer, guaranteeing an increasingly greater control of risks thanks to automation, process simplification and organisational review, including through a process of strengthening the workforce with the gradual inclusion of new professionals and skills in the ESG field, technological innovation and advisory service.
In terms of people and corporate culture, the Strategic Plan envisages initiatives aimed at (i) defining a new inclusive and sustainable culture that knows how to enhance diversity, (ii) strengthening skills and defining structured career paths for enhancement of SIMEST's human capital and (iii) the definition of a new value proposition through the development of internal and external initiatives that make it possible to strengthen employer branding and people engagement.
With regard to the impact on the territory and ESG, SIMEST's objectives are aimed at supporting Made in Italy products to promote business investments in social, economic and environmental sustainability and the development of internal sustainability initiatives, including specific actions for increasing attention to the environment and greater support for employees.

4. MARKET CONTEXT

The international scenario

Global economic activity in 2022 was affected by high inflation, the repercussions of the war in Ukraine and the fresh wave of Covid-19 infections in China.

After a third-quarter of the year characterised by GDP that had recovered its path of growth in the US and accelerated in China, expanding labour markets, positive data on household consumption and business investments and a better-than-expected adaptation to the energy crisis in Europe, in the last three months of 2022 the global picture worsened in most economies. In summary, the strength of the recovery was better than expected, but still insufficient to return to pre-crisis growth levels.

According to recent estimates by the International Monetary Fund,[9] in 2022, the change in world GDP was +3.4% on 2021. In advanced economies, GDP increased by 2.7%, while emerging and developing economies recorded an increase of +3.9%.

The weak pace of global demand, also a consequence of the Chinese slowdown, was reflected in the dynamics of world trade in goods and services, which grew by 5.4% – therefore at levels higher than the trend in global GDP – after +10.4% increase in 2021.

With reference to the main areas, it should be noted that, in the United States, GDP grew by 2.0% in 2022, while the Eurozone showed greater dynamism, with a result of +3.5%.

Different trends were recorded in emerging and developing economies: in China, economic activity slowed down (+3.0%) below the world average for the first time in over 40 years; while India’s GDP grew by 6.8%.

After the rebound of 2021, which had seen global foreign direct investment (FDI) flows exceed pre-Covid levels,[10] the various crises in progress on the global scene – the war in Ukraine, food and energy prices, financial turbulence and debt pressures – inevitably affected global FDI in 2022. The number of new investment projects, including greenfield investment announcements, international project financing initiatives and M&A transactions, reversed dramatically after the first quarter of the year.

In particular, the deterioration in financing conditions, the increase in interest rates and the growing uncertainty in the financial markets have influenced M&A transactions – down by 6% globally and by more than 50% in the United States – and investments in project financing, whose value fell by more than 30%.

However, preliminary data on greenfield project announcements in 2022 show growth of 6% in numerical terms, thanks to the momentum of the first part of the year; the values also increased significantly (+54%), as a result of several large projects and the transition from project financing to corporate financing, especially in the renewable energy sector, which led to an increase in the average size of projects.[11]

Looking at some geographical areas, in the United States the value of M&A sales, which normally accounts for a significant share of FDI inflows into the country, fell by 53%, while in Europe the announcements of new greenfield projects decreased (-15%), with declines in most of the major economies with the exception of Italy (+11%).

9 See International Monetary Fund, *World Economic Outlook Update*, January 2023.
10 See UNCTAD, *Global Investment Trends Monitor*, January 2023.
11 Due to the changing financing conditions in 2022, international project financing, normally the financing option used for large projects, has partly given way to financing by individual companies, resulting in a shift towards greenfield.

China recorded a 31% decrease in the number of new greenfield project announcements, compared to an 11% increase in the number of project financing projects. In Brazil, the number of new greenfield announcements increased by about one-third, but international project financing transactions decreased by 17%.
India is an exception to the general negative trend, having seen the announcements of new greenfield projects double and an increase of 34% in investments in international project financing.

The global outlook for 2023

The forecasts for 2023[12] lean towards a weakening in global growth, which is expected to reach +2.9% on an annual basis (+3.4% in 2022). The figure was revised upwards with respect to the previous estimates of October, in light of the better-than-expected performance of many economies, but it remains lower than the historical average (2000-2019) of 3.8%. The global economy will in fact be affected by the restrictive stance of monetary policies, the persistently high energy prices and the weakness of households' disposable income.
The greatest contribution to the slowdown will be determined by the performance of advanced economies, as a recovery is expected in emerging markets and developing economies, where activity would have reached lows in 2022.
Therefore, the outlook for 2023 remains heterogeneous from one country to another: GDP in advanced economies is expected to slow further to 1.2% (+2.7% in 2022), while a slight acceleration is expected in emerging economies (+4.0% compared to +3.9% in 2022). In particular, the emerging Asian markets are those for which greater growth is expected, forecast by the IMF at +5.3%, with China at 5.2%, thanks to the removal of restrictions.
The expected growth of the economy in the United States (+1.4%) will be positively influenced by the resilience of domestic demand, albeit mitigated by the effects of the decisions on official rates by the Federal Reserve.
In the current year the Eurozone should slow to 0.7% (compared to +3.5% recorded in 2022), while the United Kingdom's GDP will record a -0.6% decline, reflecting more restrictive fiscal and monetary policies and energy retail prices that are still high, which will continue to eat into household budgets.
For 2023, global trade growth will slow according to recent forecasts, standing at 2.4% from 5.4% in 2022, following the trend in global demand and the Chinese slowdown, despite minor bottlenecks in supply chains.
With regard to FDI, UNCTAD[13] predicts that global flows will continue to be weak in 2023, in light of the forecasts of weakening activity in a significant number of countries. In fact, foreign investments will suffer downward pressure due to multiple factors, including slow or negative growth expected for some economies, worsening financial conditions, investor uncertainty in the face of the various ongoing crises and, especially in the emerging economies, the greater risks associated with debt levels.
Global economic prospects therefore remain characterised by significant uncertainty and downside risks determined, among other things, by the possible continued weakness of activities in China, developments of the war in Ukraine and other geopolitical tensions, the persistence of high levels of inflation and the consequences that increasingly less accommodative monetary policies will have on global financial conditions.

12 See International Monetary Fund, *World Economic Outlook Update*, January 2023.
13 See UNCTAD, *Global Investment Trends Monitor*, January 2023.

The Italian economy

The growth of the Italian economy for 2022 is estimated at 3.9%.[14] Economic activity, sustained for most of 2022 by the positive dynamics of consumption and investments, weakened in the last quarter of the year, mainly as a result of the persistence of high energy prices and the tapering off of the recovery of the sectors most affected by the pandemic, such as trade, transport and accommodation services.

In 2022 on a whole, Italian exports of goods and services grew by 19.9% compared to 2021, with similar increases in sales on the EU (+19.7%) and non-EU markets (+20.2%). The countries that made the biggest contributions to the increase in Italian exports are the United States (+22.5%), France (+14.6%), Switzerland (+24.3%) and Turkey (+38.4%). Imports increased by 39.6%, mainly due to higher purchases of energy products.[15]

The average annual inflation rate was 8.1% in 2022 (+1.9% in 2021); net of energy prices, consumer prices increased by 4.1% (+0.8% in 2021).[16]

Employment rose to 60.5% of the workforce and the unemployment rate, down compared to 2021, stood at 7.8%.[17]

Foreign direct investments reached almost 13 billion euro in 2022, compared to 47.6 billion euro in 2021.[18]

Industrial production continued to decline throughout 2022, due to energy costs and weakening demand. The uncertainty associated with the continuation of the conflict in Ukraine and with the more restrictive financial conditions has repercussions on investment spending and business confidence, which indicate a decline in activity. Almost half of the manufacturing companies and about a third of those in the services sector continue to report difficulties related to the cost of energy; problems regarding the supply of raw materials and intermediate inputs concern about 30% of companies in the industry and the tertiary sector and approximately half of those in the construction sector.[19]

In the macroeconomic scenario forecast for the three-year period 2023-2025 by the Bank of Italy,[20] based on the assumption that the tensions stemming from the war in Ukraine will gradually subside over the three years considered, Italian GDP should slow, growing by 0.6% in the current year and 1.2% in both 2024 and 2025. A slowdown is also expected in the trend in exports, which should grow by less than 2% in 2023, and then expand more decisively in the next two years, in line with the trend in foreign demand for Italian goods and services. Inflation is expected to drop to 6.5% this year and more markedly thereafter, reaching 2% in 2025. The outlook is, on the whole, subject to downside risks and a significant degree of uncertainty, linked above all to the trend in prices and the availability of raw materials (both elements conditioned by the developments of the conflict in Ukraine), the evolution of international trade and repercussions of restrictive monetary policies at global level.

14 See Bank of Italy, *Economic Bulletin no. 1*, January 2023.
15 See ISTAT, *Foreign trade and import prices (December 2022)*, 16 February 2023.
16 See ISTAT, *Consumer prices. Actual data (December 2022)*, 17 January 2023.
17 See ISTAT, *Employed and unemployed. Provisional data (December 2022)*, 31 January 2023.
18 See Bank of Italy, *Balance of payments and financial position abroad*, 17 February 2023.
19 See Bank of Italy, *Survey on inflation and growth expectations – 4th quarter 2022*, 16 January 2023.
20 See Bank of Italy, *Economic Bulletin, no. 1*, January 2023.

5. BUSINESS PERFORMANCE

5.1 Resources committed

Resources committed from SIMEST's available funds and those of subsidised public funds in 2022 totalled 1,738 million euro. The various instruments for international expansion include resources committed for 1,215 million euro[21] (-72% compared to 2021) with a significant contribution from soft loans for international expansion, which in 2022 recorded total approvals worth more than 1 billion euro, although down compared to the previous year, characterised to a greater extent by emergency initiatives. With reference to the Equity Loan segment, a business line heavily impacted by the current macroeconomic scenario, there are a total of 102 million euro in subscribed investments, of which 70 million euro for SIMEST Equity Loans and 33 million euro for the Venture Capital Fund Equity Loans. Export support was characterised in 2022 by a decrease compared to 2021, attributable to the current situation of the Fund's resources.

New lending, investments and managed resources (2022 flows)

Business lines (millions of euros)	**2022**	**2021**	**Change %**
Soft loans	512	3,406	-85%
NRRP soft loans	570	751	-24%
SIMEST Equity Loans	70	64	+8%
Venture Capital Fund Equity Loans	33	43	-24%
Interest-rate support on Equity Loans*	31	36	-14%
TOTAL FUNDS FOR INTERNATIONAL EXPANSION	**1,215**	**4,300**	**-72%**
Export support*	524	5,038	-90%
TOTAL EXPORT SUPPORT	**524**	**5,038**	**-90%**
TOTAL NEW LENDING, INVESTMENTS AND MANAGED RESOURCES	**1,738**	**9,338**	**-81%**

* Total underlying nominal value.

The balances at the end of 2022 rose by 16% overall compared to 2021, mainly due to the significant contribution from the soft loans portfolio (+21%). As at 31 December 2022, SIMEST supported 14,958 businesses in their international expansion and export programmes in 124 countries.

New lending, investments and managed resources (balance at the end of 2022)

Business lines (millions of euros)	**2022**	**2021**	**Change %**
Soft loans	2,909	2,705	+8%
NRRP soft loans	375	-	-
TOTAL SOFT LOANS	**3,285**	**2,705**	**+21%**
SIMEST Equity Loans	564	599	-6%
Venture Capital Fund Equity Loans	177	167	+6%
TOTAL EQUITY INVESTMENTS	**741**	**766**	**-3%**
TOTAL YEAR-END BALANCE	**4,026**	**3,471**	**+16%**

21 Includes soft loan products (including Integrated Promotion Fund and NRRP resources), SIMEST and Venture Capital Fund Equity Loans and Interest-rate support on Equity Loans.

5.2 International expansion

5.2.1 Soft loans for international expansion

(Law 394/81 Fund, Integrated Promotion Fund and Sustainable Growth Fund)

The revolving Law 394/81 Fund (Article 2 of Law 394/81, hereinafter the "Law 394/81 Fund"), managed by SIMEST on behalf of the Ministry of Foreign Affairs and International Cooperation, is a public fund funded by the State, intended for the disbursement of soft loans aimed at the international expansion of Italian companies ("Soft loans"). Starting from 2020, SIMEST also manages the portion of resources of the Integrated Promotion Fund – established by the Ministry of Foreign Affairs and International Cooperation – intended, pursuant to Article 72, paragraph 1, lett. d), of Law Decree 18/2020, converted, with amendments, by Law 27/2020, for the granting of non-repayable co-financing as a percentage of the soft loans from the Law 394/81 Fund.

In 2022, the Facilities Committee (the inter-ministerial body responsible for administration of soft loans from the Law 394/81 Fund) approved 803 transactions (of which 774 with non-repayable co-financing) for a total of 512 million euro (of which 128 million euro non-repayable), compared with 12,019 transactions approved in 2021 (-93%), totalling 3,406 million euro (-85%).

Soft loans

Approved volumes – by Fund

Funds	Number of transactions*	Millions of euro
Soft loans from the Law 394/81 Fund	803	384
Share of Integrated Promotion Fund	774	128
GRAND TOTAL	**803**	**512**

* A transaction includes a single application from the Law 394/81 Fund and in some cases also from the Integrated Promotion Fund. For this reason, the grand total of transactions always coincides with the total transactions of the Law 394/81 Fund.

Soft loans

Approved volumes – by product (Law 394/81 Fund and share of Integrated Promotion Fund)

Products	Number of transactions*	Millions of euro
Foreign market penetration programmes	**511**	**403**
of which soft loans from the Law 394/81 Fund	*511*	*311*
of which share of Integrated Promotion Fund	*499*	*92*
Ukraine 1 Export	**104**	**57**
of which soft loans from the Law 394/81 Fund	*104*	*37*
of which share of Integrated Promotion Fund	*97*	*20*
Ukraine 2 Import	**51**	**33**
of which soft loans from the Law 394/81 Fund	*51*	*20*
of which share of Integrated Promotion Fund	*51*	*13*
Capitalisation	**10**	**6**
of which soft loans from the Law 394/81 Fund	*10*	*6*
of which share of Integrated Promotion Fund	*1*	*0.3*
Feasibility studies and technical assistance programmes	**66**	**5**
of which soft loans from the Law 394/81 Fund	*66*	*4*
of which share of Integrated Promotion Fund	*66*	*1*
E-commerce	**38**	**5**
of which soft loans from the Law 394/81 Fund	*38*	*4*
of which share of Integrated Promotion Fund	*37*	*1*
Temporary Export Manager	**16**	**1**
of which soft loans from the Law 394/81 Fund	*16*	*1*
of which share of Integrated Promotion Fund	*16*	*0.4*
Fairs and events	**7**	**0.4**
of which soft loans from the Law 394/81 Fund	*7*	*0.3*
of which share of Integrated Promotion Fund	*7*	*0.1*
GRAND TOTAL	**803**	**512**

* A transaction includes a single application from the Law 394/81 Fund and in some cases also from the Integrated Promotion Fund. For this reason, the grand total of transactions always coincides with the total transactions of the Law 394/81 Fund.

The volumes of soft loans approved in 2022 are broken down as follows:

- 511 loans for 403 million euro (of which 92 million euro as the relative portion of non-repayable co-financing) for the implementation of programmes to enter foreign markets, which support Italian companies in establishing commercial structures abroad;
- 155 loans for 90 million euro (of which 33 million euro as the relative portion of non-repayable co-financing) for soft loan facilities ("Ukraine 1 Export" and "Ukraine 2 Import") in support of Italian exporting companies affected by the fall-out from the Russian-Ukrainian conflict;
- 10 loans amounting to 6 million euro (of which 0.3 million euro as the relative portion of non-repayable co-financing) for the capitalisation of exporting companies;
- 66 loans for 5 million euro (of which 1 million euro as the relative portion of non-repayable co-financing) for the performance of feasibility studies and implementation of technical assistance programmes related to Italian investments;
- 38 loans for 5 million euro (of which 1 million euro as the related non-repayable co-financing) for the creation or enhancement of e-commerce platforms for the promotion and sale of on-line products;
- 16 loans for approximately 1 million euro (of which 0.4 million euro as the relative portion of non-repayable co-financing) for the hiring of a Temporary Export Manager (TEM), a professional specialised in international expansion projects;
- 7 loans for 0.4 million euro (of which 0.1 million euro as the relative portion of non-repayable co-financing) for participation in international fairs and events, including in Italy, and system missions.

SIMEST's operations for the portion of non-repayable co-financing from the Integrated Promotion Fund were managed, in the first half of 2022, as part of the temporary state aid scheme also known as the "Temporary Framework", launched in 2020 as a result of the economic crisis generated by the Covid-19 pandemic. This framework was in force until 30 June 2022.
To deal with the economic effects of the conflict in Ukraine, which began in February 2022 following Russia's aggression, the European Commission issued a new transitional aid regime called "Temporary Crisis Framework", aimed at supporting EU businesses with exports and energy and raw material procurement costs impacted by the conflict. The communication, issued on 23 March 2022 and valid until 31 December 2022, was subsequently amended to extend its duration until 31 December 2023.
As part of this aid scheme, through two regulatory provisions (Article 5-*ter* of Decree Law no. 14 of 25 February 2022, converted, with amendments, by Law no. 28 of 5 April 2022 and Article 29 of Decree Law no. 50 of 17 May 2022, converted, with amendments, by Law no. 91 of 15 July 2022), it was possible to implement two soft loan facilities (known as "Ukraine 1 Export" and "Ukraine 2 Import"), from the resources of the Law 394/81 Fund (and the Integrated Promotion Fund for the relative portion of non-repayable co-financing) to support Italian exporters affected by the consequences of the Russian-Ukrainian conflict.
As regards the two lines of intervention mentioned above, it should be noted that:
- operations were activated on 12 July 2022 for the "Ukraine Export" Circular and on 20 September 2022 for the "Ukraine Import" Circular;
- a total of 309 loan applications were received by the closing date of 30 October 2022 of the SIMEST Portal for soft loans for 235 million euro (of which 65 million euro were non-repayable, equal to approximately 30% of the total loans requested). The Portal had to be closed necessarily to be able to complete the loan application processing by 31 December 2022, the deadline originally set for the expiry of the Temporary Crisis Framework regime;
- in 2022, 104 soft loans were approved for the transactions referred to in the "Ukraine Export" Circular, amounting to 57 million euro (of which 20 million euro non-repayable) and 51 soft loans for the purposes of the "Ukraine Import" Circular transactions amounting to 33 million euro (of which 13 million euro non-repayable).

The table below summarises all the soft loans from the Law 394/81 Fund and the Integrated Promotion Fund approved in 2022.

Soft loans (millions of euro)

Approved loans – by country (Law 394/81 Fund and share of Integrated Promotion Fund)

Main target countries	Foreign market penetration programmes	Ukraine 1 Export	Ukraine 2 Import	Capital-isation	Feasibility studies and technical assistance programmes	E-commerce	Temporary Export Manager	Fairs and events
United States of America	95	-	-	-	1	1	0.3	-
Italy	-	57	33	6	-	-	-	0.4
Spain	36	-	-	-	1	0.4	-	-
France	36	-	-	-	0.2	0.2	0.3	-
United Kingdom	31	-	-	-	0.3	1	0.04	-
Germany	27	-	-	-	0.4	1	0.05	-
Albania	24	-	-	-	-	-	-	-
United Arab Emirates	14	-	-	-	0.4	0.4	0.2	0.1
China	14	-	-	-	1	0.1	0.3	-
Brazil	14	-	-	-	0.1	0.4	-	-
Other countries*	113	-	-	-	2	1	0.2	-
GRAND TOTAL	**403**	**57**	**33**	**6**	**5**	**5**	**1**	**0.4**

* Includes transactions with other countries with total amounts of less than 10 million euro. The main ones include Poland, Switzerland, Serbia, Romania, Austria, Belgium, Singapore, Turkey, India and Canada.

The soft loans from the Law 394/81 Fund granted in 2022 concerned initiatives in 77 countries. The programmes to enter foreign markets were concentrated in the United States, Spain and France; feasibility studies and technical assistance programmes mainly concerned the United States, Spain and China, while e-commerce loans were requested primarily for the United States, United Kingdom and German markets. The support of a TEM was mainly required for international expansion in the United States, France and China, while the participation of companies in fairs and events was primarily targeted at international events held in Italy and the United Arab Emirates.
SMEs accounted for 81% of the approved volumes, compared to 80% in the previous year, while the remaining 19% benefited Mid-Caps[22] and large companies. The mechanical industry, agri-food, trade and non-financial services sectors accounted for the bulk of soft loans.
During the year, roughly 393 million euro was disbursed (of which 77 million euro from the Integrated Promotion Fund and 0.2 million euro from the Sustainable Growth Fund).
The existing portfolio of loans for international expansion totalled 2,909 million euro, of which 2,878 million euro from the Law 394/81 Fund and 31 million euro from the Sustainable Growth Fund, which continued to operate in 2022, mainly with reference to the management of loans in the portfolio.

5.2.2 National Recovery and Resilience Plan

With a view to fostering the development of the competitiveness of SMEs with international interests, in terms of innovation and sustainability, the Italian NRRP – approved with Implementation Decision of the Council of the European Union ECOFIN of 13 July 2021 – in Mission 1 ”Digitalisation, innovation, competitiveness, culture and tourism”, Component 2 ”Digitalisation, innovation and competitiveness in the production system”, Investment 5 ”Industrial sector policies and international expansion”, includes the sub-measure ”Refinancing and redefinition of the Law 394/81 Fund managed by SIMEST” of the Ministry of Foreign Affairs and International Cooperation (“NRRP 394 Fund sub-measure”).
The Annex to the aforementioned ECOFIN Council Implementing Decision identified the milestones of the sub-measure as (i) ”Entry into force of refinancing Decree Laws of the ’contributions’ and ’loans’ component of the Law 394/81 Fund” and ”Adoption of the investment policy” – by the Facilities Committee, responsible for the administration of the Law 394/81 Fund – and (ii) the target of ”at least 4,000 other SMEs have benefited from the support of the Law 394/81 Fund from 1 January 2021”, to be achieved by the deadlines, respectively, of the third quarter of 2021 and of the fourth quarter of 2021.
For the implementation of the sub-measure, Article 11 of Law Decree 121/2021, converted, with amendments, by Law 156/2021, was issued, which provided for the establishment, within the Law 394/81 Fund, of the ”Loans Section” – for the granting of soft loans – with a financial endowment of 800 million euro for 2021, and of the ”Grants Section” – for the granting of the related non-repayable co-financing – with a financial endowment of 400 million euro for 2021 and related regulations.
Furthermore, the Facilities Committee approved the NRRP-394 Fund Investment Policy with the Framework Resolution of 30 September 2021, in compliance with the requirements set out in the Implementing Decision of 13 July 2021, pursuant to which, in order to access financing, projects must be realised in line with the objectives of Regulation (EU) 2021/241 and must comply with (i) the Technical Guidelines of the European Commission (2021/C 58/01) on the application of the ”Do No Significant Harm” – DNSH principle and (ii) the relevant national and European Union environmental legislation, with compliance also required for the verification of sustainability for the InvestEU Fund, and are subject to verification.

22 Mid-Caps are companies with up to 1,500 employees that do not qualify as SMEs.

For the realisation of the sub-measure ”Refinancing and redefinition of the Law 394/81 Fund managed by SIMEST”, considering the coefficient envisaged at European level equal to 40% of the total resources allocated for expenses aimed at achieving digital transition (digital ”tagging”), taking into account the recommendations adopted at national level to contribute to overcoming territorial gaps (by allocating, as a priority, a portion of the resources available to companies operating in the Southern Regions) and to promote compliance with the principles of gender equality and the development of young people, with the aforementioned Resolution of 30 September 2021, the Facilities Committee approved the operational Circulars of the 3 implementation interventions reserved to SMEs and aimed at starting and strengthening digital and green transition processes for companies, in line with the objectives of the NRRP:
- digital and ecological transition of SMEs with an international interest;
- development of e-commerce of SMEs in foreign countries;
- participation of SMEs in international fairs and events, including in Italy, and system missions.

The granting of non-repayable co-financing under the ”Contributions Section” under the Temporary Framework was authorised by the European Commission with final Authorisation Decision C (2021) 8798 of 29 November 2021 – SA.100597.
Therefore, on 28 October 2021, the phase of receipt of loan applications got under way. By means of Resolution of the Facilities Committee of 31 March 2022, access to the digital and ecological transition tool was extended to Mid-Caps, with an increase in the total maximum amount that can be requested.
On 3 May 2022, the date of submission of the loan applications including the changes made to the investment policy, the phase of reservation of the NRRP funds was completed, with the appropriation of the maximum amount of funds available to the measure and consequent closure of the Portal.
In 2022, the Facilities Committee (inter-ministerial body responsible for the administration of the Law 394/81 Fund) approved 3,332 transactions (of which 3,204 with non-repayable co-financing) for an amount of 570 million euro (of which 175 million euro as a non-repayable co-financing).

NRRP Soft loans

Approved volumes – by Fund

Funds	**Number of transactions***	**Millions of euro**
Loans	3,332	394
Subsidies	3,204	175
GRAND TOTAL	**3,332**	**570**

* A transaction includes a single application from the Law 394/81 Fund and in some cases also from the Integrated Promotion Fund. For this reason, the general total of transactions always coincides with the total transactions of the Law 394/81 Fund.

NRRP Soft loans

Approved volumes – by product

Products	**Number of transactions***	**Millions of euro**
Digital and ecological transition	**1,098**	**328**
of which Loans	*1,098*	*228*
of which Subsidies	*1,048*	*100*
E-commerce	**1,222**	**164**
of which Loans	*1,222*	*111*
of which Subsidies	*1,201*	*54*
Fairs and events	**1,012**	**77**
of which Loans	*1,012*	*55*
of which Subsidies	*955*	*22*
GRAND TOTAL	**3,332**	**570**

* A transaction includes a single application from the Law 394/81 Fund and in some cases also from the Integrated Promotion Fund. For this reason, the general total of transactions always coincides with the total transactions of the Law 394/81 Fund.

Soft loans to support international expansion from the funds of the National Recovery and Resilience Plan sub-measure Law 394/81 Fund (NRRP loans) are broken down as follows:

- digital and ecological transition of companies with an international vocation ("Digital and ecological transition") for 328 million euro (of which 100 million euro non-repayable);
- creation or enhancement of e-commerce platforms for the promotion and sale of on-line products ("E-commerce") recorded transactions for 164 million euro (of which 54 million euro non-repayable);
- participation in international fairs and events, including in Italy, and system missions ("Fairs and events") for 77 million euro (of which 22 million euro non-repayable).

The NRRP loans approved in 2022 concerned 94% of initiatives in favour of small and medium-sized enterprises and 6% of initiatives for the benefit of Mid-Caps. In terms of area of origin, 41% of businesses come from Southern Italy,[23] 40% from Northern Italy and 19% from Central Italy.

Again in terms of amount, 98% of the total NRRP loans approved in 2021 and 2022 concern SMEs and 2% relate to Mid-Caps. A total of 48% of companies benefiting from these loans were from Northern Italy, 31% from Southern Italy and 21% from Central Italy.

NRRP Soft loans (millions of euro)

Loans approved – by country

Main target countries	Digital and ecological transition	E-commerce	Fairs and events
Italy	328	164	35
Germany	-	-	14
France	-	-	5
Albania	-	-	4
Poland	-	-	4
United States of America	-	-	3
United Arab Emirates	-	-	2
Kosovo	-	-	1
Spain	-	-	1
United Kingdom	-	-	1
Other countries*	-	-	7
GRAND TOTAL	**328**	**164**	**77**

* Includes transactions with other countries with total amounts of less than 1 million euro. The main ones include Montenegro, the Netherlands, China, Turkey, Ukraine and Switzerland.

The NRRP loans approved in 2022 concerned initiatives in 44 countries, the main ones being Italy, Germany and France.

23 Considering the Southern operational headquarters as a criterion for the NRRP, the incidence is 52%. The regions of Southern Italy include Campania, Abruzzo, Molise, Basilicata, Puglia, Calabria, Sicily and Sardinia.

5.2.3 Equity investments

SIMEST Equity Loans: direct equity investments

In 2022, SIMEST's Board of Directors approved 54 transactions, of which:

- 25 new investment projects;
- 2 capital increases in companies already owned;
- 27 changes/revisions of approved or signed equity investment plans.

