GARDANT
INVESTOR SGR

SEPARATED FINANCIAL STATEMENTS OF GARDANT INVESTOR SGR S.P.A. FOR 2021

Gardant Investor SGR S.p.A.
Registered office: Via Curtatone 3, 00185 Rome
Fully subscribed and paid-up share capital - Euro 690,000.00
Tax code and Rome Business Register number 15758931008
Chamber of Commerce Economic and Administrative Index
(REA) RM - 1612065
Belonging to the "Gardant Group"
Registration number pursuant to article 35 of the Consolidated
Law on Finance - 15435.1
Subject to the management and coordination of Gardant S.p.A.
www.gardant.eu

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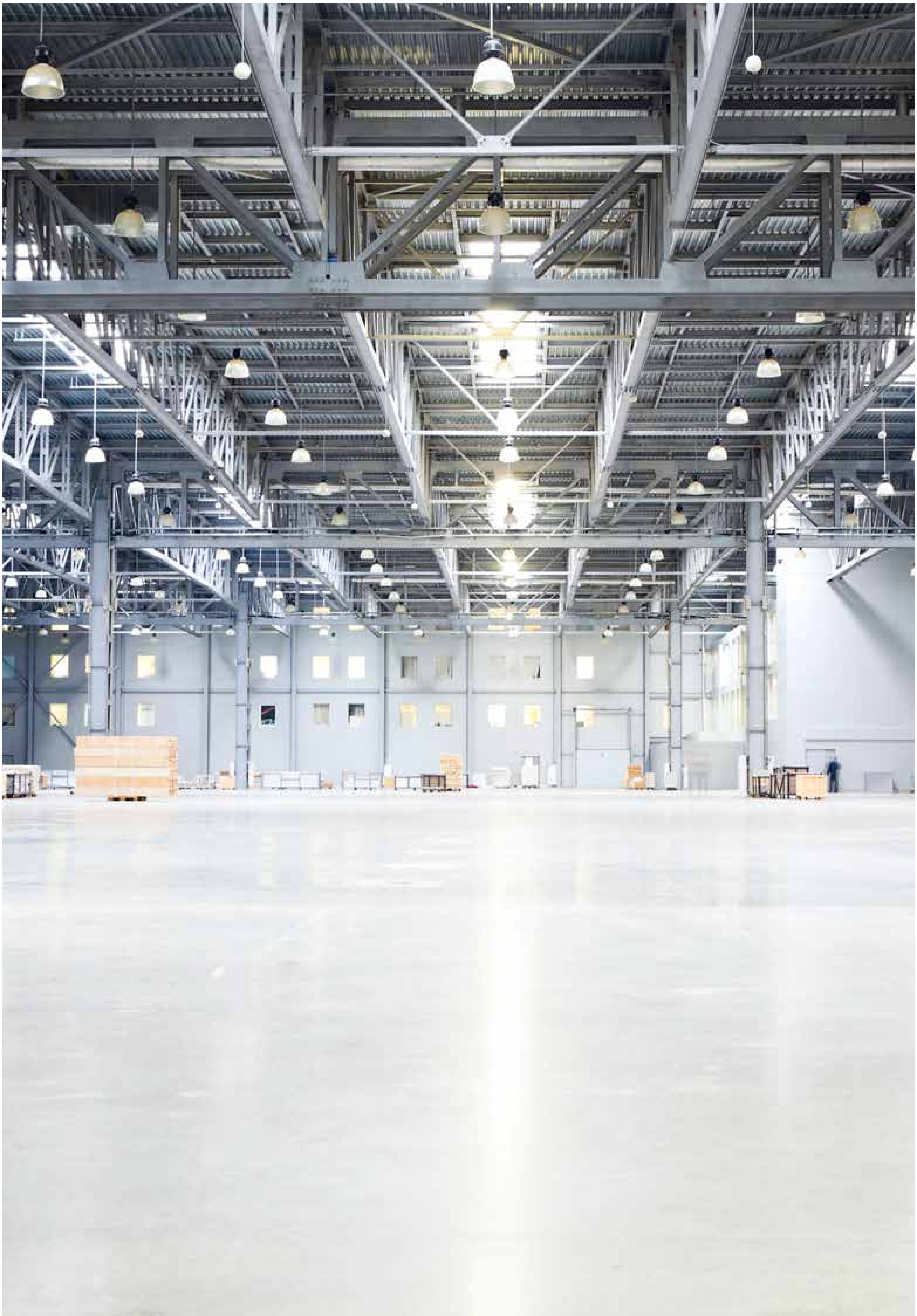


CORPORATE OFFICERS, MANAGEMENT AND INDEPENDENT AUDITORS

Board of Directors[1]

Antonino TURICCHI	Chairman
Guido Giulio Fortunato LOMBARDO	Chief Executive Officer[2]
Massimo RUGGIERI	Director
Patrizia LANDO	Independent Director
Luca BENZONI[3]	Director

General Manager

Guido Giulio Fortunato LOMBARDO	General Manager[4]

Board of Statutory Auditors and Supervisory Board[5]

Massimo CREMONA	Chairman
Roberta BATTISTIN	Statutory Auditor
Corrado GATTI	Statutory Auditor
Fabio FORTINI	Alternate Auditor
Pamela PETRUCCIOLI	Alternate Auditor

Independent auditors[6]

KPMG S.p.A.

1 The Board of Directors was appointed at the Shareholders' Meeting of 3 May 2021 with the term of office expiring on the date of the Shareholders' Meeting that will approve the financial statements for the year ending 31 December 2023.
2 On 4 May 2021, the Company's Board of Directors appointed the Director Guido Giulio Fortunato Lombardo as "Chief Executive Officer".
3 Luca Benzoni was appointed by co-optation, pursuant to article 2386, paragraph 1, of the Italian Civil Code and article 11.6 of the Articles of Association, on 17 February 2022 to replace the outgoing Director Daniele Spada. Luca Benzoni will remain in office until the date of the next Shareholders' Meeting of the SGR.
4 On 26 July 2021, the Company's Board of Directors appointed the Director Guido Giulio Fortunato Lombardo as "General Manager".
5 The Board of Statutory Auditors was appointed at the Shareholders' Meeting of 3 May 2021 with the term of office expiring on the date of the Shareholders' Meeting that will approve the financial statements for the year ending 31 December 2023. On that occasion, the members of the Board of Statutory Auditors were also appointed as members of the Supervisory Board.
6 The independent auditors were appointed by the Shareholders' Meeting of 24 November 2021.

GARDANT INVESTOR SGR S.P.A.

2.1. Gardant Investor SGR S.p.A.

Gardant Investor SGR S.p.A. (formerly "CF Asset Management SGR S.p.A." and hereinafter also "Gardant Investor SGR", the "SGR" or the "Company"), was established on 24 June 2020 and is 100% owned by Gardant S.p.A. (hereinafter also referred to as "Gardant" or the "Parent Company" or the "Company", formerly "CF HoldCo S.p.A."), parent company of the Gardant Group of the same name (hereinafter also the "Group").

The Company carries out activities related to collective asset management services through the management of assets and risks of alternative investment funds ("AIF") and is registered in the register pursuant to article 35 of the Consolidated Law on Finance ("TUF") held by the Bank of Italy, AIF managers section.

2.2. Gardant Group

The Gardant Group was established on 1 August 2021 from the spin-off of the asset management, debt purchasing and credit servicing activities of Credito Fondiario S.p.A. (hereinafter also "Credito Fondiario"), developed since 2013 following the change in ownership of the company.

The Gardant Group mainly consists of the following companies:
- Gardant S.p.A., the Parent Company, which includes the centralised structures and various business units, including the capital markets and the portfolio and monitoring;
- Gardant Investor SGR S.p.A. the asset management company, established and authorised in the context of the spin-off, with operations started in the last two months of 2021 with the launch of two Alternative investment funds:
  - the Forward Fund, with a subscribed capital of Euro 500 million, which invests in healthcare and infrastructure receivables to small and medium-sized enterprises, and in loans to companies linked to real estate transactions, with adequate supporting guarantees;
  - the Italian Distressed & Special Situations Fund ("Master Fund") with a capital amount of Euro 60.6 million, of which Euro 52.8 million already invested in mezzanine and junior securities with underlying portfolios of bank loans and leases already classified as non-performing currently in the fundraising phase;
- Special Gardant S.p.A. (hereinafter also "Special Gardant"), a company pursuant to Article 115 of the TUB (Italian Banking Law), specialised in the management of securitised assets;
- Master Gardant S.p.A. (hereinafter also "Master Gardant"), a company pursuant to Article 106 of the TUB (Italian Banking Law), specialised in master servicing and other securitisation activities;
- Gardant Liberty Servicing S.p.A., the joint-venture with Banco BPM specialised in the special servicing of impaired positions originated by the Banco BPM Group.

The Management Team of the Gardant Group guarantees continuity with respect to the activities carried out before the spin-off: for example, Mirko Briozzo, current CEO of Gardant, and Guido Lombardo, current CEO of Gardant Investor SGR, were key members of the group of entrepreneurs and investors who worked on the development of the business, model and organisation from 2013 to the launch of the Gardant Group. The Group Management Team has been enriched, even more recently, with numerous new professionals, to support the growth and development of the business.

The Parent Company Gardant is 87% owned by a company invested by the American investment fund Elliott Management Corporation and the remaining stake by some members of the Management Team and other private investors.

The Group is characterised, among other things, by its focus on the development of its own advanced IT and infrastructural proprietary solutions. A suite of credit management tools has been developed, and is constantly evolving, both with a view to remittance and to recovery. During the year, the Group launched the internal fintech lab called "Data Gardant Lab", focused on the development and application of advanced data analytics tools for the Group's own management and investment activities.

Gardant has two long-term strategic partnerships in the administration, management and investment of non-performing receivables with the Carige Group (from the beginning of 2018) and with the Banco BPM Group (from the end of 2018).

The Gardant Group also acts as servicer on 6 transactions backed by a State guarantee ("GACS").

At the time of establishment, a Group ESG strategy was adopted to promote and integrate environmental, social and governance issues related to the Group's business and activities into the decision-making process and operations, with the aim of contributing to development for a sustainable future.

Specifically, the first Board of Directors meeting of 27 July 2021 of the Parent Company also approved:
- *ESG Policy*, which outlines the commitment and related roles and responsibilities within the Group to integrate ESG factors into various aspects of its operations and business;
- *Sustainable and Responsible Investment Policy*, which has defined the Group's approach to investment and asset management, in terms of responsible conduct and integration of sustainability criteria, in line with the priorities defined by the Group;
- *ESG Master Plan*, which sets out on a multi-annual basis the concrete actions to ground the principles and objectives set out in the policies.

In November 2021, the Parent Company's Board of Directors also approved the 2022-2024 business plan, focused on the organic growth of the core business, on the continuous development of credit management activities, with a gradual growth in the management of UtP positions and performing assets, and on the consolidation of asset and fund management activities of alternative investments.

2.3. Shareholding structure

As of 31 December 2021, the Company is wholly owned by Gardant S.p.A. and is part of the eponymous Gardant Group.

2.4. Business segments

The Company's purpose is the following:
- The provision of collective asset management services through the management of assets and risks of Italian or foreign alternative investment funds, as well as the administration and marketing of the managed AIFs in Italy or abroad;
- The performance of related and/or instrumental activities and accessory services envisaged by the regulations in force from time to time.

The Company may acquire equity investments in other companies and hold securities in compliance with the provisions of the law and regulations in force from time to time.

Lastly, the Company may carry out, in compliance and within the limits of the law, commercial, financial, advisory, securities and real estate activities, necessary and appropriate for the pursuit of corporate purposes, without prejudice to the activities reserved by law to other parties.

The Company obtained authorisation to operate on 23 June 2021.

As from 1 August 2021, the Company is enrolled in the register pursuant to Article 35 of the Consolidated Law on Finance ("TUF") held by the Bank of Italy, AIF managers section.

2.5. Organisational model

The organisational model adopted by the Company is lean and business-oriented, with the allocation of resources in Management Teams that is based on a specialisation in the various activities by the specific operating entities, in order to enhance the skills within them, benefit from scale economies and synergies deriving also from overall coordination at consolidated level.

Figure 1: Organisational model of the Gardant Group

In particular, at Group level, on the one hand, the specific activities were centralized in the operating companies specialised in asset *management*, *debt purchasing* and *credit servicing*, while on the other hand all *corporate centre* services were centralised within the Parent Company.

The following activities were centralised within the Parent Company:
- IT business systems and help desk support;
- Support for ICT security and data protection;
- Central HR & Organisation support;
- Central accounting and financial support;
- Legal & Corporate Affairs;
- Support to *special servicing* activities (transaction *servicing*; legal assistance; monitoring and *reporting* of *special servicing*);
- General affairs;
- Marketing & Communication.

The centralised management of these activities for all Group companies makes it possible to optimise the operations of the functions and their costs, with benefits for the comprehensive income at Individual and consolidated level.

The regulation of intercompany services is governed by specific service contracts which define the services provided by the various entities of the Group, the service levels, the economic conditions, etc. under market conditions.

With reference to Gardant Investor SGR, the accounting, administrative, tax and payment applications and activities, as well as the preparation of financial statements and reports, supervisory reports and reporting packages relating to both the Company and to the managed funds (where applicable), are also managed through a primary specialised outsourcer.

2.6. Geographical network

As of 31 December 2021, the Gardant Group is present in Italy with 7 offices: the registered and operational office in Rome, the representative office and another primary operational office in Milan, and other 5 offices in the main cities where there is the greatest concentration of the portfolios managed: Genoa, Verona, Bergamo, Lodi, Naples.

Figure 2: Offices and operational offices of the Gardant Group as of 31 December 2021

The choice to have physical offices in the reference area, originated from the desire to ensure physical proximity with the majority of debtors of the portfolios managed, has proved, in the last years of the SARS COVID-19 pandemic, an important point of strength. In fact, it has enabled the managers and all the Group's staff, who often work in *remote working* mode, to have at their disposal in every case co-working places, logistically diversified and never excessively distant even from their own homes, thus ensuring the possibility of drawing value, as much as possible, also from the interaction in person that has enabled the performance levels of collection and management of receivables to be maintained at high levels in recent years.

Within the Gardant Group, taking into account the specific activities carried out and the need to be in closer contact with the Management and the financial markets in Rome and Milan, the operations of Gardant Investor SGR are concentrated on these offices.

2.7. Human resources

As of 31 December 2021, the number of employees of Gardant Investor SGR totalled 10 people.

The Management Team consists of figures of primary standing, who joined the company both when it was established and subsequently to support the development of volumes managed, investments and asset management activities.

At the end of 2021, the breakdown of personnel shows a subdivision by gender, with a prevalence of male resources (80%) and an age of approximately 36 years.

All employment relationships of Gardant Investor SGR employees are governed by the national collective credit agreement. The decision to opt for this type of contract also after the spin-off from Credito Fondiario was made in order to ensure conditions of total continuity for all employees.

As of 31 December 2021, the breakdown of personnel shows a prevalent composition of resources with significant *seniority*, including middle managers, executives and employees of a higher level, in line with the *business* model and the high quality of the services offered by the Group to investors and institutional customers, which require significant professionalism and experience of the resources involved.

The geographical location of Gardant Investor SGR employees is distributed in 2 cities in which the Group operates. In each city there is only one operational office.

During the 2021 financial year, in consideration of the persisting health emergency due to the SARS COVID-19 pandemic, the Company, like the other Group companies and in compliance with the legal provisions in force, supported by a technological infrastructure that allows it to be able to perform substantially 100% of the work activities remotely, has made abundant use of the so-called agile work institute, to minimise the risk of possible contagion for its employees. In particular, periods in which all personnel were expected to be present in the office (except for the exclusions envisaged by law) alternated with other periods in which, in consideration of the trend of the pandemic guaranteeing a presence of 50%, all employees were given free choice as to whether or not to attend the Company's offices.

The days of sickness, accident and maternity leave in 2021 for Company employees as of 31 December 2021 are shown in the table below:

Company	days/illness	days / parental leave	days/maternity	days/injury
Gardant Investor SGR S.p.A.	2	-	-	-

Table 1: days of sickness or injury recorded in 2021

2.8. Information Technology

The IT Systems are managed at the level of the Gardant Group and are built around the needs of the Group, in line with its operating model and constantly supporting its development.

