Inclusive, Sustainable, Digital

WITH ITALY AS IT GROWS

The new CDP and the country’s challenges

2022-2024 Strategic Plan

Rome, 25 November 2021
### Bridging the gaps: Italy’s four major challenges

<table>
<thead>
<tr>
<th>Climate change and ecosystem protection</th>
<th>Digitalisation and innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Slow development of renewable energy sources</td>
<td>• Low investment by SMEs in digitisation</td>
</tr>
<tr>
<td>• Low availability of waste treatment facilities</td>
<td>• Low penetration of fixed broadband among Italian households</td>
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<tr>
<td>• Limited investments in water infrastructure</td>
<td>• Low level of cybersecurity</td>
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<table>
<thead>
<tr>
<th>Inclusive and sustainable growth</th>
<th>Rethinking value chains</th>
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<tbody>
<tr>
<td>• Local healthcare facilities need strengthening</td>
<td>• Cost of logistics 11 times higher than the European average</td>
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<td>• Low capacity of social, student and senior housing</td>
<td>• Strategic supply chains excessively dependent on other countries</td>
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<tr>
<td>• Slow regeneration of urban areas and social infrastructure</td>
<td>• High level of goods transported by road</td>
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CDP’s commitment to 10 Areas of Action pivotal to 2030 Agenda and NRRP

Based on macro-trends...

- Climate change and ecosystem protection
- Inclusive and sustainable growth
- Digitisation and innovation
- Rethinking value chains

...10 Areas of Action have been identified for CDP...

1. Energy transition
2. Circular economy
3. Preservation of local territories
4. Social infrastructure
5. Capital markets
6. Digitisation
7. Technological innovation
8. Support to strategic supply chains
9. International cooperation
10. Transport/logistics hubs

...in line with the SDGs and the PNRR’s missions

Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development

Missions of the National Recovery and Resilience Plan (NRRP)
CDP today: more than 400 billion euro for investments in Italy

CDP’s Mission

Promoting Italy’s sustainable development by using savings responsibly to drive growth and employment, by supporting innovation and business competitiveness, infrastructure and local development

Total assets 410 billion euro
Loans 107 billion euro
Equity investments 36 billion euro
Postal funding 275 billion euro
Bond funding 21 billion euro
Equity 25 billion euro

Notes: (1) Treasury shares 1.3%; (2) Comprising treasury accounts and other short-term investments (183 billion euro), loans (107 billion euro), debt securities (74 billion euro), equity investments and funds (36 billion euro), other (11 billion euro). Source: CDP S.p.A. financial statements at 31 December 2020
The 2022-2024 Strategy: CDP, catalyst for Italy’s sustainable growth

The new CDP in support of sustainable growth, which finances and invests according to defined policies and principles of sustainability and additionality with respect to the market.

Creation of cutting-edge standards with a special focus on ESG criteria, to become a benchmark for the market, through an approach of additionality and selectivity.

Support to the creation and development of new markets, by leveraging resources and technical expertise.

Notes: (1) Environmental, Social and Governance
The 2022-2024 Strategy: the 3 transformational strategic pillars

1. Sector analyses and funding and investment policies to guide actions in order to generate impact

2. Technical advisory role and management of third-party funds (through mandates)

3. Financial instruments in support of Italy’s strategic sectors

Focus on next pages

Change in CDP’s operating model

- Policies
- Operating model
- Advisory role
- Mandate management
- Loans and guarantees
- Equity
- Real estate

Strengthening capacity of sector analyses and impact assessment

Strengthening technical skills to best direct expenditure towards quality projects

Activation of a broad range of products for PA and Enterprises at every stage of the life cycle
Pillar 1: Sector analyses and funding and investment policies to guide actions in order to generate impact

How we will work: Policies, a guide for operations

A new method for assessing loans/investments and the use of CDP resources for sustainable growth

Structured approach to the assessment of actions through codified criteria

- Proposed action
- Proposed action
- Not compliant with regulatory constraints
- Not consistent with the “Area of Action for CDP”

Legal
- Regulatory feasibility (verification of constraints)

Strategy
- Strategic consistency

Policies and scoring model
- Additionality
- Quality of the counterparty
- Project technical quality and impact
- Risk and financial sustainability for CDP

Risk and return

CDP's actions
From policies to project assessment: examination criteria

**Strategic consistency**
- Support for initiatives aligned with the areas of action
- Rewarding factors for projects developed by counterparties on focus areas and/or with high ESG impact

**Additionality**
- Assessment of the added value of CDP’s contribution with respect to the market
- Crowding-in approach to catalyse resources of other investors

**Quality of the counterparty**
- Assessment of the counterparty’s technical and credit profile
- Assessment of environmental, social, economic and sustainability issues

**Project technical quality and impact**
- For specific-purpose loans, technical assessment of the project and its economic, social, occupational and environmental impacts

Pillar 1: Sector analyses and funding and investment policies to guide actions in order to generate impact
New operating model to guide the implementation of actions