The companies in which SIMEST approved an equity investment in 2022 required a financial commitment of approximately 88 million euro from SIMEST.
After the extraordinary events that have characterised the last two years, linked in particular to the Covid-19 pandemic, 2022 was a year that proved to be difficult to read. On the one hand, the lingering effects of the pandemic crisis (albeit partially and gradually subsiding during the year) and, on the other, the start of the conflict in Ukraine shaped, especially in the first few months of the year, the decisions of companies in undertaking new investment initiatives abroad, resulting in a reflective and prudent attitude – also due to the continued difficulties in terms of energy supplies and raw materials.
In this context, confirmation of the need for greater geographical diversification towards new markets, both outlet and supply markets, in any case affected investment flows, resulting in an increase in the volume of transactions compared to the levels recorded in 2021.

SIMEST EQUITY LOANS (millions of euro)
Approved equity investments – by country

New projects and capital increases*	**SIMEST commitment**
United States of America	23
China	20
India	15
Germany	7
Brazil	7
French Guiana	4
The Netherlands	3
South African Republic	2
Poland	2
Austria	2
United Kingdom	2
Croatia	1
Saudi Arabia	0.1
GRAND TOTAL	**88**

* Includes shareholders' loan transactions.

Around 83% of the transactions approved involved investment projects in non-EU countries, with a total commitment of 73 million euro, while the remaining 17% involved EU countries.
The main investment destinations include the United States of America with a commitment for SIMEST of 23 million euro, followed by China (20 million euro). For the remainder, the initiatives are spread throughout various countries, some of which are traditional investment destinations, such as India, Brazil, Germany and the United Kingdom, augmented by less frequent destinations such as Poland, French Guiana, the Netherlands and the South African Republic.

SIMEST EQUITY LOANS (millions of euro)

Approved equity investments – by sector

New projects and capital increases*	**SIMEST commitment**
Chemical/Petrochemical	28
Metalworking industry	19
Infrastructure and construction	6
Mechanical industry	4
Aeronautics	4
Renewables	3
Non-financial services	2
Electronics/IT	2
Agri-food	2
Other industries	19
GRAND TOTAL	**88**

* Includes shareholders' loan transactions.

In terms of sector breakdown, the destination of the initiatives in sectors characterising the production structure of Italy is confirmed, such as chemical/petrochemical, metalworking industry, infrastructure and construction, mechanical and aeronautics, augmented by the renewables, non-financial services, electronic/IT and agri-food sectors.

During the year, based on the investments approved, SIMEST completed 29 equity investment transactions for a total amount of 70 million euro, of which:

- 21 new equity investments in foreign companies, amounting to approximately 66 million euro;
- 8 share capital increases in foreign equity investments, already held as at 31 December 2021, for a total of 4 million euro.

The above values also include 10 shareholders' loan transactions with a financial commitment of approximately 25 million euro.

SIMEST EQUITY LOANS (millions of euro)

Acquired equity investments – by country

New projects and capital increases*	**SIMEST commitment**
India	15
China	15
Switzerland	14
Brazil	7
United States of America	7
Poland	6
United Kingdom	2
Mexico	1
Colombia	1
Croatia	0.5
Djibouti	0.5
Saudi Arabia	0.3
United Arab Emirates	0.2
GRAND TOTAL	**70**

* Includes shareholders' loan transactions.

SIMEST EQUITY LOANS (millions of euro)

Acquired equity investments – by sector

New projects and capital increases*	**SIMEST commitment**
Chemical/Petrochemical	24
Metalworking industry	15
Automotive	10
Mechanical industry	7
Non-financial services	5
Agri-food	2
Renewables	1
Infrastructure and construction	0.5
Electrical industry	0.4
Other industries	4
GRAND TOTAL	**70**

* Includes shareholders' loan transactions.

The total amount of transactions in equity investments subscribed and shareholder loans during the year amounted to 70 million euro, an increase of 8% compared with 2021. It should be noted that 35% of investments were made in the chemical/petrochemical sector.

In 2022, in implementation of the agreements with the partner companies, 37 equity investments were sold for a total of 106 million euro after impairment. At year-end, as a result of portfolio transactions in 2022, SIMEST held equity investments in 216 companies in Italy and abroad for a total of 564 million euro (including the equity investment in FINEST), compared with 599 million euro at the end of 2021 (+6%).

Equity investments of the Venture Capital Fund

The Single Venture Capital Fund, managed by SIMEST on behalf of the Ministry of Foreign Affairs and International Cooperation, consists of a minority shareholding – in addition to the direct shareholding of SIMEST and/or FINEST – in the share capital of companies established by national companies in foreign countries and the subscription of financial or equity instruments, including shareholder loans. The Fund operates in all countries, with the sole exception of Italy.

During 2022, traditional operations – which continued on an ordinary basis – were augmented, also following the approval of Law no. 234 of 30 December 2021, by the definition of the new operations of the Single Venture Capital Fund to support the international expansion processes of start-ups, including innovative start-ups and SMEs, with the allocation (Decree Law 1 March 2022 – Energy Decree) of an additional 200 million euro to these transactions. On 1 June 2022, the Fund's Steering and Reporting Committee approved the new guidelines for start-up operations, also defining the amount allocated for each investment strategy: (i) 25% in co-investment with CDP Venture Capital Sgr (direct investments); (ii) 75% through the subscription of the International Fund of Funds managed by CDP Venture Capital Sgr (indirect investments). On 21 December 2022, the Framework Agreement was signed between SIMEST and CDP Venture Capital Sgr in order to regulate the methods of collaboration for the start of operations.

During the year, a total of 46 transactions were approved, of which 25 related to new investment projects, 2 share capital increases in companies that are already investees and 19 changes/redefinitions of the approved or subscribed investments plans.

More specifically, the approved equity investments result in a total commitment through the Single Venture Capital Fund of approximately 54 million euro.

VENTURE CAPITAL FUND EQUITY LOANS (millions of euro)

Approved equity investments – by country

New projects and capital increases	**Fund commitment**
United States of America	16
China	8
Brazil	7
Germany	4
French Guiana	4
The Netherlands	3
India	3
South African Republic	2
Poland	2
Austria	2
United Kingdom	2
Other countries	2
GRAND TOTAL	**54**

The geographical breakdown of the commitments accepted follows the breakdown of the interventions relating to the direct equity investments of SIMEST. Around 77% of the transactions approved involved investment projects in non-EU countries, with a total commitment of 42 million euro, while the remaining 23% involved EU countries. The main investment destinations include the United States of America with a commitment of 16 million euro, followed by China (8 million euro) and Brazil (7 million euro).

In terms of sector breakdown, the destination of the projects in sectors that characterise the production structure of Italy, such as the chemical/petrochemical sector, the metalworking industry, the mechanical and aeronautics sectors is confirmed.

In 2022, equity investments subscribed with resources from the Venture Capital Fund totalled about 33 million euro for a total of 28 transactions, broken down as follows:

- 20 new equity investments – in addition to the shares acquired by SIMEST and/or FINEST – for a total amount of approximately 29 million euro;
- 8 capital increases in companies that are already investees as at 31 December 2021 for around 3 million euro.

The above values also include 10 shareholders' loan transactions with a financial commitment of approximately 12 million euro.

The geographical distribution of the Fund's new initiatives shows the interest of companies in Brazil with 6 subscriptions for a total of 7 million euro and the United States with 5 initiatives for 6 million euro.

In 2022, in implementation of the agreements with the partner companies, 26 equity investments were sold for a total of 22 million euro. As a result of the transactions recorded during the year, the portfolio of equity investments held by SIMEST under the Single Venture Capital Fund amounted to approximately 177 million euro at the end of 2022 (approximately 167 million euro in 2021) and involved 149 foreign companies.

Start-Up Fund equity investments

In 2022, the Start-Up Fund, set up under Ministerial Decree no. 102 of 4 March 2011 and managed by SIMEST, continued to operate solely in relation to the management of equity investments in the portfolio.

At the end of 2018, under Law no. 145 of 30 December 2018 (2019 Budget Law), the closure and the phase-out management of the Start-Up Fund was ordered, and on 19 March 2019, SIMEST and the Ministry of Economic Development signed the special agreement set forth in the regulations for the transitional management of the aforementioned fund. Consequently, there were no new investment initiatives.

As a result of Legislative Decree no. 104 of 21 September 2019, converted, with amendments, by Law no. 132 of 18 November 2019, the phase-out management of the Start-Up Fund was also transferred to the Ministry of Foreign Affairs and International Cooperation, Directorate General for the Promotion of the Country's Economy. In July 2022, a specific Agreement was signed between SIMEST and the MAECI for the management of the Start-Up Fund, which amends the aforementioned Agreement of 19 March 2019 with the replacement of the MAECI from the MISE.
During 2022, the 4 investment transactions were sold, which as at 31 December 2021 represented the entire equity investment portfolio relating to the transitional management of the Start-Up Fund. Therefore, as at 31 December 2022, there are no longer any transactions on the Fund, except for one position, which will be settled in accordance with the obligations envisaged for the closure of the related transitional management.

Interest subsidies for equity investments (Law 295/73 Fund)

In 2022, SIMEST managed interest-rate subsidies in support of international expansion relating to the Law 295/73 Fund, whose responsibilities – from 1 January 2020 – were assigned to the Ministry of Foreign Affairs and International Cooperation, together with the Ministry of Economic Development and the Ministry of the Economy and Finance (Article 2 of Decree Law 104/2019, converted, with amendments, by Law no. 132 of 2019).
These subsidies are provided by SIMEST to Italian companies in support of loans granted for the acquisition of equity investments in foreign companies, in which SIMEST has an interest, in countries outside the European Union.
Under a specific agreement, SIMEST also carries out, on behalf of FINEST (the Friuli-Venezia Giulia Region's holding company), all activities related to the application processing and disbursement of subsidies under the Law 295/73 Fund for the operations carried out by FINEST in Central and Eastern European countries, in the Balkans and in Mediterranean countries.
In 2022, the Facilities Committee approved 10 transactions for a total of 31 million euro (compared with 15 transactions totalling 36 million euro in 2021). The approved transactions relate to investment initiatives with the participation of SIMEST (or FINEST) in the capital of companies in non-EU countries. The main destination countries are the United States of America (54% of volumes), followed by Brazil and Mexico.

INTEREST-RATE SUPPORT ON EQUITY LOANS (millions of euro)

Deferred principal amount approved – by country

Country	**Underlying nominal value**
United States of America	17
Brazil	9
Mexico	2
Mozambique	2
Serbia	1
GRAND TOTAL	**31**

The main investment sectors were agri-food (29%), chemical/petrochemical (14%) and renewables (7%).

INTEREST-RATE SUPPORT ON EQUITY LOANS (millions of euro)

Deferred principal amount approved – by industry

Industry	**Underlying nominal value**
Agri-food	9
Chemical/Petrochemical	4
Renewables	2
Automotive	2
Metalworking industry	1
Other industries	13
GRAND TOTAL	**31**

5.3 Export support (Law 295/73 Fund)

The Law 295/73 Fund (Article 3 of Law 295/73, hereinafter the "Fund"), managed by SIMEST on behalf of the Ministry of Foreign Affairs and International Cooperation in agreement with the Ministry of Economy and Finance, is a public fund financed by the State, intended for the disbursement of interventions to support the interest rates of medium/long-term loans (≥ 24 months) to support exports of investment goods and services all over the world.
For initiatives in the form of the stabilisation of interest rates at a subsidised fixed rate (CIRR regulated by the OECD) and the granting of public grants for non-repayable interest, in 2022, the Facilities Committee (inter-ministerial body responsible for administration of the Law 295/73 Fund) approved 88 new supplier credit transactions and 8 increases in the nominal value of the buyer credit product for a total amount of 524 million euro, compared to 147 transactions (-35%) for an amount of 5,038 million euro (-90%) approved in 2021.

EXPORT SUPPORT (millions of euro)

Approved capital portion – by product

Product	Number of transactions	Underlying nominal value
Export subsidy on buyer credit	8	55
Export subsidy on supplier credit	88	468
GRAND TOTAL	**96**	**524**

Among these transactions, 468 million euro, regarding 88 transactions in the form of supplier credit, concerned the financing of machinery and components supplies in the mechanical, textile, chemical/petrochemical and agri-food industries granted by Italian companies to foreign counterparties.
The remaining 55 million euro concerned increases in the nominal value of 8 buyer credit transactions already approved and relating to financing of supplies provided by Italian exporters to foreign counterparties in the shipbuilding (cruise segment) and aeronautical sectors.
With regard to buyer credit and supplier credit transactions, the main target countries of the foreign counterparties receiving the supplies were Brazil, France, United States, Spain and Bermuda.

EXPORT SUPPORT (millions of euro)

Approved capital portion – by country of destination of the supplies

Country	Underlying nominal value
Brazil	88
France	67
United States of America	63
Spain	62
Bermuda	55
Poland	33
South African Republic	33
Austria	23
Bangladesh	19
Egypt	15
Other countries	65
GRAND TOTAL	**524**

In terms of sector breakdown, the total values mainly concerned supplies in the mechanical industry (71%), cruise ship (10%), textile (6%), chemical/petrochemical (4%), agri-food (2%) and, for the remainder, supplies in the metallurgic, renewables and automotive sectors.

EXPORT SUPPORT (millions of euro)
Approved capital portion – by reference sector of supplies

Industry	Underlying nominal value
Mechanical industry	370
Cruise ship	55
Textiles	29
Chemical/Petrochemical	22
Agri-food	9
Metalworking industry	3
Renewables	2
Automotive	2
Other industries	33
GRAND TOTAL	**524**

5.4 Promotion and development activities

In the first months of 2022, despite the fresh wave of the Covid-19 pandemic, companies reacted positively. Face-to-face activities were almost fully restored, albeit with a high percentage of remote meetings, fostering the development of SIMEST's promotional activities.

In the first part of the year, the promotional activity of the instruments based on the NRRP continued for small and medium-sized enterprises, which from the beginning have been remarkably successful, enhancing two drivers of business growth, namely sustainability and digitalisation. Subsequently, considering the extension of the conditions for access to SIMEST instruments, the promotional activity was also aimed at Mid-Cap companies, albeit for a short time, as the opening to Mid-Caps led to a rapid and complete absorption of the resources.

Due to the Russian invasion of Ukraine, which resulted in a conflict whose resolution still appears to be some way off, the overall macroeconomic scenario has deteriorated rapidly. Made in Italy companies were once again faced with months of uncertainty and complexity, so it was therefore necessary to take strategic measures that would allow them to deal with the difficulties stemming from the crisis, such as bottlenecks in supply chains and rising costs of production.

SIMEST entered the fray with specific measures to support Italian companies that export to and procure from markets involved in the conflict, in order to limit the impact on their international competitiveness and encourage investments in the search for alternative markets. Therefore, given the restart of the 394 Fund and the related funds, a large-scale initiative was undertaken with trade associations, banks and advisory companies to promote and organise informational webinars on the new characteristics of the instruments made available to companies.

In summary, the promotion and development activities of SIMEST in 2022 were carried out in synergy with the Parent Company, according to the following guidelines: (i) actions of the commercial network targeted at achieving increasingly greater knowledge of SIMEST products through direct contacts with companies; (ii) monitoring of third-party channels aimed at reaching the highest number of Italian SMEs and Mid-Caps potentially interested in SIMEST's offering; (iii) monitoring of digital channels and the enhancement of communication campaigns for the promotion of individual products from the public funds managed by SIMEST.

Therefore, the promotion initiatives carried out by the SIMEST sales network continued, aimed at strengthening the coverage of the SME and Mid-Cap segment through the identification of companies potentially interested in the SIMEST offering and, more specifically, in the equity investment product in combination with the public initiatives of the Venture Capital Fund and the interest subsidy. During the year, around 1,000 meetings were held with companies, mainly face-to-face. In addition, in the last quarter of 2022, a commercial campaign was launched aimed exclusively at contacting prospect companies, with over 300 new companies met throughout the country.

Promotional initiatives were also developed through the involvement of SIMEST customers in webinars and BtoB meetings organised in the Business Matching platform, launched on the initiative of the CDP Group with the aim of offering Italian SMEs a new tool to generate business opportunities and help them establish contact with their counterparts in foreign markets, starting with China, India, Japan, Morocco, Mexico, South Korea, Indonesia and the United States.

The Institutional Relations & Indirect Channels structure also held around 150 seminars and selected meetings with banks, financial intermediaries, trade associations, embassies, consultants and companies with a focus on the three business lines, aimed at consolidating and increasing synergies in favour of SMEs interested in foreign market development.

6. RISK MANAGEMENT

With reference to identifying the risks that characterise SIMEST's activities, while not subject to prudential regulation, the Company adheres to current banking regulations or the classification scheme adopted by the Basel Committee, which distinguishes between "pillar 1 risks" and "pillar 2 risks".
This classification is contained in the Risk Regulation adopted by SIMEST and by the specific detailed risk policies to ensure that the Company, in coordination with the Parent Company, is able to cover the risks it faces with its own resources.
The SIMEST Risk Regulation highlights the principles of risk management, in line with the Group's approach, taking into account the specific nature and size of the Company.
The Company adopts a governance system of Company committees (technical-advisory boards) that guarantees an additional effective risk management and control system.
The most significant risks to which the Company is exposed are listed below.

Credit risk: the risk of a deterioration in the economic-financial condition of a counterparty with whom the Company has a credit exposure. The Risk Regulation, supplemented with specific risk policies, sets out guidelines on underwriting and specific creditworthiness controls, both *ex ante* and *ex post*, referring to each individual counterparty/transaction.
The reference internal regulations govern the operation of the process of equity investment and loans and of monitoring, outlining the roles of the organisational units involved. In order to ensure optimum oversight of credit risk, the Company adopts specific processes for the assessment, monitoring and management of the individual exposures and of the portfolio by using models, operating tools and reporting geared towards analysing and monitoring the risks. In particular, in the various phases of the underwriting process, the Company uses rating and early warning tools and models to support analyses, aimed at measuring and monitoring the credit risk of the counterparty to help the Management and the structures responsible for initiatives to protect its assets and, where necessary, initiating credit recovery activities.
The credit risk associated with the equity investments is mainly mitigated through the direct commitments of the Italian partners of the forward purchase of SIMEST's equity investments, partially secured by corporate sureties, collateral and bank or insurance guarantees.
As at 31 December 2022, the direct commitments of the Italian partners for the forward purchase of equity investments amounted to approximately 455 million euro (456 million euro as at 31 December 2021); commitments backed by bank and/or insurance guarantees amounted to around 32 million euro (32 million euro as at 31 December 2021); those backed by collateral amounted to 29 million euro (29 million euro as at 31 December 2021).

GUARANTEES (%; millions of euro)

	2022		2021	
Direct commitments of Italian partners	88%	455	88%	456
Commitments secured by banks and insurance companies	6%	32	6%	32
Commitments secured by collateral	6%	29	6%	29
TOTAL AMOUNT DISBURSED		**516**		**516**

In the last quarter of 2022, as part of the management and monitoring of credit risk, (i) the Responsible Financing Principles policy, which guides SIMEST's investments, in line with the Group framework, taking into account the reference ESG principles, and (ii) the Credit Risk Policy, which defines guidelines and limits on credit risk with a view to the progressive improvement of the asset quality and derisking of the SIMEST equity portfolio, were published. The aforementioned documents, in line with the Group governance framework, were approved by the Board of Directors as part of the broader assessment and sharing process with CDP (i.e., NBO release).

In line with its institutional role, SIMEST's vision is to support – as a partner – companies with adequate creditworthiness, operating in strategic sectors and supply chains with sustainability and impact investing characteristics geared towards international expansion.
The Credit Risk Policy, in particular, provides specific guidelines on the structuring, monitoring and management of transactions from a risk-sensitive perspective, differentiating them by duration, repayment plan, guarantee framework according to the rating, with the aim of further strengthening the credit risk controls.
Ratings, as a measure of default risk, are particularly important for the purposes of measuring credit risk. Ratings of creditworthiness are periodically updated (at least annually) based on the availability of economic-financial information on the counterparty and/or adverse events/anomaly signals deriving from internal and/or external data sources.
In support of the business activities, in the second half of 2022, pricing grids were also developed, differentiated by rating, duration and security package for different levels of RAROC, in order to guide the risk/return assessments.
On the other hand, with reference to the Russia-Ukraine conflict and the relative uncertainty of the reference geopolitical and macroeconomic context, SIMEST carried out specific analyses to assess the potential impacts on the counterparties in the portfolio. Direct exposure to risk areas is marginal and mitigated by the obligation to repurchase the equity investment at maturity by the Italian partner and, in any event, conservative provisioning policies have been applied. During the year, SIMEST also launched an initiative to collect information on its portfolio, in order to estimate any indirect effects linked to the conflict, which did not reveal any particular critical elements.

Market risk: the risk arising from market transactions in financial instruments, currency and commodities. With regard to SIMEST, the price risk and the foreign exchange risk are marginal and almost fully mitigated by contractual clauses which, as a rule, guarantee that the investment will be recovered at the historic price paid in euro for acquisition of the equity investment. The fair evaluation, envisaged by the IFRS 9 accounting standard, exposes part of the investment portfolio, albeit gradually decreasing, to potential value changes stemming from fluctuations in market factors (interest rates and credit spreads).

Operational risk: the risk of loss resulting from inadequate or malfunctioning internal procedures, people and systems or from external events. This context includes losses resulting from fraud, human error, business disruption, system unavailability, breach of contract, and natural disasters.
The operational risks control framework provides a structured set of processes, functions and tools for their identification, assessment and monitoring. In particular, in accordance with the Parent Company's guidelines, the operational risk control system includes both (i) a data collection and storage process (Loss Data Collection) and (ii) the assessment of the level of Company exposure to operational risks through a Risk Self Assessment.
With regard to the latter, with the support of the Operational Risk Structure of SACE (service contract with SIMEST for the whole of 2022), the monitoring of the Action Plans and the efficiency measures designed to contain residual risks defined as part of the Operational Risk Self Assessment carried out in 2021 on the processes relating to equity investments continued during the year.
In the context of operational risks, cyber risk represents the risk associated with economic/financial and reputational losses caused by lack of confidentiality, availability and integrity of information systems and/or data following the occurrence of an incident due to accidental events or due to malicious actions (cyber attacks) concerning the IT system.
In line with the growth in volumes, activities continued to strengthen the controls on the external portal for the management of public funds used by SIMEST.

Liquidity risk: risk of non-fulfilment of the Company's payment commitments. It includes two forms of risk that are often closely correlated: (i) funding liquidity risk (inability/difficulty in raising funds with the risk of not being able to meet own payment commitments) and (ii) market liquidity risk (difficulty in liquidating assets to settle financial obligations at maturity, without incurring losses). Liquidity risk is monitored constantly through analysis of expected cash flows, especially for equity investments.
The framework monitoring the liquidity risk is based on two indicators: (i) short-term liquidity indicator and (ii) structural liquidity indicator, which aim respectively to verify and guarantee the Company's ability to deal with cash outflows in the short term and the right balance between the average duration of funding and lending sources, monitoring and limiting the use of forms of maturity transformation. These indicators are the subject of measurement, monitoring and periodic reporting by the Company's responsible structures. In case of exceeding the defined limits, in terms of process, the activation of the Contingency Funding Plan is provided as remediation action. The monitoring activities carried out in 2022 confirmed the effectiveness of the liquidity indicators and the warning thresholds introduced.

Interest rate risk: risk deriving from potential changes in interest rates with respect to differences in maturities and/or in the times of redefinition of the interest rate of the Company's assets and liabilities. Specific operational limits and safeguards for the control and monitoring of interest rate risk have been set out in the Risk Regulation. In-depth analyses are in progress for possible methodological developments aimed at strengthening the framework for measuring and controlling interest rate risk by converging on market best practices calibrated on the specific business model of the Company.

Concentration risk: the risk arising from exposures to individual counterparties, groups of connected counterparties, or counterparties belonging to the same economic sector or carrying out the same activity, or belonging to the same geographical area. During 2022, with the approval of the Credit Risk Policy, (i) the operating limits by counterparty/group were refined, applied to the shareholders' equity of SIMEST, differentiating them by rating, and (ii) the guidelines on sector concentrations were strengthened. With reference to the latter, the Risk Management structure (i) carries out periodic monitoring of the portfolio and related reporting subject to disclosure to the corporate bodies, and (ii) provides warnings on possible significant concentrations on individual transactions, as part of the credit process.

Reputational risk: the current or prospective risk of a fall in profits, penalties, loss of economic value or damage to SIMEST's institutional role, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors, regulators or other stakeholders. SIMEST gives the highest priority to preventing and monitoring the occurrence of events of a reputational nature in relation to transactions that are part of its corporate purpose. To this end, internal controls have been defined to mitigate this risk and specific safeguards have been adopted to prevent reputational events in its operations and in the management of public funds.

Money laundering risk: risk deriving from the violation of legal, statutory and self-regulatory provisions functional to the prevention of the use of the financial system for the purposes of money laundering, terrorism or crime financing. In 2022, SIMEST carried out monitoring and control activities, which also included Reports of Suspicious Transactions made by the SOS representative to the FIU. These latter, drawn up in the event of anomalies and/or reasonable grounds for suspecting that money laundering or terrorist financing operations are in progress or have been carried out or attempted, are carried out on the basis of available information (anomaly indicators) from internal and external databases and of the evaluation of the objective and subjective elements of the transactions. SIMEST operated in compliance with the principle of confidentiality, the prohibition of communication and all the principles established by current legislation.

Compliance risk: the risk of incurring legal or administrative penalties, losses or reputational damage as a result of violations of external provisions (laws or regulations) or self-governance rules (e.g., articles of association, codes of conduct). These risks are particularly significant in consideration of the institutional role of SIMEST, as well as the extensive and increased operations carried out in the management of public funds.
SIMEST adopts a framework consistent with the Group's approach that makes provision for specific policies, processes and procedures to prevent, mitigate and reduce compliance and reputational risks.

Climate and ESG (Environmental, Social, Governance) risks: risks deriving from factors attributable to environmental, social and governance issues with an impact on the performance of counterparties/projects. The climate and sustainability objectives naturally complement SIMEST's mission and institutional role as a medium and long-term investor in support of the international expansion of companies. SIMEST has launched a number of transversal working groups aimed at the inclusion of components related to sustainability, ESG and climate risks in its credit assessment processes. In the second half of 2022, the CDP Group's General Principles for Responsible Lending were also published, providing guidance on investment activities in compliance with ethical, environmental and governance (ESG) issues, focused on priority areas such as (i) climate change and protection of the ecosystem, (ii) inclusive and sustainable growth, (iii) digitalisation and innovation and (iv) rethinking of the value chain.

Capital adequacy: the Risk Regulation regulates the process of assessing the consistency between the capital resources available (represented by equity) and the economic capital necessary to cover existing risks, measured in line with the methodologies in place at the CDP Group and the business model of SIMEST. The results of the 2022 assessments have confirmed the full adequacy of capital resources both at present and over time.
Specific controls are also in place for the subsidised funds managed by SIMEST to monitor and mitigate the main risks to which the funds are exposed. In particular, the Venture Capital Fund historically works together with SIMEST in supporting the international expansion of SMEs with participatory financing at a subsidised rate. In the second half of 2022, the Framework Agreement was signed between SIMEST and CDP Venture Capital Sgr in order to regulate the methods of collaboration for the operations of start-ups, including innovative ones.
With regard to the Law 295/73 Fund, in order to preserve an efficient allocation of public resources, the monitoring of overall financial requirements continued on the basis of the existing methodology, with a view to prudent management of public resources in a context of recent growth of market rates. A project was implemented regarding the transition from the USD Libor rate to SOFR with the aim of estimating the impacts on the existing portfolio and on new operations.
With regard to the Law 394/81 Fund, in 2022, there was continued strengthening and consolidation of the integrated system of controls to oversee the reputational risks of fraud and money laundering. The guidelines and methodological approach on credit risk for the operations of the 394 Fund were also defined and approved by the Facilities Committee, with the aim of further strengthening the controls framework.
As part of SIMEST's new 2023-2025 Strategic Plan, the Risk Department, with the Risk Management structure provided an opinion on economic and financial sustainability and on the main risk areas and controls.

7. INTERNAL CONTROL SYSTEM

SIMEST has developed an internal control system consisting of a set of controls, rules, procedures and organisational structures that aim to identify, measure, assess, monitor, prevent or mitigate, and promptly communicate to the appropriate hierarchical levels all risks assumed or that can be assumed in the various segments, as well as ensure compliance with the reference regulations, observance of the Company strategies and the achievement of the objectives set by the Management.

In particular, the internal control system was implemented consistently with the preparation of three levels of control.