The Group's IT *Strategy* is based on the following *pillars*:
- clear strategic design, closely integrated with the Group's *business plan*, based on *data driven logic*;
- proprietary *software* solutions, created with innovative *coding* methods, to support selected value-added activities, aimed at building a distinctive IT platform fully integrated into the *business* model;
- market *software* solutions, offered by *providers* of primary *standing* and consolidated experience, for the remaining activities including those of the *corporate centre*, including regulatory *reporting* tools, in line with features of continuous updating, integration and scalability;

- 100% infrastructure on private cloud data centres, focus on cyber security issues (i.e. Gardant IT Security Program);
- implementation of significant development programmes for IT systems and platforms, with a view to continuous improvement and in close cooperation with *business* functions.

The focal point of the Gardant Group's IT architecture is the *Data Warehouse*, *built by-design* to be a *business enabler* and support *data intelligence* activities also through specific *Data Science* and *Advanced Analytics* programmes.

With approximately Euro 200 billion in *data points*, the *Data Warehouse* manages and enhances a significant amount of information, based on the significant *track record* in *credit service* and investor activities (since the first years of *business* operations by Credito Fondiario). In this context, the architectural approach and the intense rationalization of the overall *data model* make it possible to translate the amount of information into information promptly made available to *decision makers*.

Flexibility, resilience and speed of implementation are some of the *drivers* that guide the approach of the technological project of the Gardant Group, based on a natively flexible and distributed architectural structure, able to support the adoption of innovative operating models also in collaboration with institutional *partners*, investors and customers.

MANAGERIAL REPORT

3.1. Macroeconomic scenario

Greater focus on UtPs

In 2021, the banking sector recorded very positive signals, in particular with regard to profitability, which was up, and the cost of credit, which stood at extremely low levels. In the face of this generally positive context, there were, between 2021 and 2022, a series of elements of tension, both at macroeconomic level (due to the measures linked to the containment of the pandemic due to SARS COVID-19) and geopolitical (conflict in Ukraine), which could lead to a slowdown or even a worsening of the overall performance of the economy. Already in Italy in 2021, some first signals of a possible new credit deterioration began to be recorded: receivables classified as Stage 2 (i.e. exposures that have shown a significant increase in credit risk since initial recognition) by Italian banks recorded a 23% growth compared to the same period of the previous year, representing 14.3% of the total gross receivables of the banks. This figure includes a high number (around 60,000 positions) attributable to small and medium-sized enterprises: in this context, it is clear that (as in 2008) the activities of Gardant and the servicers operating in the collection sector will be central for the Italian economy, although it is no longer focused on activities dedicated to NPLs, but rather to UtPs. It will be increasingly essential over the next few years to be specialised and ready to accompany, when possible, companies in difficulty towards a return to performing status.

Macroeconomic situation

In 2021, the recovery of the global economy exceeded initial expectations, reaching +5.9%, thanks to expansionary fiscal and monetary policies in many countries and an increase in consumption and production after two years of uncertainty linked to the COVID-19 SARS pandemic. Since the second half of 2021, however, inflation has also risen, driven by the increase in the price of energy and raw materials.

Short-term risks are mainly downward: the evolution of the pandemic, geopolitical tensions and the further expected increase in the costs of raw materials and energy sources further push inflation and the GDP in 2022 is expected to grow to a lesser extent than the previous year. Before the outbreak of the war in Ukraine, estimates of global GDP growth by the International Monetary Fund indicated 4.4%, 0.5 percentage points lower than the forecasts of October 2021. The recent start of the armed conflict between Russia and Ukraine has not yet been fully reflected in the macroeconomic estimates for 2022 and could severely affect international economic and monetary development.

In Italy, the growth of productive activities in 2021 was +6.5%, recovering most of the drop recorded in 2020. This growth was made possible not only by the recovery of the global economy in general, but also by the vigorous actions to support businesses and households implemented by the Government and the success of the vaccination campaign and other measures to control the SARS COVID-19 epidemic. The resurgence of the pandemic in the last months of 2021 and the beginning of 2022 caused a temporary slowdown in the activity of some economic sectors and the high cost of energy is an undoubted risk factor. However, the national epidemic picture is improving and the Italian Government has already intervened repeatedly to cushion rising gas and electricity prices on businesses and households, and further interventions are being considered, with an expansionary budgetary policy to which the effect of the National Recovery and Resilience Plan will be added.

Also for Italy, as for the rest of Europe and for many countries of the world, the further increase in the costs of raw materials and energy will further push inflation and the GDP in 2022 is expected to grow to a lesser extent than the forecasts of October 2021.

The first effects of the war in Ukraine are also beginning to manifest themselves, with unstable markets and further significant growth in the prices of all goods and services, which will certainly have a significant impact on the outlook for the Italian economic and monetary situation in 2022.

Credit sector in Italy

The sector of investments and management of non-performing loans remains fundamental in Italy, despite the fact that Italian banks have gradually reduced the stock of non-performing exposures ("NPEs") from Euro 341 billion in 2015 to Euro 99 billion at the end of 2020 through numerous de-risking and deleveraging transactions of their financial statements, transferring the ownership of these positions to third-party investors and the management to specialist servicers. Despite the deleveraging *carried out by banks in recent years, a significant* stock of NPEs remains to be managed, currently estimated at around Euro 400 billion, both owned by banks and owned by investors.

In 2021, the trend of disposals of non-performing exposures ("NPEs") by many Italian banks continued, in order to reduce their NPE ratios and their cost of risk, continuing the de-leveraging actions, with a gradual shift of the transactions on portfolios with a higher component of UTP receivables, in order to prevent and reduce the impacts of the imminent application of calendar provisioning. State support for these GACS transactions was decisive in recent years in accelerating the securitisation of non-performing receivables by many banks.

During 2021, there were also several NPL transactions on the secondary market, with a streamlining of transaction structures and/or a more specific segmentation of portfolios aimed at increasing the efficiency and effectiveness of operational management.

Italian banks still remain vulnerable, particularly those with higher exposures to the sectors most affected by the pandemic or exposed to Eastern European countries. Moreover, some first signals of a possible new credit deterioration are starting to be observed among the originators: receivables classified as Stage 2 (i.e. exposures that have shown a significant increase in credit risk since initial recognition) by Italian banks reached Euro 219 billion in June 2021 (+ 23% compared to the same period of the previous year), representing 14.3% of total gross receivables of banks and more than 60,000 positions are attributable to Italian small and medium-sized enterprises, which are estimated to have been affected by the pandemic, with repercussions on their sustainability prospects. The government's economic manoeuvres issued between the end of 2020 and 2021 to deal with the emergency made it possible to temporarily postpone the emergence of potential problems in many production sectors. If the expansionary budget policies and the National Recovery and Resilience Plan can, on the one hand, consolidate the support to businesses and households in a more structural way, the recent signals of recovery of the inflationary push, driven by the increase in the costs of raw materials and energy, as well as the recent outbreak of war in Ukraine can possibly make the expectations of the NPE sector to grow again.

All this is taking place in a context in which, in terms of credit quality, the Italian banking system has a higher risk profile than some European countries: in this sense, in a risk/return logic, the expectations of new transactions on these asset classes in Italy could be greater than in other areas of interest for the investors of these assets and therefore a market that could present a certain dynamism over the next few years is expected.

In addition, the high expectations of returns on investments by investors are pushing sector operators towards the search for increasing scale economies, process automation, digitalisation of information, refinement of valuation and decision-making models through the enhancement of databases. This process leads to the intensification of technological investments in the sector and the development of opportunities for aggregation and collaboration between sector operators, in order to offer increasingly more "value-added" and integrated services.

UtP receivables as a new asset class and servicing of performing receivables

The securitisation instrument continues to be prevalent in the de-leveraging of NPEs by originator banks, but also to restructure existing transactions or to carry out transactions on portfolios that include receivables classified as UtP, also thanks to legislative and regulatory amendments and adjustments which, from time to time, involved this instrument in order to make it more responsive to the needs of the transferring banks and investors. The growing number of securitisation transactions entails a consequent growing interest within the sector of the related services for securitisation transactions, such as the establishment of special purpose entities pursuant to Law 130/99 ("SPV"), corporate servicers, calculation agents, note-holder representatives, monitoring agents, paying agents and cash managers, a sector in which Master Gardant operates and which is characterised by a high concentration of a few specialised operators.

In addition, further growth is expected in the complementarity of alternative financing instruments with respect to those offered by the banking system, with the aim of supporting companies (including performing ones) in obtaining medium/long-term finance, with a greater propensity to risk and/or the ability to assess more complex business situations and/or to find sources of financing at more advantageous conditions or more quickly. The use of alternative and complementary forms of financing to the traditional banking channel, together with the expansion of public support measures offered to SMEs, including mini-bonds and basket bonds, will allow companies in difficulty not only to find the liquidity necessary to finance their medium/long-term objectives, but also to strengthen the capital structure both in terms of source diversification and maturity. In this context, basket bonds could also be one of the key tools to ensure that the huge funds allocated under the 2021-2027 Multiannual Financial Framework ("MFF") reach companies, especially smaller ones, quickly and on the basis of medium and long-term development strategies. Master Gardant is also ready to offer structuring and servicing solutions in this type of instrument.

3.2. Establishment of the Gardant Group and main events in the year

The Gardant Group was the result of two spin-off transactions of Credito Fondiario, through which the investment and management activities of non-performing receivables were merged with various entities of the Gardant Group, while the purely deposit and lending banking activities remained in Credito Fondiario.

With effect from 1 August 2021, the Bank transferred the summaries relating to the special servicing and master servicing activities and asset management capacity to the companies Special Gardant S.p.A., Master Gardant S.p.A., and Gardant Investor SGR S.p.A. respectively, companies belonging to the Gardant Group and controlled by Gardant S.p.A., the parent company whose shareholders are the same as CF.

Through the reorganisation of Credito Fondiario S.p.A. activities, a non-banking hub was established, with synergistic operations of parties that, each dedicated to a specific component of the debt purchasing and debt servicing activities, acquire additional specialised skills, with consequent benefits in terms of competitiveness and efficiency.

The Gardant Group is now one of the leading operators in the Italian credit market as an integrated player in the credit investment and management market, capable of operating in all credit categories, non-performing receivables (classified as bad, unlikely to pay, early warning, etc.) or performing ones, secured or unsecured, banking, leasing, factoring, etc.

From the perspective of financial statements, the business model of the Gardant Group is reflected in activities remunerated on a commission basis (special servicing and master servicing, ancillary services and fund management), limiting the direct investment component on its financial statements, developed mainly through the investment funds managed by the asset management company. In this way, a so-called "capital light" business model was created, characterised by greater economic and financial stability, reducing the variability linked to the valuation of investments in non-performing receivables.

Specifically with regard to Gardant Investor, with an effective date of 1 August 2021, the Company was the beneficiary of a transaction of the proportional partial spin-off of the Bank and between parties "under common control"; as a result, all the assets and liabilities of which the Company was beneficiary were recorded based on continuity of representation and values.

The spin-off took place with a corresponding increase in the Company's shareholders' equity.

As part of the demerged complex, the Company mainly received the following contracts, assets and liabilities:
- Personnel: Credito Fondiario S.p.A. transferred 7 resources;
- Cash and cash equivalents in the form of deposits in bank current accounts for an amount of Euro 5,000,000.00;
- Share capital and shareholders' equity reserves for Euro 4,361,314.77.

The demerged complex can be represented as follows:

Assets (thousands of Euro)	
Receivables to banks and cash and cash equivalents	5,000
Tax assets	189
Total assets	**5,189**

Liabilities (thousands of Euro)	
Other liabilities	827
Post-employment benefits	1
Total liabilities	**828**

Table 2: Summary of the spin-off

3.3. Launch of two alternative investment funds by Gardant Investor SGR

In line with its mission as asset manager of the Gardant Group, in the last five months of 2021, Gardant Investor SGR launched two alternative investment funds:
- the Forward Fund with subscribed capital of Euro 500 million (of which Euro 10 million subscribed by Gardant S.p.A.). As of 31 December 2021, Euro 388 million of the initial commitment had been called and investments were made in senior securities of securitisations with mainly healthcare receivables as underlying assets. The remaining subscribed capital will be invested in fundamental infrastructure funds and networks, both moveable and real estate, credit assets issued and/or purchased, also as part of a syndication process, with debtors of small and medium-sized enterprises, characterised by stability or future growth of cash flows, with a well-defined market position, valid business guidance and a managerial group trained and experienced, loans to companies linked to real estate transactions, with guarantees that extend to the ownership of the same and corporate lending funds with a focus on performing secured lending and performing real estate senior lending with adequate supporting guarantees;
- the Italian Distressed & Special Situations Fund ("Master Fund") with a capital of Euro 60.6 million, of which Euro 52.8 million already invested in mezzanine and junior securities with underlying portfolios of bank loans and leases already classified as non-performing.

3.3.1. Forward Fund

By resolution passed at the meeting of 10 September 2021, as part of a broader transaction concerning the disposal by the bank (with which Gardant Investor SGR S.p.A. had previously signed a specific framework agreement) of senior asset-backed securities issued as part of certain securitisation transactions with underlying healthcare receivables, the Board of Directors, following a reverse inquiry by the aforementioned bank, set up the reserved closed-end alternative investment fund called "Forward", approving the relative management regulations.

The investment in the fund is reserved to the originator bank and/or to other companies belonging to the Group of the bank itself, as well as to Gardant S.p.A. or to entities attributable to the direct or indirect controlling shareholders of the latter.

The fund is specialised in the investment in the aforementioned senior securities and in rights, also of a compensatory nature, connected with the investment in them, in assets referring to fundamental funds and infrastructural networks, both movable and real estate, in credit assets issued and/or purchased, also as part of a syndication process, with SMEs debtors.

At the same time, the Board of Directors resolved to open the subscription period for the fund units from the same date until 30 September 2021.

By resolution adopted at the meeting of 30 September 2021, the Board of Directors resolved to close the subscription period of the "Forward" fund units and approved the first call of the amounts subscribed by investors as well as the first investment transaction on behalf of the fund concerning senior securities sold by the promoter bank of the same fund. The fund began operations.

3.3.2. Italian Distressed & Special Situations Fund (Master Fund)

By resolution adopted at the meeting of 6 August 2021, the Board of Directors established the reserved closed-end alternative investment fund called "Italian Distressed Debt & Special Situations Fund", approving the related management regulation and the start of the period of subscription. Participation in the fund is reserved for professional investors, as defined by MEF Decree no. 30 of 5 March 2015, and to non-professional investors to the extent permitted by law and regulations applicable from time to time to reserved AIFs. The fund is specialised in investments in receivables and specifically in notes issued by securitisation vehicles to finance the acquisition of loan portfolios falling within the categories envisaged by the regulation, in individual receivables of any type and nature and in other distressed assets, according to the methods and limits described in the fund regulations.

At the start-up phase of the fund, a fund under Luxembourg law called "Feeder Distressed Debt & Special Situations Fund SCSp" ("Feeder Fund" with "Gardant GP SARL" as General Partner, also controlled by Gardant S.p.A.) assumed a commitment in the "Italian Distressed Debt & Special Situations Fund" ("Master Fund") to be honoured partly in cash and partly by contribution in kind of all the assets owned by the Feeder Fund, for an amount consistent with a fairness opinion of a company appointed by the SGR.

The first closing of the Master Fund was therefore completed with the transfer of assets by the Feeder Fund; at the same time, the shares of the Master Fund were distributed to Gardant S.p.A. against the cancellation of the corresponding commitment of Gardant S.p.A. in the Feeder Fund and the corresponding shares.

By resolution adopted at the meeting of 20 December 2021, the Board of Directors resolved to approve the subscription to the Master Fund by an institutional investor for a total amount of Euro 60.6 million, of which Euro 13.3 million referring to the units previously assigned at the first closing to Gardant S.p.A. and then sold by the latter to the same investor, and therefore to proceed with the second closing of the Master Fund by 21 December 2021. At the same time, the Board of Directors resolved to purchase part of the securitisation notes held by Gardant S.p.A. for an amount of approximately Euro 41 million.