Activity

- Analysis of macro and sector trends, identification of gaps
- Formulation of action strategy to fill the gaps identified and analysis of complementarity with the market
- Identification of instruments/products and forms of risk mitigation
- Financial, technical, sustainability and legal appraisal of projects and implementation of the action
- Impact analysis verifying the achievement of the targets set
- Continuous adaptation of policies based on available evidence

Pillar 1: Sector analyses and funding and investment policies to guide actions in order to generate impact
Creation of Competence Centres specialised in thematic areas

Areas of responsibility
Focus on priority thematic areas identified on the basis of CDP’s 10 Areas of Action

Activities covered

1. Technical and sustainability appraisal of new projects and monitoring support (initiatives for which CDP resources are required)

2. Support to Advisory structures concerning technical support activities for projects/programmes

3. Technical support in the origination/development phase of special projects (technical know-how needed to steer and develop a new project)

Pillar 1: Sector analyses and funding and investment policies to guide actions in order to generate impact
Advisory role: new technical expertise made available to the PA for the planning and implementation of the best investments

Sector specialisation with strengthening of in-house technical expertise for planning and implementing projects

NRRP
Infrastructure Gap
EU best practice

Sectors of specialisation
1. Development and urban regeneration
2. Natural resources, energy and environment
3. Transport
4. Social infrastructure
5. Innovation and digitalisation

New perimeter
Support throughout the entire life-cycle of the public works

1. Planning
2. Development
3. Implementation

“Tailor-made” actions for complex projects for Central PA, Regional and Metropolitan Areas and simplified models for Local PA

Tailor-made actions
Simplified models

Central Public Administration
Ministries
Regions
Local Public Administrations
Large Metropolitan Areas
Municipalities and other local authorities
Management of third-party funds supporting the PA and Enterprises

Expanding management mandates for **public funds** to facilitate their use and maximise their impact, also in synergy with CDP resources.
Loans and guarantees: support for Infrastructure and PA, Enterprises and International Cooperation and Development Finance

**Infrastructure and Public Administration**
- Premium pricing rewarding ESG investments
- Technical assessment and monitoring of actions
- Blending of CDP and EU resources
- Debt and quasi-equity to accelerate infrastructural investments

**Enterprises**
- Direct support through CDP’s own resources lowering for some cases the minimum access threshold
- Indirect support by leveraging EU and national resources in partnership with the banking system
- Support for exports and international expansion
- Developing non-bank lending in line with the Capital Markets Union

**International Cooperation and Development Finance**
- Partnerships with leading development finance institutions, aimed at transferring expertise
- Blending with public resources and thematic funds
- Expansion of activities with sovereign entities through co-financing initiatives

Notes: (1) European plan to create a single market for capital, with the aim of making money – investments and savings – flow across the EU so that it can benefit consumers, investors and companies
**Equity: for Italy’s strategic companies and the development of the Italian private equity and venture capital markets**

<table>
<thead>
<tr>
<th>Direct equity</th>
<th>Indirect equity</th>
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<tbody>
<tr>
<td><strong>Strategic equity investments</strong></td>
<td><strong>Special purpose actions</strong></td>
</tr>
<tr>
<td>Role as a stable shareholder in companies with strategic infrastructure or assets of the country</td>
<td>Special purpose actions aimed at the growth or stabilisation of businesses in key sectors with an exit approach</td>
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<tr>
<th><strong>Private Equity</strong></th>
<th><strong>Venture Capital</strong></th>
<th><strong>Infrastructure funds</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting market growth and specialisation through investments in SMEs within strategic supply chains, in “first-time teams” and according to policy objectives</td>
<td>Creating a sustainable VC ecosystem and attracting third-party resources for the gradual development of new segments</td>
<td>Developing the Italian market by selectively investing in specialised funds with a greenfield/revamping component</td>
</tr>
</tbody>
</table>

Systematic application of the principles of:
1. **Crowding-in of resources** from other investors
2. **Capital rotation**
CDP will support enterprises in all phases of their life cycle, by using equity and debt capital.

**Venture Capital**
- Seed
- Tech transfer
- Acceleration
- Growth capital
- Direct investments
- Indirect investments (FOF)

**Private Equity**
- Alternative finance
- Support development of enterprises and indirect actions for the development of SMEs

**Loans**
- Special purpose investments
- Investments in strategic assets

**Equity**
- Indirect approach\(^1\)
- IPOs\(^2\) for unlisted companies

Notes: (1) Mainly through “Patrimonio Rilancio”; (2) Initial Public Offerings
Real Estate for social cohesion, tourism and urban regeneration

**Social, senior and student housing**
- New neighbourhoods with a high-local-impact functional mix including social, senior and student housing, also in partnership with Banking Foundations
- Social housing and integrated neighbourhood services throughout the country, particularly in disadvantaged areas
- Maximisation of the use of third-party resources

**Tourism**
- Acquisition of property for redevelopment and real estate deconsolidation in the tourist-hotel sector
- Fund to attract NRRP resources, with a focus on historic houses, hotels and hostels
- Optimisation of the use of third-party resources

**Urban regeneration projects** to be developed, where possible, together with the Banking Foundations on large building complexes in portfolio
- Value creation through lease to third-parties or productive-use by the Group of RE properties
- Direct sale based on principles of transparency and maximisation of value

Pillar 3: Financial instruments in support of Italy’s strategic sectors
CDP has made its expertise and a wide range of instruments available to the NRRP in support of the PA and Enterprises, through a dedicated task force.

