ANIMA Holding S.p.A.

Report on operations and Consolidated Financial Statements as at 31 December 2020

ANIMA

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ANIMA HOLDING S.p.A.
Milan – Corso Garibaldi, 99
Tax ID and VAT registration no. 05942660969
REA Milan no. 1861215
Share capital €7,291,809.72 fully paid up

CORPORATE OFFICERS

BOARD OF DIRECTORS

CHAIRMAN
Livio Raimondi (independent)

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
Alessandro Melzi d'Eril

DIRECTORS
Paolo Braghieri (independent)
Giovanni Bruno (independent)
Maria Luisa Mosconi (independent)
Karen Sylvie Nahum (independent)
Francesca Pasinelli (independent)
Filomena Passeggio (independent)
Francesco Valsecchi (independent)
Gianfranco Venuti

FINANCIAL REPORTING OFFICER
Enrico Maria Bosi

BOARD OF AUDITORS

CHAIRMAN
Mariella Tagliabue

STANDING AUDITORS
Gabriele Camillo Erba
Claudia Rossi

AUDIT FIRM
Deloitte & Touche S.p.A.

Consolidated report on operations

The consolidated financial statements as at 31 December 2020 ("consolidated financial statements") of the Anima Group (the "Group"), the leading independent asset management operator in Italy, close with a net profit of about €155.4 million.
The Anima Group is active in the formation, development, promotion and management of financial products under the Anima and Gestielle brands, as well as the provision of individual portfolio management services to retail and institutional customers The Group has also decided to enter the so-called alternative "illiquid" products segment, in particular so-called "private capital" funds, to be offered primarily to institutional customers. This new initiative was implemented with the establishment on 13 February 2020 of Anima Alternative SGR S.p.A. ("Anima Alternative").

At 31 December 2020 the Anima Group had more than €194 billion in assets under management.

The Group's Parent Company is Anima Holding S.p.A. ("Anima Holding", "Parent Company", "Issuer" or "Company"), which has been assigned the management and strategic coordination role for the Group and is listed on the electronic stock market (*Mercato Telematico Azionario*) organized and operated by Borsa Italiana S.p.A.

The scope of consolidation at 31 December 2020 includes the following fully consolidated companies, in addition to the Parent Company:

- Anima SGR S.p.A. ("Anima SGR") – 100% direct control;
- Anima Alternative – 100% direct control;
- Anima Asset Management Ltd ("Anima AM") – 100% indirect control.

The Group has prepared its consolidated financial statements in accordance with the IAS/IFRS and on the basis of the "Instructions for the preparation of the financial statements of IFRS financial intermediaries other than banks" ("Instructions") issued by the Bank of Italy on 30 November 2018 in the exercise of its powers under Article 43 of Legislative Decree 136/2015, supplemented by the notice of the Bank of Italy of 27 January 2021 concerning the disclosures to be provided to investors on the effects that COVID-19 and the subsequent measures to support the economy have had on risk management strategies, objectives and policies, as well as the performance and financial position of intermediaries.
Furthermore, in the preparation of the consolidated financial statements and the related financial disclosures, the interpretive documents supporting the application of accounting standards issued by Italian and European regulatory and supervisory authorities and standard setters during 2020 and in the early months of 2021 have been taken into consideration. The most significant of these for the Group include:

- Consob: "Warning notice no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021" concerning: "COVID-19 – Drawing attention to financial reporting";
- European Securities and Markets Authority ("ESMA"): Public Statement of 11 March 2020 "*ESMA recommends action by financial market participants for COVID-19 impact*"; Public Statement of 20 May 2020 "*Implications of the COVID-19 outbreak on the half-yearly financial reports*" and Public Statement of 28 October 2020 "*European common enforcement priorities for 2020 annual financial reports*";
- International Organization of Securities Commissions (IOSCO): "*Statement on Importance of Disclosure about COVID-19*" of 29 May 2020.

GENERAL OPERATIONAL ENVIRONMENT

Macroeconomic conditions

From the second half of January 2020, the world macroeconomic scenario was transformed by the rapid spread of the Coronavirus SARS-CoV-2 ("COVID-19"), which very rapidly became a global pandemic with the consequent imposition of containment measures to stem the health emergency. This had a direct impact on the demand and production of goods and services, with negative repercussions for economic growth, triggering a severe global recession. After an initial period in the spring when the disease reached a peak, the emergency eased as the pandemic subsided with the onset of summer, macroeconomic data continued to provide encouraging surprises and confidence in progress on the medical front increased. In the autumn, COVID-19 cases surged generally around the world. The spread of the pandemic indicated that without an effective vaccine a return to pre-crisis levels of activity in certain sectors would be incompatible with controlling the health threat. In Europe, the spread of the pandemic forced a resumption of drastic containment measures.

The reactions of the monetary and fiscal authorities to the advance of the pandemic initially appeared poorly coordinated. From the end of February, governments announced large-scale fiscal stimulus packages and central banks intervened aggressively by cutting rates, expanding their quantitative easing measures and injecting liquidity into the banking system. In March, the Fed cut rates by 1.5 percentage points to a range of 0-0.25%, subsequently announcing interventions totaling more than $1.2 trillion and removing limits on maturities and amounts in its QE program. The US Congress approved substantial support, with fiscal measures worth over $2 trillion. Other central banks also implemented significant measures: the Bank of England and the Bank of Canada adjusted their official rates (with decreases of 0.65 percentage points and 1 percentage point respectively), while the Bank of Japan injected liquidity into the interbank market. The ECB, while leaving rates unchanged, announced substantial purchases of government securities, eased bank capital requirements and introduced the Pandemic Emergency Purchase Programme (PEPP, progressively increasing its envelope up to €1,850 billion, extending net purchases until at least the end of March 2022 and the reinvestment of principal payments until at least the end of 2023).

The euro-area countries reached an agreement in July for the establishment of a Recovery Fund, a program worth €750 billion, of which €390 billion in grants and €360 billion in loans. Aid from the EU budget will be repaid by all Member States as a whole. The Fund will remain open until 2026, while the repayment of the loans will begin in 2027. Italy will be eligible for about €80 billion in grants and over €120 billion in loans for a total of €209 billion: the resources will be disbursed between the second half of 2021 and 2023.

After the spring collapse, during the summer the United States registered improvements on both the supply side and the domestic demand side, with industrial production, orders and retail sales rising. Earlier subsidies and the strength of the labor market helped support household spending, although consumer confidence began to reflect growing uncertainty over earnings prospects. Towards the close of 2020, the US economy showed signs of a slowdown while the pandemic surged again. In its Economic Outlook of December 2020, the OECD estimated a decrease of 3.7% in US GDP in 2020 and a recovery of 3.2% in 2021. The US elections were won by the Democratic candidate Joe Biden, although the handover of power was embroiled in internal political turmoil. In any event, the elections also saw the Democrats win the House and a narrow majority in the Senate. This could facilitate smoother US government action.

The contraction in GDP in the euro area also appeared to be attributable to plunging private consumption. Retail sales in the late spring and summer helped marginally offset the previous collapse. As in the US, signs of stabilization related to the easing of lockdown measures also emerged in the euro area. However, domestic demand slowed in the second half of 2020. Economic activity slumped rapidly, foreshadowing a contraction in GDP in the fourth quarter. The most recent OECD and IMF estimates point to a contraction in euro-area GDP of around 7.5% and 8.3% in 2020, respectively, and growth of 3.6% and 5.2% in 2021. According to these forecasts, Italy's GDP is expected to drop by 9.1% (10.6%) in 2020, and then rise by 4.3% (5.2%) in 2021. The weakness could be attenuated by official

intervention: the ECB has undertaken to strengthen its stimulus measures and governments appear willing to launch new support measures.
Towards the end of the year, some progress emerged in the negotiations over Brexit, with the brinksmanship finally producing an agreement between the EU and the United Kingdom.
In Japan, the change in prime minister (with Suga succeeding Abe) should be marked by continuity in the country's embrace of "Abenomics", at least in the short term. OECD and IMF estimates point to a contraction of 5.3% in 2020 and a recovery of 2.3% in 2021.
China continued to grow, supported by the recovery in demand, in particular in infrastructure and real estate investment, and in exports. The supply side kept pace, with retail sales and industrial production signaling a sound continuation of the recovery, supported by levels of the PMI that have risen into the area indicating an expansion for both manufacturing and services. The Asian giant could be the only large economy capable of recording GDP growth (the OECD estimate is for a gain of about 1.8% for 2020 and an acceleration to 8% in 2021).
On the global inflation front, the COVID pandemic continues to exert downward pressure, with price pressures generally remaining subdued, with signs of considerable weakness in the euro area. The Fed's statements concerning its inflation target were accompanied by those of the ECB, which confirmed the need to monitor exchange rate developments due to their implications for the medium-term outlook for inflation.
In 2020 global equities posted an overall gain (+14%) in local currency terms, essentially driven by performance in the United States and Japan. Among the developed countries, the European indices in the UK and Spain recorded the largest losses, while the Italian stock market posted a decline of -6.6%. Infotech and discretionary consumption remained the strongest sectors globally, while the energy sector experienced the largest collapse. The BRIC countries registered broadly positive equity performance on an annual basis, buoyed by the Chinese market. Volatility moved between the peak registered in March and the subsequent progressive decline: the return from extreme values was partial, with some reversals in June, September and the end of October. The performance of the bond segment in local currency terms varied, although generally posting gains. The global government sectors were supported, within their respective areas, by the decline in yields on US Treasuries, Bunds and BTPs. Among corporate bonds, both investment grade and high-yield sectors contributed to the gains posted by the global index. Also showing gains were emerging market bonds denominated in strong currencies (US dollar). The euro strengthened by about 8% against the US dollar over the course of the year.
News about vaccine research and availability in the fight against COVID-19 have reduced uncertainty about the medium-term prospects for growth, buoying risky assets and supporting the possibility of an acceleration of the global economic recovery in the second half of 2021.
Political developments also appear more favorable: the outcome of the US elections has reduced the risks to trade, encouraging expectations of a considerable pandemic stimulus in the short term. Furthermore, the accommodative monetary and fiscal stance is set to remain highly supportive, as inflation is unlikely to strengthen in the next year.
The central banks (both the Fed and the ECB) will retain their accommodative stance for much of 2021, if not longer, while governments remain focused on supporting economic activity. Regardless of the differences in the impact of the pandemic on different areas, economic activity could return to pre-pandemic levels faster than previously assumed: the exogenous shock represented by the pandemic hit a global economy that was originally healthy and has proved resilient, which generally increases the chances of recovery. The Chinese economy in particular has managed to rebound earlier than the rest of the world, and should continue to expand. The United States could return to pre-crisis levels in less than a year, while Europe, albeit with more difficulty as a result of the lack of greater fiscal stimuli in the first half of 2021, the consequences of the more severe lockdowns imposed and the prospect of an adjustment of labor market conditions, has displayed a willingness to move towards fiscal union. This should foster growth as early as the second half of 2021, driven in particular by the services industry in the advanced economies, particularly in the euro area and the United Kingdom, where restrictions severely impacted many segments of the sector. The health crisis and the weakening of fiscal support measures have undermined consumer confidence, strengthening their tendency to increase precautionary savings and consequently slowing global growth. At the same time, the accumulated

resources could constitute an important factor in to financing consumption once the underlying uncertainty has subsided.
In the United States, forecasts for economic recovery in the first half of 2021 are based on support from fiscal policy, while vaccine developments have paved the way for more sustainable growth in the second half of 2021. President Biden's approach appears to be founded on pursuing greater balance and collaboration in international relations and managing the health crisis.
On the monetary policy front, the Fed remains very accommodative, and no new developments are expected in the short term. Rates are expected to remain close to zero for a considerable time, especially after the transition to the average inflation target.
In the euro area, the fears associated with the spread of the virus are high, the main leading indicators point to an economic slowdown and investment and private consumption remain at risk, with the labor market in precarious condition. However, the deployment of the Recovery Fund suggests a more optimistic view for the second half of next year. In this context, the ECB is expected to maintain a particularly accommodative stance.
Growth is expected to continue in China, provided that the health situation remains under control. The neutral macroeconomic policy context appears appropriate to support the continued growth of domestic demand, with a steady rise in investment and an expansion of spending on consumption and services. The recovery in global demand following the development of vaccines and the rebalancing of the composition of growth will continue to support the Chinese economy in the second half of 2021 as well.
Inflationary pressures are not expected to represent a threat until the services sector normalizes. After vaccines are widely distributed, the economy should return to pre-pandemic conditions.

Asset management

According to data released by the Assogestioni Research Department, total assets under management in the Italian market amounted to around €2,421.5 billion at the end of 2020, an increase of about €115.5 billion compared with the end of 2019 (€2,306 billion).
Assets invested in collective asset management products amounted to about €1,201.4 billion (€1,135 billion at the end of 2019), while those invested in portfolio management products came to around €1,220.1 billion (€1,171 billion at the end of 2019).
Asset managers registered net funding for the year of about €14.6 billion, compared with a total of €76.7 billion in 2019. More specifically, collective asset management products posted net funding of €30.2 billion, while portfolio management products registered net redemptions of €15.6 billion.

CORPORATE GOVERNANCE AND REMUNERATION POLICIES

Corporate Governance

The organization of Anima Holding is based on a traditional model and complies with applicable regulations for listed issuers.
For a more detailed description of the governance system, please see the "Report on Corporate Governance and Ownership Structure" available on the Company's website in the Governance section, which was prepared on the basis of the provisions of Article 123-bis of the Consolidated Law on Financial Intermediation ("Consolidated Law"), under which issuers are required to provide investors each year with a range of information specified in detail in the legislation on ownership structure, the adoption of a code of conduct in corporate governance as well as on the structure and operation of corporate bodies and the governance practices adopted.

Shareholders

As at the date of the approval of the consolidated financial statements by the Board of Directors, shareholders with significant interests in Anima Holding, as determined on the basis of the notifications made pursuant to Article 120 of Legislative Decree 58/98 and other information available to the Company, are as follows: Banco BPM S.p.A. ("Banco BPM") with 19.385%, Poste Italiane S.p.A. ("Poste Italiane" or "Poste") with 10.355%, Wellington Management Group LLP with 5.028%, River and Mercantile Asset Management LLP with 4.972%, Norges Bank with 2.967% and DWS Investment Gmbh with 2.967%. The Parent Company also holds treasury shares without voting rights representing 3.024% of share capital.
In addition, pursuant to Consob Resolutions 21326 and 21327 of 9 April 2020, as subsequently extended by Resolutions 21434 of 8 July 2020, 21525 of 7 October 2020 and 21672 of 13 January 2021, on 31 March 2020 the Company was notified that the threshold of 1% of share capital had been exceeded by Caltagirone Gaetano Francesco, acting through Gamma S.r.l. with 1.118%.

Shareholders' agreements

As of 1 March 2021, the date of approval of the consolidated financial statements at 31 December 2020 by the Board of Directors, there were no agreements in force between shareholders or between the Company and relevant shareholders pursuant to Article 122 of the Consolidated Law.
The agreements, signed in 2017 and integrated in 2018, between the Company and Banco BPM containing some shareholders' agreements concerning Anima Holding shares terminated due to expire in 2020.

Anima Holding corporate governance system

The corporate governance system of the Parent Company provides for the following main corporate bodies and officers:

- Shareholders' Meeting;
- Board of Directors
- Chairman;
- Chief Executive Officer and General Manager;
- Board of Auditors;
- Controls, Risks and Sustainability Committee;
- Appointments and Remuneration Committee;
- Related Parties Committee.
- Financial Reporting Officer pursuant to Article 154-bis of the Consolidated Law;
- Supervisory Body pursuant to Legislative Decree 231/2001.