3.4. Approval of the 2022-2024 business plan

On 24 November 2021, the Board of Directors of the Parent Company Gardant S.p.A. approved the 2022-2024 business plan of the Gardant Group.

The 2022-2024 business plan of the Gardant Group envisages business development according to three main Pillars:
- the consolidation of NPL management, also through further specialisation, industrialisation of processes and development of other ancillary services;
- the further development of the management of receivables classified as Unlikely To Pay by banks, evolving what has already been developed with a dedicated operating model;
- the consolidation and diversification of the recently launched activities of managers of investment funds specialised in the reference sectors.

The development of the business will be supported by enablers, in terms of resources, processes and systems, which will be able to lay the foundations for the achievement of the plan objectives.

In this context, the mission of Gardant Investor SGR, as an asset management company within the Group, is the establishment and marketing of funds dedicated to raising capital to invest in illiquid or impaired credit risk.

3.5. Main Figures of Gardant Investor SGR S.p.A.

The table below presents the main figures of Gardant Investor SGR as of 31 December 2021:

Key financial and structural data (euro)	
Capital collected	561 million
Shareholders' equity	4,0 million
Regulatory capital	4,0 million
Minimum capital requirement	0,5 million
Free capital	3,5 million
EBITDA	(1.1 million)
Net result	(1.0 million)
Employees (number)	# 10

Table 3: Key Company financial data

3.6. Information on operations

Taking into account that the spin-off from Credito Fondiario took effect on 1 August 2021, the actual operations of the Company refer to only five months of the year, being previously essentially represented by an inactive corporate vehicle.

3.6.1. Analysis of the 2021 income statement

In order to facilitate the disclosure of the income statement items, a table of the operating income statement is provided below. The values are expressed in thousands of euro.

euro thousands

Reclassified income statement	**2021**
Management fees	802
Other revenues	59
Total net revenues	**861**
of which Gross revenues relating to the core business	*802*
Personnel expenses	(1,259)
Net operating costs	(747)
Total costs	**(2,006)**
EBITDA	**(1,145)**
Amortisation, depreciation and write-downs	(4)
EBIT	**(1,149)**
Financial charges	(0)
Profit before taxes	**(1,149)**
Taxes for the year	134
Profit for the year	**(1,015)**
EBITDA margin (%)	*n.s.*

Table 4: Key Company economic data

Gardant Investor SGR has just started its operations and therefore the performance of the first months of operations reflects the higher incidence of set-up and structure costs with respect to commission revenues deriving from the management of the funds.

Revenues for the year are mainly made up of management commissions of managed funds, amounting to Euro 0.8 million, of which Euro 0.7 million relating to the Forward Fund and Euro 0.1 million deriving from the Master Fund.

As of 31 December 2021, the Company's operating costs were Euro 2 million.

Personnel costs, amounting to Euro 1.3 million, were slightly higher than the budget (Euro 1.1 million). Personnel costs (Euro 1 million) contain a variable portion of remuneration for Euro 0.3 million. The expenses for the corporate bodies amounted to Euro 0.2 million.

Other administrative expenses amounted to Euro 0.7 million, including costs relating to the corporate servicer contract with the Parent Company for Euro 0.3 million and consultancy expenses relating to fund raising for Euro 0.2 million. Compared to the budget (Euro 1.2 million), cost savings amounted to Euro 0.5 million.

The net result for the year was therefore a loss of Euro 1 million.

3.6.2. Balance sheet analysis

The initial capital endowment of the Company was put in place in order to absorb the already expected negative result of 2021. Therefore at the end of the year, the Company confirmed its solidity with adequate capital and liquidity resources, which allow management to continue along the path of development undertaken.

A table of the Balance Sheet is shown below in order to facilitate the illustration of the financial statement items.

euro thousands

Reclassified Balance Sheet	**2021**
Cash and cash equivalents	1,991
Property, plant and equipment	43
Tax assets	48
Trade receivables	876
Other assets	3,071
of which cash pooling with the Parent Company	*2,859*
Total assets	**6,029**
Financial liabilities	43
Trade payables	566
Other liabilities	1,391
Total liabilities	**2,000**
Shareholders' equity	**4,030**
Net financial position	*(4,807)*

Table 5: Key Company balance sheet data

The balance sheet assets show a total of Euro 6 million.

As of 31 December 2021, the Company's liquidity was Euro 2 million, fully deposited in bank current accounts of leading institutions.

The Company's additional liquidity of Euro 2.9 million was channelled by the Parent Company as part of the cash pooling agreement, signed by the Group companies in order to optimise the Group's treasury management.

The right of use of leased property and company cars is recorded under IFRS 16 in the amount of Euro 43 thousand.

Trade receivables, equal to Euro 0.9 million, concern commissions accrued for the management of the funds, of which Euro 0.7 million for the Forward Fund and Euro 0.1 million for the Master Fund.

Other assets mainly refer to the fee (Euro 0.1 million) for the tax loss for the year, offset as part of the tax consolidation contract.

The financial liabilities as of 31 December 2021, amounting to Euro 43 thousand, represent the residual lease liability recognised in accordance with the aforementioned IFRS 16.

Payables as of 31 December 2021, amounting to Euro 0.6 million, represent payables for purchases of goods and services.

Other liabilities (Euro 1.4 million) mainly regarding payables due to personnel related contributions and Euro 1.1 million for the remaining part in contributions and withholdings to be paid relating to personnel for Euro 0.2 million.

Shareholders' equity amounted to Euro 4 million and includes the loss for the year 2021 of Euro 1 million.

3.6.3. Assets under management

As of 31 December 2021, the amount of funds raised was Euro 561 million, of which Euro 500 million relating to the Forward Fund and Euro 61 million relating to the Master Fund, in which Euro 431 million has already been invested (Euro 378 million relating to the Forward Fund and Euro 53 million to the Master Fund).

3.6.4. Other information

The Company did not carry out research and development activities in 2021.

In 2021, the Company did not hold any shares or holdings of treasury shares or shares of the parent company.

The Company does not own, even through trust companies or third parties, treasury shares and/or shares or holdings in parent companies.

The Company did not purchase and/or sell, even through trust companies or third parties, treasury shares and/or shares or holdings of parent companies.

With regard to risk management by the Company, please refer to the specific Section of the Notes to the Financial Statements.

There were no events after the end of the year that had an impact on the equity, financial and economic values shown in these financial statements.

3.6.5. Relations with Group companies

The Company has relations with both the Parent Company, Gardant, and the other Group companies.

An agreement was signed with the Parent Company Gardant for the supply of corporate services that regulates the services that the parent company provides to the Company in relation to personnel management, accounting, centralised finance and treasury, planning & control services, IT services and facilities. In 2021, the Company incurred a total cost of Euro 350 thousand for these services. The Company also has sub-lease contracts in place with the Parent Company Gardant in Rome and Milan, which in 2021 entailed a cost of Euro 24 thousand.

3.6.6. Business outlook and considerations on business continuity

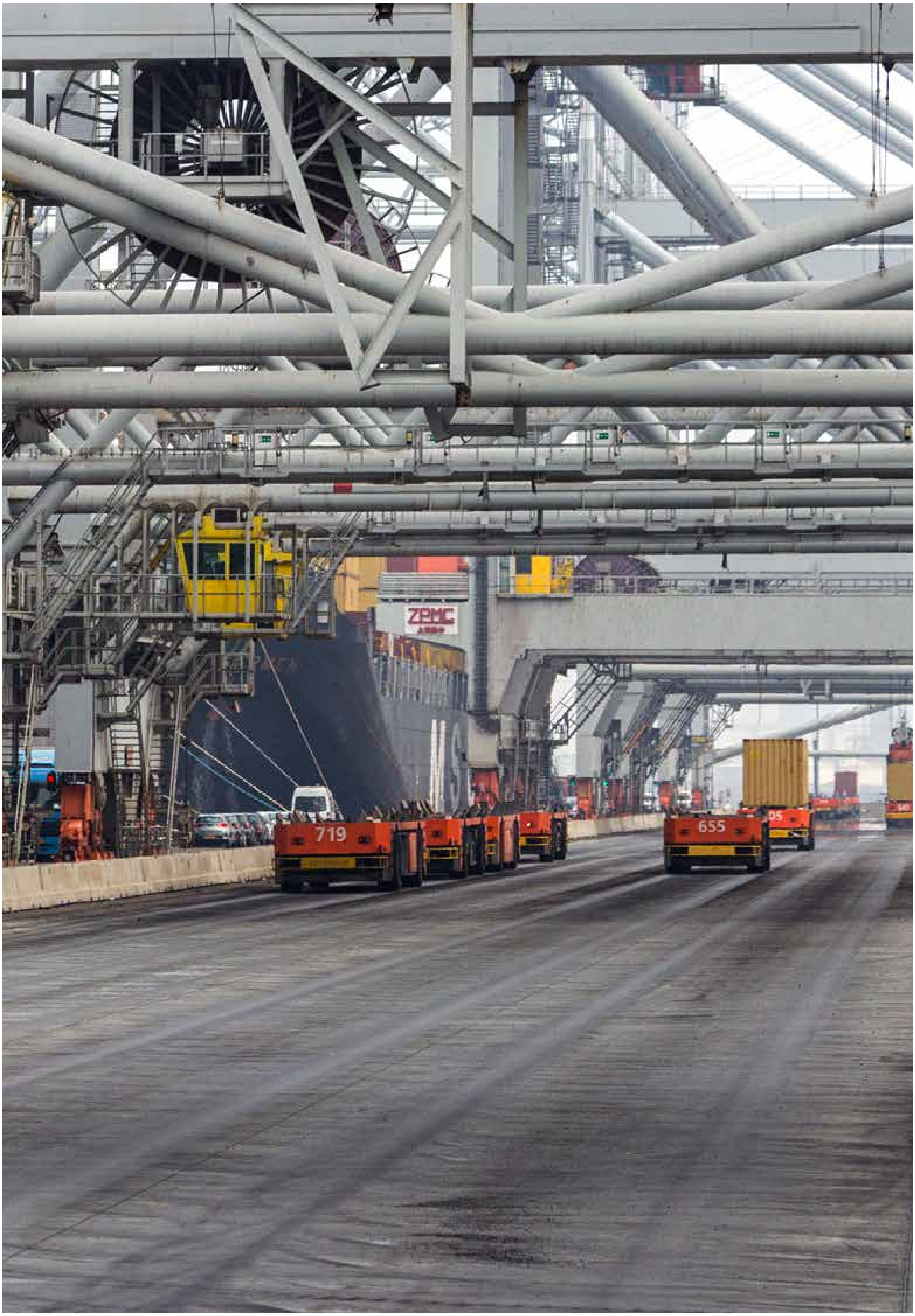
The Directors considered, also for the purpose of preparing the financial statements as of 31 December 2021, the adoption of the going concern assumption adequate, and there is no doubt that the Company can continue with its operating existence for a foreseeable future, well beyond 12 months from the date of preparation of the financial statements.

In fact, the Company believes that, in the course of 2022, funding and investment activities will continue with a forecast of a net increase in assets under administration.

As regards the international scenario, the war between Russia and Ukraine, which began at the end of February 2022, and the sanctions against Russia mainly decided by the European Union and the United States, led to a change in the economic scenario, initially envisaged in growth for 2022, which now, due to the conflict, sees strong downside risks.

The geopolitical context and the resulting macroeconomic impacts, both at global and national level, remain uncertain and difficult to forecast.

In this context, the Company will carefully monitor the evolution of operational, IT and business risks, activating all security and strategic actions necessary to better manage this adverse phase.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ALLOCATION OF THE PROFIT FOR THE YEAR

The year 2021 closed with a net loss for the period of Euro 1,015,083.74, in addition to the loss for 2020 of Euro 6,510.58.

We propose to this Board of Directors to cover both losses with the use of the extraordinary reserve for Euro 669,444.65, the capital account reserve for Euro 160,797.34 and the share premium reserve for Euro 191,352.33.

GARDANT
INVESTOR SGR

FINANCIAL STATEMENTS

5.1. Balance sheet as of 31 December 2021

	ASSET ITEMS	31/12/21	31/12/20
10.	Cash and cash equivalents	1.,991,466	690,000
40.	Financial assets measured at amortised cost	875,827	-
80.	Property, plant and equipment	43,078	-
100.	Tax assets:	47,921	-
	a) current		-
	b) preoaid	47,921	-
120.	Other assets	3,071,193	54
	TOTAL ASSETS	**6,029,485**	**690,054**

	LIABILITY AND SHAREHOLDERS' EQUITY ITEMS	31/12/21	31/12/20
10.	Financial liabilities measured at amortised cost	43,209	-
	a) Payables	43,209	-
	b) Securities issued	-	-
80.	Other liabilities	1,956,556	6,565
110.	Capital	690,000	690,000
140.	Share premium	3,384,442	-
150.	Reserves	970,362	-
170.	Profit/(loss) for the year	(1,015,084)	(6,511)
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**6,029,485**	**690,054**

5.2. Income statement as of 31 December 2021

	INCOME STATEMENT	31/12/21	31/12/20
10.	Commissions income	801,950	-
30.	NET FEES	801,950	-
60.	Passive interests and similar charges	(267)	-
110.	INTERMEDIATION MARGIN	801,683	-
130.	**NET RESULT FROM FINANCIAL MANAGEMENT**	**801,683**	**-**
140.	Administrative expenses	(2,006,148)	(6,511)
	a) personnel expenses	(1,258,918)	-
	b) other administrative expenses	(747,230)	(6,511)
160.	Net value adjustments/reversals on property, plant and equipment	(3,714)	-
180.	Other operating income and expenses	59,274	-
190.	**OPERATING COSTS**	**(1,950,588)**	**(6,511)**
240.	GROSS PROFIT/(LOSS) FROM CURRENT OPERATIONS BEFORE TAX	(1,148,905)	(6,511)
250.	Income tax for the year on current operations	133,821	-
260.	NET PROFIT/(LOSS) FROM CURRENT OPERATIONS BE-FORE TAX	(1,015,084)	(6,511)
280.	PROFIT/(LOSS) FOR THE YEAR	(1,015,084)	(6,511)

GARDANT
INVESTOR SGR

5.3. Statement of Comprehensive Income

	Items	2021	2020
10.	**Profit/(loss) for the year**	**(1,015,084)**	**(6,511)**
	Other income components net of taxes without reversal to the income statement	-	-
20.	Equity securities designated at fair value through comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss	-	-
	(changes in own creditworthiness)	-	-
40.	Hedging of equity securities designated at fair value through comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non-current assets and groups of assets held for disposal	-	-
90.	Portion of valuation reserves of shareholders' equity-accounted investments	-	-
	Other income components net of taxes with reversal to the income statement		
100.	Foreign investment hedging	-	-
110.	Exchange rate differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (othet than equity securities) measured at fair value with	-	-
	impact on comprehensive income	-	-
150.	Non-current assets and groups of assets held for disposal	-	-
160.	Portion of valuation reserves of shareholders' equity-accounted investments	-	-
170.	**Total other income components net of taxes**	**-**	**-**
180.	**Overall profitability (Item 10+170)**	**1,015,084**	**6,511**

5.4. Statement of changes in shareholders' equity 2021

	Outstanding as at 31/12/2020	Change in opening balances	Outstanding as at 31/12/2021	Allocation of previous year's result		Changes in the year							Overall profitability for the year 2021	Shareholders' equity as at 31/12/2021
							Shareholders' equity transactions							
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Acquisition of treasury shares	Extraordinary dividend distribution	Variations in capital instruments	Other variations			
Capital	690,000	-	690,000	-	-	-	-	-	-	-	-		-	690,000
Share premium	-	-	-	-	-	-	-	-	-	-	3,384,442		-	3,384,442
Reserves:	-	-	-	-	-	-	-	-	-	-	-		-	-
a) of profits	-	-	-	(6,511)	-	-	-	-	-	-	138,690		-	138,690
b) others	-	-	-	-	-	-	-	-	-	-	838,183		-	831,672
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-		-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-		-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-		-	-
Profit/(loss) for the year	(6,511)	-	(6,511)	6,511	-	-	-	-	-	-	-		(1,015,084)	(1,015,084)
Shareholders' equity	**683,489**	**-**	**683,489**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,361,315**		**(1,015,084)**	**4,029,720**