First-level controls (line controls), incorporated in organisational procedures and designed to ensure that transactions are carried out correctly, consistent with the risk objectives assigned, are conducted by the operational and administrative structures.

Second-level controls, or risk management controls, are entrusted to the Chief Risk Officer Department, which reports directly to the Chief Executive Officer, to which the Credit, Risk Management and Compliance and Anti-Money Laundering structures report, consolidating and facilitating a unitary and cross-company vision of risk areas. In particular, the Risk Management and Compliance structures pursue the objective of ensuring the correct implementation of the risk management process, contributing to the definition of risk measurement methods, verifying compliance with the operating limits assigned to the various functions, checking the consistency of the operations and results of the production areas with the risk and return objectives assigned, and monitoring the correct implementation of the risk governance policies and the compliance of the activities and Company regulations with the applicable legislation.

As part of the operational risk management framework, the Risk Management Function (i) assesses the level of Company exposure to operational risks (risk self-assessment) and (ii) coordinates collection and analysis of internal loss data attributable to operational risk events (loss data collection), also monitoring the effective implementation of any actions to mitigate risks identified during the periodic follow-ups.

Lastly, third-level controls are implemented by Internal Audit, a permanent, independent and objective function that, through professional and systematic supervision, pursues the continuous improvement of the effectiveness and efficiency of the processes of governance, risk management and control of SIMEST, helping to protect and increase the Company's value.

The subdivision of the internal control system into the three levels mentioned above is inspired by sector regulations and applicable best practices, including the guidelines of the international organisation of reference for the internal auditing profession (Institute of Internal Auditors).

Internal Audit and the second-level control functions work together to share the different perspectives on risks and controls for the purpose of providing as accurate a representation as possible to the corporate bodies on the overall level of risk, coordinating the annual action plans and exchanging information flows relating to critical issues, inefficiencies, weaknesses or irregularities identified in the respective control activities.

The purpose of collaboration between the aforementioned functions is to develop synergies and avoid overlaps, while ensuring adequate coverage of the control objectives.

Internal Audit reports hierarchically to the Board of Directors through its Chairperson, which, as a body with strategic supervision functions, grants the authority to Internal Audit, guaranteeing its independence. In particular, the Internal Audit Manager is appointed and dismissed (giving reasons for this) by the Board of Directors, after consulting the Board of Statutory Auditors. The necessary connection between the Internal Audit, the body with management function and the Management is also guaranteed.

The Board of Directors of SIMEST, in relation to being subject to management and coordination by Cassa Depositi e Prestiti SpA, appointed a new Internal Audit Manager on 25 October 2022, a member of staff belonging to the Internal Audit Department of the Parent Company.

Internal Audit provides an independent and objective assessment of the completeness, adequacy, functionality and reliability of the SIMEST's organisational structure and the overall internal control system, and assesses the regular functioning of the processes, the adoption of adequate safeguards to protect corporate assets, the reliability and integrity of accounting and management information, as well as compliance with internal and external regulations (including the Code of Ethics) and management guidelines.

To carry out its activities, each year Internal Audit prepares an audit plan and submits it to the Board of Directors for approval. The audit plan is consistent with the reference regulations, with the set of risks, the control system, the relative assessment and the strategic-organisational evolution of the Company, and takes into account the guidelines issued by the Chairperson of the Board of Directors, by the Chief Executive Officer and the corporate bodies. The plan defines the activities to be carried out and the objectives to be pursued.

The problems identified during each audit are immediately reported to the business units concerned so that they can take the necessary corrective actions. Internal Audit informs the Management, the Board of Statutory Auditors, the Supervisory Body, the Chairperson of the Board of Directors and the Chief Executive Officer of possible improvements to the internal control system, with particular reference to the management policies of the risk measurement tools and the various Company procedures.

The Internal Audit Department reports at least every six months to the Board of Directors, the Board of Statutory Auditors and the Supervisory Body on the progress of the annual plan, on the activities carried out, on the main problems identified and on the progress of the corrective actions identified by SIMEST, highlighting any risks not adequately mitigated in relation to the failure or ineffective removal of the anomalies identified in its audit activities. On an annual basis, the Internal Audit Department also presents an assessment of the overall internal control system.

The Internal Audit Department also guarantees support for the activities of the Supervisory Body, as required by Article 6, par. 1, lett. b) of Legislative Decree 231/2001.

The Internal Audit Department can also provide support and assistance or advisory services to other Company functions in order to create added value and improve the risk management and operations of the organisation, without assuming management responsibilities in order to avoid any situations where its independence and objectivity may potentially be compromised.

To further monitor SIMEST's risks, the second and third-level control structures prepare, with the support of the Organisation Function, a report known as the integrated master plan of the control structures, in order to provide an overall view of the corrective actions identified in the context of the audits carried out, ensuring a regular update on the relevant implementation to the top management and the corporate bodies.

The governance of the internal control system is consistent with the Group approach, by virtue of the composition and operating methods of the Managerial Committees (joint technical-advisory boards), ensuring a more effective and efficient overall risk management and control system.

As a result of the corporate transactions that led to the transfer of SIMEST shares from SACE, on 27 September 2022 SIMEST's Board of Directors approved the implementation of the Management and Coordination activities by CDP including in terms of definition and development of the Strategic Plan, the regulatory framework, governance, tools and information flows. Management and Coordination activities involve the development of synergies at Group level and the activation of information flows and specific projects.

8. GOVERNANCE AND SUPPORT ACTIVITIES

8.1 Communications

In 2022, communication activities continued on the subsidised instruments for international expansion managed by SIMEST on behalf of the Ministry of Foreign Affairs and International Cooperation (MAECI), through the launch of a dedicated multi-media advertising campaign, co-branded with MAECI.
The objective of the campaign, launched in March and concluded in December, was to create awareness of the resources and the commitment provided to ensure liquidity and support for exports and the international expansion projects of Italian companies, in particular SMEs.
The concept of the 2022 campaign starts from the consideration that the way to export and compete on international markets may seem tortuous and complex, particularly for an SME and especially at a difficult time from a geopolitical perspective. But it can become "simpler" thanks to the support of SIMEST. The concept has been graphically translated into an intricate maze of interchanges and roads in which the most direct and safest route for Italian entrepreneurs, which is the one offered by SIMEST thanks to the tools managed, clearly stands out. This is followed by the claim: "Reaching new markets is easier. Together".
Media planning for the year involved national and regional press, radio, and digital media. The autumn was also characterised by the presence of SIMEST on billboards and in visually prominent positions in the main airports and major stations. The "Testimonials" video project was also associated with the visual campaign – mainly intended for relaunch activities via social media – with clips shot directly at the offices of the exporting companies benefiting from the initiatives. This is a project that has put the same entrepreneurs who use the subsidy tools at the centre of communication campaign.
In addition to the advertising campaign, 2022 saw a strengthening of communication actions through SIMEST's own channels and third-party channels. This mix has resulted in a greater dissemination of knowledge of SIMEST and the instruments promoted. In particular, digital media was entrusted with the goal of lead generation: the website, a gateway to the operating portal for businesses, recorded more than 1,797,432 unique views. In terms of mentions in off-line and on-line media, an increase of 17% was recorded when compared to 2021. The fan base on proprietary social profiles also recorded growth across the board.
Lastly, some high profile media events in which SIMEST played a central role deserve particular mention. The main ones include: "Made in Italy – Driving Innovation, Sustainability and Resilience" organised by Sole24Ore with Financial Times and SkyTg24; "Family Business Festival", with media partner ANSA; "Economia del Futuro", organised by Corriere della Sera/L'Economia.

8.2 Organisation and human resources

Organisational structure and workforce

During 2022, some revisions of the Company organisational structure were carried out with a view to: (i) greater rationalisation and verticalisation of the activities of the structures, in order to guarantee increased operational efficiency through the specialisation of roles and the strengthening of skills and (ii) the implementation of the new operating model, defined following the reorganisation of the corporate perimeter, that took place in conjunction with the transfer of the shares of SIMEST from SACE to CDP.
On 1 February 2022, the new organisational structure came into force, which made provision for the introduction of the

Marketing & CEO Staff Department, reporting directly to the Chief Executive Officer/General Manager, with the simultaneous elimination of the Marketing area within the Chief Business Officer area.
In particular, the introduction of the aforementioned structure made it possible to: (i) to establish a cross-company function with sales planning skills, the structuring of new products/lines of action/services, analyses of customers' needs and of evolution of the markets; (ii) represent a point of reference for top management including in the definition of marketing strategies and (iii) provide a point of synergy and unified vision in the management of strategic projects.
Consequently, in addition to the functions already under the responsibility of the Marketing organisational structure, the following activities were assigned to the new organisational unit:

- support to the top management in the implementation of the Business Plan, in the definition of Company strategies and priorities and in the development of the operating activities related to it and in the preparation of dossiers for commercial meetings;
- project management and/or sponsorship activities for strategic projects identified as relevant by the Chief Executive Officer/General Manager.

The organisational structure of the Operations & Equity Restructuring Function was also reviewed, whose main changes concerned:

- the renaming of the Operations & Equity Restructuring organisational structure into "Operations & Credit Restructuring" to focus the restructuring activities both in the Equity investments area and in the Law 394/81 Fund and any related funds;
- the renaming of the Equity Portfolio Management Area into "Portfolio Management" and its sub-division into two units in order to guarantee greater operational efficiency through the specialisation of roles, in particular:
  - creation of the Operational Monitoring structure into which the monitoring activities of soft loan transactions were merged to create a function specialised in this area;
  - creation of the Restructuring structure into which the activities relating to changes/restructuring are merged.

The function chart of the following Functions was also amended:

- Portfolio Management, Soft Loans Administration and Internationalisation & Export Finance Administration to incorporate the transfer of the drafting and updating of operating circulars and of the support with the preparation and updating of agreements previously under the responsibility of the Operations & Credit Restructuring Department;
- Loans and Litigation in order to standardise and adapt common and/or cross-company activities and formalise, in the Credit Function, the periodic updating of the scoring of counterparties in the area of soft loans.

On 16 March 2022, the organisational structure of SIMEST was further revised with the elimination of the Chief Business Officer (CBO) Department. As a result of this revision, the Export Finance and Internationalisation and Investments Functions reports directly to the Chief Executive Officer/General Manager.
This reorganisation became necessary following the creation of the Marketing & CEO Staff Function and the merger of export operations and soft loans into a single organisational structure to oversee the management of public funds, which led to the elimination of the need to have all the organisational functions operating in the business area again report to a steering and coordination organisational unit (CBO).
The operational chart of the Operational Monitoring and Restructuring Units was also updated in order to incorporate the details of the first-level checks carried out in the reputational area.
On 21 March 2022, the transfer from SACE SpA to CDP SpA of the equity investment held in SIMEST ("Carve in") became effective. At that date, some of the services present in SIMEST were outsourced to SACE and SACE SRV Srl. As part of the SIMEST reorganisation project, a draft to-be operating model was defined with the Parent Company CDP in relation to the individual services (e.g., full outsourcing to CDP, internalisation in SIMEST, CDP/SIMEST mixed model), identifying four macro-areas of activity (Governance, ICT, Support and SACE SRV).
On 27 September 2022, SIMEST's Board of Directors approved the new "Carve in" operating model, of which SIMEST and CDP agreed on the main balances, aimed at (i) improving the effectiveness of the monitoring of the activities and the corporate operating efficiency; (ii) creating synergies that ensure, among other things, economies of scale; (iii) ensuring

convergence on the CDP Group model and, finally, (iv) capitalising on the skills present in the Parent Company.
At the meeting of 25 October 2022, SIMEST's Board of Directors approved the development of the to-be operating model in relation to the Internal Audit Function, for which full outsourcing at CDP was initially envisaged. In particular, this development concerns the establishment of an Internal Audit Function within SIMEST, reporting directly to the Chairperson, which also carries out its activities with additional CDP resources based on a service agreement.
In this context, on 14 November 2022, the organisational structure of SIMEST was reviewed with the creation of the following Departments:

- People and Innovation & Digital Transformation reporting directly to the Chief Executive Officer/General Manager;
- Internal Audit reporting directly to the Chairperson.

The aim is to strengthen and oversee the management of human resources and allow for a gradual improvement with a view to supporting SIMEST's IT system operations, as well as, with regard to Internal Audit, improve the effectiveness of the Company's monitoring of the Internal Control System and, at the same time, benefit from the consolidated skills of the Parent Company.
Consequently, the main changes to the Function Chart concerned:

- People Department:
  - alignment of the missions with those of the Parent Company CDP;
  - transfer of the outsourced Human Resources – SACE Function, reporting directly to the People Function, with simultaneous rationalisation of the activities with a view to greater synthesis, albeit without making changes to the scope of the activities themselves.
- Innovation & Digital Transformation Department:
  - alignment of the missions with those of the Parent Company CDP;
  - transfer of the outsourced Information Systems – SACE Function, reporting directly to the Innovation & Digital Transformation Function.
- Internal Audit Department:
  - alignment of the missions with those of the Parent Company CDP;
  - elimination, from the Legislative and Corporate Support Function, of the activity relating to the updating of the Organisation, Management and Control Model for the prevention of offences pursuant to Legislative Decree 231/01 of the Company given that, in accordance with the Group model, the activity will be carried out by the Internal Audit Function.

In compliance with the resolution of SIMEST's Board of Directors (i) at the meeting of 27 September 2022 regarding the new operating model of the Company deriving from the transfer of SIMEST under the control of CDP and (ii) at the meeting of 19 December 2022, with the appointment of the Data Protection Officer at SIMEST, on 1 January 2023, as part of the reorganisation of SIMEST, some business areas previously covered by the service contracts with SACE SpA and SACE SRV Srl, in force until as at 31 December 2022, were insourced. The business areas subject to insourcing are:

- the Data Protection activities within the Compliance and Anti-Money Laundering Function, with the appointment of the Head of the structure as Data Protection Officer;
- activities relating to the management of SIMEST Customer Care within the Marketing & CEO Staff Function;
- activities relating to the management of recoveries in relation to the Law 394/81 Fund within the Litigation Function;
- activities relating to the management of the car fleet, accommodation, health surveillance and obligations of the RSPP (Prevention and Protection Service Manager) relating to safety pursuant to Legislative Decree 81/08, peripheral offices, property insurance and verification of taxes, duties and levies within the Internal Operation Function;
- activities relating to the management of SIMEST resources, net of administrative activities, subject to a service contract with CDP, within the People Function.

In addition, at the meeting of 21 February 2023, SIMEST's Board of Directors approved the review of corporate governance in order to achieve the simplification and efficiency objectives set out in the SIMEST 2023-2025 Strategic Plan, considering the following fundamental drivers:

- simplification of governance through a reduction in the number of top managers reporting to the Chief Executive Officer;
- new allocation and integration of skills and responsibilities;
- adaptation of the organisational structure to the development and monitoring of the new activities envisaged by the Strategic Plan;
- enhancement of internal professional resources;
- harmonisation with the Group's approaches.

In this context, on 1 April 2023, the organisational structure of SIMEST was reviewed, as shown below:

- Legal and Corporate Affairs Department, broken down into the following Areas:
  - Legal Advice;
  - Corporate Support, previously known as Legislative and Corporate Support;
  - Legal Disputes;
  - Operations Control, newly established.
- Administration, Finance and Control Department, previously known as Planning, Administration and Finance, broken down into the following Areas:
  - Accounting and Financial Statements, sub-divided into (i) Administration and Tax and (ii) Financial Statements;
  - Planning and Control, sub-divided into (i) Budgeting & Reporting and (ii) Cost Controlling Units;
  - Treasury, sub-divided into (i) Treasury Front Office and (ii) Treasury Back Office.
- Communication and External Relations Department, previously known as Communication, which continues to report functionally to the Chairperson, broken down into the following Areas:
  - Media Relations, previously known as the Press Office;
  - Advertising, Events, Engagement, formerly known as Advertising, Events & Engagement;
  - External Relations, newly established.
- Digital Innovation and Operations Department, previously known as Innovation & Digital Transformation, broken down into the following Areas:
  - ICT, newly established;
  - Processes and PMO, newly established;
  - Internal Operation and Purchasing, newly established, sub-divided into (i) Internal Operation and (ii) Purchasing Units.
- Equity Investments Department, previously known as Investments, broken down into the following Areas:
  - Business Relations, newly established, sub-divided into (i) North West Team, (ii) North East Team and (iii) Centre South Team;
  - Restructuring & Middle Office, newly established, sub-divided into (i) Equity Investments Middle Office and (ii) Asset Quality, NPL and Equity Investment Monitoring Units, which functionally reports to the Risk Departments on Asset Quality and NPL activities.
- Export and Subsidised Finance Department, previously known as Export Finance and Internationalisation, broken down into the following Areas:
  - Support to the Export Fund 295, newly established, sub-divided into (i) Supplier Credit Application and (ii) Buyer Credit Application Units;
  - Subsidised Finance Fund 394, newly established, sub-divided into (i) Subsidised Finance North and (ii) Subsidised Finance Centre South Application Units;
  - Export Portfolio Management and Monitoring and Subsidised Finance, newly established, sub-divided into the Units (i) Export Portfolio Management and Monitoring, (ii) Subsidised Finance Management, sub-divided into the North Subsidised Finance Management and Centre South Subsidised Finance Management, and (iii) Repayments and Subsidised Finance Monitoring Units;
  - Export and Subsidised Finance Technical Secretariat, newly established.
- People and Organisation Department, previously known as People, broken down into the following Areas:
  - People Management and Talent Acquisition, newly established;
  - Labour and Trade Union Relations, newly established;

– Compensation and Organisation, newly established;
– Cross-Company Support, newly established.

- Strategy and Sustainable Innovation Department, previously known as Marketing & CEO Staff, broken down into the following Areas:
  – Strategic and Commercial Planning, newly established;
  – ESG, newly established;
  – International Development, newly established;
  – Customer Management, newly established.
- Risk Department, previously known as Chief Risk Officer, broken down into the following Areas:
  – Risk Management;
  – Compliance and Anti-Money Laundering;
  – Loans.
- Internal Audit Department, which did not change.

The Institutional Relations & Indirect Channels, Organisation and Services and Operations & Credit Restructuring Departments were therefore eliminated.

With regard to safety, in March 2022, the certification of the Management System for Health and Safety in the workplace in accordance with the ISO 45001:2018 standard was successfully renewed.
The first half of 2022 was also characterised by the health emergency resulting from the COVID-19 pandemic. Therefore, in the field of safety, the necessary activities were carried out to protect the health of employees, in compliance with the "Shared protocol regulating measures to combat and contain the spread of Covid-19 in the workplace", signed in April 2020 and updated in April 2021.
The main objective of the initiatives was to combine the continuation of activities with the guarantee of health and safety conditions of the working environments, of the working methods and of the workers themselves.
The main action strategy was the adoption of smart working methods.
The Company screening campaign also continued and the internal protocols and procedures were updated in compliance with the regulations.
In May 2022, the green pass check was phased out, in accordance with current legislation, and regular sanitisation operations continued within the Company.
In September 2022, the Covid protocol was updated in accordance with the new regulatory provisions.
The activities were carried out with the involvement of the Prevention and Protection Service Manager (RSPP), the Company Doctor and the Workers' Safety Representative (RLS) and providing information to the trade unions on the measures and protocols adopted.
The measures adopted by SIMEST, in addition to fulfilling the provisions of current legislation, were aimed at further strengthening in order to raise internal safety standards.
As at 31 December 2022, the Company's workforce consisted of the following:

COMPANY WORKFORCE*

	Workforce as at 31/12/2022	Workforce as at 31/12/2021
Senior management	13	14
Middle management	99	90
Non-managerial personnel	100	90
TOTAL	**212**	**194**

* Includes SIMEST personnel seconded to other companies (2 people) and personnel from other companies seconded to SIMEST (18).

8.3 Legal disputes

As at 31 December 2022, proceedings were concluded concerning amounts claimed from SIMEST for professional fees totalling 147,000 euro. The counterparty did not appeal against the first instance ruling, with which the claim was rejected.

8.4 Corporate governance

Management and coordination activities

On 21 March 2022, in execution of Article 1, paragraph 1, letter a), of the Decree of the Ministry of Economy and Finance, in agreement with the Ministry of Foreign Affairs and International Cooperation – signed respectively on 19 January 2022 and 22 January 2022, and registered by the Court of Auditors – SACE SpA ("SACE") transferred to Cassa Depositi e Prestiti SpA ("CDP") the equity investment held in SIMEST, equal to 76.005% of the share capital of SIMEST. As a result of the endorsement of the related share certificate, with effect from 21 March 2022, SACE ceased to exercise management and coordination activities over SIMEST.
On 27 September 2022, SIMEST's Board of Directors approved the placement of SIMEST under the management and coordination by the Parent Company CDP and subsequently, on 25 October 2022, resolved the acknowledgement of the "General principles on the exercise of management and coordination activities" of the CDP Group, in compliance with the full management autonomy of SIMEST, as well as the regulations applicable to the public funds managed by it, and in particular the role and specific responsibilities of the related inter-ministerial public committees and the prerogatives of the Ministry of Foreign Affairs and International Cooperation, pursuant to Law 100/1990.

Control and Risks Committee

During the course of 2020, SIMEST's Board of Directors resolved to set up the "Control and Risks" Committee internally. At the meeting of 21 December 2020, the Board of Directors established that the Control and Risk Committee would have three members, appointing the Deputy Chairperson Roberto Rio, the Director Claudia D'Eletto and the Director Anna Mareschi Danieli.
At the meeting of 19 February 2021, the Control and Risk Committee appointed Anna Mareschi Danieli as Chairperson and approved its own Regulations.
The Control and Risk Committee performs the functions of assistance and support to the Board in assessments and decisions regarding internal controls and the monitoring and control of corporate risks and with an investigative, advisory function, and is not vested with executive and/or managerial duties.
During the second half of 2022, no meetings of the Control and Risk Committee were held. In fact, following the renewal of the corporate bodies by the Ordinary Shareholders' Meeting of 27 June 2022, the Control and Risk Committee has not been re-established to date.

Organisational model pursuant to Legislative Decree 231/2001 and Supervisory Body

SIMEST adopted the "Organisation, Management and Control Model" pursuant to Legislative Decree 231/2001 (hereinafter, for the sake of brevity, also "231 Model" or "Model"), which identifies the Company areas and operations that are most exposed to the risk of criminal activity as defined in the decree, along with the principles, rules and regulations of the control system adopted to supervise significant operating activities. This document is the result of the assessment of the corporate structure and the operations of SIMEST and has the primary purpose of providing the Company with a Model that constitutes an exemption from administrative liability in the event predicate offences are committed by top management, subordinates or parties acting on behalf of SIMEST and in its name.
SIMEST's 231 Model (last update of 21 January 2022) consists of a:

- General Part in which, after a reference to the principles of Decree 231, the essential components of the Model are illustrated with particular reference to: (i) the governance model and organisational structure of SIMEST; (ii) the Supervisory Body; (iii) measures to be adopted in the event of non-compliance with the provisions of the Model (disciplinary system); (iv) dissemination of the Model and contractual clauses and (v) updating and adaptation of the Model. The General Part is also composed of the Annex "List of offences and administrative offences envisaged by Legislative Decree 231/2001", which provides a brief indication of the fact that where these offences and administrative offences are committed, if the conditions set out in the Decree are met, this determines the administrative liability of the Entity pursuant to and for the purposes of the aforementioned legislation;

- Special Part, which: (i) identifies, with reference to the type of offence, the relevant activities whose performance may theoretically entail a potential risk of offences being committed; (ii) describes, merely for educational purposes and by way of a non-exhaustive example, the methods for committing the offences and (iii) indicates the principles of the Internal Control System aimed at preventing offences from being committed.

During 2023, the updating of 231 Model will be launched to incorporate the new organisational structure of the Company as a result of it being subject to management and coordination activities by Cassa Depositi e Prestiti SpA, as well as the amendments that affected the latter's 231 Model, approved at the meeting of the respective Board of Directors on 14 December 2022.[24]

The Supervisory Body (hereinafter, for the sake of brevity, also "SB") currently in office was appointed by SIMEST's Board of Directors on 25 October 2022, with effect from 1 November 2022. The causes of ineligibility and forfeiture envisaged for statutory auditors by the statutory and regulatory provisions in force from time to time apply to the members of the Supervisory Body.
The Supervisory Body is entrusted with the task of supervising the functioning and observance of the 231 Model, as well as proposing updates to its contents and assisting the competent corporate bodies in its correct and effective implementation. The functioning of the SB is established in the specific Regulation that it has adopted.
The SB relies on the Company's Internal Audit Function for its secretarial and operational activities.
SIMEST's "Organisation, Management and Control Model pursuant to Legislative Decree 231/01" can be consulted on the Company intranet.

Code of Ethics

The Code of Ethics, an integral part of the 231 Model, provides guidelines with regard to those with whom SIMEST has relations and requires that the principles, values and rules contained therein, in addition to applying to persons within SIMEST (corporate officers, senior managers, whether employees or non-employees, and persons reporting to senior managers), also apply to persons outside the Company and all those who, directly or indirectly, have relations of any kind with SIMEST.
SIMEST also promotes awareness of and compliance with the 231 Model and the Code of Ethics by way of specific contractual clauses that include specific measures to be taken in the event of violation of the established shared values. An internal control system has been implemented that detects, measures and monitors risks resulting from failure to follow the Code of Ethics. Both the Code of Ethics and the General Part of SIMEST's Organisation, Management and Control Model pursuant to Legislative Decree 231/01 can be found on the Company's website.
At the meeting of 20 December 2021, SIMEST's Board of Directors approved the implementation of the Code of Ethics of the SACE Group.
Following the placement of SIMEST under the management and coordination of Cassa Depositi e Prestiti SpA, the "Code of Ethics of Cassa Depositi e Prestiti SpA and of the companies subject to management and coordination" will be implemented.

Internal committees

In February 2022, the Company Committees were updated, with particular reference to the composition of the Executive Committee and the Projects Committee following the introduction of the new first-line Marketing & CEO Staff structure.
In March 2022, with the elimination of the Chief Business Officer Department, the Executive Committee, the Risk Committee and the Evaluation Risk Committee were aligned with the new organisational model.
In relation to the latter, as part of the overall review of the investment process, the verification of the requirements for the

24 The updates to the 231 Model of Cassa Depositi e Prestiti SpA concerned (i) the implementation of the recent regulatory changes made to Legislative Decree 231/01 (in particular, of the laws on: 1) receiving stolen goods, money laundering and use of money, assets or benefits of illicit origin, as well as self-laundering, 2) offences relating to payment instruments other than cash, 3) offences against cultural heritage, 4) laundering of cultural assets and devastation and looting of cultural and landscape assets), (ii) the implementation of the organisational and operational changes that have taken place since the last update, (iii) the acknowledgement of the suggestions aimed at improving the Internal Control System that have emerged and (iv) the alignment of the 231 Model with the most recent case law and academic literature.

appointment of representatives to the corporate bodies of the investee companies was transferred to the Monitoring and Restructuring Committee.
Lastly, in November 2022, following the reorganisation of the corporate scope and the introduction of the People, Innovation & Digital Transformation and Internal Audit Departments, the following changes were made to the Company Committees: (i) the elimination of references to SACE; (ii) the introduction of the People Manager to the effective members of the Executive Committee; (iii) the introduction of the Innovation & Digital Transformation Manager to the effective members of the Executive Committee; (iv) the introduction of the Innovation & Digital Transformation Manager to the effective members of the Projects Committee and (v) the introduction of the Internal Audit Manager to the other participants of the Executive Committee, at the invitation of the Chairperson.