Changes in the corporate officers of Anima Holding

On 27 March 2020 (see the press release of 27 March 2020) the Company reached an agreement concerning the termination of the employment relationship of Marco Carreri with the subsidiary Anima SGR S.p.A. ("Anima SGR"), also in consideration of the previously announced decision of Mr. Carreri not to seek a new term on the occasion of the forthcoming appointment of a new Board of Anima Holding.
The Board of Directors of Anima Holding, after conducting the relevant evaluations and after having received a positive opinion from the Appointments and Remuneration Committee, the Related Parties Committee (as the aforementioned agreement is a related party transaction of lesser importance, pursuant to the Procedure for Related Party Transactions of Anima Holding) and the Board of Auditors, voted to reach a comprehensive agreement with Mr. Carreri.
The agreement provides for the payment, following the termination of employment as General Manager of Anima SGR with effect as of 31 March 2020, in concomitance with the end of his term as CEO of Anima Holding (effective with the appointment of the new Board of Directors by the Shareholders' Meeting referred to above) and of Anima SGR, of a gross sum equal to €1,295,000, in addition to accrued compensation at the termination date, severance pay and the indemnity in lieu of notice calculated in accordance with the provisions of applicable law and the national collective bargaining agreement.
Finally, the Company entered into a non-compete agreement and employee non-solicitation agreement with Mr. Carreri with a duration of 12 months, for a gross sum of €400,000.
The aforementioned amounts were paid on the basis of the agreement signed by the parties, in accordance with the applicable remuneration policies of Anima Holding and Anima SGR in particular, including "malus" and "claw-back" clauses.
As part of the agreement, Marco Carreri also elected to waive €50,000, not included in the above amounts, which the Anima Group shall donate to public or private entities involved in the prevention and treatment of the consequences of the COVID-19 virus outbreak, selected with the approval of Mr. Carreri.

As a "good leaver", Mr. Carreri will retain the rights assigned to him within "LTIP 2018-2020" incentive plan, approved by the Shareholders' Meeting on 21 June 2018, in accordance with the terms and conditions governed in the associated rules illustrated in the Information Document available to the public at www.animaholding.it. Please see "Part A – Accounting policies - Section 4 – Other information – Share-based payments - LTIP" of the notes to the consolidated financial statements at 31 December 2020 for information on changes in the value of the incentive plan deriving in part from the lapse of the Units associated with the departure of Mr. Carreri ("Departing Beneficiary") from the Group.
The Board of Directors of Anima Holding thanks Mr. Carreri for his work in the Group over the years and for the extraordinary contribution of professionalism and humanity he brought to that work, which enabled the Anima Group to emerge as a leader in the asset management sector in Italy.

On 31 March 2020, the Shareholders' Meeting of the Company appointed the Board of Directors for the 2020-2022 term (in office until the date of approval of the financial statements at 31 December 2022) and increased the number of directors from nine to ten. The Shareholders Meeting reappointed Livio Raimondi as Chairman and appointed as directors Alessandro Melzi d'Eril (former General Manager of the Company and subsequently, on 3 April 2020, also appointed Chief Executive Officer of the Company), Paolo Braghieri (independent), Rita Laura D'Ecclesia (independent), Maria Patrizia Grieco (independent - reappointed), Melany Libraro (employee of the Poste Group), Karen Sylvie Nahum (independent - reappointed), Filomena Passeggio (independent), Francesco Valsecchi (independent - reappointed) and Gianfranco Venuti (employee of the Banco BPM Group - reappointed). The Shareholders' Meeting also appointed the Board of Auditors for the same 2020-2022 term (in office until the date of approval of the financial statements at 31 December 2022), reappointing Chairman Mariella Tagliabue and appointing the standing auditors Gabriele Camillo Erba and Claudia Rossi and the alternate auditors Tiziana Di Vincenzo and Maurizio Tani.

On 8 June 2020, Maria Patrizia Grieco resigned from her position as director of the Company, in consideration of her appointment as Chairman of Banca Monte dei Paschi di Siena S.p.A. and the applicable rules banning interlocking positions. We express our heartfelt thanks to Ms. Grieco for the fruitful work she has performed for the Group over the years. On 30 July 2020, the Board of Directors of the Company appointed Francesca Pasinelli (independent) to Ms. Grieco. Ms. Pasinelli meets the independence requirements established in applicable regulations.
With effect from 15 August 2020, Rita Laura D'Ecclesia resigned her position as a director of the Company in consideration of consideration of her appointment as director and Deputy Chairman of Banca Monte dei Paschi di Siena S.p.A. (and, accordingly, pursuant to the applicable rules banning interlocking positions). On 30 September 2020, the Board of Directors of the Company appointed Maria Luisa Mosconi (independent) to replace Ms. D'Ecclesia. Ms. Mosconi meets the independence requirements established in applicable regulations.
With effect from 30 November 2020, Melany Libraro resigned her position as a director of the Company due to supervening professional commitments. On 18 December 2020, the Board of Directors of the Company appointed Giovanni Bruno (independent) to replace Ms. Libraro. Mr. meets the independence requirements established in applicable regulations.

Finally, on 7 May 2020 the Board of Directors of the Company appointed Pierluigi Giverso (formerly Deputy General Manager of Anima SGR and Head of Business Development of Anima Holding) as Joint General Manager of the Company.

Remuneration policies

The Company has adopted a remuneration policy in accordance with Art. 123-ter of Legislative Decree 58 of 24 February 1998 (the Consolidated Law on Financial Intermediation or "Consolidated Law") and with the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. ("Corporate Governance Code"), which is available at www.animaholding.it in the Corporate Governance section, which readers are invited to consult for more information.
The subsidiaries Anima SGR, Anima Alternative and Anima AM have adopted remuneration policies in compliance with applicable regulations. In particular, in the asset management industry, since 2011 with the approval of the Alternative Investment Fund Managers Directive (AIFMD), European law introduced harmonized rules governing remuneration and incentive policies and practices for AIF managers. This regulation was developed further in 2014 with the provisions of the UCITS V Directive (Directive 2014/91/EU) applicable to the management companies of undertakings for collective investment in transferable securities (UCITS).
These European rules on remuneration were transposed at the national level with amendments to the joint Regulation of the Bank of Italy and Consob of 29 October 2007, with the current rules set out in the "Regulation implementing Articles 4-undecies and 6, paragraph 1, letter b) and 2-bis, of the Consolidated Law on Financial Intermediation", governing remuneration and incentive policies and practices for the asset management sector, ensuring a uniform framework of rules for UCITS and AIF managers.

SIGNIFICANT EVENTS FOR THE ANIMA GROUP

The following significant events occurred in 2020.

COVID-19 and its impact on the Group

The main impacts on operations and the repercussions for the business activities and operating results of the Group are presented below.
From the early days of the COVID-19 emergency, the Group worked in accordance with the instructions of the competent authorities to ensure maximum safety for its employees and third-party employees present in the corporate premises of the Group companies and also to guarantee the operational continuity of processes.
In compliance with the provisions of the protocol regulating measures to combat and contain the spread of the COVID-19 pandemic in the workplace signed by the Government and the social partners in mid-March 2020 (the “Protocol”) as amended, the Italian companies of the Group prepared a detailed COVID-19 health emergency management plan (the “Plan”), which incorporates the content of the Protocol and the Company’s prevention measures, also establishing a committee for the application and verification of the rules in the Plan and their updating.
In addition to supplying personal protective equipment (masks), personnel safety was ensured by installing protective screens, disinfectant gel dispensers and thermal scanners, while also ensuring frequent and specific office sanitization cycles carried out in accordance with the instructions issued by the Ministry of Health. In addition, the employees in the Milan office could undergo diagnostic screening (rapid tests/serological tests/antigenic nasopharyngeal tests) to identify possible COVID-19 cases.
A specific training course was implemented for all employees pursuant to Article 37 of Legislative Decree 81/08 as amended concerning generic COVID-19 biological risk.
Finally, Anima made significant recourse to flexible working, which was used, where necessary, by all or most Group personnel. To this end, additional hardware (personal laptops, smartphones, data SIMs, routers, etc.) and software were acquired and distributed (company networks were further upgraded to enable simultaneous access by an increasing number of users and cyber-security was strengthened further to prevent fraud). Specific training initiatives have been implemented in the areas of remote communication and remote access.
Starting in September 2020, the gradual return of staff to the office was planned. It was implemented in stages and was always gauged in relation to the evolution of the health emergency and the decisions of the competent authorities. In October 2020, as the health situation deteriorated, the number of people in the offices contracted again and the flexible working methods again became prevalent.

The commercial strategy adopted by the Group, centered on providing constant support to customers and placement agents, has been strongly reinforced with the massive use of webinars and communication platforms, which have contributed to reassuring and strengthening relations with customers and our distribution partners.
The initial decline in the value of assets under management was mitigated by the prudent asset mix and limited in time thanks to the prompt intervention by national governments and the central banks to support the economy, which enabled a partial recovery in financial market performance.
As regards collection/payment operations, there were no significant impacts directly or indirectly attributable to the COVID-19 emergency during the year. Please see the section “Group operations and results at 31 December 2020” of this consolidated report on operations.
The Group’s figures for performance, financial position and net funding in 2020 demonstrated the considerable resilience of the business, with the achievement of positive and growing net profit compared with 31 December 2019, confirming the Group’s stability even in an environment affected by significant macroeconomic uncertainty and financial market volatility.
In order to provide effective help in addressing the health emergency caused by the spread of COVID-19, the Group donated around €0.2 million to support entities engaged in countering the COVID-19 emergency.

With specific regard to accounting estimates and significant management judgments affected by the spread of COVID-19 and the current environment of economic uncertainty, in preparing the consolidated financial statements, the Group devoted attention to the estimation of the recoverable amount of goodwill and intangible assets with a finite useful life ("impairment testing") to be performed in accordance with IAS 36.
In developing these estimates, the Company also took account of the recommendations issued by ESMA during the year and in its most recent "Public Statement" of 28 October 2020 and by those given by Consob in its warning notice of 16 February 2021. In particular, in order to reflect the greater uncertainty caused by the pandemic, the supervisory authorities emphasized the need to use updated assumptions that reflect the most recent developments and the latest information available, suggesting possible operational approaches for conducting impairment tests.
In addition, reflecting the previous ESMA recommendations published during the year, in both the Consolidated Interim Report at 31 March 2020 and the Consolidated Interim Report at 30 June 2020, the COVID-19 pandemic was considered by the Company as a potential indicator of impairment (a trigger event pursuant to IAS 36) for intangible assets and, consequently, the recoverable amount of these assets was estimated: in both instances the impairment testing did not find any losses of value.

Impairment testing at 31 December 2020 did not show any impairment of the intangible assets recognized in the consolidated financial statements either. Anima Holding asked the independent consultant PricewaterhouseCoopers Advisory S.p.A. to prepare a fairness opinion, which shows that the valuation methods adopted by the Company were appropriate and correctly applied for the purpose of determining the recoverable amount of the intangible assets involved.
For more details on the impairment testing and the sensitivity and scenario analyses performed, please see the "Notes to the consolidated financial statements - Part B - Information on the consolidated balance sheet - Section 9 - Intangible assets - item 90 - Impairment testing" of the consolidated financial statements at 31 December 2020.

In the light of the foregoing, the consolidated financial statements have been prepared on a going-concern basis, considered appropriate in the light of performance and the outlook for the Company in accordance with the principle of accrual accounting, complying with the principle of the materiality and significance of information and the prevalence of substance over form. There were no significant events or circumstances that might raise doubts about the ability of the company to operate as a going concern.

Interest rate swaps to hedge risk of changes in Euribor on the bank loan

On 17 January 2020 the Company, as required by the loan agreement signed on 10 October 2019 (the "Bank Loan"), entered into Interest Rate Swap ("IRS") derivative contracts to hedge the risk of changes in the Euribor rate, the reference parameter of the Bank Loan, with Banca Monte dei Paschi di Siena S.p.A., Banco BPM and Mediobanca - Banca di Credito Finanziario SpA. The IRSs took effect from 21 January 2020 and expire on 10 October 2024 (the due date of the Bank Loan) and have a notional value of €148.5 million.

Establishment of Anima Alternative

On 13 February 2020, Anima Holding established Anima Alternative to manage alternative investment funds ("AIFs"). The establishment of Anima Alternative is part of a strategic initiative for the Anima Group to enter the so-called alternative "illiquid" products segment, in particular "private capital" funds.
On 23 June 2020, the change in the company name of the newly-created entity was registered in the Company Register, after initially being registered under the name of Aliseam SGR S.p.A .
Finally, on 28 July 2020, Anima Alternative was registered under no. 187 in the Register of Asset Management Companies - AIF Managers Section maintained by the Bank of Italy pursuant to Article 35 of the Consolidated Law following the receipt of authorization to operate on the same date.

In December 2020 the marketing of the first fund "Anima Alternative 1", an Italian registered closed-end fund, got under way.

Treasury shares

On 21 December 2018, the Shareholder's Meeting of the Company approved a program to purchase treasury shares pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and of Article 132 of the Consolidated Law in order to: (i) make use of treasury shares to support existing and future incentive plans for corporate officers, employees, or other Group associates that involve the use or grant of shares or financial instruments that are convertible into shares; and (ii) establish a securities portfolio to be used, in line with the strategic guidelines of the Company, to support any extraordinary transactions.
The resolution authorized the purchase, in one or more transactions in a freely determinable amount, with a resolution of the Board of Directors, a maximum number of the Company's ordinary shares with no par value equal to no more than 10% of the share capital, taking account of any treasury shares that may already be held by the Company or held by subsidiaries.
The share buy-back program was initiated by the Company in two phases:

- the first (see the press release of 8 January 2019) in the period between 9 January 2019 and 23 April 2019 resulted in the purchase on the Mercato Telematico Azionario ("MTA") of 11,401,107 treasury shares, equal to 3% of share capital, for €41,192,258 (excluding costs and/or income associated with the transaction) at an average price of €3.613;
- the second (see the press release of 15 November 2019) in the period between 18 November 2019 and 28 February 2020 resulted in the purchase on the MTA of 11,148,095 treasury shares, equal to 2.93% of share capital, for €49,999,992 (excluding costs and/or income associated with the transaction) at an average price of €4.4851.

The Company published information about the share buy-back program on a weekly basis, providing the number, average price and value of treasury shares purchased on the MTA during the specified period.
At 31 March 2020, the Company held a total of 22,549,202 treasury shares, with no par value, equal to approximately 5.93% of share capital, with a value of €91,516,260 (inclusive of transaction costs/income), corresponding to an average price of €4.0585 per share.
At the end of March 2020 the Shareholders' Meeting of the Company, meeting in extraordinary session, approved the proposal of the Board of Directors to cancel 11,401,107 treasury shares in the Company's portfolio, equal to 3% of the share capital on the date of the resolution. Please note that, pursuant to Article 5 of the Company's Articles of Association, share capital is represented by ordinary shares with no par value. Accordingly, the cancellation of treasury shares only reduces the number of existing shares without any reduction in share capital.
The same Shareholders' Meeting, in ordinary session, approved the proposal of the Board of Directors to renew the purchase and disposal program for treasury shares pursuant to Articles 2357 and 2357-ter of the Civil Code and Article 132 of the Consolidated Law, authorizing the Board, subject to revocation of the unexecuted portion of the previous authorization, to purchase and dispose of treasury shares in an amount of up to 10% of share capital for a maximum period of eighteen months.
On 27 April 2020 the shareholders' resolution to cancel treasury shares was entered in the Company Register.
As a result, at 31 December 2020, the fully subscribed and paid-up share capital of Anima Holding is equal to €7,291,809.72 represented by 368,635,785 shares with no par value. The Company holds 11,148,095 treasury shares with no par value, equal to about 3.024% of share capital.