5.5. Statement of changes in shareholders' equity 2020

	Outstanding as at 31/12/2019	Change in opening balances	Outstanding as at 31/12/2020	Allocation of previous year's result		Changes in the year							Shareholders' equity as at 31/12/2020
							Shareholders' equity transactions						
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Acquisition of treasury shares	Extraordinary dividend distribution	Variations in capital instruments	Other variations	Overall profitability for the year 2020	
Capital	-	-	-	-	-	-	690,000	-	-	-	-	-	690,000
Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-
a) of profits	-	-	-	-	-	-	-	-	-	-	-	-	-
b) others	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	(6,511)	(6,511)
Shareholders' equity	**-**	**-**	**-**	**-**	**-**	**-**	**690,000**	**-**	**-**	**-**	**-**	**(6,511)**	**683,489**

5.6. Cash flow statement

	Amount 2021	2020
A. OPERATING ACTIVITIES		
1. Management	**(1,011,370)**	**-**
- result for the year (+/-)	(1,015,084)	-
- gains/losses on financial assets held for trading and on other assets	-	-
- financial assets/liabilities measured at fair value through profit or loss (+/-)	-	-
- gains/losses on hedging activities (+/-)	-	-
- net adjustments for credit risk (+/-)	-	-
- net adjustments on property, plant and equipment and intangible fixes assets (+/-)	3,714	-
- net provisions for risks and charges and other costs/revenues (+/-)	-	-
- unpaid taxes, duties and tax credits (+/-)	-	-
- net adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	-	-
2. Liquidity generated/absorbed by financial assets	**(3,994,887)**	**-**
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- financial assets mandatorily measured at fair value	-	-
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortised cost	(875,827)	-
- other assets	(3,119,060)	-
3. Liquidity generated/absorbed by financial liabilities	**1,946,408**	**-**
- financial liabilities measured at amortised cost	(3,583)	-
- financial trading liabilities	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	1,949,991	-
(A) Net cash generated by/used in operating activities	**(3,059,849)**	**-**
B. INVESTMENT ACTIVITIES	-	-

1. Cash generated by	**-**	**-**
- sales of participations	-	-
- dividends collected on equity investments	-	-
- sales of property, plant and equipment	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	**-**	**-**
- purchases of participations	-	-
- purchases of property, plant and equipment	-	-
- purchases of intangible assets	-	-
- purchases of business units	-	-
(B) Net cash generated by/absorbed in investment activities	**-**	**-**
C. FUNDING ACTIVITIES		
- issue/purchase of own shares	-	-
- issue/purchase of equity instruments	4,361,315	690,000
- distribution of dividends and other purposes	-	-
(C) Net liquidity generated/absorbed by funding activities	**4,361,315**	**690,000**
NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR (D=A+B+C)	**1,301,466**	**690,000**

RECONCILIATION

	Amount	
	2021	**2020**
Cash and cash equivalents at the beginning of the year	690,000	-
Total net liquidity generated/absorbed during the year	1,301,466	690,000
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the close of the year	1,991,466	690,000

EXPLANATORY NOTES

6.1. PART A - ACCOUNTING POLICIES

A.1 GENERAL PART

Section 1 – Declaration of compliance with international accounting standards

The financial statements of Gardant Investor SGR S.p.A. as of 31 December 2021 (the "Financial Statements"), in application of Legislative Decree no. 38 of 28 February 2005, were prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established by the EU Regulation no. 1606 of 19 July 2002 and in force at the end of the year. No exceptions were made to the application of IAS/IFRS.

The application of IAS/IFRS standards was carried out with reference also to the "Framework for the preparation and presentation of financial statements", with particular regard to the principles of prevalence of substance over form, accrual, as well as to the concepts of relevance and significance of the information.

In preparing the Financial Statements, the IAS/IFRS standards approved and in force as of 31 December 2021 were applied.

New documents issued by the IASB and endorsed by the EU, for mandatory adoption from the financial statements for years beginning on or after 1 January 2021

Document title	Issue date	Date of entry into force	Date of approval	EU Regulation and date of publication	Notes and references to this checklist
Reform of the benchmarks for determining interest rates - phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021	See new paragraphs 280-281
Rental concessions related to COVID-19 subsequent to 30 June 2021 (Amendment to IFRS 16)	March 2021	1 April 2021[2]	30 August 2021	(EU) 2021/1421 31 August 2021	See new paragraph 368
Temporary extension from the application of IFRS 9 (Amendments to IFRS 4)	June 2020	1 January 2021	15 December 2020	(EU) 2020/2097 16 December 2020	No impact on disclosures

The amendments listed above had no effect on the Company's financial statements.

Documents endorsed by the EU as of 30 November 2021 to be adopted for years after 31 December 2021

Document title	Issue date	Date of entry into force	Date of approval	EU Regulation and date of publication	Notes and references to this checklist
Improvements to IFRS (2018-2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41]	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021	See new paragraphs 513-515
Property, plant and equipment - Income before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021	See new paragraphs 516-517
Onerous contracts - Costs necessary to fulfil a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021	See new paragraph 518
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021	No impact on disclosures
IFRS 17 - Insurance contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021	See new paragraphs 519-557

The adoption of the amendments listed above is not considered to have significant effects on the Company's financial statements.

International accounting standards not yet endorsed as of 31 December 2021

Document title	Date of issue by the IASB	Date of entry into force of the IASB document	Date of expected approval by the EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Approval process suspended pending the new accounting standard on "rate-regulated activities".
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until completion of the IASB project on the equity method	Endorsement process suspended waiting for the conclusion of the IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020	January 2020 July 2020	1 January 2023	TBD
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	TBD
Definition of Accounting Estimates (Amendments to IAS 8)	February 2021	1 January 2023	TBD
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	TBD
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	TBD

The introduction and amendments of the standards listed above are not relevant for the preparation of these Financial Statements, given that their application is subject to approval by the European Commission through the issue of specific EU Regulations.

Section 2 – General preparation principles

The financial statements for the year consist of the Balance Sheet, the Income Statement, the Statement of the Changes in Equity, the Statement of Comprehensive Income, the Cash Flow Statement and the Notes to the Financial Statements; it is also accompanied by the managerial report on operations. They were prepared in accordance with the Instructions pursuant to the Measure of the Bank of Italy of 29 October 2021.

These financial statements have been prepared with clarity and provide a reliable representation of the Company's financial position, the economic result for the year, as well as the cash flows in compliance with the principle of the prevalence of the economic substance of events and transactions over form. Assets and liabilities are accounted for on an accrual basis and on a going concern basis. In fact, there were no significant events or circumstances that could give rise to doubts as to the going concern. In preparing the financial statements, no estimates were used that could present the risk of giving rise, within the next financial year, to significant adjustments to the carrying amounts of assets and liabilities reported in the financial statements.

Section 3 – Events after the reporting date

After the close of the year, there were no events that affected the asset, financial and economic situation in such a way as to require adjustments to be made to the amounts shown in these financial statements.

Section 4 – Other aspects

Risks, uncertainties and impacts of the SARS Covid-19 epidemic
For the impacts of the SARS Covid-19 epidemic, please refer to the Managerial Report.

Amendment to IFRS 16
There was no application of the practical expedient envisaged by Regulation (EU) no. 1434/2020.

A.2 SECTION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Section 1 – Cash and cash equivalents

This item includes currencies that are legal tender, including foreign banknotes and coins, as well as "on-demand" receivables (current accounts and demand deposits) from banks. Exchange rate differences on cash and cash equivalents in foreign currency are recognised in the income statement at the end of the year.

Section 2 – Financial assets measured at fair value through profit or loss (FVTPL)

Classification criteria

Financial assets other than those classified as financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost are classified in this category.
In particular, this item includes:
- financial assets held for trading, essentially represented by debt securities and equities and the positive value of derivative contracts held for trading;
- financial assets designated at fair value, i.e. financial assets defined as such at the time of initial recognition and where the conditions are met. In relation to this case, an entity can irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if by doing so, it eliminates or significantly reduces a valuation inconsistency;
- financial assets mandatorily measured at fair value, represented by financial assets that 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 exclusively provide for repayments of principal and interest payments on the amount of principal to be repaid (so-called "SPPI test" not passed) or that are not held as part of a business model whose objective is to own assets for the collection of contractual cash flows ("Hold to Collect" business model) or whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets ("Hold to Collect and Sell" business model).

Therefore, if the conditions are met, this item includes:
- debt securities and loans that are included in an Other/Trading business model (therefore not attributable to the "Hold to Collect "or "Hold to Collect and Sell" business models) or that do not pass the SPPI test, including the portions of subscribed syndicated loans, which are destined for disposal from the start and which are not reclassified in a "Hold to Collect" or "Hold to Collect and Sell" business model;
- equity instruments (not qualifying as controlling, associated and joint control instruments) held for trading purposes or for which, at the time of initial recognition, designation at fair value through other comprehensive income was not chosen;
- UCITS units.

The item also includes derivative contracts, recognised as financial assets held for trading, which are represented as assets if the fair value is positive and as liabilities if the fair value is negative. It is possible to offset the positive and negative current values deriving from transactions in place with the same counterparty only if there is currently the legal right to offset the amounts recognised in the accounts and it is intended to proceed with the settlement on a net basis of the positions subject to offsetting.

Derivatives also include those embedded in complex financial contracts (in which the host contract is a financial liability), which were recognised separately because:
- their economic characteristics and risks are not strictly related to the characteristics of the underlying contract;
- the embedded instruments, even if separate, meet the definition of derivative;
- the hybrid instruments to which they belong are not measured at fair value with the related changes recognised in the income statement.

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets (with the exception of equity securities, for which no reclassification is allowed), reclassifications to other categories of financial assets are not allowed except in the case in which the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at fair value through profit or loss into one of the other two categories envisaged by IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification apply prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the reclassification date and this date is considered as the initial recognition date for the allocation to the various stages of credit risk (stage assignment) for impairment purposes.

Entry criteria

Financial assets are initially recognised on the settlement date for debt securities and equity instruments, on the disbursement date for loans and on the subscription date for derivative contracts.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument itself.

Evaluation criteria

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of the application of this measurement criterion are recognised in the income statement.

To determine the fair value of financial instruments listed on an active market, market prices are used. In the absence of an active market, commonly adopted estimation methods and valuation models are used, which take into account all the risk factors related to the instruments and which are based on data recorded on the market such as: valuation of listed instruments that have similar characteristics, discounted cash flow calculations, option pricing models, values recognised in recent comparable transactions, etc. For equity securities and for derivative instruments relating to equity securities not listed on an active market, the cost criterion is used to estimate the fair value only on a residual basis and limited to a few circumstances, i.e. in the case of non-applicability of all the valuation methods referred to above, or in the presence of a wide range of possible fair value valuations, within which the cost represents the most significant estimate.

Cancellation criteria

Financial assets are de-recognised from the financial statements only if the disposal entails the substantial transfer of all risks and benefits associated with the assets. On the other hand, if a significant portion of the risks and benefits relating to the financial assets sold has been maintained, they continue to be recognised in the financial statements, even if legal ownership of the assets has actually been transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are de-recognised from the financial statements if no type of control has been maintained over them. Otherwise, the retention, even in part, of this control results in the assets being retained in the financial statements to an extent of the residual involvement, measured by the exposure to changes in value of the transferred assets and to changes in their cash flows.

Lastly, the financial assets sold are de-recognised from the financial statements if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only these flows, without a significant delay, to other third parties.

Section 3 – Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification criteria

Financial assets that meet both of the following conditions are included in this category:
- the financial asset is held according to a business model whose objective is achieved both through the collection of contractually envisaged cash flows and through sale ("Hold to Collect and Sell" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

This item also includes equity instruments, not held for trading, for which the option to designate at fair value through other comprehensive income was exercised at the time of initial recognition.

In particular, this item includes:
- debt securities that are attributable to a "Hold to Collect and Sell" business model and that have passed the SPPI test;
- equity interests, not qualifying as controlling, associated or joint control, which are not held for trading purposes, for which the option to designate them at fair value through other comprehensive income was exercised;
- loans that are attributable to a "Hold to Collect and Sell" business model and that have passed the SPPI test, including the portions of syndicated loans subscribed from the outset that are intended for disposal and are attributable to a "Hold to Collect and Sell" business model.

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets (with the exception of equity securities, for which no reclassification is allowed), reclassifications to other categories of financial assets are not allowed except in the case in which the entity changes its business model for the management of financial assets.

In these cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category of financial assets measured at fair value through other comprehensive income into one of the other two categories envisaged by IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification apply prospectively from the date of reclassification. In the event of reclassification from the category in question to that of amortised cost, the cumulative profit (loss) in the valuation reserve is recognised as an adjustment to the fair value of the financial asset at the date of reclassification. In the event of reclassification to the fair value category through profit or loss, the cumulative profit (loss) previously recognised in the valuation reserve is reclassified from equity to profit/(loss) for the year.

Entry criteria

Financial assets are initially recognised on the settlement date for debt securities and equity instruments and on the disbursement date for loans. Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself.

Evaluation criteria

Subsequent to initial recognition, assets classified as measured at fair value through other comprehensive income, other than equities, are measured at fair value, with the recognition in the income statement of the impacts deriving from the application of the amortised cost, of the effects of the impairment and any exchange rate effect, while other gains or losses deriving from a change in fair value are recognised in a specific equity reserve until the financial asset is de-recognised. At the time of total or partial disposal, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the income statement.

The equity instruments for which the choice was made for classification in this category are measured at fair value and the amounts recognised as a balancing entry to shareholders' equity (statement of comprehensive income) must not be subsequently transferred to the income statement, even in the case of disposal. The only component referring to the equity securities in question that is recognised in the income statement is represented by the related dividends.

The fair value is determined on the basis of the criteria already illustrated for Financial assets measured at fair value through profit or loss.

For equity securities included in this category, not listed on an active market, the cost criterion is used to estimate the fair value only on a residual basis and limited to a few circumstances, i.e. in the case of non-applicability of all the valuation methods referred to above, or in the presence of a wide range of possible fair value valuations, within which the cost represents the most significant estimate.

Financial assets measured at fair value through other comprehensive income (both in the form of debt securities and receivables) are subject to the verification of the significant increase in credit risk (impairment) envisaged by IFRS 9, in the same way as Assets at amortised cost, with subsequent recognition in the income statement of a value adjustment to cover expected losses. More specifically, on instruments classified in stage 1 (i.e. on financial assets at the time of origination, if not impaired, and on instruments for which there has not been a significant increase in credit risk with regard to the initial recognition date) a one-year expected loss is recognised at the date of initial recognition and at each subsequent reporting date. On the other hand, for instruments classified in stage 2 (performing for which there was a significant increase in credit risk compared to the initial recognition date) and in stage 3 (non-performing exposures) an expected loss is recorded for the entire residual life of the financial instrument.

Vice versa, equity instruments are not subject to impairment.

Cancellation criteria

Financial assets are de-recognised from the financial statements only if the disposal entails the substantial transfer of all risks and benefits associated with the assets. On the other hand, if a significant portion of the risks and benefits relating to the financial assets sold has been maintained, they continue to be recognised in the financial statements, even if legal ownership of the assets has actually been transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are de-recognised from the financial statements if no type of control has been maintained over them. Otherwise, the retention, even in part, of this control results in the assets being retained in the financial statements to an extent of the residual involvement, measured by the exposure to changes in value of the transferred assets and to changes in their cash flows.

Lastly, the financial assets sold are de-recognised from the financial statements if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only these flows, without a significant delay, to other third parties.

Section 4 – Financial assets measured at amortised cost

Classification criteria

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:
- the financial asset is held according to a business model whose objective is achieved through the collection of contractually envisaged cash flows ("Hold to Collect" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

More specifically, this item includes:
- loans with banks in the various technical forms that meet the requirements set forth in the previous paragraph, other than "on demand" receivables relating to current accounts, classified under cash and cash equivalents;
- loans to customers in the various technical forms that meet the requirements set forth in the previous paragraph;
- debt securities that meet the requirements set forth in the previous paragraph.