### Objectives of the Task Force
- Maximising the effectiveness of CDP in supporting NRRP initiatives
- Coordinating the activities carried out by the business areas
- Ensuring continuous dialogue with Italian and European stakeholders
- Acting as a pivot and facilitator for the financial system
- Monitoring the implementation risks of CDP initiatives

### Instruments available

<table>
<thead>
<tr>
<th>Projects assigned</th>
<th>Scope of actions already assigned to CDP under the NRRP for which CDP can act as an implementing entity</th>
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</thead>
<tbody>
<tr>
<td>Financial instruments</td>
<td>Structuring of financial instruments to facilitate the use of the resources envisaged in the NRRP, to guarantee the <strong>timely implementation of projects</strong></td>
</tr>
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### NRRP resources with CDP involvement

- **3.3** billion euro
- **2.7** billion euro

**Advisory role**
- Advisory role to **support the PA**, accompanying it throughout the project and offering CDP’s distinctive technical and financial expertise and track record.

**In the process of being defined**
- Also on the basis of discussions with MEF/Ministries

**upside** being defined also on the basis of discussions with MEF/Ministries
Investments by the CDP Group are due to grow over the period of the Plan.

Total investments made – CDP Group | 2022-2024, billion euro

- Resources deployed: 65
- Resources activated by third parties: 63
- Investments made: 128

Change vs. Strategic Plan 2019-2021

- Investments made: +14%
- Resources activated by third parties: +27%
- Resources deployed by CDP: +5%

Notes: (1) CDP resources deployed through loans and guarantees, equity and mandate management; (2) Resources from other investors and/or lenders activated on projects supported by CDP, and investments made through CDP’s advisory role; (3) 2019-21 pro-forma plan data excluding the SACE group.
## Resources deployed and investments activated by CDP in support of the Country

<table>
<thead>
<tr>
<th></th>
<th>Resources Deployed</th>
<th>Investments Activated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructures and Public Administration</td>
<td>21</td>
<td>53</td>
</tr>
<tr>
<td>Lending to enterprises and support for intl. expansion</td>
<td>34</td>
<td>56</td>
</tr>
<tr>
<td>International Cooperation and Development Finance</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Equity</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65</strong></td>
<td><strong>128</strong></td>
</tr>
</tbody>
</table>

Notes: (1) Net of intragroup transactions (on deployed resources of 6 billion euro and on investments made of 6 billion euro)
We support the transition to a greener economy and society through virtuous behaviour.

We act with integrity and in accordance with our code of ethics and we ensure transparent and impartial dialogue with our stakeholders.

We value diversity, by creating an open, respectful and inclusive working environment where everyone can fulfil their potential.

We promote Italy’s growth through our heritage of knowledge and experience and our financial resources.

We assess the local impact of our initiatives and engage communities bearing in mind our social responsibility.
The new CDP will be...

A centre of financial resources and technical expertise to support Italy’s growth

Working alongside the PA and Enterprises with an additional and complementary role with respect to the market

Policy driven, to prioritise high-impact actions

Capable of catalysing other investor resources, with a clear capital rotation strategy

Inclusive and transparent both internally and towards external stakeholders

Underpinned by a solid asset base for the safeguard of savings
This document has been prepared by Cassa Depositi e Prestiti S.p.A. ("CDP") for information purposes in connection with the presentation of the 2022-2024 Strategic Plan and the future strategies of the CDP Group.

The information contained in this document includes forward-looking statements based on estimates, assessments and projections of future developments in the CDP Group’s sectors of interest, which management believes to be reasonable at the present time. These forward-looking statements are, by their nature, subject to risks and uncertainties inherent to events occurring in the future. Accordingly, the actual results of the CDP Group may differ from those indicated in these forward-looking statements. Factors that could lead to such differences include global or national macroeconomic conditions, economic policy conditions and the national, European and international regulatory framework.

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The forward-looking operating and financial results presented in this document may be subject to further adjustments due to the effect of the pre-closing of the year 2021, to be defined within the first few months of 2022, as well as the necessary administrative and regulatory measures related to the launch/strengthening of the initiatives envisaged over the course of the 2022-2024 Strategic Plan (for which discussions are already under way with the relevant parties). The CDP Group does not assume any obligation to publish updates or revisions to this document.

The information contained in this document takes account of the CDP Group’s current corporate and ownership structure, without prejudice to the decision-making autonomy of the decision-making bodies of the individual companies involved in the initiatives set out in the Strategic Plan.