Related parties

Since 21 March 2022, the Company is 76% owned by CDP SpA.
With regard to relations with the majority shareholder CDP SpA in accordance with Article 2428 of the Italian Civil Code, we hereby report that there is an agreement between SIMEST, CDP and SACE – known as the "Export Bank Agreement" – which establishes that CDP is to provide financial support and SACE is to provide guarantees in operations to finance the international expansion and exports of Italian businesses.
In relations with the majority shareholder, note should be taken of the use, in 2022, of the credit lines provided by Cassa Depositi e Prestiti (CDP), both individually and in a pool with other lenders.
Also, again with regard to relations with CDP, in 2022 remuneration was paid for the members of SIMEST's Board of Directors appointed from its senior managers and the lease payment was made for the Milan Office.
As at 31 December 2022, eighteen employees were seconded from CDP.
With regard to tax items, the receivable from CDP relates to the Group's Tax Consolidation.
With regard to relations with the companies belonging to the CDP Group, it should be noted that one SIMEST employee is seconded to Fintecna SpA.
As at 31 December 2022, note should be taken of the receivable to SIMEST from Ansaldo Energia SpA in relation to the investment in Ansaldo Energia Switzerland AG and the receivable to Fincantieri SpA in relation to the investment in the company Finsis SpA.
In addition, in relation to SACE SpA, the cost of professional services received was recognised for the adjustment of certifications with regard to the standards of occupational safety and environmental management systems. The activities carried out under an outsourcing arrangement (expiring on 31 December 2022) for the management of services should also be noted: General Services, Human Resources, ICT, Purchasing, Internal Audit, Operational Risks, Privacy and Anti-Money Laundering and Reputational. Also of note is the lease payment made for the use of offices in Mestre, Bologna, Palermo and Naples, and the payment for the lease of IT hardware.
In addition, worth noting are info-provider, personal data and anti-mafia management, customer care and debt collection services vis-à-vis SACE SRV Srl (a subsidiary of SACE SpA).
Lastly, there are financial assets in relation to Webuild SpA relating to participating financial instruments and shares.
These transactions with related parties have all been conducted at arm's length.

9. SUSTAINABILITY

9.1 Corporate Social Responsibility

In 2022, SIMEST continued its commitment to supporting corporate welfare and workplace safety initiatives, in addition to activities aimed at reducing its environmental impact.

Initiatives for employees

Also in 2022, SIMEST continued to meet the needs that the pandemic situation has imposed, remaining close to its workers, offering them the possibility of smart working, alternating with days of attendance in person. During the year, the activity of listening to the needs of people continued, through management interviews carried out by the HR Business Partners. Employees from all departments were contacted, and they had the opportunity to discuss their professional situation with Human Resources. In this context, a psychological support programme was also initiated to promote the well-being of workers and improve the work-life balance.

During 2022, the training offer was guaranteed and, to strengthen specialist technical, business and soft skills and enhance effectiveness, the provision of training courses in both synchronous and asynchronous mode continued.

Two blended training courses were proposed, through a digital Learning Channel, regarding “Mid Year Review” and “Evaluation and Feedback”, to accompany managers during the performance process, with the aim of providing tools to make this moment more “constructive and objective”, identifying the biases that “distort” perceptions in managing gender and generational diversity. In order to acquire and strengthen skills to better evaluate their people, these training courses were focused on the assessment and assignment of objectives, as well as on strengthening the culture of feedback, encouraging open discussion and continuous dialogue with their employees. During 2022, the e-learning portal was updated in terms of technical-business training content.

With a view to increasing transparency and communication, the TRS (Total Reward Statement) was also distributed in 2022. This is a personalized document delivered to each employee with the aim of guaranteeing a clear and comprehensive view of their remuneration package, including all the fixed and variable elements, of the benefits and services that the Company offers to its employees. The TRS was made available through a special portal, accessible confidentially by each employee, with a version further updated and enriched with content.

Also for 2022, for the fourth consecutive year, SIMEST has offered a flexible benefit plan with a view to strengthening Company welfare, ensuring greater purchasing power for beneficiaries. As a source of remuneration, the plan envisages the option of converting production bonuses (VAP) and any incentives accrued deriving from the conversion of at least 50% of the bonus.

Also during 2022, the ECP (Early Career Programme), the programme for young people based on the principles of fairness, competitiveness and performance, saw the development of all its initiatives: soft and hard skills training courses; project work on strategic-corporate issues; assessment of potential; conclusion of the Mentoring programme, launched in 2021 (a project aimed at combining an ECP employee with a high-seniority mentor), with the aim of supporting young people and accelerating their professional development and integration in the Company.

Diversity and inclusion activities continued in 2022. Specifically, awareness-raising and training activities were promoted for all personnel, in particular on the issues of gender equality, inclusive language, sustainability, generational differences, on allyship practices in the workplace for LGBTQI + inclusion, on coming out and on the recognition of discriminatory cases. In order to support the well-being of employees, an anonymous listening and support service was also promoted, provided by a team of professionals, aimed at receiving requests for psychological, social-welfare, legal and/or tax advice, available both on-line and in person.
In addition, thanks to the contribution made by the Company, SIMEST employees were given the opportunity to access the CRAL, participating in the initiatives of the club dedicated to leisure activities and benefiting from discounts and special agreements.
SIMEST supported the Leonardo Committee for the twelfth consecutive year, helping to reward rising talents who, in their studies and in their graduate theses, analysed "Made in Italy" success stories.

Environmental impact management

During 2022, SIMEST continued its paperless campaign in order to further reduce the use of paper. In this sense, the emptying of wardrobes and drawer units in the rooms continued and lockers were installed for employees in the walkways in order to allow the sharing of workstations and the further reduction of paper as part of the application of the Clean Desk Policy.
The replacement of neon lamps with less polluting LED lamps also continued.
In the first few months of 2022, all employees were given a thermos in order to reduce the use of bottles and cans.

10. BALANCE SHEET AND INCOME STATEMENT FIGURES

An analysis of the Financial Statements as at 31 December 2022 is provided below. Both the balance sheet and the income statement have been reclassified based on operational criteria.

10.1 Reclassified balance sheet

The Assets in the reclassified balance sheet as at 31 December 2022 included the following items:

ASSET ITEMS (millions of euro)

	31/12/2022	31/12/2021
Cash and cash equivalents	0.0	0.0
Financial assets measured at fair value through other comprehensive income	5.2	5.2
Receivables for equity investments	508.6	512.7
Other financial receivables	3.6	3.9
Property, plant and equipment	3.1	3.9
of which: Right of use on buildings	*2.4*	*3.3*
Intangible assets	1.9	0.6
Tax assets	1.1	0.9
a) current	*0.0*	*0.0*
b) deferred	*1.1*	*0.9*
Other assets	21.1	19.1
TOTAL ASSETS	**544.7**	**546.3**

As at 31 December 2022, total assets amounted to 544.7 million euro (546.3 million euro as at 31 December 2021), a decrease of 1.6 million euro from the previous year. The changes in assets are mainly due to the decrease in the total value of "Receivables for equity investments", which amounted to 508.6 million euro (512.7 million euro as at 31 December 2021). This is the main asset item, accounting for about 93% of the total. As a result of application of the IAS/IFRS Standards, the allocation of these amounts to "Receivables for equity investments" takes account of the characteristics of SIMEST's operations in assisting Italian partners for a specified period of time where the partners' obligation to repurchase the stake at maturity qualifies the transaction, under those standards, as a receivable from the partners, even though they relate to subscribed equity investments. The decrease of 4.1 million euro in this item was due essentially to the trend in payments of equity investments (67.0 million euro), collections (58.7 million euro), net income from receivables for equity investments measured at fair value, including individual write-downs of critical positions (-8.8 million euro) and credit risk adjustments to equity investments measured at amortised cost (-3.6 million euro).

"Financial assets measured at fair value through other comprehensive income" as at 31 December 2022 amounted to 5.2 million euro, unchanged from 31 December 2021, and represent the equity investment in FINEST (which is not an associate).

"Other financial receivables", amounting to 3.6 million euro (3.9 million euro as at 31 December 2021), refer to mortgage and personal loans granted to employees.

The decrease of 0.8 million euro in "Property, plant and equipment" should be noted, which stood at 3.1 million euro as at

31 December 2022 (3.9 million euro as at 31 December 2021). This item takes into account the adoption, with effect from 1 January 2019, of the accounting standard IFRS 16. In particular, the amount includes approximately 2.4 million euro relating to the right of use of the leased building housing the Company headquarters in Rome.
"Tax assets" totalled 1.1 million euro (0.9 million euro as at 31 December 2021), mainly referring to deferred tax assets recognised on income components that will become taxable in future tax periods.
Lastly, "Other assets", totalling 21.1 million euro (19.1 million euro as at 31 December 2021), mainly include trade receivables accrued in respect of the agreement to manage public funds in the amount of 20.0 million euro (18.2 million euro as at 31 December 2021) and advances to suppliers and other assets in the amount of 1.1 million euro.

LIABILITIES AND EQUITY ITEMS (millions of euro)

	31/12/2022	31/12/2021
Loans payable measured at amortised cost	215.0	221.2
Other liabilities and tax liabilities	16.7	13.0
Employee severance indemnity	1.7	1.8
Provisions for risks and charges	1.7	1.3
Equity	309.6	309.0
TOTAL LIABILITIES AND EQUITY	**544.7**	**546.3**

As at 31 December 2022, "Loans payable measured at amortised cost" amounted to 215.0 million euro (221.2 million euro as at 31 December 2021) and refer to the use of loans and credit lines granted by CDP and other banks, aimed at supporting net flows of funding.
As at 31 December 2022, this item also includes payables (2.6 million euro) arising from rights of use acquired under leases, based on the IFRS 16.
"Other liabilities and tax liabilities", totalling 16.7 million euro (13.0 million euro as at 31 December 2021), mainly include trade payables and other items in the amount of 12.0 million euro (9.7 million euro as at 31 December 2021), amounts due to employees, the related social security contributions and other liabilities in the amount of 4.7 million euro (3.3 million euro as at 31 December 2021).
"Employee severance indemnity", amounting to 1.7 million euro (1.8 million euro as at 31 December 2021), reflects the amounts due to employees under the specific legal and contractual provisions in force as at 31 December 2022. These amounts are recognised in the Financial Statements in accordance with IAS 19.
"Provisions for risks and charges", amounting to 1.7 million euro (1.3 million euro as at 31 December 2021), represent provisions for likely liabilities relating to personnel charges.
As at 31 December 2022, "Equity" amounted to 309.6 million euro (309.0 million euro as at 31 December 2021) and represented approximately 57% of total liabilities.

10.2 Reclassified income statement

The economic performance of SIMEST was analysed using the income statement layout reclassified on the basis of management criteria.

INCOME STATEMENT (millions of euro)

	31/12/2022	31/12/2021
Income from equity investments	26.0	27.2
Interest expense and similar expense	(2.1)	(2.1)
Commission income	35.3	28.5
Net profit (loss) on assets mandatorily measured at fair value through profit or loss	(8.1)	(10.2)
Gross income	**51.1**	**43.4**
Net adjustments/recoveries for credit risk on assets measured at amortised cost	(3.4)	(0.2)
Administrative expenses and other expense and income	(40.5)	(33.0)
Other operating income (costs)	0.0	0.0
Operating result	**7.3**	**10.2**
Net provisions for risks and charges	0.0	0.0
Net adjustments/recoveries on property, plant and equipment and intangible assets	(2.8)	(2.1)
Income (Loss) before tax	**4.5**	**8.1**
Income tax for the year	(4.0)	(4.2)
NET INCOME (LOSS) FOR THE YEAR	**0.5**	**3.9**

The income statement shows that in 2022 SIMEST posted a net income of 0.5 million euro (3.9 million euro in 2021) after provisions for taxes (current and deferred) of 4.0 million euro.
On the revenue side, "Income from equity investments" totalled 26.0 million euro (27.2 million euro in 2021) and includes fees, interest on deferred payments and default interest on equity investments as well as interest on shareholders' loans. The average annual return on the equity investment portfolio was about 4.6% (4.8 % in 2021). "Interest expense and similar expense" amounted to 2.1 million euro (2.1 million euro in 2021) and refers to interest expense on financial payables. In addition, as at 31 December 2021, this item also included the interest expense on lease payments recognised on the basis of the IFRS 16 (0.1 million euro). The average annual cost of debt for 2022 was approximately 1.0%, up compared to 2021 (0.9%).
"Commission income" totalled 35.3 million euro (28.5 million euro in 2021) and essentially concerns fees received for management of the Venture Capital Fund, the Law 394/81 Fund and NRRP Fund, the Sustainable Growth Fund, and the Law 295/73 Fund.

"Net profit (loss) on financial assets and liabilities measured at fair value through profit or loss" refers to the fair value measurement of some of the receivables for equity investments that did not pass the SPPI Test (under IFRS 9) and amounts to a negative 8.1 million euro, which takes into account individual write-downs (in terms of principal, fees and default interest net of value reversals) applied to critical positions of approximately 11.3 million euro, offset by value reversals and capital gains of approximately 3.2 million euro. It should be noted that, as part of the fair value and impairment valuation model (pursuant to IFRS 9), in line with the Parent Company CDP, the set of values for the 2021 Probabilities of Default Point in Time (PD) were maintained, incorporating conservative factors in the quantification of Expected Credit Losses, taking into account the particular historical moment characterised by a combination of factors linked to the residual effects of the Covid-19 pandemic, the impacts of the Russian-Ukrainian conflict, the increase in inflation and interest rates, the general deterioration of the economic climate, geopolitical risks and uncertainties about future developments.
"Gross income" for 2022 amounted to 51.1 million euro.

“Net adjustments/recoveries for credit risk on assets measured at amortised cost” amounted to 3.4 million euro and refer to adjustments made to the portion of receivables for equity investments.

“Administrative expenses” amounted to 40.5 million euro (33.0 million euro in 2021), an increase of 7.5 million euro. The increase is mainly attributable to the increase in the operations of the public subsidy funds managed by SIMEST which saw, also for the year 2022, an increase in advisory costs to support the peaks of operations in relation to the 394 Fund and the NRRP sub-measure. Added to this are the higher expenses incurred for the SIMEST Communication Plan aimed at promoting new commercial initiatives linked to the funds managed with particular reference to the NRRP. The increase in staff costs is essentially due to the increase in the number of employees compared to the previous year, due to increased operations in the management of public funds.

The operating result for 2022 was a positive 7.3 million euro.

As a result of the above trends, “Income before tax” of 4.5 million euro was recorded (profit of 8.1 million euro in 2021).

11. DISCLOSURE ON THE MACROECONOMIC SCENARIO

After 2021, characterised by growth at higher than expected levels, 2022 suffered a significant slowdown in GDP growth linked to the energy crisis, inflationary dynamics and geopolitical tensions attributable to the Russia-Ukraine conflict.
Italy's GDP growth for 2022 is estimated at 3.9%, returning to pre-pandemic levels but below 2021, with lower 2023 growth forecasts (around 0.6%), in line with those of the Eurozone. This trend will record a greater increase from 2024 (1.2%), in conjunction with the easing of inflationary pressures, gradually driven by the development initiatives set out in the National Recovery and Resilience Plan.
In particular, inflation generally driven by commodity prices significantly influenced the slowdown in global economies. With a view to anti-inflation, after years of expansionary monetary policy, in 2022 the central banks opted for more restrictive policies with significant hikes in interest rates, also confirmed for the first few months of 2023.

The effects of the new situation (energy shocks, inflation, high cost of debt, destabilisation of the international geopolitical framework) and the phasing out of liquidity support measures are exposing Italian companies to objective operational criticalities differentiated by sector and size, with impacts on business continuity.
With reference to the country's commitment in the NRRP, in 2022 all the objectives envisaged on the technological, social and economic advancement of the Italian production fabric were finalised. SIMEST further consolidated its commitment to support the restart and/or relaunch of the country's production sector through the granting of equity loans and the management of public funds (i.e., Law 394/81 Fund), to support small and medium enterprises involved in exports and international expansion.
The reference context also confirms some potential impacts for SIMEST in terms of (i) credit risk due to the possible deterioration of creditworthiness (worsening of the expected default rating/growth) and higher provision; (ii) economic-financial risks related to budget reviews, forecasts, mobilised resources, risk provisions, impairment, and (iii) fraud, anti-money laundering and reputational risks also linked to operations of public resources managed.
In order to better monitor the risks associated with the historical reference context, SIMEST's control functions continued to consolidate the framework for the monitoring and control of risks, in order to understand, in an even more prompt manner, any changes in the scenario in terms of credit, liquidity and other risks and ensuring reactivity and an ability to adapt.

Credit risk

In the current context of uncertainty and forecasts of a slowdown in economic growth, with reference to credit risk, SIMEST continued with the consolidation of measurement and monitoring models and tools by applying conservative provisioning policies at both portfolio (collective) and individual counterparty (analytical) level.
For the portfolio component classified at amortised cost (equal to approximately 80% on December 2022), the model in terms of Expected Credit Loss (ECL) takes into account (i) the updating of the Point-in-Time PD matrices provided by the Parent Company prior to analysis by SIMEST of the appropriateness of the parameters, (ii) the updating of the risk parameters including the ratings on the "single names" subject to specific review and performance monitoring, and (iii) the application of prudential approaches involving Stage 2 classification for the portion of the portfolio most exposed to the macroeconomic situation. In particular, for the valuation of Expected Credit Losses, SIMEST uses the methodology developed internally by the Parent Company, which makes provision for:

- a robust estimate of the probability of default Through-the-Cycle, which incorporates not only historical information, but forward-looking elements aimed at ensuring the adequacy of the estimates even in periods of serious crisis, over the entire life of the financial instruments;

- an internal model for estimating the cyclical component of probabilities of default, aimed at producing forward-looking estimates of Point-in-Time parameters.

The model for estimating the cyclical component incorporates the main macroeconomic drivers including the trend in GDP and the employment rate, with reference to the Eurozone and the USA. The quantitative model implemented internally has not undergone any changes, in particular without applying corrective measures on a sector basis, since it was considered that any alternative methodologies do not offer a greater degree of reliability in the current phase, instead introducing, at least potentially, greater risks of arbitrariness. Although the effects of the changing economic context, hardly visible up until now on the counterparties in the portfolio, the Parent Company saw fit to maintain a management overlay in quantifying the ECL, aimed at offsetting the effect of decreasing the Point-in-Time default probabilities that otherwise would be the result of the trend recorded by the macroeconomic and credit indicators observed in the model. The application of this overlay, consistent with the recommendations of the Supervisory Authority in the banking sector aimed at limiting excessive volatility in the quantification of reserves, is understood as referring to the contingent situation: the Parent Company will assess the evolution of the economic framework in order to remove it in the event of a return to a situation characterised by minor anomalies.

For the portion of the portfolio measured at fair value, the impairment values, calculated using updated market parameters, are growing exponentially mainly due to (i) the upward trend in interest rates observed starting from January 2022 (e.g., IRS 2Y rates +400 bps approx. vs 2021) and (ii) the updating of risk parameters (downgrading carried out on some counterparties/rescheduling of repayment plans). The overall effect, however, was mitigated by the progressive reduction of exposures in the portfolio at fair value, which to date represent approximately 18% of the total.

The coverage ratio of the performing portfolio at December 2022 was 2.6%, up +50 basis points over December 2021, with an impact on the income statement quantified at approximately 3 million euro YoY.

With reference to the analytical impairment, the valuations are carried out at the level of the individual counterparty/transaction according to the expected cash flows, the presence of guarantees, the timing and the recovery percentages, also according to the reference economic context. These variables, together with the general considerations relating to the evolution of the economic context, led to a revision of the valuations with an increase in analytical write-downs mainly attributable to the counterparties already in the NPL portfolio (total impact of 10.6 million euro).

In 2022, SIMEST further strengthened the risk measurement and monitoring controls associated with the equity investment portfolio, whose evidence is periodically represented in the risk reporting produced by risk management to support the corporate bodies.

In parallel, the reference regulatory framework was consolidated, in line with the Group governance framework, through the publication, in the last quarter of 2022, of the Credit Risk Policy, which defines the policies, guidelines and applicable credit risk limits during both the origination and monitoring phases, with a view to a gradual improvement of the asset quality and derisking of the SIMEST equity portfolio. The new transactions must focus on counterparties with adequate creditworthiness with differentiated characteristics in terms of duration, repayment plan, guarantee framework according to the rating. The policy made provision for (i) the fine-tuning of the operating limits by counterparty/group, broken down on the shareholders' equity of SIMEST, differentiating them by rating and (ii) the strengthening of the guidelines on sector concentrations. With reference to the latter, the Risk Management structure (i) carries out periodic monitoring of the portfolio and related reporting subject to disclosure to the corporate bodies and (ii) provides, for individual transactions, warnings on possible significant concentrations, as part of the credit process.

In the context of public funds, in 2022, methodological guidelines on credit risk were defined for the benefit of the operations of the Law 394/81 Fund with the aim of further strengthening the framework of control measures.

Liquidity and interest rate risk

With regard to liquidity risk, activities continued to monitor the risk indicators formulated in line with prudential regulations and adequately adapted to SIMEST's business model, i.e., short-term liquidity indicator and structural liquidity indicator. The activities carried out during 2022 confirmed the effectiveness of these indicators.
With reference to interest rate risk, in 2022, also in light of rising interest rates, in-depth analyses were launched geared towards possible methodological developments with a view to strengthening and consolidating the framework for measuring and controlling interest rate risk by converging on the market best practices calibrated on the specific business model of the Company.
In the area of public funds, SIMEST implemented a project aimed at the operational management of the LIBOR Transition and initiated methodological investigations on the methods for measuring the interest rate risk associated with the operations of the Law 295/73 Fund.

Reputational, fraud and money laundering risk

The risk control framework also includes monitoring for reputational, fraud and money laundering risks both in the *ex ante* and *ex post* phases of the concession and management process for own funds and managed resources.
In this context, the monitoring of the follow-up actions of the Action and Remediation Plans adopted at the end of the 2021 Risk Assessment on the ordinary Law 394/81 Fund continued, and it was also extended to the Fund's NRRP operations in order to increasingly strengthen and consolidate the integrated framework of controls for risk monitoring.

12. DISCLOSURE ON THE RUSSIA-UKRAINE CONFLICT

Starting from the month of February 2022, the international geopolitical framework changed suddenly following the invasion of Ukraine by Russia. The situation, which is progressively evolving, is characterised by significant uncertainty. The effects of the conflict on global financial markets were significant, also in consideration of the sanctions imposed on Russia and Belarus. Inflation has increased, fuelled by rising energy prices and bottlenecks in global supply chains.

Impacts on activities and business

Taking into account the specific operational characteristics of SIMEST, the conflict should not have a direct impact on the activities and business of the investees. To support Italian companies exporting to Ukraine, Russia and Belarus, two new products managed by SIMEST were introduced using the resources of the Law 394/81 Fund, operational respectively from 12 July 2022 and 20 September 2022. The initiatives, which also provide for a non-repayable share of up to 40% under the Temporary Crisis Framework, are intended for companies exporting to Ukraine, Russia and Belarus that have suffered losses in turnover and for exporting companies that procure from said countries in terms of raw materials, semi-finished products and finished products instrumental to the production cycle, in order to help them to deal with the negative impacts stemming from the conflict.

Impact on risk assessment

The conflict between Russia and Ukraine, starting from February 2022, triggered a humanitarian and economic crisis with significant uncertainty and repercussions on the performance of the main market variables. In general, the conflict contributed to (i) the slowdown in Italian and European GDP growth compared to forecasts, (ii) the decline in trade between Russia/Ukraine and Italy, and (iii) the increase in commodity prices (in particular due to the increase in energy costs). The continuation of the conflict has also had effects on the geopolitical balance at global level, such as the intensification of tensions between the US and China.
In December 2022, in order to reduce energy dependence on Russia, the European Union reached a political agreement on the financing of the RE Power EU programme, providing for the adoption of a package of short and long-term measures aimed at making the Europe independent from fossil fuel imports, by diversifying energy sources and supplier countries. These initiatives at European level aim to contain further unfavourable shocks with impacts on national economies and financial markets.
In this context, SIMEST also carried out a series of analysis and monitoring activities during the year to assess the potential impacts of the conflict on the counterparties in the portfolio and to manage and mitigate risks. In particular, (i) analysis and quantification of existing exposures, (ii) verification of sanction measures and possible effects on the portfolio, and (iii), from a prudential perspective, modulations of the underwriting policies in the origination phase and monitoring/management of these areas were carried out.
The exposure of SIMEST's equity investment portfolio to risk areas is negligible (approximately 1% of the total) and the potential impact is mitigated by the Italian partner's obligation to repurchase the equity investment at maturity. These are 6 direct exposures for 6.6 million euro (net of provisions) of which one already classified as default and the other 5 performing (guaranteed by a bank guarantee in part for 1.5 million euro), with a average residual duration of about two years, which makes it possible to monitor the evolution of the conflict.
In terms of credit risk, despite having estimated limited impacts, a more conservative provisioning policy was applied to mitigate the risk.

In parallel, to assess any indirect risks on SIMEST's portfolio, an activity was launched to collect information (i.e., questionnaires, analysis on energy-intensive sectors) on the counterparties in the portfolio, whose results have shown limited impacts (4% of the portfolio has a turnover of more than 10% attributable to the conflict areas).
With reference to energy-intensive companies, the performing equity portfolio has the following concentrations: steel sector (16%), chemical/petrochemical sector (13%), followed by the metallurgical sector (5%) and finally by that of glass and paper for a total 5%.
With reference to the sanction profiles, in order to further strengthen the controls on sanctions and embargoes according to a risk-based approach, in addition to carrying out *ad hoc* analyses on the equity investments in the countries at risk, the Compliance and Anti-Money Laundering Function has drawn up a specific questionnaire relating to the most sanctioned countries. The business structures were asked to send the questionnaire to all counterparties in the portfolio, in order to identify potential areas of attention. In light of the findings received, 22 counterparties were reported and further investigations are currently in progress on 6 of these. This activity was supplemented with *ad hoc* advisory support and training.
With regard to the management of other risks related to the conflict, including fraud and cyber risk, SIMEST confirms an adequate monitoring and control framework consistent with the Group's guidelines and policies and subject to progressive adjustment based on the evolution of the reference context.
For the managed portfolio, the Company, as manager of public funds, in agreement with the MAECI and the MEF, collaborated in the introduction to the 394 Fund of support measures for Italian companies exporting to Ukraine, Russia and Belarus and with procurement in countries at risk.

13. CLIMATE-RELATED MATTER DISCLOSURE

In 2022, SIMEST launched some cross-company round-table working groups with the aim of gradually integrating sustainability and ESG risks into Company operations, with reference to both the business and the corporate ecosystem, in line with the Group's approach and with the provisions as part of the 2023-2025 Strategic Plan approved by the Board of Directors in December 2022.

During the year, the Risk Department simultaneously carried out an initial benchmarking analysis on best practices in the field of identification, measurement and monitoring of climate and ESG risks, with a view to strengthening the resilience of the equity loan portfolio and the efficient allocation of public resources and the mitigation of reputational risks.

In the process of integrating sustainability into the assessment processes, in line with the Group, SIMEST will have to combine traditional credit analyses with those on ESG risk, in particular on climate risk. These drivers (creditworthiness and ESG aspects) may contribute to the assessment of the economic-financial sustainability (RAROC, pricing, bonuses, etc.) of the operations/projects that can be financed, estimating their impact in terms of sustainability both *ex ante* and *ex post*.

To this end, analyses have been launched on possible ESG risk assessment models, whose metrics will follow a progressive and evolutionary path in line with the reference regulatory framework and the Company's business model. This process may make provision for a first transitional phase in which to follow a simplified approach for the application of valuation tools/models, and then move towards a more structured model in line with the Group in the medium/long term. This is an evolutionary and progressive process that requires cross-company initiatives from an organisational, governance, regulatory and process perspective (roles and responsibilities, assessment tools and methods, reporting, etc.).

With reference to the regulatory framework, SIMEST has envisaged a plan for the progressive implementation of the Group policies on sustainability and ESG risks. In particular, in the fourth quarter of 2022, the Board of Directors approved the Responsible Financing Principles, which implement the Group guidelines, directing investment activities to priority areas appropriately adapted to the specific characteristics of the Company's business model. In detail, the policy describes:

- the scope of applicability that for SIMEST mainly includes private counterparties with transactions in the form of equity loans and/or shareholder loans aimed at supporting international expansion;
- the objectives and priority areas towards which the Group directs its strategic and operational approach, identifiable in: a) climate change and protection of the ecosystem; b) inclusive and sustainable growth; c) digitalisation and innovation; d) rethinking of value chains;
- systematic exclusions referring to areas of operation not consistent with the reference standards and/or detrimental to the dignity of the person (i.e., child labour, gender discrimination, human trafficking). Furthermore, the Group does not intend to support (i) projects with negative impacts on the environment (if not appropriately mitigated) and (ii) some initiatives in specific sectors such as the production of electricity fuelled by coal, weapons materials, tobacco, gambling, etc.;
- the methodological approach, roles and responsibilities for the assessment of potential environmental, social and governance impacts. These assessments as part of the internal decision-making process support the traditional assessments of risk profiles, compliance and anti-money laundering, financial conditions and legal aspects;
- structured and transparent reporting aimed at ensuring adequate disclosure within and outside the Group.

14. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after 31 December 2022.