This category also includes operating receivables associated with the provision of financial assets and services as defined by the Consolidated Law on Banking and the Consolidated Law on Finance (for example, receivables due from managed funds for pre-paid expenses or commissions).

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not allowed except in the case in which the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories envisaged by IFRS 9 (Financial assets measured at fair value with impact on comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification apply prospectively from the date of reclassification. Profits or losses resulting from the difference between the amortised cost of the financial asset and the related fair value are recognised in the income statement in the case of reclassification under Financial assets measured at fair value through profit or loss and in Shareholders' equity, in the valuation reserve, in the case of reclassification under Financial assets measured at fair value through other comprehensive income.

Entry criteria

Financial assets are initially recognised on the settlement date for debt securities and on the disbursement date in the case of receivables. Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself.

With particular regard to loans, the disbursement date normally coincides with the date of signing the contract. If this coincidence does not occur, at the time of signing the contract, a commitment to disburse funds is recorded, which ends on the date of disbursement of the loan. The receivable is recognised on the basis of its fair value, equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual receivable and determinable from the start of the transaction, even if settled at a later date. Costs that, despite having the aforementioned characteristics, are subject to reimbursement by the debtor counterparty or are included among the normal internal administrative costs are excluded.

Evaluation criteria

Following the initial recognition, financial assets are measured at amortised cost using the effective interest rate method. In these terms, the asset is recognised in the financial statements for an amount equal to the initial recognition value less capital repayments, plus or minus the cumulative amortisation (calculated with the mentioned effective interest rate method) of the difference between the initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted by any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the present value of future flows of the asset, in terms of principal and interest, to the amount disbursed including the costs/income attributable to the financial asset. This accounting method using a financial logic, makes it possible to distribute the economic effect of costs/income directly attributable to a financial asset over its expected residual life.

The amortised cost method is not used for assets (valued at historical cost) whose short duration makes the effect of the application of the discounting logic negligible, for assets without a defined maturity and for revocable receivables.

The measurement criteria are strictly related to the inclusion of the instruments in question in one of the three stages (credit risk stages) envisaged by IFRS 9, the last of which (stage 3) includes non-performing financial assets and the remainder (stages 1 and 2) performing financial assets.

With reference to the accounting representation of the aforementioned valuation effects, the value adjustments referring to this type of asset are recognised in the income statement:
- upon initial recognition, for an amount equal to the expected loss at twelve months;
- at the time of the subsequent valuation of the asset, if the credit risk has not increased significantly compared to the initial recognition, in relation to the changes in the amount of value adjustments for losses expected in the following twelve months;
- at the time of the subsequent valuation of the asset, if the credit risk has increased significantly compared to the initial recognition, in relation to the recognition of value adjustments for expected losses referring to the entire residual life envisaged contractually for the asset;
- at the time of the subsequent valuation of the asset, where (after a significant increase in credit risk with respect to the initial recognition) the "significance" of this increase is no longer valid, in relation to the adjustment of cumulative value to take into account the transition from an expected loss over the entire residual life of the instrument to twelve months.

The financial assets in question, if they are performing, are subject to a valuation, aimed at defining the value adjustments to be recognised in the financial statements, at the level of individual credit relationship (or "tranche" of security), depending on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD), derived from the AIRB models and appropriately adjusted to take into account the provisions of IFRS 9.

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the book value of the asset (classified as "non-performing", as is the case with all other transactions with the same counterparty) and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the income statement, is defined on the basis of an analytical valuation process or determined by homogeneous categories and, therefore, analytically attributed to each position and takes into account, as detailed in the chapter "Impairment of financial assets", forward looking information and possible alternative recovery scenarios.

The category of non-performing assets includes financial instruments that have been attributed to the status of non-performing, unlikely to pay, or past due by more than ninety days according to the rules of the Bank of Italy, consistent with IAS/IFRS and European Union Supervisory regulations.

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

The original effective rate of each asset remains unchanged over time even if a restructuring of the relationship has taken place, which has led to a change in the contractual rate and even if the relationship becomes interest-free in practice.

If the reasons for the impairment are eliminated as a result of an event occurring after the recognition of the impairment, reversals are booked to the income statement. The reversal cannot exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

reversals associated with the passing of time are recognised in the interest margin.

In some cases, during the life of the financial assets in question and, in particular of the receivables, the original contractual conditions are subsequently modified by the parties to the contract. When, during the life of an instrument, the contractual clauses are subject to change it is necessary to verify whether the original asset must continue to be recognised in the financial statements, or whether on the contrary the original instrument must be de-recognised from the financial statements and a new financial instrument must be recognised.

In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The assessment of the "substantiality" of the change must be carried out considering both qualitative and quantitative elements. In some cases in fact, it may be clear without resorting to complex analyses, that the changes introduced substantially modify the characteristics and/or contractual flows of a given activity while in other cases, further analyses (also quantitative) will have to be carried out to appreciate its effects and verify the need to proceed with the de-recognition of the asset and the recognition of a new financial instrument.

The (quali-quantitative) analyses aimed at defining the "substantiality" of the contractual changes made to a financial asset must therefore consider:

- the purposes for which the changes were made: for example, re-negotiations for commercial reasons and concessions due to financial difficulties of the counterparty:
  - the former, aimed at "retaining" the customer involve a debtor who is not in a situation of financial difficulty. This case includes all the re-negotiation transactions aimed at adjusting the debt burden to market conditions. These transactions involve a change in the original conditions of the contract, usually requested by the debtor, which concerns aspects related to the cost of the debt with a consequent economic benefit for the debtor. In general it is believed that whenever the bank carries out a renegotiation in order to avoid losing its customer, this renegotiation must be considered substantial because if it were not carried out the customer could obtain financing from another intermediary and the bank would suffer a decrease in expected future revenues;
  - the latter carried out for "credit risk reasons" (forbearance measures) are attributable to the bank's attempt to maximise the recovery of the cash flows of the original loan. The underlying risks and benefits, subsequent to the amendments, are not normally substantially transferred and consequently, the accounting representation that offers the most relevant information for the reader of the financial statements (except for what will be said later on objective elements), is that carried out via the "modification accounting", which involves the recognition in the income statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate, and not through de-recognition;
- the presence of specific objective elements ("triggers") that affect the characteristics and/or contractual flows of the financial instrument (such as, by way of example only, the change of currency or the change in the type of risk to which one is exposed, where it is related to equity and commodity parameters), which are considered to involve de-recognition in consideration of their impact (expected to be significant) on the original contractual flows.

Cancellation criteria

Financial assets are de-recognised from the financial statements only if the disposal entails the substantial transfer of all risks and benefits associated with the assets. On the other hand, if a significant portion of the risks and benefits relating to the financial assets sold has been maintained, they continue to be recognised in the financial statements, even if legal ownership of the assets has actually been transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are de-recognised from the financial statements if no type of control has been maintained over them. Otherwise, the retention, even in part, of this control results in the assets being retained in the financial statements to an extent of the residual involvement, measured by the exposure to changes in value of the transferred assets and to changes in their cash flows.

Lastly, the financial assets sold are de-recognised from the financial statements if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only these flows, without a significant delay, to other third parties.

Section 5 – Property, plant and equipment

Entry criteria

Property, plant and equipment are initially recognised at cost, which includes, in addition to the purchase price, any additional charges directly attributable to the purchase and commissioning of the asset.

Extraordinary maintenance costs, which involve an increase in future economic benefits, are recognised as an increase in the value of the assets, while other ordinary maintenance costs are recognised in the income statement.

Classification criteria

Property, plant and equipment include technical systems, furniture and fixtures and equipment of any type.

These are property, plant and equipment held to be used in the production or supply of goods and services, to be leased to third parties, or for administrative purposes and which are expected to be used for more than one period.

Assets used under finance leases are also recorded under this item, even if legal ownership of the same remains with the lessor Company.

Evaluation criteria

Property, plant and equipment are measured at cost, net of any depreciation and write-downs (if any) due to impairment.

At the end of each reporting period or interim period, if there is any indication that an asset may have suffered an impairment loss, a comparison is made between the book value of the asset and its recoverable value, equal to the lower of the fair value, net of any costs to sell, and the related value in use of the asset intended as the present value of future flows originating from the asset. Any adjustments are recognised in the income statement.

If the reasons that led to the recognition of the loss no longer apply, a reversal is recorded, which cannot exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

Fixed assets are systematically depreciated over their useful life, using the straight-line method as the depreciation criterion.

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According to IFRS 16, leased properties are accounted for on the basis of the right of use model, for which, at the initial date the lessee has a financial obligation to make payments due to the lessor to offset his right to use the underlying asset during the term of the contract.

When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

In particular, the right of use acquired with the lease is recognised as the sum of the present value of future instalments to be paid for the duration of the contract, payments for rent paid on the date or before the start of the contract, any incentives received, initial direct costs and any estimated costs for the dismantling or restoration of the asset underlying the lease.

With reference to the asset consisting of the right of use, accounted for on the basis of IFRS 16, it is measured using the cost model according to IAS 16 Property, plant and equipment; in this case, the asset is subsequently amortised and subject to an impairment test in the event of impairment indicators.

Cancellation criteria

Property, plant and equipment are de-recognised from the balance sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Section 6 – Intangible Assets

Intangible assets are non-monetary assets, identifiable and without physical substance, held for use over a multi-year period.

Other intangible assets are recognised as such if they are identifiable and originate from legal or contractual rights.

Recognition and measurement criteria

Intangible assets are recognised at cost, increased for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will flow to the company and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in profit or loss in the period in which it is incurred.

The cost of intangible assets is amortised on a straight-line basis over the related useful life. If the useful life is indefinite, amortisation is not carried out, but only the adequacy of the book value of the fixed assets is verified periodically. If there is evidence of impairment at the end of each reporting period, the recoverable amount of the asset is estimated. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

Cancellation criteria

An intangible asset is de-recognised on disposal or when future economic benefits are no longer expected.

Section 7 – Other assets

Other assets essentially include items pending settlement and items not attributable to other balance sheet items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised in their own item (for example, connected with withholding agent activities), and accrued income other than those that are capitalised on the related financial assets.

Section 8 – Current and deferred taxation

The Company recognises the effects on current and deferred tax assets by applying the tax rates in force at the time of preparation of the financial statements or interim reports.

Income taxes are recognised in the income statement with the exception of those relating to items charged or credited directly to shareholders' equity.

The provision for income taxes is determined on the basis of a prudential forecast of the current tax charge, the amount paid in advance and the deferred tax charge. In particular, prepaid and deferred taxes are calculated on the basis of the temporary differences (without time limits) between the value attributed to an asset or liability according to statutory criteria and the corresponding values assumed for tax purposes.

Deferred tax assets are recorded in the financial statements to the extent that their recovery is probable, assessed on the basis of the ability of the Company or the Group, in the case of participation in the tax consolidation, to continuously generate positive taxable income.

Deferred tax liabilities are recorded in the financial statements, with the sole exception of reserves in suspension of taxation, as the amount of available reserves already subject to taxation allows it to be reasonably assumed that no transactions involving taxation will be carried out.

Prepaid and deferred taxes are accounted for at equity level without offsetting the balance.

Assets and liabilities recognised for prepaid and deferred taxes are systematically measured to take into account any changes in regulations or rates and any different subjective situations of the Company and the Group.

Section 9 – Provisions for risks and charges

Post-employment benefits and seniority bonuses

Starting from 1 January 2007, the Finance Act and the relative implementing decrees introduced significant changes in the regulations on the employee severance indemnity, including the choice of the worker with regard to the allocation of the accruing severance indemnity. In particular, the new flows of post-employment benefits may be directed by the worker to selected pension schemes or maintained in the company. In the light of the choices made by employees, the post-employment benefits allocated to supplementary pension funds is classified as a defined contribution plan, with the consequent expense charged to the income statement for the portion pertaining to the year.

Post-employment benefit of retained personnel is recognised on the basis of their actuarial value, as it qualifies as a benefit to employees on the basis of a defined benefit plan pursuant to IAS 19.

The recognition in the financial statements of defined benefit plans requires the estimate using actuarial techniques of the amount of benefits accrued by employees in exchange for the work performed in the current and previous years and the discounting of these benefits in order to determine the present value of the Company's commitments.

To determine the present value of the commitments, the "projected unit method" of the receivable is used, which envisages the projection of future disbursements on the basis of historical statistical analyses and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. The contributions paid in each year are considered as separate units, recognised and measured individually for the purpose of determining the final obligation. The annual discount rate adopted in the calculations is determined on the basis of market rates with maturity equal to the average residual duration of the liabilities relating to the post-employment benefits.

The costs for the service of the plan, such as the net amount of contributions paid and pertaining to previous years not yet recognised, accrued interest, and expected revenues deriving from plan assets, are accounted for under personnel expenses. Actuarial gains and losses are recognised in the statement of comprehensive income, net of the related tax effect.

A similar criterion is used for the allocation of the provision set up against the actuarial liability for seniority bonuses.

Provisions for risks and charges

Recognition and measurement criteria
Provisions for risks and charges include liabilities of uncertain amount or due date, recognised in the financial statements because:
- there is a current obligation (legal or implicit) due to a past event;
- it is probable that financial resources will be disbursed to fulfil the obligation;
- it is possible to make a reliable estimate of the probable future disbursement.

Where the effect of the time deferral in incurring the estimated expense is significant, provisions are discounted using current market rates. The discount rate is gross of taxes and is such as to reflect current market valuations of the present value of money and the specific risks associated with the liability. The provision is recognised in the income statement. The provisions for this item also include those, on an analytical basis, relating to the estimate of possible disbursements related to guarantees and commitments issued.

Cancellation criteria

Provisions are reversed from the financial statements when they are no longer required for a particular charge, or when the related obligation has been fulfilled.

Section 10 – Financial liabilities measured at amortised cost

Classification criteria

Payables to banks and due to customers include the various forms of funding of the Company through bank credit transactions and/or loans granted by other lenders. Payables recognised by the company for outsourced functions provided by third parties are also included.

Entry criteria

The initial recognition of these financial liabilities takes place on the date of signing of the contract.

Initial recognition is made on the basis of the fair value of the liabilities, normally equal to the amount received or the issue price, plus any additional costs/income directly attributable to the individual funding or issuance transaction. Internal costs of administrative nature are excluded.

Evaluation criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

An exception to this is represented by short-term liabilities, for which the time factor is negligible, which remain recognised at the amount received.

Cancellation criteria

Financial liabilities are de-recognised when they expire or are settled. Cancellation occurs even if previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to acquire it is recognised in the income statement.

Section 11 – Share-based payments

Share-based compensation plans are recognised in the income statement, with a corresponding increase in shareholders' equity, if attributable to shares of the Company or the Parent Company directly assigned by the latter to the employees of the Company, or with a contra-entry for the shares themselves if purchased on the market and directly assigned to employees by the Company; on the basis of the fair value of the financial instruments attributed at the grant date, dividing the expense over the period envisaged by the plan.

In the presence of options, the fair value of the same is calculated using a model that considers, in addition to information such as the operating price and the life of the option, the current price of the shares and their expected volatility, the expected dividends and the rate of risk-free interest, also the specific characteristics of the existing plan. In the valuation model, the option and the probability of realisation of the conditions on the basis of which the options were assigned are measured separately.

The combination of the two values provides the fair value of the assigned instrument.

Any reduction in the number of financial instruments assigned is accounted for as a de-recognition of part of the same. In the case of the purchase of shares of the Parent Company to be assigned to employees, the unavailable reserve pursuant to article 2359-bis of the Italian Civil Code is recorded in the Company's assets. This reserve is released following the assignment of shares to employees.

Section 12 – Criteria for recognising income components

Revenues are recognised when they are received or when it is probable that future benefits will be received and these benefits can be reliably quantified. In particular:

Revenues from the sale of goods are recognised in the financial statements at the fair value of the consideration received, when the following conditions are met:
- the company has transferred to the purchaser the risks and benefits associated with the ownership of the assets;
- the value of revenues can be reliably determined;
- it is probable that economic benefits will be received by the company.

Commissions income and other income deriving from the provision of services are recognised in the financial statements in the periods in which the services are rendered.