Partnership with the Poste Group

On 31 March 2020, the Company and Anima SGR, together with Poste Italiane S.p.A. ("Post Office"), BancoPosta Fondi SGR S.p.A. ("BPF") and Poste Vita S.p.A. ("Poste Vita"), confirming their mutual interest in continuing their collaboration in the asset management sector and in implementation of the commitments made in the operating agreement entered into on 6 March 2018 ("Operating Agreement"), entered into an agreement ("Poste Modification Agreement") by which the parties have

agreed to amend certain provisions of the Operating Agreement and part of the annexes and, as a result, to replace the attachment of the demerger and purchase agreement entered into on 6 March 2018 and effective as of 1 November 2018 ("Demerger and Purchase Agreement") relating to the earn-out mechanisms.
The Poste Modification Agreement qualified as a transaction with a related party, as on the date the agreement was signed Poste held an overall interest of 10.04% of the Company's share capital, which enables it to exercise a significant influence over the Company.
With the Poste Modification Agreement, the parties have amended some of the conditions contained in the Operating Agreement with reference both to the delegation of management of BPF mutual funds and the delegation for the management of Poste Vita insurance assets in order to preserve the industrial and financial substance of the partnership.
Please see the Information Document, published on the Company's website on 7 April 2020, concerning transactions of greater importance with related parties prepared by the Company and accompanied by the opinion issued by the Related Parties Committee and the opinion of the independent expert KPMG Advisory S.p.A., for a complete examination of the agreements signed.

Partnership with the Banco BPM Group

On 8 April 2020, the Company and Anima SGR signed a second amending agreement (subsequent to that signed on 12 February 2020) proposed by Banco BPM and Banca Aletti & C. S.p.A. concerning the extension of the time limit for notifying the price adjustment mechanism described in the Information Document relating to transactions of greater importance with related parties of 14 February 2018.
On 14 May 2020, in order to strengthen the strategic partnership between the Anima Group and the Banco BPM Group (the "Parties"), new agreements were signed ("Banco BPM Modification Agreement") between the Parties with the intention of revising certain provisions of the agreement ("Private Agreement") entered into on 9 November 2017 and the framework insurance agreement ("Framework Insurance Agreement") entered into on 7 February 2018. More specifically:

- as regards the Private Agreement, a review was conducted of the net funding targets and the related penalties payable to the Company/Anima SGR in the event of failure to achieve the targets;
- as regards the Framework Insurance Agreement, the mechanism for the second adjustment of the provisional price paid by Anima SGR for the purchase of management contracts was replaced and based on the verification of the overall value of the insurance assets under management at the evaluation date of 31 December 2019. In accordance with the changes referred to in the previous point, this adjustment mechanism is based on verification of net insurance funding under those contracts at two future dates.

The Banco BPM Amending Agreement qualified as a transaction with a related party, as on the date the agreement was signed Banco BPM held an overall interest of 15.443% of the Company's share capital, which enables it to exercise a significant influence over the Company.
Please see the Information Document, published on the Company's website on 21 May 2020, concerning transactions of greater importance with related parties prepared by the Company and accompanied by the opinions issued by the Related Parties Committee, for a complete examination of the agreements signed.

Partial repurchase of the Bond and partial repayment of the Bank Loan

In June, the Company carried out the following transactions in order to proactively manage the profile of its existing financial debt:

- on 10 June 2020, it settled the partial repurchase offer (for a maximum nominal amount of €30 million) for bonds issued by the Company on 23 October 2019 in the total nominal amount of €300 million, with an annual coupon of 1.750% and maturing in October 2026 ("Bond"). The offer, which began on 22 May (see the press release of 22 May 2020), ended on 5 June 2020 (see the press release of 8 June 2020) with the repurchase of a total nominal amount of €16,022,000 at a price equal to 90.00% of the nominal value of the bonds. Following the cancellation of the repurchased bonds, the nominal value of the Bond is equal to €283,978,000;

- on 30 June 2020, the Company, pursuant to and for the purposes of the Bank Loan agreement, optionally repaid part of the principal in advance, in the amount of €35 million. The Bank Loan was obtained in the original amount of €297 million falling due in October 2024 and at 31 December 2020 remained outstanding in the amount of €262 million.

TRANSACTIONS WITH RELATED PARTIES

Procedure for Related-Party Transactions

The Company, in compliance with applicable regulations, has adopted a Procedure for Related-Party Transactions (the "Procedure").

The Procedure, in implementation of the Consob regulation on related parties (Resolution no. 17221 of 12 March 2010 as amended), ensures the transparency and the substantive and procedural fairness of transactions with related parties carried out directly or through subsidiaries. More specifically, it governs the following aspects:

- the role and duties of the Related Parties Committee;
- the identification of related parties;
- the identification of related-party transactions;
- the process of assessing, approving and reporting to corporate bodies of transactions with related parties;
- market disclosure of transactions with related parties.

The Procedure is available on the website of Anima Holding at www.animaholding.it, Investor Relations – Corporate Governance section.

Transactions of greater importance

- On 31 March 2020, the Poste Modification Agreement was signed by Poste, BPF and Poste Vita on the one hand and the Company and Anima SGR on the other agreed to amend certain provisions of the Operating Agreement and part of the annexes and, as a result, replace the attachment to the Demerger and Purchase Agreement relating to the earn-out mechanisms.
  The Poste Modification Agreement qualifies as a related party transaction of greater importance, since, at the signing date, Poste held 10.04% of the Company's share capital and consequently, in accordance with applicable law and regulations, the transaction was approved by the Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
  Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Parent Company has prepared the Information Document which was published on 7 April 2020 on the Anima Holding website at www.animaholding.it.
- On 14 May 2020 the Banco BPM Modification Agreement was signed, under which Banco BPM and Banca Aletti on the one hand and the Company and Anima SGR on the other agreed to modify certain provisions contained in the Private Agreement and the Framework Insurance Agreement.
  The Banco BPM Amending Agreement qualifies as a transaction between related parties of greater importance, since, at the signing date, Banco BPM held 15.443% of the Company's share capital and is also one of the main distributors of savings products managed by Anima SGR. Note that at the signing date the Company director Venuti was Head of Private Customer Coordination at Banco BPM (previously, he was Head of Investments and Wealth Management at Banca Aletti - Banco BPM Group) and a director of Bipiemme Vita S.p.A .
  Consequently, in accordance with applicable law and regulations, the transaction was approved by the Company's Board of Directors, subject to obtaining favorable opinions from the Related Parties Committee.

Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Parent Company has prepared the Information Document which was published on 21 May 2020 on the Anima Holding website at www.animaholding.it.

Transactions of lesser importance

With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, the Related Parties Committee was asked to issue an opinion on the early termination of the employment relationship with Marco Carreri, the previous General Manager of Anima SGR and previous CEO of Anima SGR and the Company (the “Termination”).

The Termination qualified as a transaction with a related party pursuant to the Procedure: more specifically, it was a transaction carried out by Anima SGR in which the Company itself participated in relation to the non-compete obligations that Dr. Carreri has undertaken for the benefit of the Company as well.

Mr. Carreri was considered a related party of the Company and of Anima SGR in that he was (i) a manager of Anima SGR with the position of General Manager of the that company; (ii) Chief Executive Officer of Anima SGR and (iii) Chief Executive Officer of the Company.

Since, on the basis of the checks performed by the Related Party Transaction unit, the materiality index applicable to the case in question (i.e. the significance of the value of the transaction) did not exceed the thresholds referred to in Article 6.1 of the Related Party Procedure, the transaction qualified as a “transaction (related party) of lesser importance”.

Other significant transactions

With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, during the period no other transactions of “greater importance” or “lesser importance” were carried out with related parties.

No atypical or unusual transactions were carried out.

Ordinary or recurring transactions

During 2020, the Group carried out transactions, settled on terms and conditions in line with market standards, with the parties identified by the Procedure.

Transactions with related parties mainly regarded commercial activities supporting the distribution of the products managed by the Group, the management engagements received, current account deposits for the management of liquidity, the bank loans, the IRS derivatives connected with the outstanding loan, advisory support for the partial repurchase of the Bond, postal services received, as well as the remuneration paid to the members of the Board of Directors of the Group companies originating in Banco BPM and Poste.

For more details on the transactions with related parties carried out during the year, please see “Part D – Other information - Section 6 – Transactions with Related Parties” of the notes the consolidated financial statements at 31 December 2020.

MAIN RISKS AND UNCERTAINTIES

Main enterprise risks

The performance of the Anima Group depends on numerous factors, in particular the performance of the financial products we manage, the ability to offer products that meet the varied investment needs of customers and the capacity to maintain and develop our own customer base and that of the distribution networks through which the Anima Group operates, including through the constant and careful delivery of advisory and assistance services directly to customers and to the units of the distribution networks.

The failure to maintain the quality of our operational management, i.e. the inability to apply that management successfully to new initiatives, could have an adverse impact on the Anima Group's ability to maintain, consolidate and expand its customer base and that of the distribution networks that it uses.

The Group does not have its own distribution network and mainly uses third-party distribution networks for the distribution of its asset management products. This means that these distribution networks also place products promoted by competitors. Furthermore, if third-party placers should transfer a significant part of their distribution network or there are changes in the shareholding and/or governance structures of these placement agents, these events could have an adverse impact on net funding and consequently on the Group's revenues.

Relationships with institutional customers are not typically brokered by distribution networks: the key factor is therefore the Group's ability to independently find such customers, who have a high level of sophistication and knowledge in the financial field. It is therefore necessary for the Group to be able to provide a level of product and service quality appropriate to this type of customer. Shortcomings in these aspects could lead to difficulties or delays in the commercial development of the Group.

The income generated by fund management operations is primarily represented by management and performance fees (where contractually provided for), which account for the majority of the Group's revenue.

Management and performance fees are connected with the market value of assets under management and the results of product management. More specifically, management fees are calculated periodically as a percentage of the assets of an individual product. Any decline in that value, whether due to adverse developments in the financial markets or to net redemptions of funds, could cause those fees to decrease. In addition, long-term agreements with some partners (such as Banco BPM and Poste) contain targets for KPIs that could cause a reduction in assets under management, and thus management fees, if those targets are not met.

Performance fees, on the other hand, are charged to the fund and paid to the management company when the return of the fund in a given period exceeds the performance of a benchmark index, a predetermined value or a target return. For some funds, performance fees are due if the value of fund units increases above its highest previous level. Accordingly, earning performance fees, and the amount of those fees, is a naturally volatile event, sharply affected by the returns earned by funds and other managed products, which is in turn impacted not only by the quality of the funds' managers but also by developments in markets and, more generally, the national and international economy.

With regard to the AIF products managed by Anima Alternative, management fees will be linked not only to the value of the customers' subscription commitments, but also to the volumes actually invested. Any reduction in assets deriving from significant writedowns of the assets in the portfolio could lead to a decrease in the management fees received. Given that the investments by Anima Alternative will involve unlisted illiquid instruments, the value of management fees received is also highly dependent on the ability to scout and originate investments. Poor choices in identifying successful new investment opportunities could therefore reduce the value of management fees received by the Group.

Where contractually envisaged, additional categories of revenue linked to the performance of the AIF products are typically received at the end of the product life cycle. Such revenues, as well as being deferred in time given that Anima Alternative's operations are only in the start-up phase, are also uncertain: it is necessary that the conditions for applying the fees be met. Typically, these means that

the performance of a product over its entire life span must exceed a specified threshold. Both earning such fees and their amount are therefore be significantly affected by the quality of management, the performance of the applicable markets and, more generally, developments in the national and international economic and financial environment.
The Group's performance could be adversely impacted by the occurrence of events originating from causes of an operational nature (human error, fraud, organizational processes, technology and adverse external events). The impact of these risks, while scaled to the specific activities performed by the Group, can be mitigated by the adoption of adequate control arrangements.
Our image and reputation are a major strength of the Group. A negative perception of the Group's image on the market by customers, counterparties, shareholders, investors or supervisory authorities, engendered for example by the loss of key personnel, by a decline in the performance of our products in absolute terms or compared with benchmarks or with our competitors, by the violation on the part of portfolio managers of sector regulations, by the opening of legal, tax or arbitration proceedings against the Group companies, regardless of whether those claims are justified, or by the application of penalties by the supervisory authorities could significantly harm the image and reputation that the Group enjoys in the industry. More generally, it could undermine the confidence shown in the Group by its customers and third-party distribution networks, with a potential negative impact on the Group's growth prospects and on its revenue and operating performance.
In addition, asset management is governed by a substantial and evolving body of regulations. The regulatory authorities in each country that oversees the Group's operations include, for Italy, Consob, the Bank of Italy, the Financial Intelligence Unit and Covip for Italy and the equivalent authorities in the other countries in which the Group operates. Such an extensive and far-reaching regulatory environment makes organizational controls and control systems to manage compliance risk particularly important.

Information on the objectives and policies relating to the assumption, management and hedging of risks in general, and more specifically financial and operational risks, are detailed in the "Notes to the consolidated financial statements - Part D - Other information - Section 3 - Information on risks and risk management policies" of the consolidated financial statements at 31 December 2020.

The description of the main risks and uncertainties to which the Group is exposed as a result of COVID-19, as required by the Bank of Italy notice of 27 January 2021 is given in the "Notes to the consolidated financial statements - Part A - A.1 General information - Section 4 - Other information - Risks, uncertainties and impact of the COVID-19 pandemic" of the consolidated financial statements at 31 December 2020.

The assumptions underpinning the assessments and forecasts made with regard to the verification of the values of goodwill and intangible assets are detailed in the "Notes to the consolidated financial statements - Part B - Section 9 Intangible assets - Impairment testing" of the consolidated financial statements at 31 December 2020.

Legislative Decree 231 of 8 June 2001, ("Legislative Decree 231/2001") introduced the rules on "Corporate liability for administrative offences resulting from a crime". More specifically, the system of rules applies to legal persons, companies and associations, even those lacking legal personality. No administrative liability arises, however, if the company adopts and effectively implements, prior to the commission of a crime, compliance models to protect against such crime. These models can be adopted on the basis of codes of conduct or guidelines prepared by industry associations (including Assogestioni, which represents Italian asset managers, and AIFI, the Italian private equity, venture capital and private debt association) and communicated to the Ministry of Justice.
The Boards of Directors of Anima Holding and Anima SGR adopted their respective "Compliance Models as per Legislative Decree 231/2001" (the "Models"). The Models are divided into: (i) a "general" part that describes the company's system of rules and organization, construed as the rules, processes and procedures for the performance of operating activities, (ii) a "special" part, which details the types of offenses relevant under Legislative Decree 231/2001, as well as the result of the company's

assessment of the exposure to the risk of commission of offenses expressed in terms of “likelihood of occurrence” and “associated risk”, and (iii) “Annexes” which contain the main sources of the ethical and behavioral principles underpinning the construction and operation of the model, representing an integral part of that model. They consist of the Code of Ethics, the Code of Conduct and the Disciplinary Code.
The task of monitoring the operation of and compliance with the Models and ensuring that they are updated has been assigned to specific independent Supervisory Bodies under the provisions of Legislative Decree 231/2001 established by the Boards of Directors of the respective companies.
Finally, the subsidiary Anima Alternative appointed a Supervisory Body pursuant to Legislative Decree 231/2001 in December 2020, which will begin operations from 1 January 2021, while the Compliance Model is being drafted.