15. BUSINESS OUTLOOK

Economic activity, supported for most of 2022 by the positive dynamics of consumption and investments, weakened in the last few months of the year and the forecasts for 2023 reflect a macroeconomic scenario conditioned by the evolution of the conflict in Ukraine. After growth of 3.9% in 2022, Italian GDP is expected to slow to +0.6% in the current year.
This context, characterised by uncertainties and significant downside risks, continues to influence the foreign investment programmes of Italian companies. Despite the signs of recovery in SIMEST investment activities recorded in 2022, the acquisition volumes could increase compared to 2022, although remaining at lower levels than the historical trend.
With regard to the public funds managed by SIMEST, note should be taken of the continued management of the instruments under the Law 394/81 Fund and the Integrated Promotion Fund, as well as the resources of the European Union – Next Generation EU under the National Recovery and Resilience Plan (NRRP), intended to support companies in the processes of international expansion, digital and ecological transition.
In addition, the new operations of the Venture Capital Fund will be launched during the year, in collaboration with CDP Venture Capital Sgr, which aims to encourage the development of innovative start-ups and SMEs on foreign markets.
In relation to export support instruments (Law 295/73 Fund), there are signs of optimism for buyer credit for the current year on the part of exporting companies, as important orders are being negotiated, which are expected to be finalised in 2023. For supplier credit, SIMEST's operations confirm the positive trend in volumes already recorded in 2021 and 2022.

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

With reference to the further information required by Article 2428 of the Italian Civil Code, please note that the Company: (i) did not engage in research and development activities; (ii) does not hold, and did not acquire and/or dispose of during the financial year, treasury shares and/or the shares/quotas of parent companies, either directly or through trust companies or other intermediaries. The Company does not hold any derivative or structured financial instruments for managing financial risk.

for the Board of Directors
the Chairperson
Pasquale Salzano

DECEM

WITH US IN 2022...

THE INSULATING PANELS OF DECEM IN THE WEST BALKANS

We acquired 44% of the capital of the Croatian subsidiary of the Decem Group to support the Abruzzo-based company – leader in the sector of insulating panels – in the expansion strategy in the Western Balkans area, in particular in Croatia, Serbia and Slovenia

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

FORM AND CONTENT OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

The Financial Statements as at 31 December 2022 have been prepared in accordance with applicable regulations and consist of:

- Balance sheet
- Income statement
- Statement of changes in equity
- Statement of comprehensive income
- Statement of cash flows
- Notes to the financial statements

Contents of the Notes to the Financial Statements:

Introduction

- Information about the Company
- General preparation principles
    I. Declaration of compliance with the International Financial Reporting Standards
    II. Basis of preparation
    III. Other issues
    IV. Use of estimates and assumptions

Main accounting policies

- Cash and cash equivalents
- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at amortised cost
- Property, plant and equipment
- Intangible assets
- Current and deferred taxes
- Employee severance indemnity
- Provisions for risks and charges
- Income from equity investments and interest expense
- Commission income (expense)
- Costs

Information on the Balance Sheet
Information on the Income Statement
Information on risks and hedging policies
Transactions with related parties
Significant events after the reporting date
Proposal for allocation of the net result for the year
Financial highlights of the company performing management and coordination

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Balance sheet

Asset items (euro)	**Note**	**31/12/2022**	**31/12/2021**
Cash and cash equivalents	A.1	19,489	19,871
Financial assets measured at fair value through other comprehensive income	A.2	5,164,569	5,164,569
Financial assets mandatorily measured at fair value through profit or loss:	A.3	106,470,724	156,847,946
of which: Receivables for equity investments		*106,447,857*	*156,847,946*
Financial assets measured at amortised cost:	A.4	405,753,021	359,697,506
of which: Receivables for equity investments		*402,094,071*	*355,802,154*
of which: Other financial receivables		*3,658,950*	*3,895,352*
Property, plant and equipment	A.5	3,059,240	3,892,293
of which: Right of use on buildings		*2,389,176*	*3,311,013*
Intangible assets	A.6	1,916,094	605,558
Tax assets	A.7	1,136,947	934,092
a) current		*37,583*	*6,205*
b) deferred		*1,099,365*	*927,887*
Other assets	A.8	21,140,690	19,149,331
Total Assets		**544,660,774**	**546,311,166**

Liabilities and equity items (euro)	**Note**	**31/12/2022**	**31/12/2021**
Loans payable measured at amortised cost	P.1	214,986,275	221,162,073
of which: Payables relating to rights of use on buildings		*2,463,473*	*3,407,583*
Other liabilities	P.2	16,576,921	13,009,115
Employee severance indemnity	P.3	1,677,095	1,844,139
Tax liabilities	P.4	101,670	17,294
a) current		*101,670*	*17,294*
b) deferred		-	-
Provisions for risks and charges	P.5	1,714,500	1,256,500
c) other provisions		*1,714,500*	*1,256,500*
Share capital	P.6	164,646,232	164,646,232
Share premium reserve	P.7	1,735,551	1,735,551
Reserves	P.8	142,717,156	138,743,575
- of which: FTA Reserve		*63,526,684*	*63,526,684*
- of which: IFRS 9 FTA Reserve		*9,454,490*	*9,454,490*
- of which: Retained earnings/(losses carried forward)		*(19,041,989)*	*(22,743,842)*
Net profit (loss) for the year (+/-)	P.9	505,374	3,896,687
Total Liabilities and Equity		**544,660,774**	**546,311,166**

Income statement

Items (euro)	**Note**	**31/12/2022**	**31/12/2021**
Income from equity investments	C.1	25,992,512	27,114,881
Interest expense and similar expense	C.2	(2,066,068)	(2,089,160)
Commission income	C.3	35,266,433	28,532,980
Net profit (loss) on assets mandatorily measured at fair value through profit or loss	C.4	(8,110,574)	(10,221,440)
Other financial income	C.5	46,929	51,011
Gross income		**51,129,233**	**43,388,272**
Net adjustments/recoveries for credit risk on assets measured at amortised cost	C.6	(3,367,289)	(191,418)
Administrative expenses:	C.7	(38,848,976)	(31,767,229)
a) staff costs		*(19,878,212)*	*(18,110,791)*
b) other administrative expenses		*(18,970,764)*	*(13,656,438)*
Other operating income (costs)	C.8	-	-
Operating result		**8,912,968**	**11,429,625**
Net provisions for risks and charges	C.9	(1,664,500)	(1,206,500)
Net adjustments/recoveries on property, plant and equipment	C.10	(1,565,579)	(1,477,789)
Net adjustments/recoveries on intangible assets	C.11	(1,217,364)	(602,836)
Income (Loss) before tax		**4,465,525**	**8,142,500**
Income tax for the year	C.12	(3,960,151)	(4,245,813)
Net income (loss) for the year		**505,374**	**3,896,687**

Statement of changes in equity: current financial year

		Allocation of net income (loss) for previous year		Changes for the year							
(euro)	Equity as at 31/12/2021	Reserves	Dividends and other allocations	Variations of reserves	Issue of new shares	Purchase of treasury shares	Special dividend distribution	Change in equity instruments	Derivatives on own shares	Stock options	Comprehensive income financial year 2022	Equity as at 31/12/2022
Share capital:												
a) ordinary shares	**164,646,232**											**164,646,232**
b) preference shares												
Share premium reserve	**1,735,551**											**1,735,551**
Reserves:												
a) income	**156,600,630**	194,834										**156,795,464**
b) other	**5,164,569**											**5,164,569**
c) retained earnings (losses carried forward)	**(22,743,842)**	3,701,853										**(19,041,989)**
Revaluation reserves:												
a) available for sale												
b) cash flow hedges												
c) other reserves	**(277,784)**										76,894	**(200,890)**
Equity instruments												
Treasury shares												
Income (loss) for the year	**3,896,687**	(3,896,687)									505,374	**505,374**
Total equity	**309,022,045**										**582,268**	**309,604,313**

Statement of changes in equity: previous financial year

(euro)	Equity as at 31/12/2020	Allocation of net income (loss) for previous year: Reserves	Allocation of net income (loss) for previous year: Dividends and other allocations	Changes for the year: Variations of reserves	Changes for the year – Equity transactions: Issue of new shares	Purchase of treasury shares	Special dividend distribution	Change in equity instruments	Derivatives on own shares	Stock options	Comprehensive income financial year 2021	Equity as at 31/12/2021
Share capital:												
a) ordinary shares	**164,646,232**											**164,646,232**
b) preference shares												
Share premium reserve	**1,735,551**											**1,735,551**
Reserves:												
a) income	**156,370,028**	230,602										**156,600,630**
b) other	**5,164,569**											**5,164,569**
c) retained earnings (losses carried forward)	**(27,125,287)**	4,381,445										**(22,743,842)**
Revaluation reserves:												
a) available for sale												
b) cash flow hedges												
c) other reserves	**(270,083)**										(7,701)	**(277,784)**
Equity instruments												
Treasury shares												
Income (loss) for the year	**4,612,047**	(4,612,047)									3,896,687	**3,896,687**
Total equity	**305,133,059**										**3,888,986**	**309,022,045**

Statement of comprehensive income

Items (euro)	**31/12/2022**	**31/12/2021**
Net income (loss) for the year	**505,374**	**3,896,687**
Other comprehensive income net of taxes without transfer to the income statement		
Cash flow hedges		
Non-current assets held for sale		
Defined benefit plans	76,894	(7,701)
Total other comprehensive income net of taxes	**76,894**	**(7,701)**
Comprehensive income	**582,268**	**3,888,986**

Statement of cash flows (indirect method)

(euro)	31/12/2022	31/12/2021
A. OPERATING ACTIVITIES		
1. Operations	**14,112,257**	**11,744,246**
- Net income for the year (+/-)	505,374	3,896,687
- Net profit (loss) on financial assets mandatorily measured at fair value through profit or loss (Revenues)/Costs	8,110,575	10,221,440
- Income and commissions not yet collected (-)	(1,021,774)	(4,676,938)
- Net adjustments/recoveries for credit risk on assets measured at amortised cost (+/-)	3,367,288	191,767
- Net adjustments/recoveries on property, plant and equipment and intangible assets (+/-)	2,782,944	2,080,624
- Net provisions for risks and charges and other costs/revenues (+/-)	367,850	30,666
2. Cash generated by/used in financial assets	**(4,676,414)**	**(1,471,784)**
- Financial assets measured at fair value and at amortised cost	(6,352,084)	(2,018,950)
of which: Receivables for equity investments	*(6,352,084)*	*(2,018,950)*
- Other current assets	1,675,670	547,166
3. Cash generated by/used in financial liabilities		**2,591,043**
- Other current liabilities		2,591,043
Cash generated by/used in operating activities	**9,435,843**	**12,863,506**
B. INVESTING ACTIVITIES		
1. Cash generated by	**105,978**	
- Sales of property, plant and equipment	105,978	
- Sale of intangible assets		
2. Cash used in	**(3,366,404)**	**(781,223)**
- Purchase of property, plant and equipment	(838,505)	(217,783)
- Purchase of intangible assets	(2,527,899)	(563,440)
Cash generated by/used in investing activities	**(3,260,426)**	**(781,223)**
C. FINANCING ACTIVITIES		
- Issue/Purchase of equity instruments (payment/repayment of share capital and reserves)		
- Dividend distribution and other allocations		
Cash generated by/used in financing activities		
Cash generated/used during the year	**6,175,417**	**12,082,283**
RECONCILIATION		
Opening cash and cash equivalents/(financial payables)	(221,142,202)	(233,224,485)
Total cash generated/used during the year	6,175,417	12,082,283
Closing cash and cash equivalents (financial payables)	**(214,966,786)**	**(221,142,202)**

for the Board of Directors
the Chairperson
Pasquale Salzano

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

Information about the Company

For information about the Company please refer to the "Report on operations" section.

General preparation principles

I. Declaration of compliance with the International Financial Reporting Standards

The Financial Statements of SIMEST have been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) endorsed by the European Commission as established by Regulation (EC) 1606/2002.
Starting from 2015, SIMEST has exercised the option provided for by Legislative Decree no. 38 of 28 January 2005 (IAS Decree), as amended by Decree Law 91/2014 (Competitiveness Decree), which extended the option to prepare Financial Statements in accordance with the international accounting standards (IAS/IFRS) to all companies, other than those that must prepare their Financial Statements in accordance with the IAS/IFRS or are permitted to prepare condensed financial statements pursuant to Article 2435-*bis* of the Italian Civil Code (Article 4, paragraph 6 of Legislative Decree 38/2005).

II. Basis of preparation

SIMEST's Financial Statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and these Notes to the Financial Statements. They are accompanied by the Board of Directors' report on operations.
The Notes to the Financial Statements provide all the information required by the regulations as well as the additional information deemed necessary to give a true and fair view of the Company's situation. With regard to disclosures on the going concern basis and in compliance with the requirements on the same issue contained in the revised IAS 1, the Company has conducted an assessment of its ability to continue to operate as a going concern, considering all available information over a medium-term time horizon. Based on an analysis of the information and the results achieved in previous financial years, the Company believes that it is appropriate to prepare its Financial Statements on a going concern basis.
The Financial Statements and accompanying Notes show the figures for the reporting period, as well as the comparative figures as at 31 December 2021.
The Financial Statements use the euro as the reporting currency. The Financial Statements are expressed in euro, whereas the amounts shown in these Notes to the Financial Statements are expressed in thousands of euro, unless otherwise stated.

III. Other issues

Standards in force from 2022 and new standards not yet in force

NEW INTERNATIONAL ACCOUNTING STANDARDS APPROVED AND IN FORCE FROM 2022

The Regulations of the European Commission that have endorsed new international accounting standards, or amendments to already applicable accounting standards, whose application has become mandatory starting from 1 January 2022, are reported below:

- Commission Regulation (EU) 2021/1080 of 28 June 2021, published in the Official Gazette issue 234/90 of 2 July 2021, which amends Regulation (EC) 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council as regards international accounting standards (IAS) 16, 37 and 41 and International Financial Reporting Standards (IFRS) 1, 3 and 9.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AT THE REFERENCE DATE OF 31 DECEMBER 2022

Certain accounting standards, interpretations and amendments had been issued by the IASB but not yet endorsed by the European Union at the date of preparation of this annex:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) and Non-current Liabilities with Covenants (issued on 31 October 2022);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

The complete list of international accounting standards and amendments published by the IASB, with indication of whether or not they are adopted by the European Union, is available on the EFRAG website at the following address: www.efrag.org/endorsement.

IV. Use of estimates and assumptions

Accounting estimates

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

The estimates made at the reporting date relate mainly to financial assets connected with receivables for equity investments, in order to verify whether there is evidence indicating that the value of such assets may be impaired, in addition to estimates related to current and deferred taxes.

Fair value measurement

The fair value is the amount for which an asset (or liability) could be exchanged in a hypothetical transaction between independent counterparties that have a reasonable degree of knowledge of market conditions and the relevant facts related to the item being traded.

In the definition of fair value, a key assumption is that an entity is fully operational and does not have the urgent need to liquidate or significantly reduce a position. Among other factors, the fair value of an instrument reflects its credit quality as it incorporates the default risk associated with the counterparty or the issuer.

There are three possible ways of determining the fair value of financial instruments:

- in the case of instruments quoted on active markets, prices on financial markets are used (Level 1);
- in the case of instruments not quoted on active markets, recourse is made, where possible, to valuation techniques that use observable market inputs other than quoted prices for the financial instrument but connected with its fair value by non-arbitrage relationships (Level 2);
- in other cases, recourse is made to internal valuation techniques that also use unobservable market inputs that are therefore inevitably subjective to some degree (Level 3).

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

In the case of financial instruments not listed on active markets, the Level 2 valuation requires the use of valuation models that process market parameters at different levels of complexity. For example, valuation techniques may involve, in addition to interpolations and extrapolations, the specification of stochastic processes that represent market dynamics and the use of simulations or other numerical techniques to determine the fair value of the instruments being measured. In choosing the models to be applied for Level 2 assessments, the Company takes into account the following considerations:

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

The market parameters used as inputs for Level 2 valuations are selected on the basis of non-arbitrage relationships or comparative relationships that define the fair value of the financial instrument being measured as the relative fair value compared with that of financial instruments listed on active markets. In some cases, in determining the fair value it is necessary to have recourse to valuation techniques that call for inputs that cannot be drawn directly from observable market variables, statistical or "expert-based" estimates by those carrying out the valuation (Level 3).

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

MAIN ACCOUNTING POLICIES

The following pages provide a description of the accounting policies adopted in preparing the Financial Statements of SIMEST as at 31 December 2022.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value. Liquidity is represented by cash on hand at the Company and at banks with yields in line with market conditions. The availability is increased by the interest accrued on the available funds, even if not yet paid.

Financial assets measured at fair value through profit or loss

This item includes all financial assets that are not classified in the portfolio of financial assets measured at fair value through other comprehensive income, or the portfolio of financial assets measured at amortised cost.
In particular, this item includes:

- financial assets held for trading, represented by debt and equity securities and the positive value of derivative contracts held for trading;
- financial assets mandatorily measured at fair value, represented by the financial assets which do not meet the requirements for measurement at amortised cost or at fair value through other comprehensive income. These are financial assets whose contractual terms do not provide solely for payments of principal and interest on the principal amount outstanding (i.e., those financial assets that do not pass the SPPI Test), or financial assets not held within a business model whose objective is to hold assets in order to collect contractual cash flows (the "Hold to Collect" business model), or whose objective is achieved by both collecting contractual cash flows and selling financial assets (the "Hold to Collect and Sell" business model);
- financial assets designated at fair value, i.e., those financial assets defined as such at the time of initial recognition and where the conditions are met. In such a case, at initial recognition an entity has the option to irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, this will eliminate or significantly reduce a recognition inconsistency.

In SIMEST's Financial Statements, this amount includes receivables from partner companies resulting from investment transactions in investees which, under IFRS 9, do not pass the SPPI Test "Solely payments of principal and interest on the Principal Amount Outstanding" and therefore must be measured at fair value.
In particular, the relationships between SIMEST, its partner companies and its investees are considered financial assets ("linked transactions") whereby SIMEST is entitled to receive a contractually defined amount of money from the companies which is not less than the amount disbursed, thereby substantiating the relationship with the partner within the context of the linked transaction. These relationships, regardless of their legal form, are classified as loans and receivables.

Financial assets measured at fair value through other comprehensive income

This item includes financial assets that meet both of the conditions listed below:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("Hold to Collect and Sell" business model);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., those financial assets that pass the "SPPI Test").

The item also includes equity instruments, not held for trading purposes, for which the option to be designated at fair value through other comprehensive income was exercised at the time of initial recognition.
Therefore, this item includes all financial assets (debt securities, equity securities and loans) classified in the portfolio measured at fair value through other comprehensive income.

Financial assets measured at amortised cost

This item includes debt securities and loans allocated to the portfolio measured at amortised cost.
Financial assets that meet both of the following conditions are therefore included:

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows ("Hold to Collect" business model);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., those financial assets that pass the "SPPI Test").

In SIMEST's Financial Statements, this amount includes receivables from partner companies resulting from investment transactions in investees which, having passed the SPPI Test, are measured at amortised cost.

The relationships between SIMEST, its partner companies and its investees are considered financial assets ("linked transactions") whereby SIMEST is entitled to receive a contractually defined amount of money from the companies which is not less than the amount disbursed, thereby substantiating the relationship with the partner within the context of the linked transaction. These relationships, regardless of their legal form, are classified as loans and receivables.

In particular, IFRS 9 states that if the contractual cash flows involve characteristics other than the payment of principal and interest on the notional amount, the SPPI Test is deemed to have been passed if these additional characteristics only have a *de minimis* effect, i.e., if this effect may be considered "insignificant" at each reporting date and cumulatively over the life of the instrument, it has no impact on the classification of that financial instrument.

With regard to SIMEST, the agreements with the partners establish a floor on the exit price of the equity investment equal to the purchase price and a cap on the realisable capital gain. The threshold value for applying the *de minimis* concept was determined based on an in-depth analysis. Consequently, a portion of the portfolio relating to receivables for equity investments held by SIMEST which falls within this threshold is classified and measured at amortised cost, in accordance with the characteristics of the instrument.

Property, plant and equipment

Fixed assets refer to non-current assets intended for long-term use in the exercise of business activities. Property, plant and equipment are recognised at purchase cost, including incidental expenses. The Financial Statements report the carrying value of property, plant and equipment net of depreciation, which is calculated using the rates that are deemed to reflect the remaining useful economic lives of each asset. Newly acquired assets are depreciated as from the period in which they enter service. Capital assets by purpose or by nature are depreciated each year on a straight-line basis in relation to their residual possibility of use. Maintenance and repair costs that do not result in an increase in the utility and/or useful life of the assets are charged to the Income Statement for the year.

Intangible assets

Intangible assets are governed by IAS 38. Intangible assets are recognised at acquisition or production cost including ancillary charges and amortised for the period of their expected future usefulness which, at the end of each year, is subject to valuation to verify the adequacy of the estimate. An intangible asset is only recognised in the asset section of the balance sheet under the following conditions:

- the Company can control the future economic benefits generated by the asset;
- future economic benefits from the asset are expected to flow to the entity;
- the cost of the asset can be measured reliably.

Intangible assets are therefore derecognised from the Balance Sheet if no future profits are expected or at the time of disposal. Costs incurred for the purchase and production of software by third parties are amortised on a straight-line basis, in relation to their residual possibility of use, which does not exceed three years.

Current and deferred taxes

Tax assets and liabilities are recognised in the balance sheet respectively under the asset item "Tax assets" and the liability item "Tax liabilities". The accounting entries related to current and deferred taxes include: (i) current tax assets, consisting of tax paid in advance and receivables for withholding taxes incurred; (ii) current tax liabilities, consisting of tax payables to be settled according to applicable tax regulations; (iii) deferred tax assets, consisting of the amounts of tax recoverable in future years in view of deductible temporary differences; and (iv) deferred tax liabilities, consisting of payables for tax to be paid in future periods as a result of taxable temporary differences. Current taxes, consisting of corporate income tax (IRES) and regional tax on business activities (IRAP), are recognised on an accruals basis using a realistic estimate of the negative and positive tax components for the year. They are calculated on the basis of applicable tax rates. Deferred tax assets and liabilities are recognised according to the tax rate that, under the legislation in force at the reporting date, is expected to apply in the year when the asset is realised or the liability is settled, and are periodically reviewed to take account of any changes in legislation. The term deferred tax refers, in particular, to the recognition, in terms of tax, of the temporary differences between the value assigned to an asset or liability for statutory accounting purposes and the corresponding value for tax purposes. Deferred taxes are recognised: (i) under tax assets, if they refer to deductible temporary differences, meaning the differences between statutory and tax values that in future years will give rise to deductible amounts, to the extent that there is a probability of their recovery; (ii) in tax liabilities, where they refer to temporary taxable differences representing liabilities as they are related to accounting items that will become taxable in future tax periods. In particular, with regard to IRES, following the adoption of the National Tax Consolidation of the CDP Group and in compliance with the provisions of both the Consolidation Regulation and the prevailing doctrine and practice on the subject, the Company determined its own "potential" charge, recognising as a contra-item a payable to the consolidating Company which, in accordance with the new provision, is the only one obliged to settle the relationship with the Tax Authorities.

Employee severance indemnity

Employee severance indemnity covers the entitlement accrued by employees at the end of the financial year, as provided by law (Article 2120 of the Italian Civil Code) and applicable employment agreements. In accordance with IAS 19, the employee severance indemnity is a "Defined benefit plan" and, therefore, at the reporting date the liability is represented by the present value of expected future payments due to employees for the benefits accrued in the current year, and the present value of future payments deriving from the amounts accrued in previous years.

Provisions for risks and charges

The provisions for risks and charges consist of the allowances set aside to cover specific types of liabilities whose existence is certain or probable, but whose amount or timing were uncertain at the reporting date. Therefore, a provision is made under "Provisions for risks and charges" only when:

- there is a present (legal or constructive) obligation resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

The provisions are used only to cover the costs for which they were originally recognised.

Income from equity investments and interest expense

Income from equity investments and interest expense is recognised in the income statement on a *pro rata* basis over time for all instruments based on the contractual interest rate or at the effective interest rate if the amortised cost method is applied.

Commission income (expense)

Commissions are recognised in the Income Statement on an accrual basis; commissions considered as part of the amortised cost for the purpose of determining the effective interest rate, which are recognised under interest, are excluded.

Costs

Costs are recognised on an accruals basis.

Information on the Balance Sheet

(thousands of euro)

Assets

A.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents: breakdown

Items	31/12/2022	31/12/2021
Banks	13	15
Cash	6	5
Total	**19**	**20**

This item represents bank deposits as at 31 December 2022, which include interest income credited by banks and cash on hand at the same date, in euro and in foreign currencies.

A.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets measured at fair value through other comprehensive income

Items	31/12/2022	31/12/2021
Financial assets measured at fair value through other comprehensive income	5,165	5,165
Total	**5,165**	**5,165**

The item refers to the share (non-significant interest) that SIMEST holds in FINEST SpA.

Financial assets measured at fair value through other comprehensive income: breakdown by type

Items	31/12/2022			31/12/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equity securities			**5,165**			**5,165**
2.1 At fair value						
2.2 At cost			5,165			5,165
3. Units in collective investment undertakings						
4. Loans						-
Total	-	-	**5,165**	-	-	**5,165**

The table also shows that there are no changes compared to the previous year.

A.3 FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

This item refers to receivables from partner companies resulting from investment transactions in investees which, under IFRS 9, do not pass the SPPI Test "Solely Payments of Principal and Interest on the Principal Amount Outstanding" and therefore must be measured at fair value.

In particular, the relationships between SIMEST, its partner companies and its investees are considered financial assets ("linked transactions") whereby SIMEST is entitled to receive a contractually defined amount of money from the companies which is not less than the amount disbursed, thereby substantiating the relationship with the partner within the context of the linked transaction. These relationships, regardless of their legal form, are classified as loans and receivables.

Financial assets mandatorily measured at fair value through profit or loss: breakdown by debtor/issuer

	31/12/2022	31/12/2021
1. Equity securities	**5**	**-**
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	5	-
2. Debt securities	**18**	**-**
a) Central banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	18	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**106,448**	**156,848**
a) Central banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	106,448	156,848
f) Households	-	-
Total	**106,471**	**156,848**

The reduction in this item is essentially due to the trend in loan repayments during the year and the net result of loans for equity investments measured at fair value, including analytical write-downs on critical positions. In 2022, financial assets relating to participating financial instruments (18 thousand euro) and shares (5 thousand euro), both referring to Webuild SpA, are highlighted.

Financial assets mandatorily measured at fair value through profit or loss: breakdown by type

Items/Values	31/12/2022			31/12/2021		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**18**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	18	-	-	-	-
2. Equity securities	**5**	**-**	**-**	**-**	**-**	**-**
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**106,448**	**-**	**-**	**156,848**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	106,448	-	-	-
Total	**5**	**18**	**106,448**	**-**	**-**	**156,848**

Financial assets mandatorily measured at fair value through profit or loss: breakdown by debtor/issuer

	31/12/2022			
		Non-performing		
Items	**Performing**	**Purchased**	**Other**	**Total**
Receivables from:				
a) Governments				
b) Other public entities				
c) Other parties	90,019		16,452	**106,471**
Total	**90,019**		**16,452**	**106,471**

Financial assets mandatorily measured at fair value through profit or loss: breakdown by maturity

Items	Past due	up to 3 months	up to 12 months	up to 5 years	over 5 years	Total
Financial assets mandatorily measured at fair value	10,699	5,930	28,481	61,361	-	**106,471**
Total						**106,471**

A.4 FINANCIAL ASSETS MEASURED AT AMORTISED COST

Financial assets measured at amortised cost, of which Receivables for equity investments: breakdown by debtor/issuer

Items/Values	31/12/2022			31/12/2021		
	First and second stage	Third stage	of which: purchased or originated credit-impaired financial assets	First and second stage	Third stage	of which: purchased or originated credit-impaired financial assets
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
a) Public administrations	-	-	-	-	-	-
b) Other financial companies	-	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**399,530**	**2,564**	**-**	**344,995**	**10,807**	**-**
a) Public administrations	-	-	-	-	-	-
b) Other financial companies	-	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	399,530	2,564	-	344,995	10,807	-
d) Households	-	-	-	-	-	-
Total	**399,530**	**2,564**	**-**	**344,995**	**10,807**	**-**

This item refers to receivables from partner companies resulting from investment transactions in investees which, having passed the SPPI Test, are measured at amortised cost.