Other income is recognised in the financial statements on an accruals basis. In particular:
- interest, including income and similar charges, is recognised with a time criterion that considers the actual return;
- interest on arrears is recognised at the time of any collection;
- dividends are recognised when the right to receive payment accrues and therefore distribution is declared;
- in relation to transactions in financial instruments, the difference between the fair value of the instruments with respect to the amount paid or received is recognised in the income statement only in the cases in which the fair value can be reliably determined; in the case of use of valuation models that are based on market parameters, there

are observable prices of recent transactions in the same market in which the instrument is traded. In the absence of these conditions, the estimated difference is recognised in the income statement with a linear accrual over the duration of the transactions.

Costs are recognised in the income statement in the periods in which the related revenues are recorded. If the association between costs and revenues can be made only in a generic and indirect manner, the costs are recorded over several periods with rational procedures and on a systematic basis. Costs, which cannot be associated with income, are recognised immediately in the income statement.

A.3 INFORMATION ON THE TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

The Company did not make any transfers between portfolios of financial assets.

A.4 INFORMATION ON FAIR VALUE

Qualitative disclosure

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

The Company uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of non-observable inputs.

The measurements of assets and liabilities at fair value are classified on the basis of a hierarchy of levels that reflects the significance of the inputs used in the measurements.

The following levels are distinguished:
a) prices (without adjustments) recorded on an active market (according to the definition given by IFRS 13) for the assets or liabilities subject to measurement (level 1);
b) inputs other than the quoted prices referred to in the previous point, which are observable directly (prices) or indirectly (derived from prices) on the market (level 2);
c) inputs that are not based on observable market data (level 3).

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the lowest level input used for the measurement is classified.

Assets, consisting of receivables from managed funds, are conventionally recognised at level 3 of fair value, as their values are not derived from elements observable on active markets.

A.4.2 Processes and sensitivity of valuations

There are no elements to report other than those indicated in the previous point.

A.4.3 Fair value hierarchy

There are no transfers of financial assets or liabilities to different levels of the fair value hierarchy.

A.4.4 Other information

There are no other elements to report.

Quantitative disclosure

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by the fair value level

There are no assets or liabilities measured at fair value.

A.4.5.2 Annual variations in financial assets measured at fair value on a recurring basis (level 3)

There are no assets or liabilities measured at fair value.

A.4.5.3 Annual variations in liabilities measured at fair value on a recurring basis (level 3)

There are no assets or liabilities measured at fair value.

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A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets/Liabilities not measured at fair value or measure at vair value on a non-recurring basis	2021				2020			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	875,827	-	-	875,827	-	-	-	-
2. Property, plant and equipment held for investment pur	-	-	-	-	-	-	-	-
3. Non-recurring assets and groups of assets held for disposal	-	-	-	-	-	-	-	-
Total	**875,827**	**-**	**-**	**875,827**	**-**	**-**	**-**	**-**
1. Financial liabilities measured at amortised cost	43,209	-	-	43,209	-	-	-	-
2. Liabilities associated with discontinued assets	-	-	-	-	-	-	-	-
Total	**43,209**	**-**	**-**	**43,209**	**-**	**-**	**-**	**-**

Legend:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The book value of the assets is a reasonable approximation of the fair value, since these are receivables from managed funds for advances and management fees.

The book value of the liabilities relating to lease payables was determined by discounting the future cash flows relating to the lease payments.

A.5 INFORMATION ON THE SO-CALLED "DAY ONE PROFIT/LOSS"

There were no cases of initial recognition of significant differences between the recognition price and the fair value of financial assets.

6.2. PART B – INFORMATION ON THE BALANCE SHEET

ASSETS

SECTION 1 – Cash and cash equivalents - item 10

The item represents the liquidity deposited with Banca Intesa which, as of 31 December 2021, amounted to Euro 1,991 thousand.

SECTION 4 – Financial assets measured at amortised cost - item 40

4.1 Financial assets measured at amortised cost - breakdown by type

Details/Values	Total 2021						Total 2020					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3
1. Receivables for assets management services:	**875,827**	**-**	**-**	**-**	**-**	**875,827**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 UCITS management	875,827	-	-	-	-	875,827	-	-	-	-	-	-
1.2 individual management	-	-	-	-	-	-	-	-	-	-	-	-
1.3 management of pension funds	-	-	-	-	-	-	-	-	-	-	-	-
2. Receivables for other services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 consultancies	-	-	-	-	-	-	-	-	-	-	-	-
2.2 outsourced company functions	-	-	-	-	-	-	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-	-	-	-	-	-	-
3. Other receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
- of which: on Government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which: on other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which: on equity securities and quotas	-	-	-	-	-	-	-	-	-	-	-	-
3.2 deposits and current account5s	-	-	-	-	-	-	-	-	-	-	-	-
3.3 others	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**875,827**	**-**	**-**	**-**	**-**	**875,827**	**-**	**-**	**-**	**-**	**-**	**-**

L1= Level 1
L2= Level 2
L3= Level 3

The item includes receivables from managed funds, broken down as follows:

- Euro 756 thousand for Forward Fund management commissions;
- Euro 46 thousand for management fees of the Italian Distressed Debt & Special Situation Fund;
- Euro 53 thousand for advances on behalf of the Forward Fund;
- Euro 21 thousand for advances on behalf of the Italian Distressed Debt & Special Situation Fund.

4.2 Financial assets measured at amortised cost: breakdown by debtor/issuer

Breakdown/Counterparty	Banks		Financial companies		Customers	
		of which: of the SGR group		of which: of the SGR group		of which: of the SGR group
1. Receivables for asset management services:	**-**	**-**	**-**	**-**	**875,827**	**-**
1.1 UCITS management	-	-	-	-	875,827	-
1.2 gindividual management	-	-	-	-	-	-
1.3 management of pension funds	-	-	-	-	-	-
2. Receivables for other services	**-**	**-**	**-**	**-**	**-**	**-**
2.1 consultancies	-	-	-	-	-	-
2.2 outsourced company functions	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
3. Other receivables	**-**	**-**	**-**	**-**	**-**	**-**
3.1 repurchase agreements	-	-	-	-	-	-
- of which: on Government bonds	-	-	-	-	-	-
- of which: on other debt securities	-	-	-	-	-	-
- of which: on equity securities and quotas	-	-	-	-	-	-
3.2 deposits and current accounts	-	-	-	-	-	-
3.3 others	-	-	-	-	-	-
4. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
Total 2021	**-**	**-**	**-**	**-**	**875,827**	**-**
Total 2020	**-**	**-**	**-**	**-**	**-**	**-**

4.3 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				
	First stage	of which: instruments with low credit risk	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	Total partial write-offs*
Debt securities	-	-	-			-	-	-	-	-
Loans	875,827	-	-	-	-	-	-	-	-	-
Total (2021)	**875,827**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (2020)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*value to be shown for information purposes

Receivables from funds were classified in the first stage as there is no increase in credit risk compared to the initial recognition, pursuant to accounting standard IFRS 9.

SECTION 8 – Property, plant and equipment - item 80

8.1 Property, plant and equipment for business use: breakdown of assets measured at cost

Assets/Values	Total 2021	Total 2020
1. Owned assets	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic systems	-	-
e) others	-	-
2. Rights of use acquired through leases	**43,078**	**-**
a) land	-	-
b) buildings	43,078	-
c) furniture	-	-
d) electronic systems	-	-
e) others	-	-
Total	**43,078**	**-**

Property, plant and equipment relate to the application of IFRS 16 to the lease agreement for the Milan offices signed in August 2021 and with a duration from 1 August 2021 to 31 October 2026.

8.3 Property, plant and equipment used in operations: composition of revalued assets

Assets/Values	Total 2021			Total 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Owned assets	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) others	-	-	-	-	-	-
2. Rights of use acquired through leases	**-**	**-**	**43,078**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	43,078	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) others	-	-	-	-	-	-
Total	**-**	**-**	**43,078**	**-**	**-**	**-**

8.5 Property, plant and equipment used in operations: annual changes

	Land	Buildings	Furniture	Electronic systems	Others	Total
A. Opening balance	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Total net impairment losses	-	-	-	-	-	-
A.2 Net opening balances	**-**	**-**	**-**	**-**	**-**	**-**
B. Increases	**-**	**46,792**	**-**	**-**	**-**	**46,792**
B.1 Purchases	-	46,792	-	-	-	46,792
B.2 Expenses for capitalised improvements	-	-	-	-	-	-
B.3 Reversals	-	-	-	-	-	-
B.4 Positive changes in fair value charged to:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from property held for investment purposes	-	-	X	X	X	-
B.7 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**3,714**	**-**	**-**	**-**	**3,714**
C.1 Sales	-	-	-	-	-	-
C.2 Amortisation	-	3,714	-	-	-	3,714
C.3 Impairment losses recognised to:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) property, plant and equipment held for investment purposes	-	-	X	X	X	-
b) non-current assets and groups of assets held for disposal	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Net closing inventory	**-**	**43,078**	**-**	**-**	**-**	**43,078**
D.1 Total net impairment losses	-	-	-	-	-	-
D.2 Gross closing balance	**-**	**43,078**	**-**	**-**	**-**	**43,078**
E. Valuation at cost	**-**	**43,078**	**-**	**-**	**-**	**43,078**

The disclosure pursuant to paragraph 53 letter h) of IFRS 16 is provided below.

The rights of use relating to the leased offices amount to Euro 47 thousand, equal to the present value of the residual future payments discounted using a discount rate related to the duration of the contract.

During the year, they were amortised by Euro 4 thousand and generated an interest expense of Euro 267.

SECTION 10 – Tax assets and tax liabilities - asset item 100 and liability item 60

10.1 Breakdown of "Current and deferred tax assets"

It should be noted that, with regard to IRES, the Company participated in the Group tax consolidation and therefore the payment of taxes is carried out directly by the Parent Company. Charges on tax income transferred to Group companies are recognised in the income statement under taxes, while in the statement of financial position the relative settlement is recognised under payables/receivables from Group companies under other assets/liabilities.

Description	Total 2021	Total 2020
Receivables for prepaid taxes	47,921	-
IRES	*33,337*	-
LAW 214/20211	*14,584*	-
Total	**47,921**	**-**

Deferred tax assets relate to tax losses of previous years for Euro 33 thousand and tax benefits for the so-called "Aid to Economic Growth" ("ACE") for Euro 15 thousand. These assets were transferred to the Company as part of the summary of the spin-off.

10.3 Changes in deferred tax assets (with balancing entry in the income statement)

	Total 2021	Total 2020
1. Opening balance	**-**	**-**
2. Increases	**47,921**	**-**
2.1 Deferred tax assets recognised during the year	-	-
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) reversals	-	-
d) others	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	47,921	-
3. Decreases	**-**	**-**
3.1 Deferred tax assets cancelled during the year	-	-
a) reversals	-	-
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) others	-	-
3.2 Reduction of tax rates	-	-
3.3 Other decreases	-	-
a) transformation into tax credits pursuant to Law no. 214/2011	-	-
b) others	-	-
4. Final amount	**47,921**	**-**

SECTION 12 – Other assets - Item 120

12.1 Other assets: breakdown

The other assets are broken down as follows:

Description	Total 2021	Total 2020
Receivable from Gardant S.p.A. for Group trasury	2,858,604	-
Receivables from Liberty Servicing	136,671	-
Tax group VAT account	53,451	-
Receivable from Gardant S.p.A. for seconded personnel	13,816	-
Invoices to be issued - Gardant S.p.A.	5,823	-
Deferred income	1,748	54
Receivables from Credito Fondiario	656	-
Receivables from INAIL	424	-
Total	**3,071,193**	**54**

The receivable from Gardant S.p.A. for Group treasury is referred for Euro 2,859 to the liquidity transferred to the Parent Company as part of the Group cash pooling agreement and it is aimed at optimising the management of the Group's liquidity.

There are also receivables due from the associate Gardant Liberty Servicing for tax losses transferred in the tax consolidation.

The VAT credit refers to the pro-rata adjustment for the year 2021 following the determination of the pro-rata Group VAT deductibility.

There are also intercompany receivables for personnel seconded to the Parent Company and for chargebacks of costs.

LIABILITIES

SECTION 1 – Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by product of payables

Detail/Values	Total 2021	Total 2020
1. Payables to sales networks	**-**	**-**
1.1 for UCITS placement activities	-	-
1.2 for placement of individual portfolios	-	-
1.3 for placement of pension funds	-	-
2. Payables for operational activities:	**-**	**-**
2.1 for own operations	-	-
2.2 for operations received under delegation	-	-
2.3 for others	-	-
3. Payables for other services:	**-**	**-**
3.1 consultancies	-	-
3.2 outsourced company functions	-	-
3.3 others	-	-
4. Other payables:	**43,209**	**-**
4.1 repurchase agreements	-	-
of which on Government bonds	-	-
of which on other debt securities	-	-
of which on equity securities and quotas	-	-
4.2 Lease payables	43,209	-
4.3 Other payables	-	-
Total	**43,209**	**-**
Fair value - level 1	**-**	**-**
Fair value - level 2	**-**	**-**
Fair value - level 3	**43,209**	**-**
Total *Fair value*	**43,209**	**-**

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The item consists exclusively of lease payables relating to the lease liability of the lease contract for the Milan offices.

The information required by IFRS 16, paragraphs 58 and 53, letter g) is provided below:
- Outgoing financial flows for leases amount to Euro 44 thousand;
- the contract is expected to expire in 2026.

The lease contract was stipulated with the parent company Gardant S.p.A.

1.5 Financial liabilities at amortised cost - Payables: breakdown by counterparty

Breakdown/Counterparty	Banks		Financial institutions		Customers	
		of which SGR group		of which SGR group		of which SGR group
1. Payables to sales networks:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 for UCITS placement activities	-	-	-	-	-	-
1.2 for placement of individual portfolios	-	-	-	-	-	-
1.3 for placement of pension funds	-	-	-	-	-	-
2. Payables for operational activities:	**-**	**-**	**-**	**-**	**-**	**-**
2.1 for own operations	-	-	-	-	-	-
2.2 for operations received under delegation	-	-	-	-	-	-
2.3 for others	-	-	-	-	-	-
3. Payables for other services:	**-**	**-**	**-**	**-**	**-**	**-**
3.1 consultancies received	-	-	-	-	-	-
3.2 outsourced company functions	-	-	-	-	-	-
3.3 others	-	-	-	-	-	-
4. Other payables:	**-**	**-**	**-**	**-**	**43,209**	**43,209**
4.1 repurchase agreements	-	-	-	-	-	-
of which on government bonds	-	-	-	-	-	-
of which on other debt securities	-	-	-	-	-	-
of which on equity securities and quotas	-	-	-	-	-	-
4.2 Lease payables	-	-	-	43,209	43,209	-
4.3 others	-	-	-	-	-	-
Total 2021	**-**	**-**	**43,209**	**43,209**	**-**	**-**
Total 2020	**-**	**-**	**-**	**-**	**-**	**-**

SECTION 8 – Other liabilities – Item 80

8.1 Breakdown of "Other liabilities"

The item is broken down as follows:

Description	Total 2021	Total 2020
Suppliers	129,187	1,197
Intercompany suppliers	375,583	-
Tax authorities on income from employees and collaborator	119,038	-
Tax group VAT account	29,811	-
Accrued liabilities	16,411	-
Payables to employees for accruals	895,026	-
Payables to employee social security institutions	57,539	-
Payables to other employee social security institutions	1,150	-
Payables to employee social security institutions for accruals	261,570	-
Payables to Credito Fondiario	5,223	-
Other intercompany payables	5,000	-
Other payables	144	-
Invoices to be received	60,874	5,368
Intercompanby invoices to be received	-	-
Total	**1,956,556**	**6,565**

SECTION 11 – Equity - items 120, 150 AND 170

11.1 Breakdown of "Capital"

Types	Amount
1. Capital	**690,000**
1.1 Ordinary shares	690,000
1.2 Other actions	

As of 31 December 2021, the share capital of Euro 690,000 is fully subscribed and paid-up and consists of 690,000 registered shares with a unit nominal value of Euro 1 each.

11.4 Breakdown of "Share premium" and 11.5 Other information

The share premium amounted to Euro 3,384 thousand.