OTHER INFORMATION

Purchase of treasury shares

At 31 December 2020, the Company held 11,148,095 treasury shares with no par value, equal to about 3.024% of share capital. The value of the shares held, which is recognized in a negative equity reserve and includes ancillary charges/income, amounts to about €45,244,704, for an average price per share of about €4.0585.
At 31 December 2020, the subsidiaries included in the scope of consolidation did not hold any treasury shares or shares of the Parent Company in their portfolios.

Research and development

In 2020, Anima SGR continued its research and development activities. The R&D work is intended to develop new products and services that can be easily inserted in the company product range, with the introduction of new technologies to improve internal development processes, the analysis of the financial solutions/techniques involved, and the subsequent delivery of new products and services. Anima SGR directed its efforts at innovative projects, such as (i) the development of new IT solutions for the evolution and rationalization of internal processes and systems used in operations with its customers, in the products created by the company, and with the distributors of those products, as well for the administration of the Company and (ii) the analysis, design, simulation and definition of new financial products and their subsequent ongoing development. These R&D activities will continue in 2021.
In addition, the tax credit arising in 2019 provided for under Article 1, paragraph 35, of Law 190 of 23 December 2014 concerning R&D conducted by Anima SGR was definitively quantified in 2019 in the amount of about € 0.3 million.

Sustainability policy

The Anima Group, in its role as the largest independent Italian asset manager, accompanies retail investors (households and other small investors) and institutional investors (insurance companies, pension funds) in selecting the best investment solutions.
Environmental, social and governance issues (“ESG”) are increasingly at the center of investors’ attention, in full awareness that sustainability must be the cornerstone of economic policy choices as well as individual decisions.
In this context, environmental, social and corporate governance issues assume fundamental importance for the Group, also in consideration of the sensitive business in which it operates (asset management).
It should be noted that, with effect from the 2021 financial year, the Company’s Board of Directors has entrusted its Control, Risks and Sustainability Committee with responsibility for providing recommendations and advisory support in sustainability matters.
As evidence of this commitment and in order to confirm and formalize in a document the values and principles that guide the Company and the Group in operations and the conduct of relationships, both

internally and in respect of external parties, in the February 2021 the Group adopted a Sustainability Policy.
This Policy is divided into five areas considered priorities, defining principles, objectives and methods of management and monitoring. The areas are:

- respect for the environment;
- protection of workers' rights and human rights;
- responsible marketing practices;
- community support;
- responsible investments.

In September 2018, Anima SGR became a signatory of the United Nations Principles for Responsible Investment ("PRI"), an initiative aimed at disseminating and integrating ESG criteria into investment practices, and will also include information on the portfolios managed by Anima Alternative in its reporting, conferring on the latter the status of PRI signatory as well. These principles were launched in 2006 with the aim of promoting the spread of sustainable and responsible investment among institutional investors. As signatories of the PRI, Anima SGR and Anima Alternative undertake to:

1. incorporate ESG issues into investment analysis and decision-making processes;
2. be active owners and incorporate ESG issues into our ownership policies and practices;
3. seek appropriate disclosure on ESG issues by the entities in which we invest;
4. promote acceptance and implementation of the Principles within the investment industry;
5. promote acceptance and implementation of the Principles within the investment industry;
6. report on our activities and progress towards implementing the Principles.

With this in mind, Anima SGR and Anima Alternative have each developed a Policy on Responsible Investment for their respective operations that defines the company's approach to the issue.
As a result of adopting the PRI, the investment process of most of the funds managed by Anima SGR takes into consideration the environmental, social and governance rating of the securities, in addition to the more usual parameters. Moreover, some issuers have been excluded from the investable universe and a specific ESG Committee has been set up to constantly monitor the ESG profile of the funds.

In 2020, Anima SGR obtained an "A" rating for ESG Strategy & Governance from the UNPRI (United Nations Principles for Responsible Investment), the international organization supported by the UN that promotes responsible investment principles.
The commitment of the Group is, among other things, highlighted in the ESG report, which is published both in the Investor Relations section and on the dedicated website esg.animasgr.it.

In parallel, a project was launched to strengthen the Company's procedures, commitments and disclosures made to the public on ESG issues. New initiatives include in particular the receipt, in December 2020, of the international certifications "ISO 14001 - Environmental management system" and "ISO 45001 - Occupational health and safety management systems" for all Group companies.

National consolidated taxation mechanism and Group VAT settlement and payment system
The Parent Company participates, as the consolidating entity, in the group taxation mechanism envisaged under Articles 117 et seq. of Italy's Uniform Income Tax Code (national consolidated taxation) with Anima SGR and Anima Alternative, governing relationships arising from the consolidated taxation mechanism with specific contracts.
In addition, the Parent Company, together with the subsidiary Anima SGR, again exercised the option to participate in the Group monthly VAT settlement and payment system for 2021, as provided for under Article 73, paragraph 3, of the Decree of the President of the Republic 633 of 1972, as implemented with the Ministerial Decree of 13 December 1979, as amended with the Ministerial Decree of 13 February 2017.

Personnel

For more information on the size of the workforce, please see to Part C, Section 9 of the notes to the consolidated financial statements for 2020.
Professional training is considered an important investment to enrich the skills of employees and indirectly also of the entire Group; also in 2020, in compliance with the training plan, various training courses were organized aimed at developing managerial and behavioral skills of personnel. In particular the courses concerned both compulsory training topics (for example, corporate administrative liability under Legislative Decree 231/01, privacy, etc.), as well as training in conduct and current events and technical fields (for example, specialized courses and IT courses).
In addition, a specific training course was followed by all employees pursuant to Article 37 of Legislative Decree 81/08 as amended concerning generic COVID-19 biological risk, as well as a course on IT security issues (phishing and dangerous sites).

Tax issues

As regards tax issues and disputes, as of the approval date of the consolidated financial statements at 31 December 2020 by the Board of Directors, the disputes concerning assessments for direct taxes (IRES) for 2006 to 2008, issued following audits carried out in 2010 at Anima SGR by the Revenue Agency – Regional Department of Lombardy had not yet been resolved.
Anima SGR and the Parent Company have launched, including through their advisors, consultations and analysis of the issues raised by the tax inspectors, filing appeals, pleadings or applications for settlement where appropriate.
In any event, as the claims of the Revenue Agency against Anima SGR regard the years 2006 to 2008 (and thus prior to the acquisition by Anima Holding of the entire share capital of Anima SGR), the indemnification procedures provided for by the combined provisions of Articles 9 and 10 of the Sale Agreement entered into on 31 March 2009 and the '"Strategic Alliance" agreements of 29 December 2010, would permit the exercise any recoupment rights against the sellers of the equity investments in Anima SGR (from the former Prima SGR) to Anima Holding in the event of an adverse definitive ruling.
In particular, with regard to 2007, for which the appeal filed with the Court of Cassation by Anima SGR is still pending (after divergent rulings at two lower levels of adjudication), during 2019 the notice of payment due issued on the basis of the ruling of the Regional Tax Commission of Lombardy was paid provisionally in the total amount of about €5.5 million. This amount, being related to an instrument that involved a provisional executive albeit not definitive payment, was recognized under the asset item "120 - Other assets - Tax receivables" in the consolidated financial statements at 31 December 2020. Furthermore, in execution of the contractual agreements referred to above, the seller Banca Monte dei Paschi di Siena had paid the same amount in 2019 to Anima SGR, which is recognized under liability item "80 - Other liabilities" in the consolidated financial statements at 31 December 2020.
In view of the foregoing, it was not considered necessary to recognize provisions in the consolidated financial statements at 31 December 2020 against the latent risk because, for the periods 2006 and 2007 regardless of any possible assessment of the outcome of the disputes, contractual agreements with the partners are in force that provide for the indemnification of Anima SGR in respect of costs and charges that may arise. In any event, an adverse ruling in those disputes is considered improbable.
With regard to the 2008 tax year (for which an appeal filed by Anima SGR is still pending before the Court of Cassation after divergent rulings at two lower levels of adjudication), as the claims of the Revenue Agency against Anima SGR regard a period prior to the acquisition by Anima Holding of the entire share capital of Anima SGR, the indemnification procedures provided for by the combined provisions of Articles 6.1.1 and 6.1.2 of the Guarantee Agreement of the "Strategic Alliance" of 29 December 2010, are applicable in exercising any partial claim for costs and charges in the event of an adverse definitive ruling in the dispute against the sellers of the equity investment in Anima SGR (from the former Prima SGR) to Anima Holding.
In view of the opinions issued by the aforementioned consultants, the claims advanced by the Revenue Agency for 2008 are considered unfounded, with a possible risk of losing the case. Consequently no provision was recognized in the consolidated financial statements at 31 December 2020, consistent

with the provisions of IAS 37 and with the analysis in the consolidated financial statements at 31 December 2018 and 2019.
It should be noted that, for 2008, the possible charge for Anima SGR in the event of an unexpected unfavorable ruling by the Court Cassation and net of the contractual guarantees received can be quantified at less than €2 million.
With regard to the 2008 dispute, during 2019 the notice of payment due issued on the basis of the ruling of the Regional Tax Commission of Lombardy was paid provisionally in the total amount of about €4.5 million. This amount, being related to an instrument that involved a provisional executive albeit not definitive payment, was recognized under the asset item “120 - Other assets - Tax receivables” in the consolidated financial statements at 31 December 2020.

Finally, it should be noted that during 2020 the Revenue Agency - Regional Department of Lombardy - Large Taxpayers Office (the “Office”) submitted a number of requests concerning transfer pricing documentation pursuant to Art. 1, paragraph 6, Legislative Decree 471 of 18 December 1997 prepared by Anima SGR for the 2015 tax period. After preliminary exchanges of information, towards the middle of December last year the Office sent two requests for a hearing (for IRES and IRAP purposes) concerning the 2015 tax period, with which it initiated the settlement procedure pursuant to Art. 5 of Legislative Decree 218/1997.
Anima SGR and the Parent Company, supported by their advisors, believe they have employed the most suitable methods, indicated by the OECD guidelines and by the implementing ministerial decree, for pricing intercompany transactions with the subsidiary Anima AM and therefore consider the objections raised by the Office in its requests for a hearing to be groundless.
The Group considers the risk of an adverse ruling in a possible dispute as possible, as also confirmed by its advisors. The potential maximum charge for the Group in the event of full acceptance of the Office’s claims for the 2015 financial year can be quantified in the total amount (IRES and IRAP) of about €1.6 million, plus interest.
From the point of view of penalties, the Office did acknowledge the formal appropriateness for 2015 of the National Documentation and the Masterfile prepared by Anima SGR and therefore the application of penalties is not envisaged.

GROUP OPERATIONS AND RESULTS FOR 2020

Information on operations

Assets under management (“AUM”) by the Anima Group at 31 December 2020 amounted to €194.3 billion, an increase of €8.7 billion compared with the end of 2019.
This change reflected by the particularly positive performance of the financial markets during the second half of the year, which made it possible to recoup the contraction recorded during the first half in the wake of the COVID-19 emergency. The change attributable to net funding for the period was a positive €1.8 billion.
The following table reports AUM and funding by distribution channel at 31 December 2020 and 31 December 2019, with comparative figures for the same period of the previous year.

	End-of-period AUM				Net funding YTD	
Millions of euros	Dec-19	Dec-20	% change AuM	Absolute change	Dec-19	Dec-20
Total Anima Group	**185,681**	**194,345**	**5%**	**8,664**	**(3,017)**	**213**
Retail	**54,973**	**52,809**	**-4%**	**-2,164**	**(2,380)**	**(2,237)**
Strategic Partner	48,147	46,488	-3%	-1,659	(1,448)	(1,586)
Bank networks	4,315	3,960	-8%	-355	(484)	(379)
Financial advisor networks	2,286	2,114	-8%	-172	(445)	(284)
Other	225	247	10%	22	(3)	12
Institutional	**130,708**	**141,536**	**8%**	**10,828**	**(637)**	**2,450**

Reclassified consolidated income statement at 31 December 2020

The reclassified consolidated income statement provides a scalar presentation of the formation of consolidated net profit for the period with the reporting of aggregates commonly used to provide an overview of performance.
In addition, the statement also reports the adjustments to statutory consolidated net profit as calculated for reporting purposes in order to neutralize the main impact on the latter of non-recurring or non-monetary costs and revenues and costs and revenues not pertaining to the core activities of the Group (net of the associated tax effects).
These aggregates are considered Alternative Performance Measures under the provisions of the Consob communication of 3 December 2015, which incorporates the ESMA guidelines of 5 October 2015.
It should also be noted that the accounting effects of application of IFRS 16 have been reclassified in the reclassified consolidated income statement, consistent with the management figures used by the Group.

(Thousands of euros)	31/12/2020	31/12/2019	Δ % 2020 VS 2019
Net management fees	272,806	284,004	-4%
Performance fees	78,379	48,176	63%
Other revenues	28,984	26,133	11%
Total revenues	**380,169**	**358,313**	**6%**
Personnel expenses	(47,603)	(43,353)	10%
Other administrative expenses	(33,485)	(37,286)	-10%
Total operating expenses	**(81,088)**	**(80,639)**	**1%**
Adjusted EBITDA	**299,081**	**277,674**	**8%**
Non-recurring costs	(7,869)	(5,011)	57%
Other costs and revenues	2,208	3,621	-39%
Net adjustments of property, plant and equipment and intangible assets	(53,199)	(53,939)	-1%
EBIT	**240,221**	**222,345**	**8%**
Net financial expense	(10,034)	(17,448)	-42%
Profit before taxes	**230,187**	**204,897**	**12%**
Income taxes	(74,815)	(59,068)	27%
Consolidated net profit	**155,372**	**145,829**	**7%**
Net tax adjustments	**41,740**	**39,268**	**6%**
Normalized net profit	**197,112**	**185,097**	**6%**

The Group defines adjusted earnings before interest and taxes, depreciation and amortization (adjusted EBITDA) as the difference between total revenues and total operating expenses as reported in the reclassified income statement.

At 31 December 2020, Group adjusted EBITDA amounted to €299.1 million, an increase of about €21.4 million compared with 2019 (€277.7 million).
The main factors impacting developments in adjusted EBITDA for the year were:

- a decrease of about €11.2 million in net management fees, which fell to €272.8 million from €284.0 million the previous year;
- an increase in performance fees of about €30.2 million (€78.4 million in 2020 compared with €48.2 million in 2019);
- an increase of about €2.9 million in other revenues (€29.0 million in 2020 compared with €26.1 million in 2019); the item includes, among other things, fixed fees and advisory fees;
- an increase in personnel expenses of about €4.2 million, rising from €43.4 million in 2019 to

€47.6 million in 2020. the rise mainly reflected an increase in the variable remuneration component connected with the increase in performance fees recognized in Group revenues during the year;
- a reduction in administrative expenses of about €3.8 million, mainly due to a decline in outsourcing costs and a reduction in commercial/marketing costs associated with the various restrictions imposed in response to the spread of COVID-19.

The Group defines earnings before interest and taxes (EBIT) as consolidated net profit before income taxes and net financial expense, as shown in the reclassified income statement.
The Group defines extraordinary costs as non-recurring and/or non-monetary costs. Extraordinary costs in 2020 consisted mainly of (i) charges connected with the termination of the employment relationship with the Departing Beneficiary, (ii) the costs borne by Anima SGR for the notification of customers of the merger of funds as part of the rationalization of the product range and (iii) charges associated with the LTIP.

The normalized consolidated net profit for the Group at 31 December 2020 amounted to €197.1 million, an increase of about 6% compared with €185.1 million the previous year.
The following table reconciles consolidated net profit with adjusted EBITDA.