Financial assets measured at amortised cost, of which Receivables for equity investments: gross value and accumulated impairment

	Gross value				Accumulated impairment		
	First stage	of which: instruments with low credit risk	Second stage	Third stage	First stage	Second stage	Third stage
Debt securities	-	-	-	-	-	-	-
Loans	373,988	-	35,275	27,648	(6,916)	(2,817)	(25,084)
Total	**373,988**	**-**	**35,275**	**27,648**	**(6,916)**	**(2,817)**	**(25,084)**

Other financial receivables: breakdown

The item refers to mortgages and loans disbursed to employees.

Items	31/12/2022	31/12/2021
Mortgage loans for employees	3,409	3,665
Loans for employees	250	230
Total	**3,659**	**3,895**

The following table provides a breakdown by maturity:

Items	up to 3 months	up to 12 months	up to 5 years	over 5 years	Total
Receivables for mortgage loans to employees	52	208	1,065	2,084	3,409
Receivables for loans to employees	21	61	168		250
Total					**3,659**

A.5 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment: breakdown of assets measured at cost

Items	31/12/2022	31/12/2021
1. Owned assets	**526**	**523**
a) land		
b) buildings		
c) furniture	302	304
d) electronic equipment	224	219
e) others		
2. Rights of use acquired through leasing	**2,533**	**3,369**
a) land		
b) buildings	2,389	3,311
c) furniture		
d) electronic equipment		
e) others	144	58
Total	**3,059**	**3,892**

This item also includes assets deriving from rights of use acquired under leases, based on the IFRS 16, amounting to around 2.5 million euro as at 31 December 2022.

Operating property, plant and equipment: changes for the year

	Furniture	Electronic equipment	Buildings (rights of use)	Motor vehicles (rights of use)	Other assets (rights of use)	Total
A. Gross opening balance	**1,748**	**2,421**	7,132	175	59	**11,535**
A.1 Total net write-downs	(1,444)	(2,202)	(3,821)	(116)	(59)	(7,642)
A.2 Net opening balance	304	219	3,311	58	-	3,892
B. Increases	**55**	**88**	**494**	**57**	**144**	**838**
B.1 Purchases	55	88	494	57	144	838
C. Decreases	**(57)**	**(84)**	**(1,414)**	**(58)**	**(58)**	**(1,671)**
C.1 Sales	-	-	(105)	-	-	(105)
C.2 Depreciation	(57)	(84)	(1,309)	(58)	(58)	(1,566)
D. Net closing balance	**302**	**223**	**2,391**	**57**	**86**	**3,059**
D.1 Total net impairments	(1,501)	(2,286)	(5,235)	(174)	(117)	(9,313)
D.2 Gross closing balance	**1,803**	**2,509**	**7,626**	**232**	**203**	**12,373**

Depreciation is calculated by applying the straight-line method and on the basis of rates determined in relation to the use of the assets and their residual life.

Purchases during the year essentially concern the implementation of hardware for the Company information system as well as the purchase of furniture and furnishings.

In addition, purchases and the related depreciation also include assets deriving from rights of use acquired under leases, in accordance with the IFRS 16.

A.6 INTANGIBLE ASSETS

Intangible assets: breakdown

Items	31/12/2022	31/12/2021
Software licenses	1,837	530
Office renovation costs	79	76
Total	**1,916**	**606**

The item includes the costs incurred for the "Carve-in" activity as part of the migration of IT systems to CDP's infrastructures. In addition, it includes the costs for updating the IT procedures for the management of Company operating activities.

The amortisation of the software and the expenses incurred for the development plan is calculated on a straight-line basis over a period of three years.

Intangible assets: changes for the year

A. Opening balance	**15,861**
A.1 Total net write-downs	(15,255)
A.2 Net opening balance	606
B. Increases	**2,527**
B.1 Purchases	2,527
of which: business combinations	
C. Decreases	**(1,217)**
C.1 Sales	
of which: business combinations	
C.2 Write-downs	(1,217)
- Amortisation and depreciation	(1,217)
- Impairment:	-
+ Equity	
+ Income statement	
D. Net closing balance	**1,916**
D.1 Total net write-downs	(16,472)
E. Gross closing balance	**18,388**

A.7 TAX ASSETS

Items	31/12/2022	31/12/2021
Tax assets for direct taxes		
a) current	38	6
b) deferred	1,099	928
Total	**1,137**	**934**

Deferred tax assets: breakdown

Items	31/12/2022	31/12/2021
Deferred tax assets recognised in the Income Statement	**1,099**	**928**
- provisions for risks and charges	758	506
- write-downs on receivables	341	422
Deferred tax assets recognised in Equity		
Total	**1,099**	**928**

Changes in deferred tax assets

Items	31/12/2022
Opening balance	**928**
2. Increases	**704**
2.1 Deferred tax assets recognised during the year	704
2.2 New taxes or increases in tax rates	
2.3 Other increases	-
2.4 Business combinations	
3. Decreases	**(533)**
3.1 Deferred tax assets derecognised during the year	(533)
a) reversals	(533)
b) write-downs due to uncollectability	-
c) due to change in accounting policies	
d) other	-
3.2 Reduction in tax rates	
3.3 Other decreases	
3.4 Business combinations	
Closing balance	**1,099**

A.8 OTHER ASSETS

Other assets: breakdown

Items	31/12/2022	31/12/2021
Trade receivables and advances to public entities	20,546	18,857
Advances to suppliers	111	95
Other trade receivables	-	36
Tax receivables from fiscal consolidation	215	30
Accrued income and prepaid expenses	269	131
Total	**21,141**	**19,149**

"Trade receivables and advances to public entities" includes receivables for the commissions under the agreement to manage the Law 295/73 Fund, the Law 394/81 Fund (including management of the resources of the NRRP), the Sustainable Growth Fund, the Venture Capital Fund and the Start-Up Fund.

The increase in commissions for the year 2022 is essentially attributable to the greater operations in the management of the Funds and the resources of the NRRP.

Liabilities

P.1 LOANS PAYABLE MEASURED AT AMORTISED COST

Loans payable measured at amortised cost: breakdown

Items	31/12/2022	31/12/2021
Due to banks	162,288	146,914
Due to Cassa Depositi e Prestiti	50,090	70,782
Payables relating to right of use	2,608	3,466
Total	**214,986**	**221,162**

The item refers to the current account overdraft facility provided by the banking system and the use of credit lines to support the cash flows of equity investments.

In addition, this item includes payables arising from rights of use acquired under leases, in accordance with the IFRS 16.

Loans payable measured at amortised cost: breakdown by maturity

Items	31/12/2022	31/12/2021
Loans repayable on demand	11,953	27,022
Term loans and loans repayable with notice	200,425	190,674
Payables relating to right of use	2,608	3,466
Total	**214,986**	**221,162**

The item "Loans repayable on demand" refers to the current account overdraft, at the end of the year, activated with the banking system. The amount is recognised at nominal value and includes accrued fees payable.

The item "Term loans and loans repayable with notice" refers to the outstanding payable (including accrued liabilities), at the end of the period, relating to the use of credit lines. It also includes the individual credit lines from Cassa Depositi e Prestiti as well as credit lines pooled with other lenders.

Finally, this item includes payables of approximately 2.6 million euro, determined based on the discounting of the minimum lease payments due up to maturity (IFRS 16).

The following table provides a breakdown by maturity of those payables:

Assets/Values	**31/12/2022**
Lease liabilities	
Total cash outflows for leases within 5 years	**2,516**
Within 1 year	1,450
From over 1 year to 2 years	722
From over 2 years to 3 years	149
From over 3 years to 4 years	101
From over 4 years to 5 years	94
Total cash outflows for leases beyond 5 years	**92**

P.2 OTHER LIABILITIES

Other liabilities: breakdown

Items	**31/12/2022**	**31/12/2021**
Amounts due to employees	2,785	1,913
Trade payables and other items	11,985	9,722
Tax payables	1,011	424
Due to social security institutions	796	950
Total	**16,577**	**13,009**

P.3 EMPLOYEE SEVERANCE INDEMNITY

Employee severance indemnity: changes for the year

	31/12/2022	**31/12/2021**
A. Opening balance	**1,844**	**1,934**
B. Increases	**216**	**58**
B.1 Provision for the year	-	-
B.2 Other increases	216	58
C. Decreases	**383**	**148**
C.1 Severance payments	177	107
C.2 Other decreases	206	41
D. Closing balance	**1,677**	**1,844**

Post-employment benefits are divided into:

- defined contribution plans, in which the Company pays fixed contributions into a separate entity (a fund). In this case, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee;
- defined benefit plans, in which the Company undertakes to provide agreed benefits to current and former employees, thereby essentially assuming the actuarial and investment risks associated with the plan.

Accounting treatment of defined contribution plans

The plan's costs are recognised in the income statement under staff costs without taking into account the present value of the obligation. Starting 1 January 2007 (the date the supplementary pension reforms introduced by Legislative Decree no. 252 of 5 December 2005 came into force), for companies with more than 50 employees, the portion of employee severance indemnity paid into pension funds and the INPS Treasury Fund falls under the definition of "defined contribution plan" without requiring any actuarial valuation. Conversely, the existing portion, which will continue to be held by the Company until the final date of disbursement of the employee severance indemnity to the employee, will continue to be treated as a "defined benefit plan". In particular, this portion will only be affected by the recognition of interest from discounting and disbursements made.

Accounting treatment of defined benefit plans

The cost recognised with respect to a defined benefit plan should be recalculated based on demographic and statistical assumptions and on wage trends. More specifically, the portion of employee severance indemnity that remains with the Company and which falls under the definition of a defined benefit plan, is calculated based on the present value of accrued and accruing obligations (respectively, the present value of the expected future payments related to benefits accrued during the current financial year and the present value of future payments resulting from amounts accrued in previous financial years). The costs for the service of the plan are recorded under personnel costs while the actuarial gains and losses are recorded under Valuation reserves, included in shareholders' equity. The actuarial valuation was carried out in accordance with the provisions of IAS 19 revised with amendments issued by the IASB on 16 June 2011 and approved with Regulation (EU) 475/2012 of 5 June 2012.

With reference to the above-mentioned accounting standard, the following have been calculated:

- Defined Benefit Obligation (DBO): average present value as at 31 December 2022 of defined benefit obligations accrued by employees in service at the valuation date for service in the current and previous years;
- Current Service Cost (CSC): the average present value as at 31 December 2022 of obligations in respect of employee severance indemnity accrued by employees in service as at 31 December for service during the year. In this regard, it should be noted that, in accordance with the regulations in force, the benefits connected with employee severance indemnity for the employees of the company in question must be considered fully accrued, therefore the CSC has been zero since 1 July 2007;
- Expected Future Working Life of Active Membership: average residual working life of employees in service and an indicator for the period on the basis of which any amortisation charges to be recognised in the income statement for the year will be determined;
- Net Interest: interest on the net liability (difference between DBO and the Plan assets at fair value) at the beginning of the year, calculated using the assumed rate at the same date, while also taking into account any changes arising from the payment of contributions and benefits (in the specific case of employee severance indemnity, there are no contributions or assets represented by identifiable securities used solely for the disbursement of the employee severance indemnity, and therefore the Plan assets at fair value amount to zero).

The following were the main actuarial assumptions made in calculating employee severance indemnity:

Accounting treatment of defined contribution plans and defined benefit plans

Economic and financial parameters	2022	2021	2020
Nominal annual discount rate	4.0%	0.7%	0.3%
Annual inflation rate	8.10%	1.90%	2.00%

Demographic parameters	2022
Removal from service - Death	Equal to those of the Italian population in 2020 (Source ISTAT) reduced by 30%, broken down by age and gender
Removal from service - Various causes	Equal to 3% up to 54 years of age and 5% for subsequent ages
Retirement age	Provisions of Law 214/2011 and of Decree Law 4/2019

Reconciliation of liabilities 01/01/2022-31/12/2022

(euro)	31/12/2022	31/12/2021
A. Opening balance	**1,844,139**	**1,933,707**
B. Increases	**215,965**	**57,677**
B.1 Provision for the year	-	-
B.2 Other increases	215,965	57,677
C. Decreases	**383,009**	**147,245**
C.1 Severance payments	176,567	106,820
C.2 Other decreases	206,442	40,425
D. Closing balance	**1,677,095**	**1,844,139**

The actuarial profit is represented in the statement of comprehensive income as an adjustment to equity without going through the income statement.

P.4 TAX LIABILITIES

Tax liabilities: breakdown

Items	31/12/2022	31/12/2021
Tax liabilities for direct taxes		
a) current	102	17
b) deferred		
Total	**102**	**17**

The item refers to the IRAP payable for the year 2022.

P.5 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges: breakdown

Items	31/12/2022	31/12/2021
1. Company pension funds		
2. Provisions for risks and charges	**1,715**	**1,257**
2.1 Legal disputes	-	50
2.2 Staff costs	1,715	1,207
2.3 Other	-	-
Total	**1,715**	**1,257**

Provisions for risks and charges: changes for the year

Items	31/12/2022	31/12/2021
A. Opening balance	**1,257**	**1,129**
B. Increases	**1,715**	**1,207**
B.1 Provision for the year	1,715	1,207
B.2 Changes due to the passage of time		
B.3 Changes due to amendments in the discount rate		
B.4 Other changes		
C. Decreases	**1,257**	**1,079**
C.1 Use during the year	1,257	1,079
C.2 Changes due to amendments in the discount rate		
C.3 Other changes		
D. Closing balance	**1,715**	**1,257**

Equity

P.6 SHARE CAPITAL

Share capital: breakdown

Items	31/12/2022	31/12/2021
Share capital subscribed and paid in	164,646	164,646
Total	**164,646**	**164,646**

As at 31 December 2022, share capital amounted to 164,646 thousand euro, fully subscribed and paid in, represented by 316,627,369 shares with a nominal value of 0.52 euro each.

Share capital – Number of shares of the Company: changes for the year

Items	Ordinary	Other
A. Shares at the start of the year	**316,627,369**	**-**
- fully paid	316,627,369	
A.1 Treasury shares (-)		
A.2 Outstanding shares: opening balance	316,627,369	
B. Increases		
B.1 New issues		
B.2 Sale of treasury shares		
B.3 Other changes		
C. Decreases		
C.1 Cancellation		
C.2 Purchase of treasury shares		
C.3 Transactions for the sale of businesses		
C.4 Other changes		
D. Outstanding shares: closing balance	**316,627,369**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares existing at the end of the year	316,627,369	-
- fully paid	316,627,369	-

P.7 SHARE PREMIUM RESERVE

Share premium reserve

Items	31/12/2022	31/12/2021
Share premium reserve	1,736	1,736
Total	**1,736**	**1,736**

The premiums concerned a total of 22,403,298 shares.

P.8 RESERVES

Reserves

As at 31 December 2022, the Company reported the following “Reserves”:

Items	31/12/2022	31/12/2021
Capital reserves:	**5,165**	**5,165**
Reserve pursuant to Article 88(4) of Presidential Decree 917/86	5,165	5,165
Income reserves:	**137,552**	**133,579**
Legal reserve	22,961	22,766
Other reserves	60,653	60,576
First Time Adoption Reserve	63,527	63,527
IFRS 9 FTA reserve	9,454	9,454
Retained earnings (losses carried forward)	(19,043)	(22,744)
Total	**142,717**	**138,744**

The reserve pursuant to Article 88(4) of Pres. Decree 917/86 regards the capital grant received from the Ministry of Economic Development to subscribe to the equity investment in FINEST SpA of Pordenone, as established by Law no. 19 of 9 January 1991. The item “Other reserves”, based on the second paragraph of Article 6 of Legislative Decree 38/2005, includes restricted reserves of 125 thousand euro for unrealised fair value gains recognised through profit or loss.

Information on the Income Statement

C.1 INCOME FROM EQUITY INVESTMENTS

Income from equity investments: breakdown

Items	31/12/2022	31/12/2021
Income from equity investments	25,993	27,115
Total	**25,993**	**27,115**

The item refers to the fees deriving from equity investments (23,227 thousand euro) and also includes income deriving from shareholder loans (1,170 thousand euro) and default interest (1,596 thousand euro).

C.2 INTEREST EXPENSE AND SIMILAR EXPENSE

Interest expense and similar expense: breakdown

Items	31/12/2022	31/12/2021
Interest expense and similar expense	(2,066)	(2,089)
Total	**(2,066)**	**(2,089)**

The item refers to the interest expense accrued on the current account overdraft facility provided by the banking system and the use of credit lines to support the cash flows of equity investments. This item includes interest expense on lease payments, based on IFRS 16.

C.3 COMMISSION INCOME

Commission income: breakdown

Items	31/12/2022	31/12/2021
Commission income	35,266	28,533
Total	**35,266**	**28,533**

This item refers to fees received for managing the Venture Capital Fund (7,086 thousand euro), the Law 394/81 Fund and management of the NRRP resources (20,200 thousand euro), the Sustainable Growth Fund (173 thousand euro), the Law 295/73 Fund (7,799 thousand euro) and the write-off of the Start-Up Fund (8 thousand euro).

It should be noted that the increase in commissions for the year 2022 is due to the greater Fund management operations, also related to the launch of the activities for the management of the NRRP resources.

C.4 NET PROFIT (LOSS) ON ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Net profit (loss) on assets mandatorily measured at fair value through profit or loss: breakdown

Transactions/Income components	Gains (A)	Gains from disposals (B)	Capital losses (C)	Losses on disposal (D)	Net balance ((A+B)-(C+D))
1. Financial assets held for trading	**1,172**	**3,171**	**(12,454)**	**-**	**(8,111)**
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment undertakings	-	-	-	-	-
1.4 Loans	1,172	3,171	(12,454)	-	(8,111)
2. Financial assets: exchange rate differences	**-**	**-**	**-**	**-**	**-**
Total	**1,172**	**3,171**	**(12,454)**	**-**	**(8,111)**

It should be noted that, as part of the fair value measurement model (pursuant to IFRS 9), the trend in impairment values factors, taking into account the macroeconomic context, the upward trend in interest rates from an anti-inflation perspective, updating of risk parameters and adjustment of write-downs on the non-performing stock component in line with recovery expectations.

C.5 OTHER FINANCIAL INCOME

Other financial income: breakdown

Items	31/12/2022	31/12/2021
Other financial income	47	51
Total	**47**	**51**

The item mainly refers to interest income deriving from other financial receivables for mortgage loans and loans disbursed to employees.

C.6 NET ADJUSTMENTS/RECOVERIES FOR CREDIT RISK ON ASSETS MEASURED AT AMORTISED COST

Net adjustments/recoveries for credit risk on assets measured at amortised cost

Transactions/Income components	Write-downs			Write-backs		Total
	First and second stage	Third stage		First and second stage	Third stage	
		Write-offs	Other			
A. Receivables from banks	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-
of which: impaired credits acquired or originated	-	-	-	-	-	-
B. Receivables from customers	**(2,298)**	**-**	**(1,680)**	**570**	**41**	**(3,367)**
- Loans	(2,298)	-	(1,680)	570	41	(3,367)
- Debt securities	-	-	-	-	-	-
of which: purchased or originated impaired loans	-	-	-	-	-	-
Total	**(2,298)**	**-**	**(1,680)**	**570**	**41**	**(3,367)**

For the component classified at amortised cost, the impairment valuation model (pursuant to IFRS 9) factors, taking into account the reference macroeconomic scenario, the updating of the risk parameters, the application of prudential classification approaches to Stage 2 and the adjustment of write-downs on the non-performing stock component in line with recovery expectations.

C.7 ADMINISTRATIVE EXPENSES

Administrative expenses: breakdown

Items	31/12/2022	31/12/2021
a) Staff costs	(19,878)	(18,111)
b) Other administrative expenses	(18,971)	(13,656)
Total	**(38,849)**	**(31,767)**

The increase recorded in other administrative expenses is essentially attributable to the increase in the operations of the public funds managed by SIMEST, which also saw an increase in costs for the management of the activity to ”support peaks of operations” for the year 2022 relating to the Law 394/81 Fund and the sub-measure pursuant to the NRRP. A further increase in costs is essentially due to SIMEST’s Communication Plan to promote new commercial initiatives linked to the public funds managed, with particular reference to NRRP resources.

Staff costs: breakdown

Items	31/12/2022	31/12/2021
1) Employees	**(17,457)**	**(15,651)**
a) Wages and salaries	(11,059)	(10,053)
b) Social security costs	(32)	(29)
c) Employee severance indemnity – payments and accruals	(703)	(635)
d) Pension costs	(3,015)	(2,753)
e) Payments to external supplementary pension funds:	(526)	(456)
- defined contribution	*(526)*	*(456)*
f) Other employee benefits	(2,122)	(1,725)
2) Other personnel in service	**(2,147)**	**(2,188)**
3) Directors and Statutory Auditors	**(274)**	**(272)**
Total	**(19,878)**	**(18,111)**

The increase in staff costs is essentially due to the increase in the number of employees compared to the previous year, strictly correlated to the simultaneous increase in operations in the management of public funds.

Other employee benefits: breakdown

Items	31/12/2022	31/12/2021
Meal vouchers	(342)	(348)
Insurance policies	(855)	(826)
Leaving incentives	(820)	(457)
Other benefits	(105)	(94)
Total	**(2,122)**	**(1,725)**

Other administrative expenses: breakdown

Items	31/12/2022	31/12/2021
Professional and financial services	(7,223)	(4,610)
Outsourcing	(1,940)	(2,115)
Information services	(757)	(554)
Advertising and marketing expenses	(3,449)	(2,635)
General services	(1,272)	(1,107)
Utilities, duties and other expenses	(4,155)	(2,544)
Expenses for other corporate bodies	(175)	(91)
Total	**(18,971)**	**(13,656)**

The increase in the item “Professional and financial services” is mainly due to consultancy activities related to the support of the Law 394/81 Fund and the NRRP sub-measure.
Lastly, the increase in the item “Advertising and marketing expenses” refers to SIMEST’s Communication Plan to promote

the new commercial initiatives linked to the managed funds with particular reference to the NRRP.

Expenses for 2022 relating to services provided by the Independent Auditors are as follows:

Items	Subject that disbursed the service	Amount of fees
Statutory audit and Financial Statements for the year	Deloitte & Touche SpA	62,182
Annual and half-yearly Audit Reporting Package for the Parent Company and Ultimate Parent Company	Deloitte & Touche SpA	18,702
Other Audit services (audit of the accounting separation file)	Deloitte & Touche SpA	7,500
Total		**88,384**

C.9 NET PROVISIONS FOR RISKS AND CHARGES

Net provisions for risks and charges: breakdown

Items	31/12/2022	31/12/2021
Net provisions for sundry expenses for personnel	(1,715)	(1,207)
Net provisions for other funds	50	
Total	**(1,665)**	**(1,207)**

The item mainly includes the provision for charges relating to employees. In addition, note the release of a provision of 50 thousand euro relating to a disputed payable, with favourable outcome for SIMEST.

C.10 NET ADJUSTMENTS/RECOVERIES ON PROPERTY, PLANT AND EQUIPMENT

Net adjustments/recoveries on property, plant and equipment: breakdown

Items	Depreciation (a)	Value adjustments for impairment (b)	Value reversals (c)	Net balance (a + b - c)
A. Intangible assets				
A.1 Owned	(140)			(140)
- For operations	(140)			(140)
- For investment				
A.2 Acquired under lease	(1,426)			(1,426)
- For operations	(1,426)			(1,426)
- For investment				
Total	**(1,566)**	-	-	**(1,566)**

C.11 NET ADJUSTMENTS/RECOVERIES ON INTANGIBLE ASSETS

Net adjustments/recoveries on intangible assets: breakdown

Items	Depreciation (a)	Value adjustments for impairment (b)	Value reversals (c)	Net balance (a + b - c)
A. Intangible assets				
A.1 Owned	(1,217)			(1,217)
- Other	(1,217)			(1,217)
A.2 Acquired under lease				-
Total	**(1,217)**	-	-	**(1,217)**

C.12 INCOME TAX FOR THE YEAR

Income tax for the year on continuing operations: breakdown

Items	31/12/2022	31/12/2021
1. Current taxes (-)	(4,132)	(4,197)
2. Changes in current taxes from previous years (+/-)	-	(42)
3. Reduction in current taxes for the year (+)	-	-
4. Changes in deferred tax assets (+/-)	172	(30)
5. Change in deferred tax liabilities (+/-)	-	23
6. Income tax for the year (-) (-1+/-2+3+/-4+/- 5)	**(3,960)**	**(4,246)**

In 2022, provisions were made for current and deferred tax totalling 3,960 thousand euro. For deferred tax items, a receivable of 1,099 thousand euro with respect to deferred tax assets was recognised on the basis of the calculation of assets and liabilities as at 31 December 2022.

The following tables provide a reconciliation of the theoretical tax liability and the actual tax liability.

	31/12/2022
Gross income (loss) before tax	**4,466**
Theoretical IRES tax (rate 27.5%)	**1,228**
Increases	
- Temporary changes	614
- Permanent changes	3,848
Decreases	
- Dividends	(271)
- Gains on equity investments	(728)
- Other changes	(1,269)
Changes in the previous year	**-**
IRES effective tax on financial statements	**3,422**

	31/12/2022
Difference between value and cost of production	**10,267**
Theoretical IRAP tax charge (rate 5.57%)	**572**
- Increases in taxes	-
- Decreases in taxes	(34)
Changes in the previous year	**-**
IRAP effective tax on financial statements	**538**

Information on risks and hedging policies

With reference to identifying the risks that characterise SIMEST's activities, while not subject to prudential regulation, the Company adheres to current banking regulations or the classification scheme adopted by the Basel Committee, which distinguishes between "pillar 1 risks" and "pillar 2 risks".
This classification is contained in the Risk Regulation adopted by SIMEST and by the specific detailed risk policies to ensure that the Company, in coordination with the Parent Company, is able to cover the risks it faces with its own resources. SIMEST's Risk Regulation highlights the principles of risk management, in line with the Group's approach, taking into account the specific nature and size of the Company.
The Company adopts a governance system of Company committees (technical-advisory boards) that guarantees an additional effective risk management and control system.
The most significant risks to which the Company is exposed are listed below.

Credit risk: the risk of a deterioration in the economic-financial condition of a counterparty with whom the Company has a credit exposure. The Risk Regulation, supplemented with specific risk policies, sets out guidelines on underwriting and specific creditworthiness controls, both *ex ante* and *ex post*, referring to each individual counterparty/transaction.
The reference internal regulations govern the operation of the process of equity investment and loans and of monitoring, outlining the roles of the organisational units involved. In order to ensure optimum oversight of credit risk, the Company adopts specific processes for the assessment, monitoring and management of the individual exposures and of the portfolio by using models, operating tools and reporting geared towards analysing and monitoring the risks. In particular, in the various phases of the underwriting process, the Company uses rating and early warning tools and models to support analyses, aimed at measuring and monitoring the credit risk of the counterparty to help the Management and the structures responsible for initiatives to protect its assets and, where necessary, initiating credit recovery activities.
The credit risk associated with the equity investments is mainly mitigated through the direct commitments of the Italian partners of the forward purchase of SIMEST's equity investments, partially secured by corporate sureties, collateral and bank or insurance guarantees.
As at 31 December 2022, the direct commitments of the Italian partners for the forward purchase of equity investments amounted to approximately 455 million euro (456 million euro as at 31 December 2021); commitments backed by bank and/or insurance guarantees amounted to around 32 million euro (32 million euro as at 31 December 2021); those backed by collateral amounted to 29 million euro (29 million euro as at 31 December 2021).

Guarantees

(%; millions of euro)	2022		2021	
Direct commitments of Italian partners	88%	455	88%	456
Commitments secured by banks and insurance companies	6%	32	6%	32
Commitments secured by collateral	6%	29	6%	29
Total amount disbursed		**516**		**516**

In the last quarter of 2022, as part of the management and monitoring of credit risk, (i) the Responsible Financing Principles policy, which guides SIMEST's investments, in line with the Group framework, taking into account the reference ESG principles, and (ii) the Credit Risk Policy, which defines guidelines and limits on credit risk with a view to the progressive improvement of the asset quality and derisking of the SIMEST equity portfolio, were published. The aforementioned documents, in line with the Group governance framework, were approved by the Board of Directors as part of the broader assessment and sharing process with CDP (i.e., NBO release).