The amount of equity reserves recorded under item 150 of the Statement of financial position came to Euro 970 thousand and is broken down as follows:

	Legal	Profit/(loss) carried forward	Other reserves (IAS transition)	Other reserves	Total
A. Opening balance	**-**	**-**	**-**	**-**	**-**
B. Increases	**138,690**	**-**	**(135,198)**	**973,381**	**976,873**
B.1 Allocation of profits	-	-	-	-	-
B.2 Other changes	138,690	-	**135,198**	976,873	-
C. Decreases	**-**	**6,511**	**-**	**-**	**6,511**
C.1 Uses	-	6,511	-	6,511	-
- coverage of losses	-	6,511	-	6,511	-
- distribution	-	-	-	-	-
- transfer to capital	-	-	-	-	-
C.2 Other changes	-	-	-	-	-
D. Closing inventory	**138,690**	**(6,511)**	**(135,198)**	**973,381**	**970,362**

Information required by article 2427, paragraph 7-bis of the Italian Civil Code

Breakdown of shareholders' equity

Items	Amount 31/12/2021	Possibility of use	Amount available	Summary of uses made in the three previous years	
				to hedge losses	for other reasons
Share capital	**690,000**	**-**	**-**	**-**	**-**
Capital reserves	**-**	**-**	**-**	**-**	**-**
Share premium	3,384,442	A,B,C	3,384,442	-	-
Merger surplus	-	A,B,C	-	-	-
Capital payments	160,797	A,B,C	160,797	-	-
Profit reserves:	**-**	**-**	**-**	**-**	**-**
Legal reserve	138,000	A,B	138,000	-	-
Legal distributable reserve	690	A,B,C	690	-	-
Other reserves	812,584	A,B,C	812,584	-	-
Profit carried forward	(6,511)	A,B,C	(6,511)	-	-
IAS transition	(135,198)	A,B,C	(135,198)	-	-
Profit/(loss) for the year	(1,015,084)	-	-	-	-
Total	**4,029,720**	**-**	**4,354,804**	**-**	**-**
Non-distributable portion	-	-	1,153,084	-	-
Residual distributable portion	**-**	**-**	**3,201,720**	**-**	**-**

A for share cfapital increase
B for cover of losses
C for distribution to shareholders

6.3. PART C – INFORMATION ON THE PROFIT AND LOSS ACCOUNT

SECTION 1 – Commissions income and expenses - items 10 AND 20

In 2021, revenues amounted to Euro 802 thousand and refer to the management fees of the Forward and Master funds.

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1.1 "Commissions income and expense"

Services	Total 2021			Total 2020		
	Comm. Recei-vables	Comm. Payables	Comm. Net	Comm. Recei-vables	Comm. Payables	Comm. Net
A. ASSET MANAGEMENT						
1. Own operations						
1.1 Mutual funds						
- Management commissions	801,950	-	801,950	-	-	-
- Incentive commissions	-	-	-	-	-	-
- Subscription/redemption fees	-	-	-	-	-	-
- Switch commissions	-	-	-	-	-	-
- Other commissions	-	-	-	-	-	-
Total commissions from mutual funds	**801,950**	**-**	**801,950**	**-**	**-**	**-**
1.2 Individual management						
- Management commissions	-	-	-	-	-	-
- Incentive commissions	-	-	-	-	-	-
- Subscription/redemption fees	-	-	-	-	-	-
- Other commissions	-	-	-	-	-	-
Total commissions from individual management	**-**	**-**	**-**	**-**	**-**	**-**
1.3 Open pension funds						
- Management commissions	-	-	-	-	-	-
- Incentive commissions	-	-	-	-	-	-
- Subscription/redemption fees	-	-	-	-	-	-
- Other commissions	-	-	-	-	-	-
Total commissions from open pension funds	**-**	**-**	**-**	**-**	**-**	**-**
2. Operations received under delegation						
- Management commissions	-	-	-	-	-	-
- Incentive commissions	-	-	-	-	-	-
- Other commissions	-	-	-	-	-	-
Total fees and commissions from assets under mandate	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL MANAGEMENT COMMISSIONS (A)	**801,950**	**-**	**801,950**	**-**	**-**	**-**
B. OTHER SERVICES	**-**	**-**	**-**	**-**	**-**	**-**
- Consultancies	-	-	-	-	-	-
- Other services (to be specified)	-	-	-	-	-	-
TOTAL COMMISSIONS FOR OTHER SERVICES (B)	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL COMMISSIONS (A+B)	**801,950**	**-**	**801,950**	**-**	**-**	**-**

SECTION 3 – Interest - items 50 and 60

3.2 Breakdown of "Interest expense and similar charges"

Items/Technical forms	Loans	Repurchase agreements	Securities	Other transactions	Total 2021	Total 2020
1. Financial liabilities measured at amortised cost	-	-	-	-	-	-
1.1 Payables	267	-	-	X	267	-
1.2 Securities issued	-	-	-	X	-	-
2. Financial trading liabilities	-	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-	-
4. Other liabilities	X	X	X	-	-	-
5. Holding derivatives	X	X	X	-	-	-
6. Financial assets	X	X	X	X	-	-
Total	**267**	**-**	**-**	**-**	**267**	**-**
of which: interest expense on lease payables	267	-	-	-	267	-

Interest expense refers to the lease contract for the Milan offices, accounted for in accordance with IFRS 16.

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SECTION 9 – Administrative expenses - item 140

9.1 Personnel expenses: breakdown

Items/Sectors	Total 2021	Total 2020
1. Employees	**1,058,020**	**1,058,020**
a) wages and salaries	815,552	-
b) social security charges	171,214	-
c) post-employment benefits	-	-
d) social security expenses	-	-
e) provision for post-employment benefits	-	-
f) allocation to the provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds	64,114	-
- defined contribution	64,114	-
- defined benefit	-	-
h) other employee benefits	7,140	-
2. Other personnel in service	**-**	**-**
3. Directors and statutory auditors	**214,714**	**-**
- directors	177,734	-
- auditors	36,980	-
4. Personnel who have retired	**-**	**-**
5. Expense recoveries for employees seconded to companies	**13,816**	**-**
6. Expense reimbursements for employees seconded to the company	**-**	**-**
Total	**1,258,918**	**-**

9.2 Average number of employees by category

As of 31 December 2021, the Company had 10 employees.

	Average number 2021	Average number 2020
a) Executives	4	-
b) Middle managers	3	-
c) Other personnel	1	-
Total	8	-

9.3 Breakdown of “Other administrative expenses”

Description	Total 2021	Total 2020
Corporate fees GARDANT	350,000	-
Fund raising advisor	153,176	-
Marketing expenses	58,804	-
Technical consultations	51,792	-
Independent auditors’ fees	23,500	3,050
Outsourcing	22,151	2,318
Outsourcing compliance & ALM controls	20,174	-
Rent and lease liabilities	20,000	-
Outsourcing of AUDIT controls	18,300	-
Risk Management fees	10,980	-
Other expenses	8,634	5
Notary fees	5,076	1,138
Reimbursement of travel expenses	4,035	-
Contingent liabilities	608	-
Total	**747,230**	**6,511**

SECTION 11 – Net value adjustments/reversals on property, plant and equipment - item 160

11.1 Breakdown of "Net value adjustments/reversals on property, plant and equipment"

Items/Value adjustments and reversals	Amortisation (a)	Value adjustments for impairment (b)	Reversals (c)	Net result (a+b-c)
1. for function use	**3,714**	**-**	**-**	**3,714**
- owned	-	-	-	-
- rights of use acquired through leases	3,714	-	-	3,714
2. held for investment purposes	**-**	**-**	**-**	**-**
- owned	-	-	-	-
- rights of use acquired through leases	-	-	-	-
Total	**3,714**	**-**	**-**	**3,714**

SECTION 13 – Other operating income and expenses - item 180

13.1 Breakdown of "Other operating income and expenses"

Description	Amount 2021	Amount 2020
VAT pro-rata adjustment	53,451	-
Other income	5,823	-
Total income	**59,274**	**-**
Total charges	**-**	**-**
Total income - expenses	**59,274**	**-**

SECTION 18 – Income taxes for the year on current operations - item 250

18.1 Breakdown of "Income taxes for the year on current operations"

Items	Total 2021	Total 2020
1. Current taxes (-)	(136,671)	-
2. Changes in current taxes of previous years (+/-)	2,850	-
3. Reduction in current taxes for the year (+)	-	-
3.bis Reduction in current taxes for the year for	-	-
tax credits pursuant to Italian Law no. 214/2011 (+)	-	-
4. Change in prepaid tax assets (+/-)	-	-
5. Change in deferred tax assets (+/-)	-	-
Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	**(133,821)**	**-**

Income for taxes relates to the intragroup disposal of part of the 2021 tax loss.

18.2 Reconciliation between theoretical tax expense and actual tax expense in the financial statements

The table below shows the reconciliation between the theoretical tax charge derived from the application of the ordinary IRES and IRAP rates and the actual charge recognised in the financial statements.

Description	2021	Effective rate	2020	Effective rate
Pre-tax profit (loss) from current operations	(1,148,905)	-	(6,511)	-
Theoretical tax vase for IRES purposes	(1,148,905)	-	(6,511)	-
IRES - theoretical tax charge 24%	(275,737)	24.00%	(1,563)	24.01%
effect of the increases compared to the ordinary rate				
- non-deductible costs	365	(0.03)%	-	0.00%
- ideferred tax assets not recognised	275,860	(24.01)%	1,563	(24.01)%
effect of decreases compared to the ordinary rate				
- non-taxable income	(488)	0.04%	-	0.00%
tax losses transferred to the consolidated financial statements	*(136,671)*	-	-	-
adjustment of taxes of previous years	*2,850*	*-0.25%*	-	*0.00%*
IRES - effective tax expense (income)	**(133,821)**	**11.65%**	**-**	**0.00%**
Theoretical tax base for IRAP purposes	n/a	-	n/a	-
IRAP- theoretical tax charge 5,57%	-	5.57%	-	5.57%
- effect of increases in taxable income	-	-	-	-
- effect of decreases in taxable income	-	-	-	-
- effect of deductions for IRAP taxable income	-	-	-	-
- effect of other changes	-	-	-	-
IRAP - effective tax charge	**-**	**-**	**-**	**-**
Total taxes for the year	**(133,821)**	**-**	**-**	**-**

6.4. PART D – OTHER INFORMATION

SECTION 1 – Specific references on the activities carried out

1.1 – Information on commitments, guarantees and third-party assets

1.1.1 Commitments and guarantees given to third parties (other than those indicated in the other sections)
As of 31 December 2021, there are no commitments or guarantees issued to third parties.

1.1.2 Commitments relating to managed pension funds with guaranteed capital repayment
As of 31 December 2021, the Company does not manage pension funds.

1.1.3 Commitments and guarantees received from third parties
As of 31 December 2021, the Company has no commitments and guarantees received from third parties.

1.1.4 Securities held on deposit with third parties
There are no securities on deposit with third parties.

1.1.5 Third party assets at the Company
As of 31 December 2021, the Company has no third-party assets.

1.2 – Information on managed assets

1.2.1 Total net value of UCITS (details for each UCITS)

UCITS	Total 2021	Total 2020
1. Own operations		
Mutual funds:		
FORWARD FUND	390,865,547	-
ITALIAN DISTRESSED DEBT & SPECIAL SITUATIONS FUND	55,180,092	-
Total own operations	**446,045,639**	**-**
2. Operations received under delegation		
UCITS:		
- Open-end UCITS	-	-
- Closed-end UCITS	-	-
Total operations received under delegation	**-**	**-**
3. Operations delegated to third parties		
UCITS:		
- Open-end UCITS	-	-
- Closed-end UCITS	-	-
Total operations deleganted to third parties	**-**	**-**

1.2.2. – Total value of portfolio management
The Company does not perform portfolio management services.

1.2.3 – Total net value of pension funds
As of 31 December 2021, the Company does not manage pension funds.

1.2.4 – Commitments for subscriptions to be settled
With reference to managed assets as of 31 December 2021, there are no commitments for subscriptions to be settled.

1.2.5. – Consultancy activities: number of consultancy contracts in place
No consultancy services were provided during the period.

SECTION 3 – Disclosure of risks and related hedging policies

The assessment of the SGR's risk factors must be understood primarily in relation to their impact:
- on the economic results of the same and of the investment activities completed, through the Funds managed, and
- on its ability to ensure a balanced and holistic development of all these activities.

With reference to Alternative Asset Management activities, these are particularly sensitive to all risk variables that may impact the "organic" performance of the Assets Under Management which, for the funds managed, will substantially depend on:

i. the ability to launch new specialised funds in the distressed sector, with which to develop debt purchasing activities in the future;
ii. the size of the assets in which they are invested;
iii. the acquisition of new assets stable in the long term, which have commission systems adequate to the complexity of the projects/products, and the
iv. the redemption activities that must be carried out by the SGR with regard to the investors currently served.

The performance of the main variables that affect the performance of Assets Under Management depends on:
- external factors such as: i) general economic conditions, ii) socio-political events, regulatory developments, iii) performance of financial markets, interest rates, and the impact they have on the availability and direction of investment flows, iv) competitive environment, and
- endogenous factors that can be summarised: i) in the credibility of the asset manager in terms of the ability to generate satisfactory performance for investors, ii) in the effectiveness of structured operating processes to regulate the launch and management of investment products/solutions, iii) constant attention in terms of compliance with stringent industry regulations, and iv) the Group's willingness to share with investors the investment risk in some of the products offered.

The mitigation of the impact of external and internal risks to which the SGR's activities are exposed takes place mainly through:
- the systematic monitoring of the reference markets, the competitive framework and the main trends of the industry;
- the gradual diversification of the business lines both in terms of product and geographical asset allocation;
- maintaining effective governance levers (even if not controlling) of investments and risk diversification mechanisms (such as asset concentration restrictions in funds under management);
- the continuous monitoring of the trend of the key risk indicators and the key performance indicators relating to the investments made by the Funds managed by the SGR;
- maintaining an industrial and never exclusively financial approach to investment activities and rigorous ethical standards throughout the structure;
- the increasing focus on the sustainability of investments with reference to environmental, social and governance aspects, through the definition of ad hoc policies at SGR level;
- the constant strengthening of the operating structure and strategic orientation in line with both the needs of the SGR and the complexity of the products/projects managed, and

- the periodic assessment and monitoring of the risk framework in which the SGR operates through a structured risk assessment process and related updating of operating procedures and governance mechanisms (operational risk assessment).

3.1 Financial risks

The Risk Management System of the SGR, which is part of the overall architecture of the company's Internal Control System, is based on the principle of proportionality, i.e. it considers the nature, size, and complexity of the activity carried out, as well as the type and range of services provided.

The Risk Management Function assesses and manages risks of a financial nature such as SGR's liquidity and credit/counterparty risk according to the guidelines defined in the risk management policy.

The liquidity risk pertains to the risk related to the fact that the investments made by the SGR, on its own account, will not be transformed into cash in a sufficiently adequate time to meet the ordinary and/or extraordinary needs that the SGR may have to face. Credit risk, on the other hand, includes counterparty risk and expresses the risk of loss due to default by debtors. SGR is exposed mainly due to its deposits with other intermediaries and the management fees and expenses collected by the Funds managed.

The Risk Management Function verifies that the portfolio owned by the SGR, therefore not relating to the Funds it manages, is managed according to prudential criteria and in compliance with the limits set by regulations on regulatory capital.

3.2 - Operational risks

Qualitative information

The identification and assessment of operational risks and of the internal control systems (risk assessment) consists in the analysis of the risk profiles linked to company operations or in the assessment of the potential risk connected to each process and the relative existing controls, in terms of effectiveness and efficiency.

Operational risks are all those risks that are not financial, they are typical risks of a company, linked to procedures, human resources, and internal systems.

The Risk Management Function oversees the control and management of operational risks. To this end, it identifies both the gross operational risks, i.e. the theoretical risks to which the SGR is exposed, and the net operational risks remaining after the control activity.

Risk mapping is based on a process during which the Risk Management Function proceeds to:
a. identify the processes, sub-processes and activities of the SGR;
b. identify the macro-categories of risk and the specific operational risks;
c. measure the "gross risk" of each significant event;
d. measure the "net risk" of each significant event.