(Thousands of euros)	31/12/2020	31/12/2019	Change	
			Absolute	%
Consolidated net profit	**155,372**	**145,829**	**9,543**	**7%**
Income taxes	74,815	59,068	15,747	27%
Profit before taxes	**230,187**	**204,897**	**25,290**	**12%**
Net financial expense	10,034	17,448	(7,414)	-42%
Net adjustments of property, plant and equipment and intangible assets	53,199	53,939	(740)	-1%
Other costs and revenues	(2,208)	(3,621)	1,413	-39%
Non-recurring costs	7,869	5,011	2,858	57%
Adjusted EBITDA	**299,081**	**277,674**	**21,407**	**8%**

The following table reconciles consolidated net profit with normalized consolidated net profit:

(Thousands of euros)	31/12/2020	31/12/2019
Consolidated net profit	***155,372***	***145,829***
Amortization of intangibles	50,221	51,084
Amortization of capitalized costs on loans	954	5,585
Other income and expense	60	(46)
Change in provisions	1,178	34
Other financial expense	0	2,489
Non-recurring costs	5,964	2,281
LTIP costs	1,905	2,730
Gain on repurchase of financial liabilities	(1,425)	0
One-off fees/rebates	0	(6,015)
Tax effects of adjustments	**(17,117)**	**(18,874)**
Total net adjustments	***41,740***	***39,268***
Normalized consolidated net profit	**197,112**	**185,097**

Of particular note among the components that characterize the adjustments to consolidated net profit in order to produce normalized consolidated net profit at 31 December 2020 are the increase in extraordinary operating expenses attributable to charges connected with the termination of the employment relationship with the Departing Beneficiary (for details, please see the section "Corporate governance and remuneration policies - Changes in the corporate officers of Anima Holding" of consolidated report on operations), the costs incurred for the notification of customers of the merger of funds as part of the rationalization of the product range and charges associated with the LTIP, which equaled about €1.9 million, compared with about €2.7 million in 2019 (please see "Part A

– Accounting policies - Section 4 – Other information – Share-based payments - LTIP" of the notes to the consolidated financial statements at 31 December 2020 for information on changes in the value of the incentive plan during the year).

Net financial debt at 31 December 2020

Net financial debt reported below is defined as total financial debt net of cash and cash equivalents, including financial debt and receivables and excluding trade receivables and payables. The net financial position also includes receivables in respect of collective investment undertakings under management for accrued performance fees collected in the early days of the month following the close of the period. The NFP presented below is also considered an Alternative Performance Measure under the Consob and ESMA guidelines referred to above.

Anima Holding consolidated net financial debt

Millions of euros	31/12/2020	31/12/2019	31/12/2018
Term Loan	262.0	297.0	645.3
Bond	282.7	298.4	0.0
Accrued financial expense	0.9	1.0	0.0
Total financial debt	**545.6**	**596.4**	**645.3**
Cash and other liquidity	(288.4)	(263.7)	(243.4)
Securities	(90.2)	(89.6)	(88.6)
Receivables for performance fees	(16.3)	(19.7)	(1.6)
Cash and cash equivalents	**(394.9)**	**(373.1)**	**(333.7)**
Net financial debt	**150.7**	**223.3**	**311.6**

The increase in overall liquidity registered at the consolidated level at 31 December 2020 compared with the end of the previous year is mainly attributable to the liquidity generated by the core business of the Group and the balance of the income components that did have any financial impact, offset mainly by (i) purchases of treasury shares during the year in the amount of about €31.4 million (excluding the costs associated with the buyback), (ii) the payment of the dividend from the 2019 earnings of Anima Holding in May 2020 in the amount of about €73.3 million, (iii) the payment of the balance for 2019 and payments on account for 2020 of IRES and IRAP in the amount of about €92.3 million, (iv) the optional partial early repayment of the Bank Loan in the amount of about €35 million and the payment of interest accrued on the loan in the amount of about €3.4 million and (v) the partial repurchase of the Bond, including the related interest, in the amount of about €14.6 million and the subsequent payment of annual interest on the residual Bond of about €5 million.

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The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement and the consolidated explanatory note.

The most significant items and the most important changes that occurred during the year are discussed below.
The consolidated balance sheet shows total assets of €2,206.8 million.

Item "20. Financial assets measured at fair value through profit or loss – c) other financial assets mandatorily measured at fair value" amounted to about €90.2 million (€89.6 million at 31 December 2019) and includes the shares of CIUs held by the Group, mainly in funds set up and/or managed by the subsidiary Anima SGR.

Item "40. Financial assets measured at amortized cost" amounted to about €400.8 million (€383.8 million at 31 December 2019) and mainly includes:

- "1. Receivables for asset management services", which includes (i) receivables in respect of management and performance fees that the Group was mainly owed by funds it has established, (ii) receivables for commissions and fees for portfolio management services, and (iii) receivables for commissions and fees for asset management services provided to institutional and retail customers and pension funds. The item had a balance of €110.8 million (€119.8 million at 31 December 2019). The decrease compared with the previous year mainly reflects the decrease in tax withholdings and taxes in lieu on the gains posted by products under management at the end of December 2020 compared with the end of the previous year;
- "2. Receivables for other services", amounted to €0.2 million (€0.2 million at 31 December 2019) and include (i) receivables from the advisory business of the subsidiary Anima SGR with institutional customers and (ii) receivables from commercial activities and the sub-distribution of products;
- "3. Other receivables" amounted to €289.7 million (€263.8 million at 31 December 2019) and include €288.4 million in liquidity on bank current accounts and (ii) €1.3 million in financial receivables recognized in respect of subleases of right-of-use assets acquired through leases and rental agreements within the scope of IFRS 16.

The item "Property, plant and equipment" has a balance of about €12 million (€15.4 million at 31 December 2019). It includes, among other things, the rights of use acquired through lease and rental agreements within the scope of the IFRS 16 in the amount of about €8.4 million. This sub-item decreased by about €1.5 million as a result of the transfer to item "40 – Financial assets measured at amortized cost – Other receivables" of the lease within the scope of IFRS 16 in connection with the long-term sublease of the Dublin building signed with effect from the start of 2020.

Item "90. Intangible assets" amounted to about €1,646 million (€1,696.1 million at 31 December 2019), mainly consisting of (i) about €1,105.5 million in respect of intangible assets with an indefinite useful life (unchanged on the previous year) and (ii) about €535.3 million in respect of intangible assets with a finite useful life.
Please see the notes to the 2020 consolidated financial statements "Part B - Information on the balance sheet - Assets - Section 9 Intangible assets - Item 90" for more details.

The items "Tax assets - a) current" and "Tax liabilities – a) current" report the net balance of the tax positions of the individual Group companies in respect of their respective tax authorities.
Please see the notes to the 2020 consolidated financial statements "Part B - Information on the balance sheet - Assets - Section 10 Tax assets and tax liabilities - Item 100 of assets and Item 60 of liabilities" for more details on the composition of the items and change during the year.

Finally, item "120. Other assets" shows a balance of €43.8 million (€35.6 million at 31 December 2019) and includes: (i) tax receivables of around €19.1 million and (ii) sundry other receivables in the amount of about €24.7 million

<u>Consolidated liabilities</u> are detailed below.

The item "10. Financial liabilities measured at amortized cost - a) Debt" amounted to €405 million (€444.5 million at 31 December 2019), while the item "10. Financial liabilities measured at amortized cost – b) Securities issued" amounted to €282 million (€297.5 million the previous year).
"Financial liabilities measured at amortized cost - a) Debt" break down as follows:

- "Due to sales networks" in the amount of about €132.3 million, attributable to the various fees and commissions to be paid to distributors of the products created/managed by the Group;
- "Due for management activities" in the amount of about €2.6 million, mainly reflecting amounts due for the distribution of shares of the Anima Funds Plc SICAV;

- "Other amounts due – 4.2 lease liabilities" came to about €9.5 million, representing the residual liability at 31 December 2020 in respect of the right-of-use assets recognized under "Property, plant and equipment" in application of IFRS 16.
- "Other amounts due – 4.3 other" totaled €260.5 million, representing the Bank Loan. For further details on the terms and conditions of the loan, please see "Part D - Other information - Section 3 - Information on risks and risk management policies - 3.1 Financial risks" of the notes to the consolidated financial statements.

"Financial liabilities measured at amortized cost – b) Securities issued" include the Bond issued by the Company with a residual nominal value of about €284 million, which is carried at amortized cost in the amount of about €282 million. For more details, please see the section "Liabilities – Debt – Item 10 – 1.2 Composition of financial liabilities measured at amortized cost: Securities issued" in the notes to the consolidated financial statements.

Item "40. Hedging derivatives" amounted to about €2.6 million (no value the previous year) and reports the fair value of IRS contracts entered into during the year to hedge the risk of changes in six-month Euribor (the benchmark parameter of the Bank Loan), which is swapped with payment of a fixed rate (a cash flow hedge strategy).
The Company verified that of all the conditions envisaged by IFRS 9 for cash flow hedge accounting of the transactions had been met. Consequently, the portion of fluctuations in the fair value of derivative contracts related to future interest flows on the loan not yet recognized in profit or loss are recognized in valuation reserves (net of tax effects) and are reported in the consolidated statement of comprehensive income.
For further details on IRS contracts, please see "Part D - Other Information - Section 3 - Information on risks and risk management policies - 3.3 Derivatives and hedging policies" of the notes to the consolidated financial statements.

Item "80. Other liabilities" amounted to €65.9 million (€73.2 million at 31 December 2019) and is mainly attributable to (i) amounts due to suppliers; (ii) amounts due to social security institutions and employees, including, among other elements, the variable component of remuneration for the year; (iii) liabilities in respect of tax consolidation agreements from previous years and agreements signed by the Parent Company with former shareholders in December 2010; (iv) liabilities for withholding tax and other taxes to be paid to tax authorities in respect of asset management products; and (v) sundry payables.

Item "100. Provisions for risks and charges" shows a balance of around €2.7 million (€1.7 million at 31 December 2019). Please see the notes to the consolidated financial statements "Part B - Information on the balance sheet – Liabilities - Section 10 Provisions for risks and charges - Item 100" for more details.

The consolidated shareholders' equity of the Group at 31 December 2020 came to about €1,310.2 million (including the profit for the year of around €155.4 million), while it totaled about €1,259.9 million at 31 December 2019 (including the profit for the year of about €145.8 million).

Examining the consolidated income statement for the year ended 31 December 2020, we report:
Item "10. Fee and commission income" amounted to €990 million (€1,013.7 million at 31 December 2019) and breaks down as follows:

- fees and commissions from investment funds of €846.8 million;
- fees and commissions from individual portfolio management products of €45.8 million;
- fees and commissions from open-end pension funds of €11.5 million;
- fees and commissions from delegated asset management products of €85.4 million;
- other fees and commissions of around €0.4 million.

Item "20. Fee and commission expense" amounted to about €610.8 million (€656.3 million at 31 December 2019) and breaks down as follows:

- fees and commissions for investment funds of €581.7 million;
- fees and commissions for individual portfolio management products of €10.4 million;
- fees and commissions for open-end pension funds of €5.9 million;
- fees and commissions for delegated asset management products of €12.6 million;
- other fees and commissions of €0.2 million.

Item "60. Interest and similar expense" amounted to €10.2 million (€15 million at 31 December 2019); this item mainly includes: (i) interest expense on the Bank Loan of about €4.1 million; (ii) interest expense on lease liabilities recognized in application of IFRS 16 of approximately €0.1 million; (iii) interest expense on the Bond of about €5.5 million; and (iv) interest expense on IRS derivatives hedging the Bank Loan of approximately €0.4 million.

La voce "90. Gain (loss) on disposal or repurchase of: c) financial liabilities" reports a gain of about €1.2 million (no value 31 December 2019) and consists of the profit realized during the year on the partial repurchase of a nominal €16,022,000 of the Bond. Under IFRS 9, this is recognized net of transaction costs (equal to about €0.2 million).

Item "100. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss - b) other financial assets mandatorily measured at fair value" showed a net loss of €0.6 million (a net gain of €1.1 million at 31 December 2019). It reports the positive/negative changes (gains/losses) deriving from the measurement at fair value of financial instruments reported under asset item "20. - c) other financial assets mandatorily measured at fair value", in addition to the gains/losses realized during the year on the sale of financial instruments held in the portfolio.

Item "140. Administrative expenses" amounted to about €86 million (€82.7 million at 31 December 2019). This item consists of: (i) personnel expenses in the amount of €51.7 million and (ii) other administrative expenses of €34.3 million. Please see the notes to the consolidated financial statements at 31 December 2020 "Part C - Information on the income statement - Section 9 - Administrative expenses - Item 140" for more details.

Item "160. Net adjustments of property, plant and equipment" amounted to about €3.3 million (€3.5 million at 31 December 2019) and includes (i) depreciation on property, plant and equipment used in operations owned by the Group of about €0.8 million and (ii) depreciation of right-of-use assets acquired through leases and rental agreements within the scope of IFRS 16 of about €2.5 million.

Item "170. Net adjustments of intangible assets" amounted to about €52.2 million (€53.1 million at 31 December 2019) and includes amortization for the period for intangible assets with a finite life of around €50.2 million and amortization charges for software of about €2 million.

Item "250. Income tax expense from continuing operations" shows a charge of about €74.8 million (€59.1 million at 31 December 2019). The item includes current IRES pertaining to the Group in the amount of about €63.3 million, IRAP of about €20.9 million and foreign taxes of about €0.5 million, all net of the change in deferred tax assets/liabilities for the year.