In line with its institutional role, SIMEST's vision is to support – as a partner – companies with adequate creditworthiness, operating in strategic sectors and supply chains with sustainability and impact investing characteristics geared towards international expansion.
The Credit Risk Policy, in particular, provides specific guidelines on the structuring, monitoring and management of transactions from a risk-sensitive perspective, differentiating them by duration, repayment plan, guarantee framework according to the rating, with the aim of further strengthening the credit risk controls.
Ratings, as a measure of default risk, are particularly important for the purposes of measuring credit risk. Ratings of creditworthiness are periodically updated (at least annually) based on (i) the availability of economic-financial information on the counterparty and/or (ii) adverse events/anomaly signals deriving from internal and/or external data sources.
In support of the business activities, in the second half of 2022, pricing grids were also developed, differentiated by rating, duration and security package for different levels of RAROC, in order to guide the risk/return assessments.
On the other hand, with reference to the Russia-Ukraine conflict and the relative uncertainty of the reference geopolitical and macroeconomic context, SIMEST carried out specific analyses to assess the potential impacts on the counterparties in the portfolio. Direct exposure to risk areas is marginal and mitigated by the obligation to repurchase the equity investment at maturity by the Italian partner and, in any event, conservative provisioning policies have been applied. During the year, SIMEST also launched an initiative to collect information on its portfolio, in order to estimate any indirect effects linked to the conflict, which did not reveal any particular critical elements.
Market risk: the risk arising from market transactions in financial instruments, currency and commodities. With regard to SIMEST, the price risk and the foreign exchange risk are marginal and almost fully mitigated by contractual clauses which, as a rule, guarantee that the investment will be recovered at the historic price paid in euro for acquisition of the equity investment. The fair evaluation, envisaged by the IFRS 9 accounting standard, exposes part of the investment portfolio, albeit gradually decreasing, to potential value changes stemming from fluctuations in market factors (interest rates and credit spreads).
Operational risk: the risk of loss resulting from inadequate or malfunctioning internal procedures, people and systems or from external events. This context includes losses resulting from fraud, human error, business disruption, system unavailability, breach of contract, and natural disasters.
The operational risks control framework provides a structured set of processes, functions and tools for their identification, assessment and monitoring. In particular, in accordance with the Parent Company's guidelines, the operational risk control system includes both (i) a data collection and storage process (Loss Data Collection) and (ii) the assessment of the level of Company exposure to operational risks through a Risk Self Assessment.
With regard to the latter, with the support of the Operational Risk Structure of SACE (service contract with SIMEST for the whole of 2022), the monitoring of the Action Plans and the efficiency measures designed to contain residual risks defined as part of the Operational Risk Self Assessment carried out in 2021 on the processes relating to equity investments continued during the year.
In the context of operational risks, cyber risk represents the risk associated with economic/financial and reputational losses caused by lack of confidentiality, availability and integrity of information systems and/or data following the occurrence of an incident due to accidental events or due to malicious actions (cyber attacks) concerning the IT system.
In line with the growth in volumes, activities continued to strengthen the controls on the external portal for the management of public funds used by SIMEST.
Liquidity risk: risk of non-fulfilment of the Company's payment commitments. It includes two forms of risk that are often closely correlated: (i) funding liquidity risk (inability/difficulty in raising funds with the risk of not being able to meet own payment commitments) and (ii) market liquidity risk (difficulty in liquidating assets to settle financial obligations at maturity, without incurring losses). Liquidity risk is monitored constantly through analysis of expected cash flows, especially for equity investments.

The framework monitoring the liquidity risk is based on two indicators: (i) short-term liquidity indicator and (ii) structural liquidity indicator, which aim respectively to verify and guarantee the Company's ability to deal with cash outflows in the short term and the right balance between the average duration of funding and lending sources, monitoring and limiting the use of forms of maturity transformation. These indicators are the subject of measurement, monitoring and periodic reporting by the Company's responsible structures. In case of exceeding the defined limits, in terms of process, the activation of the Contingency Funding Plan is provided as remediation action. The monitoring activities carried out in 2022 confirmed the effectiveness of the liquidity indicators and the warning thresholds introduced.

Interest rate risk: risk deriving from potential changes in interest rates with respect to differences in maturities and/or in the times of redefinition of the interest rate of the Company's assets and liabilities. Specific operational limits and safeguards for the control and monitoring of interest rate risk have been set out in the Risk Regulation. In-depth analyses are in progress for possible methodological developments aimed at strengthening the framework for measuring and controlling interest rate risk by converging on market best practices calibrated on the specific business model of the Company.

Concentration risk: the risk arising from exposures to individual counterparties, groups of connected counterparties, or counterparties belonging to the same economic sector or carrying out the same activity, or belonging to the same geographical area. During 2022, with the approval of the Credit Risk Policy, (i) the operating limits by counterparty/group were refined, applied to the shareholders' equity of SIMEST, differentiating them by rating, and (ii) the guidelines on sector concentrations were strengthened. With reference to the latter, the Risk Management structure (i) carries out periodic monitoring of the portfolio and related reporting subject to disclosure to the corporate bodies, and (ii) provides warnings on possible significant concentrations on individual transactions, as part of the credit process.

Reputational risk: the current or prospective risk of a fall in profits, penalties, loss of economic value or damage to SIMEST's institutional role, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors, regulators or other stakeholders. SIMEST gives the highest priority to preventing and monitoring the occurrence of events of a reputational nature in relation to transactions that are part of its corporate purpose. To this end, internal controls have been defined to mitigate this risk and specific safeguards have been adopted to prevent reputational events in its operations and in the management of public funds.

Money laundering risk: risk deriving from the violation of legal, statutory and self-regulatory provisions functional to the prevention of the use of the financial system for the purposes of money laundering, terrorism or crime financing. In 2022, SIMEST carried out monitoring and control activities, which also included Reports of Suspicious Transactions made by the SOS representative to the FIU. These latter, drawn up in the event of anomalies and/or reasonable grounds for suspecting that money laundering or terrorist financing operations are in progress or have been carried out or attempted, are carried out on the basis of available information (anomaly indicators) from internal and external databases and of the evaluation of the objective and subjective elements of the transactions. SIMEST operated in compliance with the principle of confidentiality, the prohibition of communication and all the principles established by current legislation.

Compliance risk: the risk of incurring legal or administrative penalties, losses or reputational damage as a result of violations of external provisions (laws or regulations) or self-governance rules (e.g., articles of association, codes of conduct). These risks are particularly significant in consideration of the institutional role of SIMEST, as well as the extensive and increased operations carried out in the management of public funds.

SIMEST adopts a framework consistent with the Group's approach that makes provision for specific policies, processes and procedures to prevent, mitigate and reduce compliance and reputational risks.

Climate and ESG (Environmental, Social, Governance) risks: risks deriving from factors attributable to environmental, social and governance issues with an impact on the performance of counterparties/projects. The climate and sustainability objectives naturally complement SIMEST's mission and institutional role as a medium and long-term investor in support of the international expansion of companies. SIMEST has launched a number of transversal working groups aimed at the inclusion of components related to sustainability, ESG and climate risks in its credit assessment processes. In the second half of 2022, the CDP Group's General Principles for Responsible Lending were also published, providing guidance on investment activities in compliance with ethical, environmental and governance (ESG) issues, focused on priority areas such as (i) climate change and protection of the ecosystem, (ii) inclusive and sustainable growth, (iii) digitalisation and innovation, and (iv) rethinking of the value chain.

Capital adequacy: the Risk Regulation regulates the process of assessing the consistency between the capital resources available (represented by equity) and the economic capital necessary to cover existing risks, measured in line with the methodologies in place at the CDP Group and the business model of SIMEST. The results of the 2022 assessments have confirmed the full adequacy of capital resources both at present and over time.
Specific controls are also in place for the subsidised funds managed by SIMEST to monitor and mitigate the main risks to which the funds are exposed. In particular, the Venture Capital Fund historically works together with SIMEST in supporting the international expansion of SMEs with participatory financing at a subsidised rate. In the second half of 2022, in collaboration with CDP Venture Capital Sgr, new equity investment operations were launched on start-ups, including innovative ones, to support the international expansion process.
With regard to the Law 295/73 Fund, in order to preserve an efficient allocation of public resources, the monitoring of overall financial requirements continued on the basis of the existing methodology, with a view to prudent management of public resources in a context of recent growth of market rates. A project was implemented regarding the transition from the USD Libor rate to SOFR with the aim of estimating the impacts on the existing portfolio and on new operations.
With regard to the Law 394/81 Fund, in 2022, there was continued strengthening and consolidation of the integrated system of controls to oversee the reputational risks of fraud and money laundering. The guidelines and methodological approach on credit risk for the operations of the 394 Fund were also defined and approved by the Facilities Committee, with the aim of further strengthening the controls framework.
As part of SIMEST's new 2023-2025 Strategic Plan, the Risk Department with the Risk Management structure provided an opinion on economic and financial sustainability and on the main risk areas and controls.

Transactions with related parties

Since 21 March 2022, the Company is 76% owned by CDP SpA.

With regard to relations with the majority shareholder CDP SpA, in accordance with Article 2428 of the Italian Civil Code, we hereby report that there is an agreement between SIMEST, CDP and SACE – known as the "Export Bank Agreement" – which establishes that CDP is to provide financial support and SACE is to provide guarantees in operations to finance the international expansion and exports of Italian businesses.
In relations with the majority shareholder, note should be taken of the use in 2022 of credit lines disbursed by Cassa Depositi e Prestiti (CDP) both individually and in a pool with other credit institutions (exposure of 50,090 thousand euro and interest expense for 729 thousand euro).
Also, again with regard to relations with CDP, in 2022 remuneration was paid for the members of SIMEST's Board of Directors appointed from its senior managers (45 thousand euro) and the lease payment was made for the Milan Office.
As at 31 December 2022, eighteen employees were seconded from CDP.
With regard to tax items, the receivable from CDP relates to the Group's Fiscal Consolidation.

Transactions with other related parties

With regard to relations with the companies belonging to the CDP Group, it should be noted that one SIMEST employee is seconded to Fintecna SpA.

As at 31 December 2022, note should be taken of the receivable (8.9 million euro) to SIMEST from Ansaldo Energia SpA in relation to the investment in Ansaldo Energia Switzerland AG and the receivable (1.1 million euro) to Fincantieri SpA in relation to the investment in the company Finsis SpA.

In relation to SACE SpA, the cost of professional services received was recognised for the adjustment of certifications with regard to the standards of occupational safety and environmental management systems (13 thousand euro). In addition, there are outsourcing contracts (expiring on 31 December 2022) for the management of the following services: General Services, Human Resources, ICT, Purchasing, Internal Audit, Operational Risks, Privacy and Anti-Money Laundering and Reputational (1,163 thousand euro). Also of note is the lease payment made for the use of offices in Mestre, Bologna, Palermo and Naples, and the payment for the lease of IT hardware (27 thousand euro).
Also worth noting are contracts with SACE SRV Srl (a subsidiary of SACE SpA) for info-provider, personal and anti-mafia data management, customer care and debt collection services (777 thousand euro). Lastly, there are financial assets in relation to Webuild SpA relating to participating financial instruments and shares.

These transactions with related parties have all been conducted at arm's length.

Directors' and Statutory Auditors' remuneration

	Directors		Auditors	
Items	**Amount accrued**	**Amount paid**	**Amount accrued**	**Amount paid**
Short-term benefits	195	193	79	70
Total	**195**	**193**	**79**	**70**

Significant events after the reporting date

No significant events worthy of mention occurred after the reporting date.

Proposal for allocation of the net result for the year

We hereby submit for shareholder analysis and approval the Financial Statements for 2022, consisting of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the Notes to the Financial Statements. The Financial Statements are accompanied by the Directors' report on operations.

The 2022 profit for the year of 505,374 euro will be allocated, less the allocation of 5% to the Legal Reserve for 25,732 euro, in accordance with the resolutions to be adopted by the Shareholders' Meeting. Furthermore on the basis of the provisions of the second paragraph of Article 6 of Legislative Decree 38/2005, in application of the IFRS 9 accounting Standard, the fair value profits recognised in the income statement which contributed to the determination of the result for the year amounted to 124,877 euro: consequently, given that the reserves already restricted for this purpose amounted to 2,690,068 euro, it will be necessary to release the restriction on non-distributable reserves of 2,565,191 euro.

for the Board of Directors
the Chairperson
Pasquale Salzano

Financial highlights of the company performing management and coordination

In accordance with Article 2497-*bis*, paragraph 4, of the Italian Civil Code, the following statements provide financial highlights from the most recent Financial Statements of the Parent Company, CDP SpA, with registered office in via Goito, 4 – 00185, Rome, Tax Code 80199230584 and VAT no. 07756511007.

BALANCE SHEET

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

The data referring to 2020 have been restated according to what is indicated in the part relating to accounting policies, Section "Other aspects", of the 2021 Separate Financial Statements of Cassa Depositi e Prestiti SpA.

(euro)

	Liabilities and Equity items	31/12/2021	31/12/2020
10.	Financial liabilities measured at amortised cost	382,558,801,228	378,819,556,956
	a) due to banks	34,913,216,675	45,259,543,320
	b) payables to customers	325,974,035,731	312,007,319,904
	c) securities issued	21,671,548,822	21,552,693,732
20.	Financial liabilities held for trading	251,005,952	209,820,434
40.	Hedging derivatives	3,073,677,795	4,320,965,184
50.	Value adjustment of financial liabilities subject to macro-hedging (+/-)	2,067,089	10,352,100
60.	Tax liabilities	177,059,232	208,176,217
	a) current	1,450,814	19,823,143
	b) deferred	175,608,418	188,353,074
80.	Other liabilities	994,215,254	803,194,183
90.	Employee severance indemnity	1,045,053	1,017,134
100.	Provisions for risks and charges	592,480,846	475,625,125
	a) commitments and guarantees issued	450,819,483	328,619,764
	b) pension and similar obligations		
	c) other provisions for risks and charges	141,661,363	147,005,361
110.	Revaluation reserves	315,148,441	653,173,211
140.	Reserves	16,519,104,447	15,962,320,645
150.	Share premium reserve	2,378,517,244	2,378,517,244
160.	Share capital	4,051,143,264	4,051,143,264
170.	Treasury shares (-)	(322,220,116)	(322,220,116)
180.	Net income (loss) for the year (+/-)	2,367,381,153	2,774,522,485
	Total Liabilities and Equity	**412,959,426,882**	**410,346,164,066**

INCOME STATEMENT

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

The data referring to 2020 have been restated according to what is indicated in the part relating to accounting policies, Section "Other aspects", of the 2021 Separate Financial Statements of Cassa Depositi e Prestiti SpA.

STATEMENT OF COMPREHENSIVE INCOME

	(euro) Items	2021	2020
10.	**Income (loss) for the year**	**2,367,381,153**	**2,774,522,485**
	Other comprehensive income net of taxes without reversal to income statement	**87,637,169**	**(241,923,764)**
20.	Equity securities designated at fair value through other comprehensive income	87,637,169	(241,923,764)
	Other comprehensive income net of taxes with reversal to income statement	**(425,661,939)**	**(6,976,750)**
120.	Cash flow hedges	(270,029,299)	(67,229,211)
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(155,632,640)	60,252,461
170.	**Total other comprehensive income net of taxes**	**(338,024,770)**	**(248,900,514)**
180.	**Comprehensive income (Items 10+170)**	**2,029,356,383**	**2,525,621,971**

for the Board of Directors
the Chairperson
Pasquale Salzano

PASTIFICIO LIGUORI

WITH US IN 2022...

PASTIFICIO LIGUORI CONQUERS PALATES FROM ALL OVER THE WORLD WITH PASTA FROM GRAGNANO

With soft loans for international expansion, we have helped the Campania company – known for the quality of its pasta – to invest in innovation and in digital transition, to develop the e-commerce platform and to open new branches in Japan, China and Singapore

ANNEX: EQUITY INVESTMENTS AS AT 31 DECEMBER 2022

EUROPE

Company	Italian partner	Country of operation	Sector	SIMEST % share	Amount in euro
D Print Europe Sh.p.k.	D'Auria Media Group Srl	Albania	Other industries	25.00	500,000
Spitali Europian	Gruppo Villa Maria SpA	Albania	Non-financial services	11.51	400,000
Renco Power Cjsc	Renco SpA	Armenia	Electrical industry	17.90	9,000,000
Sujica-Terni D.o.o. za Proizvodnju I Promet Drvetom	Società Ternana Investimenti Internazionali Srl	Bosnia and Herzegovina	Other industries	11,73	150,000
AMA Adriatic D.o.o. Sarajevo	A.M.A. SpA	Bosnia and Herzegovina	Mechanical industry	24.44	1,000,000
Ediltec D.o.o.	Decem Srl	Croatia	Chemical/ Petrochemical	22.00	498,806
Marais Technologies	Tesmec SpA	France	Metalworking industry	33.96	3,999,999
MA Automotive Deutschland GmbH	MA Srl	Germany	Automotive	19.50	5,000,000
Wagon Automotive Nagold GmbH	Metalmeccanica Tiberina Srl	Germany	Automotive	21.88	7,000,000
Farest RT	Studio Legale De Capoa Guiducci e Associati	Hungary	Non-financial services	25.00	21,983
MA Srl	C.L.N. SpA	Italy	Automotive	7.65	8,000,000
Rustichella d'Abruzzo SpA	Hopera Srl; Molino Magri SpA	Italy	Agri-food	26.36	600,000
Incoming Italia SpA	The RS Holding Srl	Italy	Non-financial services	14.56	1,500,000
Pasta Zara SpA	FFauf Italia SpA	Italy	Agri-food	13.72	11,000,000
Ingegneria dei Sistemi SpA	Fincantieri Nextech SpA	Italy	Electronics/IT	10.00	1,400,000
Vismara SpA	Società Agricola Ferrarini SpA	Italy	Agri-food	13.46	5,000,000
Consorzio Casalasco del Pomodoro S. Agr. Coop.	Consorzio Casalasco del Pomodoro S. Agr. Coop.	Italy	Agri-food	25.00	15,000,000
PSC SpA Group (or PSC SpA for short)	PSC Partecipazioni SpA	Italy	Infrastructure and constructions	9.64	11,000,000
O.M.A. - Officina Metalmeccanica Angelucci SpA	Angelucci Holding Srl	Italy	Mechanical industry	27.04	10,000,000
Sole Components Srl	Prima Sole Components SpA	Italy	Automotive	16.47	11,000,000
Terra Moretti SpA	Holding Terra Moretti Srl	Italy	Agri-food	8.49	7,200,000
Pelliconi Asia Pacific Srl	Pelliconi & C. SpA	Italy	Metalworking industry	49.00	4,900,000
IMR - Industrialesud SpA	IMR - Industrialesud SpA; H.G. Srl	Italy	Automotive	18.75	7,500,000
Paypermoon Italia Srl	Aislin Srl	Italy	Other industries	13.79	600,000
Marnavi Chem Srl	Marnavi SpA	Italy	Non-financial services	44.40	4,500,000
MET Dev 1 Srl	MET Development SpA	Italy	Chemical/ Petrochemical	48.99	14,900,000
Fincastello Srl	Arvedi Tubi Acciaio SpA	Italy	Metalworking industry	41.42	15,000,000
ITM India Srl	Italtractor ITM SpA	Italy	Mechanical industry	49.00	1,274,000
Prima Components Europe Srl	Prima Sole Components SpA	Italy	Automotive	23.22	7,500,000
Ferrarini Sp. z o.o.	Società Agricola Ferrarini SpA	Poland	Agri-food	30.53	5,000,000
Proma Poland Sp. z o.o.	Proma S.S.A. Srl	Poland	Automotive	10.93	3,000,000
Marcegaglia Poland Sp. z o.o.	Marcegaglia Carbon Steel SpA	Poland	Metalworking industry	7.75	2,003,817
Sigit Poland Sp. z o.o.	S.I.G.I.T. - Società Italiana Gomma Industriale Torino SpA	Poland	Chemical/ Petrochemical	15.90	1,750,000
Sapa Polska Sp. z o.o.	Sapa SpA	Poland	Automotive	21.69	2,000,000
Tiberina Poland Sp. z o.o.	Tiberina Holding Srl	Poland	Automotive	14.85	1,500,000
Gvm Poland Sp. z o.o.	Gruppo Villa Maria SpA	Poland	Non-financial services	22.00	1,223,125
Foneast Srl	Filatura Fontanella SpA (in liquidation)	Romania	Textiles	16.75	2,113,076

EUROPE

Company	Italian partner	Country of operation	Sector	SIMEST % share	Amount in euro
GDS Manufacturing Services SA	Global Display Solutions SpA	Romania	Electronics/IT	19.38	2,500,000
Dorotex Srl	Antica Rocca Filati Srl (in liquidation)	Romania	Textiles	25.29	980,000
S.C. Ghimar Srl	International Company Srl (in liquidation)	Romania	Non-financial services	14.91	150,080
S.C. W.S.C. (World Startel Communications Europa) SA	World Startel Communications SpA	Romania	Telecommunications	15.00	151,500
Oxyrom Srl	Ossygeno Srl	Romania	Textiles	19.80	60,000
Acse Ro Srl	Acse Srl (in liquidation)	Romania	Electronics/IT	25.00	174,994
Drymon Srl	Agroalimentare F.lli Monaldi SpA	Romania	Agri-food	24.50	2,940,000
Roter Romania Srl	Roter SpA (in liquidation)	Romania	Mechanical industry	22.36	1,114,537
Maccaferri Gabions CIS Ooo	Officine Maccaferri SpA	Russian Federation	Metalworking industry	12.71	1,591,796
CMK Ooo	Cellino Srl	Russian Federation	Metalworking industry	5.64	177,867
Serioplast Rus Ooo	Serioplast Global Services SpA	Russian Federation	Chemical/ Petrochemical	33.93	1,360,000
OOO Old Mill Holding	Old Mill Holding SpA	Russian Federation	Chemical/ Petrochemical	33.01	1,238,000
OOO Fondital	Fondital SpA	Russian Federation	Mechanical industry	8.33	1,007,823
OOO AIE Rus	Anas International Enterprise SpA	Russian Federation	Infrastructure and construction	49.00	2,402,196
P & T Design D.o.o.	Plados SpA; Delta Srl	Serbia, Republic of	Infrastructure and construction	13.97	384,979
Novi Tekstili D.o.o.	Norman International SpA	Serbia, Republic of	Textiles	32.67	2,008,112
La Linea Verde D.o.o.	La Linea Verde Società Agricola SpA	Serbia, Republic of	Agri-food	24.16	1,000,000
Cecomp D.o.o.	Cecomp SpA	Slovenia	Automotive	25.00	2.500.000
Alerion Spain Sl	Alerion Clean Power SpA	Spain	Renewables	49.00	49,000
PLT Spagna Sl	PLT Energia Srl	Spain	Renewables	24.50	24,500
Ansaldo Energia Switzerland AG	Ansaldo Energia SpA	Switzerland	Mechanical industry	10.46	10,000,000
Bonfiglioli Swiss SA	Bonfiglioli SpA	Switzerland	Mechanical industry	0.08	200,000
HP Pelzer AG	Adler Pelzer Holding GmbH	Switzerland	Automotive	16.67	7,000,000
Stahl Gerlafingen AG	AFV Acciaierie Beltrame SpA	Switzerland	Metalworking industry	10.82	12,000,000
Delma Constructions CH SA	ICM SpA	Switzerland	Infrastructure and construction	24.40	2,000,000
Serioplast Ambalaj Sanayi Ve Ticaret Anonim Sirketi	Serioplast Global Services SpA	Turkey	Chemical/ Petrochemical	16.88	2,000,000
Marcegaglia Tr Paslanmaz Celik Sanayi Ve Ticaret Anonim Sirketi	Marcegaglia Specialties SpA	Turkey	Metalworking industry	48.98	7,400,000
Delma Engineering UK Limited	ICM SpA	United Kingdom	Infrastructure and constructions	44.64	8,478,891
Lucart Hygiene Limited	Lucart SpA	United Kingdom	Other industries	18.50	3,000,000
Filmmaster Events Limited	Filmmaster Partecipazioni Srl	United Kingdom	Non-financial services	11.83	783,177
Marcegaglia (UK) Ltd	Marcegaglia Carbon Steel SpA	United Kingdom	Metalworking industry	14.14	8,000,000
Prestat Group Ltd	Domori SpA	United Kingdom	Agri-food	7.57	600,000
TOTAL EUROPE					**267,312,259**

AMERICA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
Coes Sudamerica SA	Coes SpA (in liquidation)	Argentina	Mechanical industry	13.64	620,923
Sipcam Argentina Srl	Sipcam Oxon SpA	Argentina	Chemical/ Petrochemical	8.97	1,000,000
Proma Ssa SA	Proma SpA	Argentina	Automotive	7.39	750,000
MA Automotive Argentina SA	MA Srl	Argentina	Automotive	39.69	2,500,000
C.IMM. Sudamerica SA	Imilani Srl - Benefit Company	Argentina	Mechanical industry	19.16	500,000
Arvedi Metalfer do Brasil SA	Arvedi Tubi Acciaio SpA; Metalfer SpA	Brazil	Metalworking industry	7.77	9,127,000
Maccaferri do Brasil Holding Participações Empresariais e Imobiliárias Ltda	Officine Maccaferri SpA	Brazil	Metalworking industry	43.89	3,520,000
Emil Ceramica do Brasil Ltda	Ceramiche Speranza SpA	Brazil	Infrastructure and construction	23.75	83,333
PMC Automotiva do Brasil	Proma SpA	Brazil	Automotive	18.99	5,000,000
Mangini South America Participações e Investimentos Ltda	Mangini International Srl	Brazil	Infrastructure and construction	27.08	199,828
Tiberina Automotive MG - Componentes Metálicos para Indústria Automotiva Ltda	Tiberina Holding Srl	Brazil	Automotive	10.56	4,000,000
IMI Fabi Brasil Participações Ltda	IMI Fabi SpA	Brazil	Mining	24.24	8,000,000
Bronte Administraçao e Partecipações Ltda	Bomi Italia SpA	Brazil	Non-financial services	28.63	6,000,000
SCL do Brasil Importação e Comércio Ltda	SCL Italia SpA	Brazil	Chemical/ Petrochemical	33.82	3,145,000
Ducati Energia do Brasil Ltda	Ducati Energia SpA	Brazil	Mechanical industry	23.89	515,877
The Placemakers do Brasil Participações Ltda	Metalco Srl	Brazil	Mechanical industry	24.50	693,141
Nice Brasil Indústria e Comércio de Eletrônicos e Automação Ltda	Nice SpA	Brazil	Other industries	10.44	4,150,000
Soilmec do Brasil SA	Soilmec SpA; Colli Drill SpA	Brazil	Infrastructure and construction	22.79	568,043
Gualapack Brasil Indústria e Comércio SA	Guala Pack SpA	Brazil	Other industries	13.56	2,500,000
Cornaglia do Brasil Participações Ltda	Officine Metallurgiche G. Cornaglia SpA	Brazil	Automotive	17.71	800,000
Almaviva do Brasil Telemarketing e Informatica SA	Almaviva Contact SpA	Brazil	Non-financial services	0.40	10,000,000
Fugesco Inc.	Meccanotecnica Umbra SpA	Canada	Mechanical industry	49.00	1,296,835
Entreprises Importfab Inc.	Labomar SpA	Canada	Other industries	17.17	2,075,712
PSC America SpA	Gruppo PSC SpA	Chile	Infrastructure and construction	16.69	1,500,000
Biomedical Distribution Colombia SL Ltda	Bomi Italia SpA	Colombia	Non-financial services	14.77	1,300,000
PLT Colombia S A S	PLT Energia Srl	Colombia	Renewables	24.50	1,050,000
Flenco de Mexico S.A. de C.V.	Flenco Fluid System Srl	Mexico	Mechanical industry	7.39	383,331
Mintaim S. de R.L. de C.V.	Sasch SpA (in liquidation)	Mexico	Textiles	17.92	1,696,526
Progetti America S.A. de C.V.	Progetti Srl (in liquidation - in composition with creditors)	Mexico	Mechanical industry	19.93	160,033
OMP Mechtron Mexico S.A. de C.V.	OMP Mechtron Srl	Mexico	Electrical industry	22.22	191,213
Operadora Erogi S.A. de C.V.	Small Building Srl	Mexico	Non-financial services	30.44	611,735
Euro High Tech Mexico S.A. de C.V.	S.I.G.I.T. SpA	Mexico	Metalworking industry	23.28	3,861,066
Handling Healthcare S.A. de C.V.	Bomi Italia SpA	Mexico	Non-financial services	22.65	498,173
Irritec México Sistemas De Riego S.A. de C.V.	Irritec SpA	Mexico	Mechanical industry	9.01	1,500,000
Marcegaglia Mexico S. de R.L. de C.V.	Marcegaglia Carbon Steel SpA	Mexico	Metalworking industry	40.64	5,000,000
Saleri México S.A. de C.V.	Industrie Saleri Italo SpA	Mexico	Automotive	24.43	1,000,000
Poligof Mexico S.A. de C.V.	Poligof SpA	Mexico	Other industries	24.46	886,174
Doxee Usa Inc.	Doxee SpA	United States of America	Electronics/IT	49.00	1,121,102