With regard to data collection and storage, the approach taken is focused on the Risk self-assessment technique of the exposure to operational risks supplemented by appropriate interviews with the various organisational units and company functions in order to identify both potential risks and the control systems adopted to mitigate them. The operational risk mapping is archived by the Risk Management Function.

The operational risk analysis is periodically updated or when particularly significant events and/or substantial changes occur in company operations. The results of these analyses are brought to the attention of the Board of Directors.

Quantitative disclosures

As of 31 December 2021, there are no operating losses.

SECTION 4 – information on equity

4.1. Company assets

4.1.1. Qualitative information

The Company pursues the objective of managing Closed-End Funds Reserved for qualified Investors; to this end, it was provided with a capital endowment higher than the minimum required by law to carry out the activity.

The Company's equity therefore includes items 110, 140, 150, and 170 of the balance sheet.

The assets of the SGR are the first safeguard against the operational risks linked to the activity of the same, as they are characterised by assets that are fully available to the intermediary, so that they can be used without limitation to cover business risks or losses.

4.1.2. Quantitative disclosures

As of 31 December 2021, the Company has fully paid-up share capital of Euro 690,000 and has not issued innovative equity instruments, hybrid instruments, and subordinated liabilities.

The Company's equity amounts to Euro 4,029,720.

4.1.2.1. Company equity: breakdown

Items/Values	Total 2021	Total 2020
1. Capital	**690,000**	**690,000**
2. Share premium	**3,384,442**	**-**
3. Reserves	**970,362**	**-**
- profit	970,362	-
a) legal	138,690	-
b) statutory	-	-
c) treasury shares	-	-
d) others	831,672	-
- profit/(loss) carried forward	(6,511)	-
- others	838,183	-
4. (Treasury shares)	**-**	**-**
5. Valuation reserves	**-**	**-**
- Equity securities designated at fair value through other comprehensive income	-	-
- Hedging of equity securities designated at fair value through other comprehensive income	-	-
- Financial assets (other than equity securities) messured at fair value through other comprehensive income	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Foreign investment hedging	-	-
- Cash flow hedges	-	-
- Hedging instruments (non-designated elements)	-	-
- Exchange rate differences	-	-
- Non-current assets and disposalgroups held for sale	-	-
- Financial liabilities at fair value through profit or loss (changes in own creditworthiness)	-	-
- Special revaluation laws	-	-
- actuarial gains/losses relating to defined benefitplans	-	-
- Portion of valuation reserves relating to equity-accounted investments	-	-
6. Capital instruments	**-**	**-**
7. Profit/(loss) for the year	**(1,015,084)**	**(6,511)**
Total	**4,029,720**	**683,489**

The share premium, profit reserves and other reserves were transferred to the Company in spin-off from CF+.

4.2. Regulatory capital and ratios

4.2.1. The regulatory capital

4.2.1.1. Qualitative disclosures

Innovative equity instruments, hybrid equity instruments, and subordinated liabilities do not contribute to the calculation of regulatory capital.

4.2.1.2. Quantitative disclosures

The components of capital that make up the regulatory capital of the Company as of 31 December 2021 are shown below.

	Total 2021	Total 2020
A. Tier 1 capital before the application of prudental filters	**4,029,720**	**690,000**
B. Prudential filters of tier 1 capital:	-	-
B.1 Positive (+) IAS/IFRS prudential filters	-	-
B.2 Negative (-) IAS/IFRS prudential filters	-	-
C. Total Tier 1 capital = (A + B)	**4,029,720**	**690,000**
D. Tier 2 capital before the application of prudential filtets		
E. Prudential filters of Tier 2 capital:	-	-
E.1 IAS/IFRS positive prudential filters (+)	-	-
E.2 Negative IAS/IFRS prudential filters (-)	-	-
F. Total Tier 2 capital = (D + E)		
G. Items to be deducted from total Tier 1 and Tier 2 capital	-	-
H. Regulatory capital = (C + F - G)	**4,029,720**	**690,000**

Regulatory capital coincides with Shareholders' Equity as there are no positive or negative prudential filters applied.

4.2.2. Capital adequacy

4.2.2.1. Qualitative disclosures

In relation to the current activities carried out, the capital endowment is absolutely able to guarantee the coverage of the basic capital requirement for the exercise of SGR activity, the requirement relating to assets under management, the requirement "other risks" and the requirement against the risk deriving from professional liability as defined by the Supervisory Instructions.

In order to assess its capital adequacy, the Company uses an approach based on the assessment of risks attributable to both the mass of UCITS managed and generic risks, defined in the Supervisory Regulations as "other risks", and calculated on the basis of 25% of the fixed costs reported in the Financial Statements (for the sake of prudence considering "Administrative expenses" and "Other operating expenses").

In order to constantly monitor compliance with these thresholds, the trend in operating costs is checked on a quarterly basis, just as the mass of UCITS managed is checked every six months.

In this regard, the Risk Management Function verifies both the adequacy of the SGR's regulatory capital and the restriction that the regulatory capital is invested in accordance with the methods set forth in the Regulation on collective asset management.

4.2.2.2. Quantitative disclosures

The statement of capital requirements required by regulations with reference to the financial statement data is shown below.

Categories/Values	Requirements	
	Total 2021	Total 2020
Requirement relating to managed assets	-	-
"Other risks" requirement	501,537	1,628
Requirement relating to the management of resources of pension funds	-	-
guaranteed by return of capital	-	-
Requirement relating to the risk deriving from professional liability for	44,787	-
the management of AIFs	-	-
Total capital requirement	**546,324**	**1,628**

The requirement relating to assets under management is not significant as of 31 December 2021 as it is lower than the requirement for other risks.

It should also be noted that the Regulatory Capital of the Company meets, in addition to the capital requirement relating to other risks (Euro 501 thousand calculated on 2021 costs - administrative expenses and other operating expenses), also the requirement relating to additional own funds for the risks deriving from professional liability, equal to Euro 45 thousand (0.01% of total assets managed).

The portion of equity corresponding to the higher of the aforementioned capital requirements (Euro 546 thousand) and the minimum equity required of Euro 500 thousand is covered by investments in liquid instruments. In particular, receivables for current account deposits, readily liquid, amounted to Euro 1,991 thousand as of 31 December 2021.

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SECTION 5 – Statement of Comprehensive Income

Items		2021	2020
10.	**Profit/(loss) for the year**	**(1,015,084)**	**(6,511)**
	Other income components without reversal to the Income Statement		
20.	Equity securities designated at fair value through other comprehensive income:	-	-
	a) change in fair value	-	-
	b) transfers to other shareholders' equity components	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	-	-
	a) change in fair value	-	-
	b) transfers to other shareholders' equity components	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income:	-	-
	a) change in fair value (hedged instrument)	-	-
	a) change in fair value (hedged instrument)	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non-current assets and groups of assets held for disposal	-	-
90.	Portion of valuation reserves of shareholders' equity-accounted investments	-	-
100.	Income tax relating to other income components without reversal to the income statement	-	-
	Other income components with reversal to the income statement		
110.	Foreign investment hedging:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
120.	Exchange rate differences:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-

130.	Cash flow hedges	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments (non-designated elements)	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	- credit risk adjustments	-	-
	- gains/losses on sale	-	-
	c) other changes	-	-
160.	Non-current assets and groups of assets held for disposal	-	-
	a) changes in value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
170.	Portion of valuation reserves of shareholders' equity-accounted investments	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	- impairment losses	-	-
	- gains/losses on sale	-	-
	c) other changes	-	-
180.	Income taxes relating to other income components with reversal to the income statement	-	-
190.	**Total other income components**	**-**	**-**
200.	**Overall profitability (item 10+190)**	**(1,015,084)**	**(6,511)**

SECTION 6 – Related-party transactions

6.1. Information on remuneration of key management personnel

The remuneration for the Directors and Statutory Auditors of the Company, gross of attendance fees, is as follows:

thousands of euro

	Board of Directors		Board of Statutory Auditors	
	Amount accrued	*of which: Amount paid*	**Amount accrued**	*of which: Amount paid*
Short-term benefits	178	178	37	0
Total remuneration paid to key management personnel	**178**	**178**	**37**	**0**
Number of parties		**5**		**3**

The remuneration paid to key management personnel in 2021 amounted to Euro 532 thousand as short-term salaries and Euro 102 thousand as other long-term salaries.

6.2. Information on related-party transactions

For information on related-party transactions, please refer to the Managerial Report.

Assets and liabilities to Group enterprises

The Company's credit assets and liabilities to Group enterprises as of 31 December 2021 are broken down as follows:

thousands of euro

	31/12/2021	**31/12/2020**
a) Assets	**2,873**	**-**
treasury	2,859	-
seconded personnel	14	-
other assets	143	-
b) Liabilities	**419**	**-**
payables	43	-
other liabilities	376	-

The assets concern:
- receivables from Gardant S.p.A. for Group treasury;
- receivables from Gardant S.p.A. for seconded personnel;
- receivables from Gardant Liberty Servicing S.p.A. for tax consolidation of Euro 137 thousand and other receivables of Euro 6 thousand.

Liabilities include:
- lease payables relating to the lease agreement entered into with Gardant S.p.A.;
- other liabilities for payables for invoices received.

Income and charges to Group enterprises

The Company's income and charges from Group enterprises are detailed as follows:

thousands of euro

	2021	2020
Income	**14**	**-**
- personnel secondment	14	-
Charges	**350**	**-**
- corporate fees	350	-

SECTION 7 – Information on leases

Qualitative information

The leases within the scope of application of IFRS 16 refer to the lease contract for the Milan offices, signed on 6 August 2021 and expiring on 31 October 2026. The prepaid monthly rent is equal to Euro 2 thousand (subject to annual ISTAT revaluation).

Quantitative information

	Amount 2021
Rights of use acquired through leases	46,791
Lease payables	43,209
Interest expense on lease payables	267
Amortisation	3,714

SECTION 8 – Other detailed information

There is nothing to report.

OTHER

Auditing fees:

Type of services	Service provider	Recipient	Remuneration (thousands of euro)
Accounting audit	KPMG S.p.A.	GARDANT INVESTOR SGR S.p.A.	23

The above remuneration is net of reimbursed expenses, the Consob contribution, and VAT.

The engagement also envisages the audit of the annual report of the managed closed-end funds, the remuneration of which, borne by the funds under management and not included in the above table, in 2021 amounted to approximately Euro 47 thousand for the Forward fund and to approximately Euro 25 thousand for the Italian Distressed Debt & Special Situation fund, including expenses and VAT.

Disclosure pursuant to Article 2497-bis, paragraph 4 of the Italian Civil Code

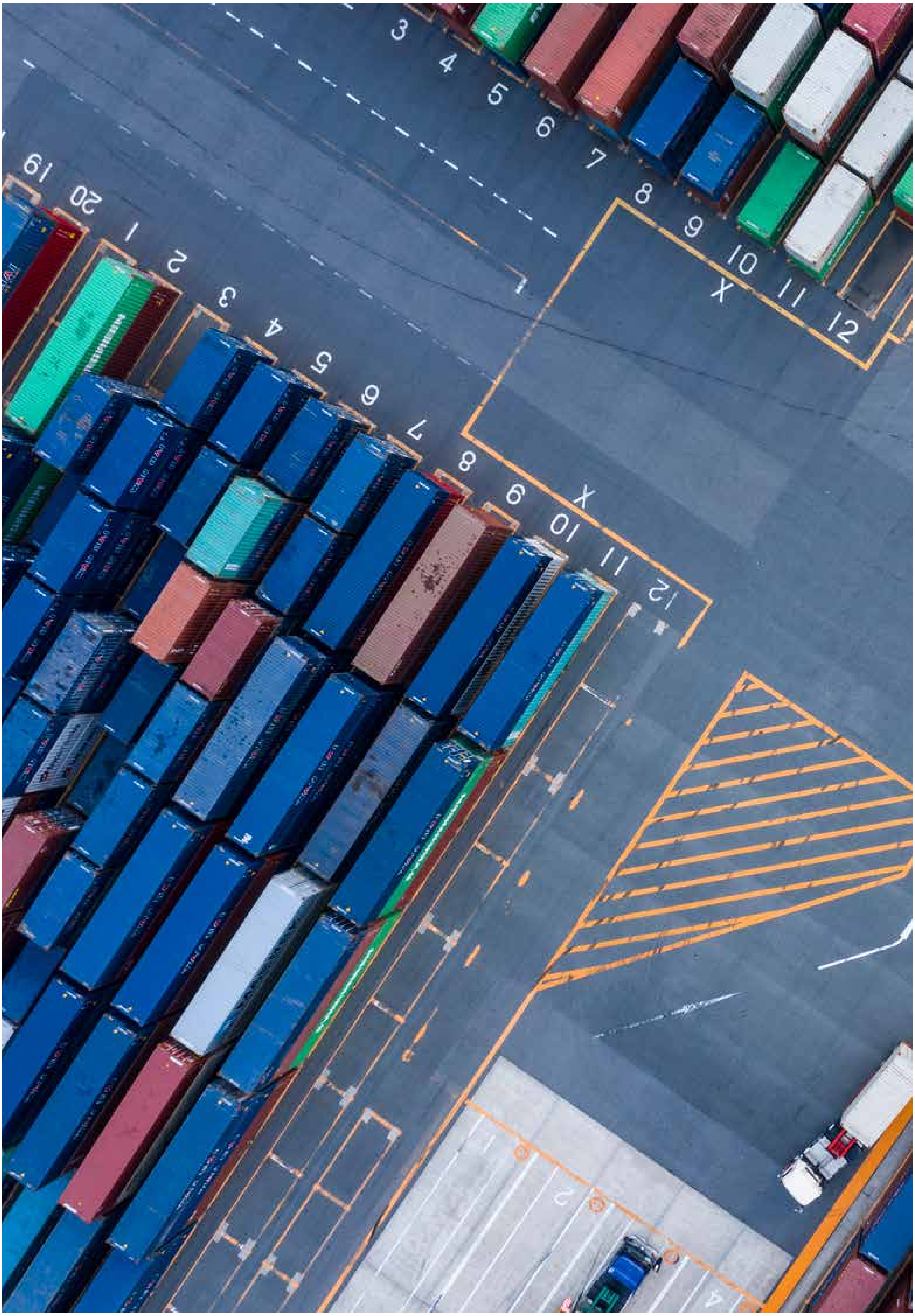
The figures of the last approved financial statements of the company Gardant S.p.A. as a party that exercises management and coordination activities pursuant to Article 2497-bis et seq. of the Italian Civil Code are reported below.

euro

ASSETS BALANCE SHEET	31/12/2020
B) Fixed assets	
I) Intangible assets	-
II) Property, plant and equipment	-
TOTAL B)	**-**
C) Current assets	
II) Receivables	-
within the next financial year	*121*
beyond the next financial year	-
Total II)	**121**
IV) Cash and cash equivalents	210,000
Total IV)	210,000
TOTAL C)	**210,121**
D) Accruals and deferrals	**-**
TOTAL D)	**-**
Total assets	**210,121**

BALANCE SHEET LIABILITIES	31/12/2020
A) Shareholders' equity	
I) Capital	210,000
IV) Legal reserve	-
V) Statutory reserves	-
VII) Other reserves, indicated separately	-
Various other reserves	210,000
VIII) Profit/(loss) carried forward	-
IX) Profit/(loss) for the year	(21,443)
TOTAL A)	**188,557**
B) Provisions for risks and charges	-
TOTAL B)	**-**
D) Payables	
within the next financial year	21,564
beyond the next financial year	-
TOTAL D)	**21,564**
E) Accruals and deferrals	-
TOTAL E)	**-**
Total liabilities	**210,121**

INCOME STATEMENT	31/12/2020
A) Value of production	
1) Revenue from sales	-
5) Other revenues and income with separate indication of operating grants	-
TOTAL A)	**-**
B) Production costs	-
14) other operating expenses	(21,443)
TOTAL B)	**(21,443)**
Difference between value and costs of production (A - B)	(21,443)
C) Financial income and charges	-
17) interest and other financial charges	-
TOTAL C)	**-**
Profit/(loss) before tax (A - B + C + D)	(21,443)
D) Value adjustments to financial assets and liabilities	-
20) Income taxes for the year	-



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