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OUTLOOK

The Group has achieved a significant diversification of its customer base and therefore its sources of revenue, with the overall benefit of reducing the risk profile of all the assets managed by the Group.
In pursuit of further growth and development of the Group, particular emphasis will continue to be placed on enhancing the strategic partner and institutional investor channels, especially with regard to supplemental pensions and insurance customers. In terms of products, the Group continued to work to develop and implement new investment solutions in order to attract liquidity on the market towards investments in investment funds and individual asset management contracts.
During 2021, we plan to strengthen the service capacity of the placement networks even further and to rationalize operating approaches.
The Group intends to use Anima Alternative to expand into the alternative "illiquid" products segment, in particular so-called "private capital" funds.
The Board of Directors will continue to monitor the impact of the COVID-19 pandemic on developments in our performance and financial position and the financial stability of the Group.

for the Board of Directors

Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS OF ANIMA HOLDING AT 31 DECEMBER 2020

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Thousands of euros

	Assets	31/12/2020	31/12/2019
10.	Cash and cash equivalents	5	7
20.	Financial assets measured at fair value through profit or loss	90,162	89,645
	c) other financial assets mandatorily measured at fair value	90,162	89,645
40.	Financial assets measured at amortized cost	400,833	383,787
80.	Property, plant and equipment	12,001	15,363
90.	Intangible assets	1,646,006	1,696,087
	of which:		
	- goodwill	1,105,463	1,105,463
100.	Tax assets	14,018	18,371
	a) current	-	2,502
	b) deferred	14,018	15,869
120.	Other assets	43,798	35,565
	TOTAL ASSETS	**2,206,823**	**2,238,825**

	Liabilities and shareholders' equity	31/12/2020	31/12/2019
10.	Financial liabilities measured at amortized cost	687,009	741,930
	a) Debt	404,969	444,454
	b) Securities issued	282,040	297,476
40.	Hedging derivatives	2,569	-
60.	Tax liabilities	135,875	159,524
	a) current	7,063	18,235
	b) deferred	128,812	141,289
80.	Other liabilities	65,901	73,201
90.	Deferred remuneration benefits	2,571	2,546
100.	Provisions for risks and charges:	2,727	1,723
	a) committments and guarantees issued	136	97
	c) other provisions	2,591	1,626
110.	Share capital	7,292	7,292
120.	Treasury shares (-)	(45,245)	(59,639)
140.	Share premium reserve	787,652	787,652
150.	Reserves	407,673	379,495
160.	Valuation reserves	(2,572)	(728)
170.	Net profit (loss) for the period	155,371	145,829
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,206,823**	**2,238,825**

CONSOLIDATED INCOME STATEMENT

Thousands of euros

	ITEMS	31/12/2020	31/12/2019
10.	Fee and commission income	989,982	1,013,655
20.	Fee and commission expense	(610,798)	(656,295)
30.	**NET FEE AND COMMISSION INCOME (EXPENSE)**	**379,184**	**357,360**
50.	Interest and similar income	136	99
	of which: interest income calculated using effective interest rate method		
60.	Interest and similar expense	(10,170)	(15,059)
70.	Net gain (loss) on trading activities		(2,489)
90.	Gain (loss) on disposal or repurchase of:	1,218	
	c) financial liabilities	1,218	
100.	Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	(633)	1,145
	b) other financial assets mandatorily valued at fair value	(633)	1,145
110.	**GROSS INCOME**	**369,735**	**341,056**
130.	**NET PROFIT FROM FINANCIAL ACTIVITIES**	**369,735**	**341,056**
140.	Administrative expenses:	(86,004)	(82,723)
	a) personnel expenses	(51,680)	(46,683)
	b) other administrative expenses	(34,324)	(36,040)
150.	Net provisions for risks and charges	(1,178)	(34)
160.	Net adjustments of property, plant and equipment	(3,322)	(3,460)
170.	Net adjustments of intangible assets	(52,223)	(53,112)
180.	Other operating (expenses)/income	3,178	3,170
190.	**OPERATING PROFIT (LOSS)**	**(139,549)**	**(136,159)**
240.	**PROFIT (LOSS) BEFORE TAX ON CONTINUING OPERATIONS**	**230,186**	**204,897**
250.	Income tax expense from continuing operations	(74,815)	(59,068)
260.	**PROFIT (LOSS) AFTER TAX ON CONTINUING OPERATIONS**	**155,371**	**145,829**
280.	**NET PROFIT (LOSS) FOR THE PERIOD**	**155,371**	**145,829**
290.	Profit (loss) attributable to non-controlling interests		
300.	Profit (loss) attributable to shareholders of the Parent Company	155,371	145,829

	Basic earnings per share - euros	0.434	0.407
	Diluted earnings per share - euros	0.430	0.403

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Thousands of euros

		31/12/2020	31/12/2019
10.	**Net profit (loss) for the period**	**155,371**	**145,829**
	Other comprehensive income after tax without recycling to profit or loss		
70.	Defined benefit plans	(36)	(123)
	Other comprehensive income after tax with recycling to profit or loss		
120.	Cash flow hedges	(1,808)	1,107
170.	**Total other comprehensive income after tax**	**(1,844)**	**984**
180.	**COMPREHENSIVE INCOME (ITEMS 10+170)**	**153,527**	**146,813**
200.	**Consolidated comprehensive income attributable to shareholders of the Parent company**	**153,527**	**146,813**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Thousands of euros

2020	at 31.12.19	Change in opening balance	at 01.01.20	Allocation of net profit of previous year: Reserves	Allocation of net profit of previous year: Dividends and other allocations	Change for the year: Change in reserves	Change for the year – Equity transactions: Issue of new shares*	Change for the year – Equity transactions: Purchase of treasury shares	Change for the year – Equity transactions: Extraordinary dividends	Change for the year – Equity transactions: Change in equity instruments	Change for the year – Equity transactions: Other changes	Comprehensive income at 31.12.2020	Shareholders' equity attributable to the shareholders of the Parent Company at 31.12.2020	Non-controlling interests at 31.12.2020
Share capital	7,292		7,292										7,292	
Share premium reserve	787,652		787,652										787,652	
Reserves:	379,495		379,495	72,544							(44,366)		407,673	
a) earnings	347,600		347,600	75,483							(46,272)		376,811	
b) other	31,895		31,895	(2,939)							1,906		30,862	
Valuation reserves	(728)		(728)									(1,844)	(2,572)	
Equity instruments													-	
Treasury shares	(59,639)		(59,639)					(31,878)			46,272		(45,245)	
Net profit (loss) for the year	145,829		145,829	(72,544)	(73,285)							155,371	155,371	
Shareholders' equity attributable to shareholders of the Parent Company	**1,259,901**		**1,259,901**	**-**	**(73,285)**	**-**	**-**	**(31,878)**	**-**	**-**	**1,906**	**153,527**	**1,310,171**	
Non-controlling interests														

2019	at 31.12.18	Change in opening balance	at 01.01.19	Allocation of net profit of previous year: Reserves	Allocation of net profit of previous year: Dividends and other allocations	Change for the year: Change in reserves	Change for the year – Equity transactions: Issue of new shares*	Change for the year – Equity transactions: Purchase of treasury shares	Change for the year – Equity transactions: Extraordinary dividends	Change for the year – Equity transactions: Change in equity instruments	Change for the year – Equity transactions: Other changes	Comprehensive income at 31.12.2019	Shareholders' equity attributable to the shareholders of the Parent Company at 31.12.2019	Non-controlling interests at 31.12.2019
Share capital	7,292		7,292										7,292	
Share premium reserve	787,652		787,652										787,652	
Reserves:	315,767		315,767	61,232			(234)				2,730		379,495	
a) earnings	281,723		281,723	65,877									347,600	
b) other	34,044		34,044	(4,645)			(234)				2,730		31,895	
Valuation reserves	(1,712)		(1,712)									984	(728)	
Equity instruments													-	
Treasury shares								(59,639)					(59,639)	
Net profit (loss) for the year	122,057		122,057	(61,232)	(60,825)							145,829	145,829	
Shareholders' equity attributable to shareholders of the Parent Company	**1,231,056**		**1,231,056**	**-**	**(60,825)**	**-**	**(234)**	**(59,639)**	**-**	**-**	**2,730**	**146,813**	**1,259,901**	
Non-controlling interests														

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of euros

A. OPERATING ACTIVITIES	31/12/2020	31/12/2019	
1. Operations	**192,722**	**219,449**	
- Net profit (loss) for the period (+/-)	155,371	145,829	
- Gains (losses) on hedging activities (+/-)	(1,808)	1,107	
- Net adjustments of property, plant and equipment and intangible assets (+/-)	55,545	56,572	
- Net provisions for risks and charges and other costs/revenues (+/-)	1,004	287	
- Taxes and duties to be settled (+/-)	(19,296)	12,924	
- Other adjustments (+/-)	1,906	2,730	
2. Net cash flows from/used in financial assets	**(1,061)**	**(56,297)**	
- other assets mandatorily measured at fair value	(517)	(1,016)	
- financial assets measured at amortized cost	7,673	(47,808)	
- other assets	(8,217)	(7,473)	
3. Net cash flows from/used in financial liabilities	**(59,663)**	**(18,581)**	
- financial liabilities measured at amortized cost	(54,921)	(50,442)	
- financial laibilities at fair value	2,569	(1,572)	
- other liabilities	(7,311)	33,433	
Net cash flows from/used in operating activities	131,998	144,571	
B. INVESTING ACTIVITIES			
1. Cash flows from	**1,590**	**140**	
- Sales of property, plant and equipment	1,565	140	(*)
- sales of intangible assets	25		(**)
2. Cash flows used in	**(3,707)**	**(3,743)**	
- Purchases of property, plant and equipment	(1,540)	(1,434)	
- Purchases of intangible assets	(2,167)	(2,309)	
Net cash flows from/used in investing activities	(2,117)	(3,603)	
C. FINANCING ACTIVITIES			
- Issue/purchase of Treasury shares	(31,878)	(59,639)	
- Issues/purchases of equity instruments		(234)	
- Distribution of dividends and other	(73,285)	(60,825)	
Net cash flows from/used in financing activities	(105,163)	(120,698)	
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**24,718**	**20,270**	

RECONCILIATION

	31/12/2020	31/12/2019
Cash and cash equivalents at beginning of period	263,711	243,441
Net increase/decrease in cash and cash equivalents	24,718	20,270
Cash and cash equivalents: exchange rate difference		
Cash and cash equivalents at end of period	288,429	263,711

(*) For 2020, the value represents the effects of the subleasing of certain offices (beginning 1 January), in compliance with IFRS 16.
(**) For 2020, the value represents a contractual price adjustment received in respect of intangible assets acquired in previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A- ACCOUNTING POLICIES

A.1 –GENERAL INFORMATION

Section 1 – Declaration of conformity with the International Accounting Standards
In accordance with the provisions of Legislative Decree 38 of 28 February 2005, the consolidated financial statements of Anima Holding at 31 December 2020 have been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IASs/IFRSs) issued by the International Accounting Standards Board (IASB), and the related International Financial Reporting Interpretations Committee (IFRIC) interpretations, endorsed by the European Commission in accordance with the procedures referred to in Regulation (EC) no. 1606 of July 19, 2002. No departures have been adopted in the application of the IASs/IFRSs.
The IASs/IFRSs were also applied in accordance with the "Framework for the Preparation and Presentation of Financial Statements", with particular regard to the principles of substance over form, accruals accounting and the concepts of the relevance and materiality of the information.
The consolidated financial statements were prepared in accordance with the IASs/IFRSs endorsed and in force as at 31 December 2020.
The following reports new international accounting standards and amendments to existing accounting standards endorsed by the European Union and in force as from 1 January 2020.

Regulation no. 2075/2019: this regulation of 29 November 2019 transposed a number of amendments to the IFRS associated with changes in the Conceptual Framework. The amendments are intended to update the references to the previous Framework in the various accounting standards and interpretations, replacing them with references to the Conceptual Framework revised in March 2018.

Regulation no. 2104/2019: this regulation of 29 November 2019 adopted a number of amendments to "IAS 1 - Presentation of Financial Statements" and "IAS 8 - Accounting policies, changes in accounting estimates and errors". Specifications have been introduced to the definition of "material" information (contained in the two standards) and the concept of "obscured information" has been introduced alongside the existing concepts of omitted or misstated information. The amendment clarifies that information is "obscured" if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information.

Regulation no. 34/2020: this regulation of 15 January 2020 adopted the document issued by the IASB on 26 September 2019 on the "Interest Rate Benchmark Reform" (amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: recognition and measurement" and IFRS 7 "Financial instruments: disclosures").
The document was issued in order to take account of the consequences of the reform on financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative reference rate.
The amendments provide temporary and narrow exemptions to hedge accounting requirements (IAS 39 and IFRS 9) so that companies can continue to meet the requirements assuming that the existing interest rate benchmarks are not altered because of the interbank offered rate reform.

Regulation no. 551/2020: this regulation of 21 April 2020 adopts a number of amendments to IFRS 3 "Business combinations", introduced with the publication of the IASB of 22 October 2018 "Definition of a business (Amendments to IFRS 3)". The changes concerned the definition of a business.

Regulation no. 1434/2020: this regulation of 9 October 2020 adopted a number of amendments to IFRS 16, introduced with the publication of the IASB of 28 May 2020 " COVID-19-Related Rent Concessions". to account for reductions in rents prompted by the COVID-19 crisis without having to assess, through an analysis of the contracts, whether the concession meets the definition of "lease modification" of IFRS 16. Therefore, lessees who elect this option shall account for the effects of the rent concession directly in profit or loss as of the effective date of the concession.

Regulation no. 25/2021: this regulation of 13 January 2021 adopts the document "Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16" issued by the IASB on 27 August 2020 to take account of the consequences of the effective replacement of the benchmarks used to determine existing interest rates with alternative reference rates. The amendments provide for specific accounting treatment to spread the changes in the value of financial instruments or leases due to the replacement of the benchmark used to determine interest rates, thus avoiding immediate impacts on profit or loss.

The adoption of the above amendments did not have an impact on the consolidated financial statements of the Group.

International accounting standards not yet endorsed as of 31 December 2020

Type	Standard/ Interpretation	Date of publication
Amendments	"Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". Takes effect as from 1 January 2021.	20/05/2020
Amendments	- Amendments to IFRS 3 Business Combinations; - Amendments to IAS 16 Property, Plant and Equipment; - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets; - Annual Improvements 2018-2020. Takes effect as from 1 January 2022	14/05/2020
Amendments	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Took effect as from 1 January 2022	23/01/2020
New standard	IFRS 17 Insurance Contracts. Takes effect as from 1 January 2023	18/05/2017

The introduction and amendments of the standards indicated above do not have an impact on these consolidated financial statements as they will not apply until they have been endorsed by the European Commission with the issue of specific regulations.

Section 2 – General preparation principles

The consolidated financial statements are composed of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the explanatory notes to the financial statements. They have been prepared in accordance with the new instructions for the preparation of the financial statements of IFRS financial intermediaries other than banks issued by the Bank of Italy, in the exercise of the powers established with the provisions of Article 9 of Legislative Decree 38/2005 and Article 43 of Legislative Decree 136/2015, with its measure of 30 November 2018, supplemented by the communication from the same authority of 27 January 2021, concerning disclosures to be provided to investors on the effects that the Coronavirus SARS-CoV-2 pandemic ("COVID-19") and the subsequent measures to support the economy have had on risk management objectives and policies and on the financial position and performance of intermediaries, as well as to take account of the new disclosure requirements established by IFRS 7.
The instructions establish binding formats for the financial statements and required procedures for completing them, as well as for the content of the notes to the financial statements.
Furthermore, in the preparation of the consolidated financial statements and the related financial disclosures, the interpretive documents supporting the application of accounting standards issued by Italian and European regulatory and supervisory authorities and standard setters during 2020 and in the early months of 2021 have been taken into consideration within the context of the COVID-19 pandemic. The most significant of these for the Group include:

- Consob: "Warning notice no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021" concerning: "COVID-19 – Drawing attention to financial reporting";
- European Securities and Markets Authority ("ESMA"): (i) Public Statement of 11 March 2020 "*ESMA recommends action by financial market participants for COVID-19 impact*"; (ii) Public Statement of 20 May 2020 "*Implications of the COVID-19 outbreak on the half-yearly financial reports*" and (iii) Public Statement of 28 October 2020 "*European common enforcement priorities for 2020 annual financial reports*";
- International Organization of Securities Commissions (IOSCO): "*Statement on Importance of Disclosure about COVID-19*" of 29 May 2020.

The financial statements have been prepared on a going-concern basis, considered appropriate in the light of performance and the outlook for the Company in accordance with the principle of accrual accounting, complying with the principle of the materiality and significance of information and the prevalence of substance over form. There were no significant events or circumstances that might raise doubts about the ability of the company to operate as a going concern.
The tables also show the corresponding comparative figures at 31 December 2019.
In accordance with Article 5, paragraph 2, of Legislative Decree 38 of 28 February 2005, the euro has been adopted as the currency of account in the preparation of the financial statements.
Unless otherwise specified, the amounts in the financial statements are expressed in thousands of euros.
Items with zero balances for the two years under review are excluded from the balance sheet, income statement or statement of comprehensive income. Similarly, the explanatory notes to the financial statements do not include sections and/or tables concerning items for which no amounts are reported.
Assets and liabilities and costs and revenues were offset only if required or permitted by a standard or its interpretation.
As provided for under IAS 7, paragraphs 45 and 46, the reconciliation of the statement of cash flows considers cash and current account items at the start and end of the period as the "cash equivalent" aggregate.