AMERICA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
BDF Industries North America Llc	BDF Industries SpA	United States of America	Mechanical industry	48.44	517,552
M&G Logistics & Engineering	M & G Finanziaria SpA	United States of America	Chemical/ Petrochemical	37.70	10,843,147
Enerray Global Solar Opportunities Inc.	Enerray SpA	United States of America	Renewables	49.00	9,362,079
Geo Investment Holding Inc.	Exergy SpA (in liquidation)	United States of America	Renewables	49.00	6,312,663
Exor Electronic Research and Development Inc.	Exor International SpA	United States of America	Mechanical industry	45.00	488,924
Thesan USA Corp.	Savio Thesan Group SpA	United States of America	Mechanical industry	49.00	1,750,000
Fagioli Inc.	Fagioli SpA	United States of America	Non-financial services	9.25	750,000
Agrati USA Corp.	A. Agrati SpA	United States of America	Mechanical industry	13.65	15,750,000
Astaldi Construction Corporation	Webuild SpA	United States of America	Infrastructure and construction	34.19	6,308,883
Broadcast Global Investment I Inc.	Elenos Srl	United States of America	Electronics/IT	49.00	1,255,766
Clabo Holding USA Inc.	Clabo SpA	United States of America	Other industries	46.01	1,754,078
CMS Waynesboro Llc	C.M.S. SpA	United States of America	Automotive	49.00	3,453,136
Serioplast US Llc	Serioplast Global Services SpA	United States of America	Chemical/ Petrochemical	46.95	5,000,000
Miscela d'Oro USA Inc.	Miscela d'Oro SpA	United States of America	Agri-food	48.71	597,949
Magnaghi Aeronautica USA Inc.	Magnaghi Aeronautica SpA	United States of America	Aeronautics	48.50	7,000,000
Bruschitech USA Inc.	Bruschi SpA	United States of America	Metalworking industry	45.98	1,893,805
Kysor Warren Epta US Corporation	Epta SpA	United States of America	Mechanical industry	16.00	3,559,352
Grastim US	Grastim J.V. Srl	United States of America	Electrical industry	39.20	1,728,090
Eldor Holding North America Inc.	Eldor Corporation SpA	United States of America	Automotive	15.06	6,939,460
Energia Pacifica Inc.	Energie Valsabbia SpA	United States of America	Renewables	48.89	1,897,827
Sfembiopharma Inc.	Sfem Italia Srl	United States of America	Chemical/ Petrochemical	38.03	12,969,954
Microtec USA Inc.	Microtec Srl	United States of America	Mechanical industry	25.10	4,178,569
Venchi US Inc.	Venchi SpA	United States of America	Agri-food	18.04	1,750,000
GPI USA Inc.	GPI SpA	United States of America	Electronics/IT	30.00	3,000,000
Granarolo USA Corp.	Granarolo SpA (G. SpA in abbreviated form)	United States of America	Agri-food	29.00	6,000,000
Fluorseals America Inc.	Fluorseals SpA	United States of America	Chemical/ Petrochemical	23.06	969,936
Zordan USA Inc.	Zordan Srl - Benefit Company	United States of America	Other industries	15.40	462,406
Tiberina Detroit Inc.	Tiberina Holding Srl	United States of America	Automotive	21.13	1,500,000
Ecopol America Inc.	Ecopol SpA	United States of America	Chemical/ Petrochemical	5.19	290,000
TOTAL AMERICA					**206,088,622**

ASIA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
Flenco Ningbo Power Auxiliary Equipment & Systems Co. Ltd	Flenco Fluid System Srl	China	Mechanical industry	12.50	500,229
Contempo Furniture (Shanghai) Co. Ltd	Pdc SpA (in liquidation)	China	Other industries	25.00	1,475,791
Goglio (Tianjin) Packaging Co. Ltd	Gopack Promotion SpA	China	Other industries	11.06	3,091,327
Shaoxing Bepping Glassware Co. Ltd	Glaxko Srl (bankrupt)	China	Infrastructure and construction	12.00	250,506
Suxia Estate & Co. Ltd	Clam Srl (in liquidation); Investa Srl Unipersonale	China	Infrastructure and construction	14.00	1,960,688
Sitindustrie Tubes & Pipes (Foshan) Co. Ltd	Sitindustrie Tubes & Pipes Srl	China	Metalworking industry	17.00	666,258
Metecno Holding Hong Kong Ltd	Metecno SpA	China	Infrastructure and construction	11.22	787,099
Flenco Huashen Automobile Tools Co.	CA Srl	China	Mechanical industry	25.00	500,000
Sira (Tianjin) Aluminium Products Co. Ltd	Sira Industrie SpA	China	Metalworking industry	23.47	2,382,713
IMF Foundry Machinery (Tianjin) Co. Ltd	I.M.F. Impianti Macchine Fonderia Srl	China	Mechanical industry	25.00	625,000
IT Frames (Shanghai) Co. Ltd	IT Frames Srl (in liquidation)	China	Other industries	18.00	282,500
Titan-ITM (Tianjin) Co. Ltd	Italtractor ITM SpA	China	Mechanical industry	25.00	1,000,000
Soilmec (Wujiang) Machinery Co. Ltd	Soilmec SpA	China	Infrastructure and construction	24.50	1,470,000
Shanghai Camozzi Automation Control Co. Ltd	Camozzi Automation SpA	China	Mechanical industry	12.00	1,835,000
Shanghai Camozzi Pneumatic Control Components Co. Ltd	Camozzi Automation SpA	China	Mechanical industry	11.98	945,000
CMS Precision Mechanical Manufacturing Wujiang Co. Ltd	CMS SpA	China	Metalworking industry	11.31	735,000
Samp Machinery (Shanghai) Co. Ltd	Samp SpA	China	Mechanical industry	31.00	3,177,753
Siti B&T Ceramic Technology Co. Ltd	Siti - B&T Group SpA	China	Mechanical industry	9.93	1,179,430
Zhejiang Elleci New Material Co. Ltd	Elleci SpA	China	Chemical/ Petrochemical	20.92	297,500
Ferrarini Pacific Ltd	Società Agricola Ferrarini SpA	China	Agri-food	49.00	4,970,378
Finnord Suzhou Auto Parts Co. Ltd	Meccanica Finnord SpA	China	Mechanical industry	11.45	252,000
Euro Group Asia Ltd	Euro Group SpA	China	Metalworking industry	33.30	6,134,821
Fluorseals Asia Manufacturing Co. Ltd	Fluorseals SpA	China	Chemical/ Petrochemical	22.75	618,714
U.B.C. Far East Limited	United Brands Company SpA	China	Textiles	24.43	202,162
Pama (Shanghai) Machine Tool Co. Ltd	Pama SpA	China	Mechanical industry	22.22	2,000,000
Fiamm Autotech Co. Ltd	Elettra 1938 SpA	China	Electrical industry	22.92	4,000,000
Wuxi Gear Tech Co. Ltd	Capi Group Srl	China	Mechanical industry	11.25	770,000
Fabi Asia Limited	Fabi SpA	China	Textiles	25.01	500,000
Frascold Refrigeration (Taizhou) Co. Ltd	Frascold SpA	China	Mechanical industry	25.00	1,096,817
Aircom (Zhejiang) General Equipment Manufacturing Co. Ltd	Baglioni SpA	China	Mechanical industry	16.67	854,628

ASIA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
Hangzhou Dragon-Light Electron Co. Ltd	S.I.G.I.T. SpA	China	Electrical industry	24.49	248,411
Clabo Pacific Holding Limited	Clabo SpA	China	Mechanical industry	25.00	1,075,000
Comem (Hefei) Transformers Equipments Ltd	Comem SpA	China	Electrical industry	24.50	367,500
Black Share DMCC	Coleman SpA	Dubai (United Arab Emirates)	Non-financial services	49.00	2,071,585
Maccaferri Asia Limited	Officine Maccaferri SpA	Hong Kong	Metalworking industry	24.79	2,849,560
Peuterey Hong Kong	PTH Srl	Hong Kong	Textiles	28.20	1,550,000
Venchi Greater China Ltd	Venchi SpA	Hong Kong	Agri-food	21.68	2,000,000
Seco Asia Limited	Seco SpA	Hong Kong	Electronics/IT	27.57	1,930,000
Vetrerie Riunite (Hong Kong) Company Limited	Vetrerie Riunite SpA	Hong Kong	Other industries	22.07	2,250,000
Terruzzi Fercalx India Limited	Lombardia Impianti Srl (in liquidation)	India	Mechanical industry	7.58	537,400
Techno System India Pvt Ltd	Tecno System SpA	India	Electrical industry	24.00	544,455
OLCI Engineering India Pvt Ltd	O.L.C.I. Engineering Srl	India	Mechanical industry	8.35	600,000
Decal In - Italian Graphics Industry Private Limited	Serigrafia ’76 Srl	India	Other industries	21.00	75,000
Stranich Fans and Duscon India Private Limited	Aeromeccanica Stranich SpA	India	Mechanical industry	24.29	610,000
Maccaferri Environmental Solutions Pvt Ltd	Officine Maccaferri SpA	India	Metalworking industry	4.62	1,750,000
Meccanotecnica India Private Limited	Meccanotecnica Umbra SpA	India	Mechanical industry	28.47	1,406,082
Saira Asia Interiors Private Limited	Saira Europe Srl	India	Infrastructure and construction	20.94	1,057,165
Tecnocap Oriental Private Limited	TGP Tecnocap Group Partecipazioni Srl	India	Mechanical industry	10.00	257,740
Saleri India Private Limited	Industrie Saleri Italo SpA	India	Automotive	24.24	850,000
Green Asu Plant Private Limited	Sol SpA	India	Chemical/ Petrochemical	38.99	12,400,000
Bhoruka Specialty Gases Private Limited	Sol SpA	India	Chemical/ Petrochemical	9.03	2,600,000
Atura Industries Ltd	Albis International Srl	Israel	Consumer goods	24.47	1,517,036
Artile Roof Ltd	Cunial Antonio I.L.C.A. Srl	Israel	Infrastructure and construction	10.58	866,668
Maccaferri Philippines Manufacturing Inc.	Officine Maccaferri SpA	Philippines	Metalworking industry	46.30	1,320,000
Seko Saudi Arabia Company for Industry Llc	Seko SpA	Saudi Arabia	Mechanical industry	24.50	292,076
Fagioli Asia Pvt Ltd	Fagioli SpA	Singapore	Non-financial services	18.98	600,000
Bellelli Emirates Engineering General Contracting Llc	Bellelli Engineering Srl	United Arab Emirates	Oil & Gas	20.00	408,612
Engineering Projects Ltd	Montalbano Srl Unipersonale	United Arab Emirates	Mechanical industry	49.00	455,000
Hbg Events Fz Llc	Italian Exhibition Group SpA	United Arab Emirates	Non-financial services	5.43	227,118
TOTAL ASIA					**87,277,722**

AFRICA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
Afreco Sàrl	R.I. SpA	Djibouti	Infrastructure and construction	24.48	491,000
International Environment Services Co.	Gesenu SpA	Egypt	Water, environment, urban services	5.41	240,175
Instant Rentals for Vehicles S.a.e.	J.a.z. Investment Group Srl (in liquidation)	Egypt	Non-financial services	18.50	483,815
Fuda Marble Plc	Fuda Antonio Srl	Ethiopia	Infrastructure and construction	20.47	125,000
Fri-El Ethiopia Farming & Processing Plc	Ener.Fin Srl	Ethiopia	Renewables	48.33	2,500,000
Simto Limited	Tozzi Green SpA	Mauritius, islands	Renewables	40.00	6,500,000
Proma Industrie Sàrl	Proma SpA	Morocco	Automotive	29.07	5,182,418
MA Automotive South Africa Pty Ltd	MA Srl	South African Republic	Automotive	4.58	6,819,924
Serioplast South Africa (Pty) Ltd	Serioplast Global Services SpA	South African Republic	Chemical/Petrochemical	25.00	1,000,000
Tesmec SA (Pty) Ltd	Tesmec SpA	South African Republic	Mechanical industry	33.33	1,955,761
OMH South Africa Pty Ltd	Old Mill Holding SpA	South African Republic	Chemical/Petrochemical	32.67	2,000,000
Mountain Organic Kiwi Company Pty Ltd	Agricollibio Srl	South African Republic	Agri-food	16.67	500,000
Eurotranciatura Tunisia Sàrl	Euro Group SpA	Tunisia	Metalworking industry	36.75	3,000,000
Sivam Tunisie	Sivam SpA	Tunisia	Non-financial services	24.50	245,000
Mista Tunisia	Mista SpA	Tunisia	Mechanical industry	22.08	600,000
Sipa Holdings Ltd	P.A.C. SpA	Uganda	Renewables	38.48	4,283,033
TOTAL AFRICA					**35,926,126**

OCEANIA

Company	Italian partner	Country of operation	Sector	Share SIMEST %	Amount in euro
F.P Australia Holdings Pty Ltd	Faresin Formwork SpA	Australia	Metalworking industry	48.98	1,488,000
Tesmec Australia Pty Ltd	Tesmec SpA	Australia	Mechanical industry	49.00	1,843,260
Serioplast Australia Pty Ltd	Serioplast Global Services SpA	Australia	Chemical/ Petrochemical	48.00	2,500,000
TOTAL OCEANIA					**5,831,260**

SHAREHOLDER LOAN

Company	Italian partner	Country of operation	Sector	Amount in euro
Alerion Teruel Sl	Alerion SpA	Spain	Renewables	9,951,000
Cecomp D.o.o.	Cecomp SpA	Slovenia	Automotive	1,983,518
Ducati Energia do Brasil Ltda	Ducati Energia SpA	Brazil	Mechanical industry	8,484,123
Sipa Holding Ltd	P.A.C. SpA	Uganda	Renewables	696,154
Simto Limited	Tozzi Green SpA	Mauritius, Islands	Renewables	2,000,000
Tecnocap Oriental Private Limited	Tecnocap Group Partecipazioni Srl	India	Mechanical industry	1,100,000
Spitali Europian	Gruppo Villa Maria SpA	Albania	Non-financial services	600,000
Filmmaster Events Limited	Filmmaster Partecipazioni Srl	United Kingdom	Non-financial services	1,716,823
Vetrerie Riunite (Hong Kong) Company Limited	Vetrerie Riunite SpA	Hong Kong	Other industries	2,250,000
PLT Spagna SL	PLT Energia Srl	Spain	Renewables	1,725,500
Proma S.s.a. Srl	Proma Poland Sp. z o.o.	Poland	Automotive	2,000,000
SCL Italia SpA	SCL do Brasil Importação e Comércio Ltda	Brazil	Chemical/ Petrochemical	1,400,000
Zordan Srl	Zordan Usa Inc.	United States of America	Other industries	287,593
Cornaglia SpA	Cornaglia do Brasil Participações Ltda	Brazil	Automotive	500,000
Poligof SpA	Poligof Mexico S.A. de C.V.	Mexico	Other industries	313,826
Euro Group SpA	Euro Group Asia Ltd	China	Metalworking industry	8,500,000
Gruppo Villa Maria SpA	Gvm Poland Sp. z o.o.	Poland	Non-financial services	776,875
Bonfiglioli SpA	Bonfiglioli Swiss SA	Switzerland	Mechanical industry	6,800,000
Domori SpA	Prestat Group Ltd	United Kingdom	Agri-food	900,000
Ecopol SpA	Ecopol America Inc.	United States of America	Chemical/ Petrochemical	3,714,313
TOTAL SHAREHOLDER LOAN				**55,699,723**
TOTAL EQUITY INVESTMENTS AND SHAREHOLDER LOANS IN COMPANIES IN ITALY AND ABROAD AS AT 31 DECEMBER 2022*				**658,135,712**

* Nominal subscription amount

SLAMP

WITH US
IN 2022...

SLAMP LIGHTS UP
THE INTERNATIONAL
MARKETS

We supported the historic Roman company, leader in the production of lighting design, thanks to 1.4 million euro in soft loans dedicated to international growth, to the participation in the Salone del Mobile in Milan, the creation of an e-commerce platform and the ecological and digital transition

REPORT OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

DURING THE APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022, DRAWN UP PURSUANT TO ARTICLE 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

To the Shareholders of SIMEST SpA

The Board of Statutory Auditors in office at the date of this report was appointed by the Shareholders' Meeting on 27 June 2022 and will remain in office until the approval of the Financial Statements as at 31 December 2024.

First of all, it should be noted that on 21 March 2022, in execution of Article 1, paragraph 1, letter a), of the Decree of the Ministry of Economy and Finance, in agreement with the Ministry of Foreign Affairs and International Cooperation, the 76.005% stake held by SACE was transferred to Cassa Depositi e Prestiti SpA and, subsequently, under its management and coordination by resolution of the Board of Directors of SIMEST of 27 September 2022.

In 2022, there were a total of 12 meetings of the Board of Directors and 3 Shareholders' Meetings, all of which were attended by the Board of Statutory Auditors, which, turn in, held 7 meetings, to which the Judge, Ms. Stefania Petrucci, designated by the Court of Auditors to oversee the Company's financial operations pursuant to Law no. 259 of 1958 was always invited.

Our activity was based on the legal provisions and the Rules of Conduct of the Board of Statutory Auditors of unlisted companies issued by the National Institute of Chartered Accountants, published in December 2020 and in force since 1 January 2021.

We hereby inform you of this activity and the results achieved.

We examined the Financial Statements of SIMEST SpA as at 31 December 2022, approved by the Board of Directors on 23 March 2023, drawn up in compliance with Italian regulations and the International Financial Reporting Standards adopted by the European Union governing their preparation, which shows a positive result for the year of 505,374 euros. The Financial Statements were made available to us within the legal deadline.

The entity in charge of the statutory audit of the accounts Deloitte & Touche SpA has delivered its report dated 11 March 2023 containing an unqualified and unchanged opinion.

Based on the contents of the Report of the Independent Auditors, the Financial Statements as at 31 December 2022 present a true and fair view of the equity and financial position, the economic result and the cash flows of your Company and have been prepared in compliance with regulations which govern their drafting.

1) Supervisory activities pursuant to Articles 2403 et seq. of the Italian Civil Code

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

We participated in the meetings of the Board of Directors and, based on the information available, we have no particular findings to report. We acquired information from the administrative body during the meetings of the Board, with adequate advance and also during the meetings held, on the general performance of operations and on its outlook, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company and, based on the information acquired, we have no particular observations to report.

We have periodically exchanged data and information relevant to the performance of our supervisory activities with the entity in charge of the statutory audit.

At the meeting of 25 October 2022, SIMEST's Board of Directors approved the evolution of the to-be operating model in relation to the Internal Audit Function, with the establishment of an Internal Audit Function within SIMEST, reporting directly to the Chairperson, which carries out its own activities also with the additional resources of the Parent Company CDP by virtue of a service agreement.

We met with the aforementioned Internal Audit Function and the only aspect to document in this report is the absence, in its Annual Report, of the opinion on the internal control system for 2022, motivated by the succession of its manager in November 2022. As regards the internal control and risk management system, the Board of Statutory Auditors reports that it is monitoring what the Company is implementing with regard to a process of strengthening the controls relating to business management, also in terms of consolidation of the reference compliance, as well as of the concrete implementation of Parent Company policies.

We met with the Supervisory Body and the findings came to light regarding the hoped-for update of the 231 Model and the related information flows.

We acquired knowledge and monitored the adequacy of the organisational, administrative and accounting structure and its practical functioning also by collecting information from the heads of the functions and, in this regard, it is reported that, on 21 February 2023, the Board of Directors approved the new macro-structure for which it is monitoring the process of strengthening processes and procedures. The above is consequent and instrumental also in order to achieve the simplification and efficiency objectives set out in the SIMEST 2023-2025 Strategic Plan, approved by the Board of Directors on 19 December 2022.

The Board also reports that strengthening activities have been carried out and that they will continue with further improvements in specific controls also for the public funds managed by the Company, in order to monitor and mitigate the main risks through initiatives aimed at strengthening the integrated system of controls to monitor reputational, fraud and money laundering risks.

We acquired knowledge and supervised, for matters within our competence, the adequacy and functioning of the administrative-accounting system, as well as its reliability in correctly representing the operating events, by obtaining information from the heads of the functions, the Independent Auditors and by examining Company documents, and in this regard, we have no particular observations to report.

No complaints were received from Shareholders pursuant to Article 2408 or Article 2409 of the Italian Civil Code.

During the year, in compliance with Article 2389, paragraph 3 of the Italian Civil Code, the remuneration due to the Chief Executive Officer was resolved, after consulting the Board of Statutory Auditors.

On 24 October 2022, the Board of Statutory Auditors expressed a favourable opinion on the appointment of the new Internal Audit Manager of the Company and, finally, issued today the justified proposal for the assignment of the audit engagement for the financial years 2023-2025.

With reference to the revised Code of business crisis and insolvency, we did not make any reports to the management body pursuant to and for the purposes of Article 15 of Decree Law 118/2021 or pursuant to and for the purposes of Article 25-*octies* of Legislative Decree no. 14 of 12 January 2019. We have not received reports from public creditors pursuant to and for the purposes of Article 25-*novies* of Legislative Decree no. 14 of 12 January 2019, or pursuant to and for the purposes of Article 30-*sexies* of Law Decree no. 152 of 6 November 2021, converted by Law no. 233 of 29 December 2021, and subsequent amendments.

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

2) Comments on the Financial Statements

The Financial Statements for the year ended 31 December 2022, consisting of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, the Notes to the Financial Statements and accompanied by the Report on Operations show a profit of financial year amounting to 505,374 euros and presents, in summary, the following values:

STATEMENT OF FINANCIAL POSITION - ASSETS	
Cash and cash equivalents	19,489
Financial assets at fair value through other comprehensive income	5,164,569
Financial assets at fair value through profit or loss	106,470,724
Financial assets measured at amortised cost	405,753,021
Property, plant and equipment	3,059,240
Intangible assets	1,916,094
Tax assets	1,136,947
Other assets	21,140,690
TOTAL ASSETS	**544,660,774**

STATEMENT OF FINANCIAL POSITION - LIABILITIES	
Loans payable measured at amortised cost	214,986,275
Other liabilities	16,576,921
Employee severance indemnity	1,671,095
Tax liabilities	101,670
Provisions for risks and charges	1,714,500
Share capital	164,646,232
Share premium reserve	1,735,551
Reserves	142,717,156
Profit	505,374
TOTAL LIABILITIES	**544,660,774**

INCOME STATEMENT	
Gross income	51,129,233
Operating result	8,912,968
Profit before taxes	4,465,524
Income for the year	505,374

Based on the contents of the Report of the Independent Auditors, "the Financial Statements provide a true and fair view of the Company's equity and financial position as at 31 December 2022 and of the economic result and cash flows for the year ended on that date, in compliance with the International Financial Reporting Standards adopted by the European Union".

The Board of Statutory Auditors also acknowledged the opinion on the consistency of the report on operations with the Financial Statements and its compliance with the law, issued pursuant to Article 14, paragraph 2, letter e) of Legislative Decree 39/2010.

As the Board of Statutory Auditors is not responsible for the statutory audit, it has carried out the supervisory activities on the Financial Statements envisaged by Rule 3.8 of the "Rules of conduct of the Board of Statutory Auditors of unlisted companies" consisting of an overall summary check aimed at verifying that the Financial Statements have been correctly drawn up. Verification of compliance with the accounting data is actually the responsibility of the entity in charge of the statutory audit.

In view of the above, we would like to point out that the Board of Statutory Auditors has verified compliance with the laws relating to the preparation of the Financial Statements and, in this regard, has no observations to report, having – through information obtained from the Directors, the Heads of the corporate functions and the Independent Auditors – ascertained that:

- the Financial Statements schemes and the assessment criteria adopted comply with the law and are adequate in relation to the activity carried out by the Company;
- in drawing up the Draft Financial Statements, the Directors have complied with the principles set forth in Articles 2423 and 2423-*bis* of the Italian Civil Code, not making recourse to the derogation envisaged by the fifth paragraph of the aforementioned Article 2423;
- pursuant to Article 2426, first paragraph, no. 5 and no. 6 of the Italian Civil Code, the Board specifies that long-term costs (start-up, expansion, research and development, advertising and goodwill) for which the Board of Statutory Auditors must express its consent are not recognised in statement of financial position assets;
- the Draft Financial Statements, as prepared, correspond and are consistent with the facts and information of which the Board of Statutory Auditors is aware following participation in the meetings of the corporate bodies and the supervisory activity carried out during the year;
- the accounting standards and measurement criteria are reported in the Notes to the Financial Statements.

As better illustrated in the Report on Operations, the Directors have prepared the Financial Statements on the basis of the going concern assumption.

In this regard, we inform you that the Notes to the Financial Statements and the Report on Operations illustrate in detail the risk associated with the evolution of the economic situation.
The accounting standards applied are analytically indicated in the Notes to the Financial Statements and there are no differences with respect to the previous year.

3) Observations and proposals regarding the approval of the Financial Statements

Considering the results of the activities carried out by us and the opinion expressed in the audit report issued by the entity in charge of the statutory audit, we invite the Shareholders to approve the Financial Statements for the year ended 31 December 2022, as prepared by the Directors.

The Board of Statutory Auditors agrees with the proposal to allocate the profit for the year formulated by the Directors in the Notes to the Financial Statements.

Rome, 12 April 2023

The Board of Statutory Auditors

Mr. Ugo Venanzio Gaspari
Ms. Franca Brusco
Mr. Paolo Cotini

SOL

WITH US IN 2022...

SOL CONSOLIDATES ITS POSITION ON THE INDIAN MARKET

We entered the capital of the Indian subsidiary to support a strategic partnership aimed at strengthening the international presence of the Lombardy-based Group, a leader in the production, applied research and marketing of technical and medical gases.
The transaction involved SIMEST together with the Venture Capital Fund, managed on behalf of the Ministry of Foreign Affairs and International Cooperation

REPORT
OF THE INDEPENDENT
AUDITORS

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RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE AI SENSI DELL'ART. 14 DEL D.LGS. 27 GENNAIO 2010, N. 39

Agli Azionisti della
Società Italiana per le Imprese all'Estero - Simest S.p.A.

RELAZIONE SULLA REVISIONE CONTABILE DEL BILANCIO D'ESERCIZIO

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Società Italiana per le Imprese all'Estero - Simest S.p.A. (la "Società") costituito dallo stato patrimoniale al 31 dicembre 2022, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa che include anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio d'esercizio

Gli Amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia.

Deloitte.

Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d’esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l’interruzione dell’attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell’informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d’esercizio

I nostri obiettivi sono l’acquisizione di una ragionevole sicurezza che il bilancio d’esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l’emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio d’esercizio.

Nell’ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- Abbiamo identificato e valutato i rischi di errori significativi nel bilancio d’esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l’esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno.

- Abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull’efficacia del controllo interno della Società.

- Abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa.

- Siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull’eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un’entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un’entità in funzionamento.

Deloitte.

- Abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

RELAZIONE SU ALTRE DISPOSIZIONI DI LEGGE E REGOLAMENTARI

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10

Gli Amministratori della Società Italiana per le Imprese all'Estero - Simest S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Società Italiana per le Imprese all'Estero - Simest S.p.A. al 31 dicembre 2022, incluse la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - Simest S.p.A. al 31 dicembre 2022 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - Simest S.p.A. al 31 dicembre 2022 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

DELOITTE & TOUCHE S.p.A.

Enrico Pietrarelli
Socio

Roma, 11 aprile 2023

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APPROVAL OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Approval of the Financial Statements as at 31 December 2022

The Ordinary Shareholders' Meeting held today, 9 May 2023, unanimously, with the presence of 95.4198% of the share capital, approved the Financial Statements for the year ended as at 31 December 2022 and the allocation of profit of Euro 505,374 for the year 2022, as follows:

- Euro 25,732, equal to 5%, to the legal reserve pursuant to Article 2430 of the Italian Civil Code;
- Euro 479,642 to "Reserves: c) Retained earnings (accumulated losses)."

In addition, the restriction on unavailable reserves was released for an amount of Euro 2,565,191.

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SIMEST SpA - Italian Company for companies abroad

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