Section 3 – Events subsequent to the reporting date

As of 1 March 2020, the date the Board of Directors of Anima Holding S.p.A. ("Anima Holding", the "Parent Company", the "Issuer" or the "Company) approved the consolidated financial statements, no significant event had occurred that would require an adjustment or would modify the values of the assets and liabilities or require disclosure in the explanatory notes.
Please note that:

- on 10 February 2021, the management body of the Irish indirect subsidiary Anima Asset Management ("Anima AM") approved the draft financial statements at 31 December 2020, with a net profit of about €3.5 million;
- on 16 February 2021, the Board of Directors of the direct subsidiary Anima SGR S.p.A. (Anima SGR) approved its draft financial statements at 31 December 2020, showing a net profit of about €201.5 million;
- on 24 February 2021, the Board of Directors of the direct subsidiary Anima Alternative SGR S.p.A. ("Anima Alternative") approved the draft financial statements at 31 December 2020, showing a net loss of about €0.9 million;
- asset management funding (excluding Class I insurance products) by the Group in January 2021 showed net redemptions of about €123 million. Total assets under management at the end of January 2021 amounted to about €193.6 billion.

Section 4 – Other information

As regards the disclosures required under IAS 10 concerning the publication of financial information, these financial statements were approved by the Board of Directors of the Parent Company on 20 February 2020.

<u>Use of estimates and assumptions in financial reporting</u>

The preparation of financial reports requires the use of estimates and assumptions that can have a significant impact on the values reported in the consolidated balance sheet and the consolidated income statement, as well as on disclosures concerning the contingent assets and liabilities reported in the consolidated financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, based in part on experience, in order to formulate reasonable assumptions for the recognition of operating events. By their very nature, estimates and assumptions used may vary from year to year and, therefore, the amounts recognized in the financial statements may vary significantly in subsequent years, due to changes in the subjective assessments used.
The main circumstances for which management makes greatest use of subjective assessments are:

- o the identification and quantification of any losses due to impairment of goodwill and other intangible assets recognized in the consolidated financial statements;
- o the quantification of provisions for risks and charges, with specific reference to estimated liabilities in respect of personnel and legal and tax disputes;
- o the estimates and assumptions concerning the recoverability of deferred tax assets;
- o the estimates and assumptions concerning the determination of the actuarial value of the deferred compensation benefits (*trattamento fine rapporto*, or TFR);
- o the estimates and assumptions concerning the number of units connected with long-term incentive plans and the determination of their fair value;
- o the estimates and assumptions concerning the recoverability of prepayments relating to the one-off commissions paid to distributors;
- o the estimates concerning the determination of the commitments connected with guarantees given by the subsidiary Anima SGR for pension fund segments which provide for the repayment of capital.

Risks, uncertainties and impact of the COVID-19 pandemic

The impacts emerging from the assessments of the risks associated with the current COVID-19 emergency are described below.

Health and safety risks

Since February 2020, the Group has acted swiftly and effectively to ensure maximum safety for its employees and third-party employees present in the corporate premises of the Group companies, in compliance with the instructions issued by the competent authorities.

In compliance with the provisions of the Protocol of on 14 March 2020 governing measures to combat and contain the spread of the COVID-19 virus in the workplace signed by the Government and the social partners (the "Protocol") as amended, the Group's Italian companies have prepared a detailed plan for managing the COVID-19 health emergency (the "Plan"), which sets out the contents of the Protocol and the company's prevention measures.

In compliance with a specific requirement established in the Protocol, a committee was set up for each company to apply and verify compliance with the rules contained in the Plan, whose members also include safety officers, the head of the prevention and protection unit, worker safety representatives and company trade union representatives. The committee is charged with updating the Plan on a regular basis to incorporate any new good practices and recommendations issued by the competent bodies, discussing any suggestions for improvements offered by the worker safety representatives and the social parties involved and supervising compliance with its instructions.

In particular, the main activities undertaken to deal with the COVID-19 emergency include:

- requirement under Article 17 of Legislative Decree 81/08 as amended - revision of the Risk Assessment Document taking into consideration the dangers related to exposure to COVID-19 generic biological risk updated with the specific guidelines issued by INAIL in the planning document "Technical document on the possible reorganization of measures to contain SARS-CoV-2 contagion in the workplace and prevention strategies";
- requirement under Article 36 of Legislative Decree 81/08 as amended – notice to all employees about coronavirus SARS-CoV-2 biological risk and the company measures connected with the anti-contagion protocol;
- requirement under Article 37, paragraph 2, of Legislative Decree 81/08 as amended and the State-Regions Agreement of 26 January 2012 training of all employees on coronavirus SARS-CoV-2 biological risk as an additional risk in a course certified in accordance with the State-Regions Agreement;
- compliance with Article 43 of Legislative Decree 81/08 as amended - update of the "COVID-19 health emergency management plan" in compliance with the Protocol governing measures to combat and contain the spread of the COVID-19 virus in the workplace of 14 April 2020 as updated, and the INAIL guidelines in the planning document "Technical document on the possible reorganization of measures to contain SARS-CoV-2 contagion in the workplace and prevention strategies";
- requirement under Article 26 of Legislative Decree 81/08 as amended - updating of the risk assessment document (DUVRI; revision date 4 May 2020) with the provisions of the anti-contagion protocol;
- formalization of an occupational health and safety management system in compliance with the requirements of technical standard ISO 45001-2018 (which was certified in December 2020);
- preparation of privacy information pursuant to Article 13 of Regulation (EU) 679/2016 to be provided to all interested parties for the measurement of body temperature before entering company premises;
- supply of protective masks to all workers, which are mandatory in the workplace;
- targeted planning of on-site work to avoid the formation of crowds;
- adjustment of use of the air conditioning system, incorporating the contents of ISS COVID-19 Report no. 33/2020 for low risk activities;
- sanitization of the air conditioning system and corporate premises in compliance with instructions of the Ministry of Health;
- sanitization of company equipment used by workers;
- installation of special waste collection containers for masks;

- possibility of performing diagnostic screening ((rapid tests/serological tests/antigenic nasopharyngeal tests) for employees, under the supervision of the Company physician.

Strategic risks
Exogenous shocks such as the COVID-19 pandemic can have a very large impact on the Group's profitability, especially in terms of reduced revenues. Such events are by their nature sudden and unpredictable, and precisely because of this unpredictability in their mode of manifestation, they are difficult to model ex ante.
Revenue could be reduced by: (i) a decline in the value of assets under management, on which fees are calculated: (ii) greater difficulty in generating performance fees; and (iii) a reduction in net funding due to the climate of uncertainty generated by the shock to both the real economy and the financial markets.
In light of the experience gained since the beginning of the health emergency and on the basis of the indications of the economic impact that it may have, the main risks in this phase are mainly attributable to the short/medium-term impact on the socio-economic context of the health emergency, as well as the measures that have been imposed to limit its spread. The economic contraction will likely be large, not short-term and depend heavily on the activation of public support and revival programs and their effectiveness.
Under these conditions, the Group's client base could find it challenging to generate savings. In a particularly adverse scenario, clients could have to draw down their existing savings to cope with emerging financial difficulties. This could lead to a contraction in assets under management and, consequently, in the revenue base. Another phenomenon, already observable, is the increase in unproductive private savings held on current accounts for prudential purposes.
Thanks to past experience, the deterioration in the COVID-19 emergency has stimulated, albeit with all the attendant, a prompt reaction from most of the actors involved from the health management perspective, but it has inevitably contributed to aggravating already very difficult socio-economic circumstances. A similar situation can be expected in the event of further fluctuations in the spread of the pandemic.
As a result of the unfavorable outlook for the socio-economic context, the financial markets could experience further adverse tensions: this situation is especially likely if the support and recovery plans, as well as the actions of central banks, should be interrupted or prove insufficient in relation to investor expectations. The greater the intensity and, above all, the duration of a possible period of tension, the greater the impact on the Group's ability to generate revenues.
A further potential threat, on which we currently have no visibility but which could be triggered by a worsening of socio-economic conditions and the consequent stagnation or even contraction of the market, would be a possible increase in competitive pressure. This could materialize in the form of pressure on margins and/or erosion of the customer base by the action of other market operators, ultimately leading to a reduction in Group revenues.
From an operational point of view, the Group has a business continuity plan that can be promptly activated, if necessary, in order to ensure business continuity. The characteristics of the activities performed by the Group and the size of the company and the technologies in use also enable an agile, rapid and effective response even in emergency situations. The presence of a widely diversified range of products both in terms of markets and strategies, with a significant presence of absolute return/flexible products and low risk solutions, enables us to reduce the impact of any market shocks on the stock of assets under management. The considerable diversity of distribution channels and type of customers, with the consequent diversification of the portfolios under management, also helps protect assets under management from potential market shocks.
In addition, our commercial business model, which is focused on providing continuous support to placement agents and customers, enables us to maintain ongoing contacts to support their decision-making, even in conditions of high uncertainty.
Based on what was possible to observe during the peak phase of the health emergency and in its subsequent fluctuations, we can offer a number of initial considerations about a possible resurgence of the health emergency in the near future. The Group has ensure the ongoing operation of all its corporate functions, making extensive and prompt use of flexible working arrangements. The

commercial strategy adopted, which has focused on providing close support to placement agents (in this case through the massive deployment of technology), has made it possible to considerably limit the potential impact on net funding of emotional decisions taken in conditions of considerable tension. The decline in the value of assets under management was eased by maintaining a prudent mix of short-term assets, thanks in part to the timely support measures adopted by national governments and central banks. Given these considerations, the strategies adopted by the Group have had a positive impact on the its resilience to shocks like the pandemic. Likewise, these or similar strategies could realistically be effective as mitigating factors in the event of further fluctuations in the severity of the pandemic.

Operational risks

With regard to activities outsourced to third-party vendors, the Group verifies procedures for activating their respective emergency plans on an ongoing basis, requesting and obtaining periodic notifications and updates on the performance of those activities.

In particular, the Group's operating units have also established a working group with the various suppliers of administrative services and the custodian banks to map the various activities affected by the new working practices, for each developing a review of processes instrumental to the performance of services while ensure health safety.

To further monitor the work of outsourcers, the timeliness, completeness and accuracy of the information flows received by them are monitored on a daily basis.

In the light of the emergency nature of the health crisis linked to the COVID-19 pandemic, the Group reports to foreign and Italian supervisory authorities with the frequency and with the information they require as part of the management of potential stresses to which the portfolios managed are exposed.

Technology risks

The Group's current operations depend significantly on the complex information system that has been developed, which could be exposed to potential cyber-attacks for various purposes. Accordingly, the malfunction, ineffectiveness or inefficiency of IT systems could impact corporate processes, with consequent economic, financial and reputational impacts on the Group.

Working remotely during the COVID-19 health emergency could lead to an increase in cybersecurity risks, particularly in view of the use of personal computers and/or smartphones connected to home data networks. However, this risk is mitigated by the installation of advanced antivirus applications similar to those already adopted to protect the Group's IT network.

Finally, connections between remote devices and the company system are implemented using high-level security standards, as they are direct private connections (VPN - Virtual Private Network).

Note that during the year an extraordinary assessment of the risk conditions of IT security was conducted by a specialized firm. More specifically, the firm performed (i) a vulnerability assessment, consisting of retrieving information on the versions of the software used on servers, consulting the (public) databases containing known vulnerabilities and drawing up a report (these activities sought identify any weaknesses in software that could be used to access company systems without authorization); and (ii) a penetration test activity, which consisted in exploiting the weaknesses identified in the vulnerability assessment to try to access the elements of the system so identified and then draw up a specific report. These activities made it possible to strengthen the Group's IT security.

With regard to specific employee training, a course on IT security issues (phishing and dangerous sites) was carried out.

Finally, the Group has signed a specific insurance policy taking effect from 2021 to cover IT risks associated with possible external actions.

Impact of the COVID-19 pandemic on the Group

The commercial strategy adopted by the Group, focused on constant support for customers and placement agents, was supplemented with the massive use of webinars and technological communication platforms, which helped to reassure and strengthen relations with our customers and distribution partners, effectively replacing the commercial and marketing initiatives planned before the pandemic and then not implemented due to the various restrictions imposed to contain the spread

of the COVID-19 virus. Failure to carry out these initiatives (including, among other things, the annual "Salone del Risparmio" event organized by Assogestioni) caused costs to decline compared with the previous year by about €3 million, which is net (i) about €0.2 million in donations by the Group to support entities engaged in the fight to combat COVID-19 and (ii) costs of about €0.1 million for personal protective equipment, protective screens, thermal scanners and sanitization of offices and the diagnostic screening employees to counter the COVID-19 emergency. Other costs regarded purchases of additional hardware (laptops, smartphones, data sims and routers) and software, both of which represent charges with long-term utility.
From the point of view of the financial assets held by the Group, mainly consisting of collective investment undertakings managed by Anima SGR, the loss in value of the funds in the portfolio was mitigated by diversifying markets and strategies, with a significant presence in absolute return/flexible funds and low risk assets, as well as the prompt deployment of measures to support the economy by national governments and central banks. At 31 December 2020, the net result on financial assets measured at fair value held in the Group's portfolio, the stock of which amounted to about €90.2 million, showed a loss of around €0.6 million, for a negative return of approximately 0.67%. It should be noted that in the Consolidated Interim Report at 31 March 2020 (the first reporting date following the outbreak of the COVID-19 emergency) the loss amounted to €3.4 million.
Collection/payment activities were not affected by any significant direct or indirect impacts connected with COVID-19. Note that the Group (i) has not changed its policy for the distribution of dividends from, consolidated net profit recognized in 2019 (with the payment in May 2020 of about €73.3 million), (ii) made an optional partial early repayment of the bank loan signed on 10 October 2019 (the "Bank Loan") in the amount of €35 million and (iii) repurchased, in June 2020, part of the bonds issued by Company on 23 October 2019, in the amount of about €14.4 million.
The performance-financial position and net funding of the Group in the year under review reflected the considerable resilience of operations, with the achievement of a net profit and growth compared with 31 December 2019, confirming the stability of the Group even in the face of significant macroeconomic uncertainty and financial market volatility. For all of the foregoing, note that the consolidated financial statements have been prepared on a going-concern basis, considered appropriate in the light of performance and the outlook for the Company in accordance with the principle of accrual accounting, complying with the principle of the materiality and significance of information and the prevalence of substance over form. There were no significant events or circumstances that might raise doubts about the ability of the company to operate as a going concern.
With specific reference to the accounting estimates and significant judgments affected by the spread of COVID-19 and the current environment of economic uncertainty, in the preparation of the consolidated financial statements, the attention of the Group focused the estimation of the recoverable amount of goodwill and intangible assets with a finite useful life (impairment testing), to be performed in compliance with IAS 36.
In formulating this estimate, the Company also took account of the recommendations of ESMA issued during the year and in the most recent "Public Statement" of 28 October 2020 and by Consob in the warning notice published on 16 February 2021. In particular, in order to reflect the greater uncertainty engendered by the pandemic, the supervisory authorities emphasized the need to use updated assumptions that reflect the most recent developments and the latest information available, suggesting possible operational methods for performing impairment tests.
The impairment testing did not find any impairment of the intangible assets recognized in the consolidated financial statements. For more details on impairment testing and the sensitivity and scenario analyses carried out, please see to "Part B - Information on the consolidated balance sheet - Section 9 - Intangible assets - Item 90 - Impairment testing" of these notes to the consolidated financial statements.

Amendment of IFRS 16
With regard to leases, note that it was not necessary to apply the practical expedient envisaged by Regulation (EU) no. 1434/2020 as no changes were made to such agreements.

Section 5 - Scope and methods of consolidation

1. Investments in subsidiaries

The following table reports fully-consolidated equity investments in the consolidated financial statements at 31 December 2020:

	Headquarters	Registered office	Type of relationship (a)	Investment		% availability of votes (b)
				Investor	% holding	
Anima SGR S.p.A.	Milan – Italy	Milan – Italy	1	Anima Holding S.p.A.	100%	
Anima Alternative SGR S.p.A.	Milan – Italy	Milan – Italy	1	Anima Holding S.p.A.	100%	
Anima Asset Management Ltd	Dublin - Ireland	Dublin - Ireland	1	Anima SGR S.p.A.	100%	

a) Type of relationship: 1=majority of voting rights in ordinary shareholders' meeting.
b) Where this differs from percentage interest, the percentage of votes in the ordinary shareholders' meeting is given, distinguishing between actual and potential votes.

Compared with 31 December 2019, the scope of consolidation has changed following the establishment on 13 February 2020 of Anima Alternative SGR S.p.A. to manage alternative investment funds ("AIFs").
On 28 July 2020, Anima Alternative was registered under no. 187 in the Register of Asset Management Companies - AIF Managers Section maintained by the Bank of Italy pursuant to Article 35 of the Consolidated Law following the receipt of authorization to operate on the same date.

2. Significant considerations and assumptions used to determine the scope of consolidation

Subsidiaries are those entities for which Anima Holding is exposed to the variable returns, or holds rights to those returns, from its involvement with the investee and, at the same time, has the ability to exercise its power over the investee to affect the amount of those returns.
Control exists only if the investor simultaneously:
- has the power to direct the relevant activities of the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

More specifically, the Group considers the following factors in assessing the existence of control:
- the purpose and design of the investee – in order to determine the objectives of the entity, its relevant activities (i.e. those which are those that significantly affect the investee's returns) and how those activities are governed;
- power – in order to determine whether the Group has contractual rights that give it the ability to direct the relevant activities;
- the exposure to variable returns from an investee – in order to determine whether the return to the Group can potentially vary in relation the results achieved by the investee.

Once the existence of control has been determined, the Group takes account of the following factors to determine whether it is acting as a principal or as an agent:
- the scope of its decision-making authority over the relevant activities of the investee;
- the rights held by other parties;
- the remuneration to which it is entitled;
- the Group's exposure to variability of returns from any interest that it holds in the investee.

IFRS 10 defines relevant activities as only those activities that significantly affect the investee's returns.

In general, when the relevant activities are directed through voting rights, the following factors provide evidence of control:

a) the holding, directly or indirectly, of more than half of the voting rights of an entity, unless, in exceptional circumstances, it can clearly be demonstrated that the holding does not grant control;
b) the holding of half, or fewer, of the voting rights that can be exercised in the shareholders' meeting and the practical ability to direct the relevant activities unilaterally through:
   - control of more than half of the voting rights by virtue of an agreement with other investors;
   - the power to determine the financial and operating policies of the entity under the provisions of the bylaws or a contract;
   - the power to appoint or remove a majority of the members of the board of directors or equivalent governing body;
   - the power to exercise a majority of voting rights in meetings of the Board of Directors or equivalent governing body.

In order to exercise these powers, it is necessary that the rights held by the Group over the investee are substantive. To be substantive, rights need to be exercisable when decisions about the direction of the relevant activities need to be made.

3. Investments in subsidiaries with significant non-controlling interests
The Group does not have investments in subsidiaries with significant non-controlling interests.

4. Significant restrictions
The Group is of the view that it is not subject to restrictions imposed by its bylaws, shareholders' agreements or regulations that would prevent or limit its ability to access assets or settle liabilities.

5. Other information
The consolidated financial statements have been prepared using accounting policies that are consistent with those used in preparing the separate financial statements at 31 December 2020 approved by the respective boards of directors of the fully consolidated companies. All the consolidated companies have adopted the euro as their functional currency. None of the financial statements of the subsidiaries used in preparing the consolidated financial statements have a different reporting date from that of the consolidated financial statements.
Subsidiaries may also include so-called "structured entities", in which voting rights are not the dominant factor in determining the existence of control, including special purpose entities and investment funds.
The investment funds managed by Group companies are considered to be controlled entities when the Group is significantly exposed to their variable returns and when third-party investors do not have removal rights over the management company.
As at 31 December 2020 there are no investment funds that can be considered subsidiaries.

Consolidation methods

Line-by-line consolidation

Line-by-line consolidation consists in the "line-by-line" incorporation of the aggregates of the balance sheet and income statement of the subsidiaries in the consolidated accounts. The value of equity investments is eliminated against the value of the equity of the subsidiaries, allocating to non-controlling interests their share in equity and profit or loss.
Any positive differences produced by this operation are recognized – after any allocation to elements of the assets and liabilities of the subsidiary – under intangible assets as goodwill or as other intangible assets. Negative differences are recognized in profit of loss.
Amounts in respect of assets, liabilities, revenue and expense between consolidated companies are eliminated in full.
Acquisitions of entities are accounted for using the "acquisition method" provided for in IFRS 3, as amended by Regulation (EU) 495/2009, under which the identifiable assets acquired and the identifiable liabilities (and contingent liabilities) assumed must be recognized at their respective fair values as of the acquisition date. In addition, for each business combination, any non-controlling

interests in the acquiree may be recognized at fair value or at their proportionate share in the net identifiable assets of the acquiree. Any excess consideration transferred – represented by the fair value of the assets transferred, liabilities incurred, equity instruments issued and any fair value of non-controlling interests compared with the fair value of the assets and liabilities acquired – shall be recognized as goodwill; if the consideration is lower, the difference is recognized in profit or loss.
The acquisition method is applied as from the acquisition date, i.e. the moment in which effective control of the acquiree is obtained. Accordingly, the profit or loss of a subsidiary is included in the consolidated accounts as from the date of its acquisition. Similarly, the profit or loss of a subsidiary transferred is included in the consolidated accounts up to the date on which control is lost.
The difference between the consideration transferred and the carrying amount at the transfer date is recognized in profit or loss.

Equity method accounting

Associates and joint operations (under joint control) are accounted for using the equity method.
The equity method provides for the initial recognition of an equity investment at cost, subsequently adjusted on the basis of the share held in the equity of the investee.
The difference between the carrying amount of the investment and the share of equity of the investee pertaining to the Group is reflected in the carrying amount of the investee.
The measurement of the proportionate share held in the investee shall not consider any potential voting rights.
The proportionate share in the profit or loss of the investee is recognized in a specific item of the consolidated income statement.
If there is evidence that the value of an investment may be impaired, the recoverable amount of the investment is estimated, taking account of the present value of the future cash flows that the investee could generate, including the proceeds from the ultimate disposal of the investment. If the recoverable amount is less than the carrying amount, the difference shall be recognized through profit or loss.
Joint operations and investments in associates were accounted for using the annual or interim financial reports approved most recently by the investees. If the investees do not adopt IAS/IFRS, it is necessary to verify whether the application of IAS/IFRS would have a significant impact on the Group's consolidated financial statements.
Note that at 31 December 2020, the Group did not hold interest in associates or joint ventures.

A.2 – THE MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets measured at fair value through profit or loss

Classification

This category includes financial assets held in order to collect cash flows principally through the sale of the assets and whose contractual cash flows are not solely payments of principal and interest on the principal amount outstanding (equity securities, debt securities and units of collective investment undertakings (CIUs)).
More specifically, the category includes the following sub-categories:

- financial assets held for trading: these include financial assets acquired mainly for the purpose of short-term sale and derivatives not designated as effective hedging instruments (debt securities, equity securities, loans, units of CIUs and derivatives);
- financial assets designated at fair value: financial assets which at the time of initial recognition are designated as at fair value on a voluntary basis in order to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets on different bases (debt securities and loans);
- other financial assets mandatorily measured at fair value: financial assets not held for trading (debt securities, equity securities, loans, units of CIUs).

The item also includes shareholdings not qualifying as a subsidiary, associate or joint arrangement.

When, and only when, an entity changes its business model for managing financial assets shall it reclassify assets to other categories envisaged by IFRS 9. Reclassification takes place prospectively starting from the reclassification date.

Recognition, measurement and derecognition

Initial recognition

At the time of initial recognition, the asset is measured at fair value, which normally coincides with the transaction price, plus or minus transaction costs or income directly attributable to the acquisition or issue of the asset.

Subsequent measurement and recognition of revenues and costs

After initial recognition, these financial assets are measured at fair value and the effects of applying this measurement approach are recognized through profit or loss.

The fair value of financial instruments quoted on an active market is determined on the basis of market quotations (bid-offer prices or average prices) and the most recent unit value calculated and published for units of CIUs.

Derecognition

The assets are derecognized when the contractual rights to the cash flows expire, or a disposal transfers substantially all the risks and rewards of ownership.

Financial assets measured at amortized cost

Classification

This category includes financial assets held under a business model whose objective is to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes the receivables in respect of fees and commissions for the management of assets and any costs paid on behalf of the portfolios under management, as well as liquidity deposited in bank current accounts.

Recognition, measurement and derecognition

Initial recognition

At the date of initial recognition, financial assets measured at amortized cost are recognized at their fair value, which usually corresponds to the amount disbursed or the price paid, plus any directly attributable transaction costs/income, if material and determinable. Loans are recognized at the date of disbursement.

Subsequent measurement and recognition of revenues and costs

After initial recognition, these financial assets are measured on the basis of the amortized cost, equal to the amount at which the financial asset or financial liability is measured at initial recognition plus or minus principal repayments, loss allowances/writebacks and the difference between the amount disbursed and the repayable amount at maturity, calculated using the effective interest rate method. The amortized cost method is not used for loans whose short duration (less than 12 months) makes the effects of discounting negligible. The effective interest rate is the rate that exactly discounts estimated future cash flows (principal and interest) to the initial carrying amount of the financial asset.

Impairment

In accordance with the simplified approach established in IFRS 9, at each reporting date the loss allowance for trade receivables is determined on the basis of the expected losses over the lifetime of the receivable.

Derecognition

The assets are derecognized when the contractual rights to the cash flows expire, or a disposal transfers substantially all the risks and rewards of ownership.

Equity investments

Recognition and measurement

The item reports investments in joint arrangements or associates.

Joint arrangements

A joint arrangement is a contractual arrangement gives two or more parties joint control of the arrangement.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Under IFRS 11 (Joint arrangements), joint arrangements must be classified as joint operations or joint ventures depending upon the rights and obligations of Group in the arrangement.
A joint operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. These investments are consolidated on a proportional basis on the basis of the share of involvement in the arrangement.
A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. These investments are accounted for using the equity method.
The carrying amount of joint ventures is tested in accordance with IAS 36 as a single asset, comparing it with the recoverable amount (defined as the greater of value in use and fair value less costs to sell).
Associates
An associate is an entity over which the investor has significant influence but does not control exclusively or jointly. The investor is presumed to have a significant influence when:

- it holds, directly or indirectly, at least 20% of the capital of another entity; or
- it has the ability, including through shareholder agreements, to exercise a significant influence through:

- representation on the governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
  provision of essential technical information.

Only entities over which governance is exercised through voting rights may be classified as associates.
Investments in associates are accounted for using the equity method. The carrying amount of associates is tested in accordance with IAS 36 as a single asset, comparing it with the recoverable amount (defined as the greater of value in use and fair value less costs to sell).

Property, plant and equipment

Classification

Property, plant and equipment includes land, buildings used in operations, works of art, furnishings, fittings and equipment of any kind that are expected to be used for more than one period. Assets held for use in the production or supply of goods and services are classified as “assets used in operations” in accordance with IAS 16.
Property, plant and equipment also includes leasehold improvements where they represent incremental expenditure for identifiable and separable assets. In that case, the assets are classified under the specific sub-items (e.g. plant) depending on the nature of the assets themselves.
Where the improvements and incremental expenditure regard property, plant and equipment that is identifiable but not separable, they shall be reported under item 120. “other assets”.

Recognition

Property, plant and equipment is initially recognized at cost, which includes the purchase price and all incidental costs directly attributable to the transaction and placing the asset in service.
Extraordinary maintenance costs that increase the future economic benefits of such assets are allocated as an increase in the value of the assets, while ordinary maintenance expenses are recognized in profit or loss.

Measurement

Property, plant and equipment is measured at cost less depreciation and impairment.
Such assets are depreciated systematically over their useful life on a straight-line basis. Depreciation begins when the assets become available for use.

The following assets are not depreciated:

- land, whether purchased separately or incorporated in the value of buildings, as it has an indefinite life;
- works of art, as the useful life of a work of art cannot be estimated and its value normally increases with time;

If there is evidence of possible impairment of an asset, the asset's carrying amount is compared against its recoverable amount. Any writedowns are recognized in the income statement.
If the reasons for the impairment should cease to obtain, a writeback, which shall not exceed the value that the asset would have had, net of depreciation, in the absence of the prior writedowns, is recognized.

Derecognition

Property, plant and equipment is derecognized when disposed of or when the asset is permanently withdrawn from use and no future economic benefits are expected from its use or disposal.

Leases

(Lessee)

Classification

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and therefore if throughout the period of use the customer has both of the following:
a) the right to obtain substantially all of the economic benefits from use of the identified asset; e
b) the right to direct the use of the identified asset.
Whether a contract is, or contains, a lease is reassessed only if the terms and conditions of the contract are changed.
The Group does not apply these rules to:

- leases of intangible assets;
- short-term leases (term of 12 months or less);
- leases involving low-value assets (assets with a unit value of €5,000 or less);

Recognition, measurement and derecognition

One it has been determined that a contract contains a lease, at the *commencement date*, a lessee shall recognize a right-of-use asset and a lease liability.
The right-of-use asset shall initially be recognized at cost, which comprises:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any *lease incentives* received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is measured at the commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Parent Company's incremental borrowing rate.
In the case of transactions in which the asset underlying a lease is in turn leased by the Group to a third party, the lease with the principal lessee remains in force, the asset is recognized as a financial receivable in an amount equal to the payments due for the sub-lease discounted at the discount rate used the main lease.
Each lease component within the contract is accounted for as a lease separately from non-lease components of the contract.
The lease term is equal to the non-cancellable period of a lease, together with both:

a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease term is revised if there is a change in the non-cancellable period of a lease.
After the commencement date, the right-of-use asset is measured by applying a cost model.
Right-of-use assets are depreciated as from the commencement date of the lease until the end of the lease term.
After the commencement date, the lease liability is measured by:

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications , or to reflect revised lease payments.

Interest on the lease liability and variable lease payments not included in the measurement of the lease liability are recognized in profit or loss in the year in which the event or circumstances giving rise to the payments occur.
Right-of-use assets are reported separately in the balance sheet from other assets, lease liabilities are reported separately from other liabilities and interest on the lease liability is reported as financial expense separately from depreciation charges on right-of-use assets.

Intangible assets

Classification

Intangible assets are recognized with they are identifiable and arise from contractual or other legal rights. They include goodwill, which represents the positive difference between the purchase cost and the fair value of the assets acquired and liabilities assumed in business combinations.

Recognition and measurement

Intangible assets are recognized at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will be realized and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is expensed in the period in which it is incurred.
For assets with a finite useful life, the cost is amortized on a straight-line basis or in decreasing amounts determined on the basis of the inflow of economic benefits expected from the asset. Assets with an indefinite useful life do not undergo systematic amortization, but rather are tested periodically to assess the appropriateness of their carrying amount.
If there is any indication that an asset may have incurred an impairment loss, the asset's recoverable amount is estimated. The amount of the loss, recognized through profit or loss, is equal to the difference between the carrying amount of the asset and the recoverable amount.
In particular, intangible assets include:

- technology-based intangible assets, such as application software, which are amortized on the basis of their expected technological obsolescence and in any case over a period no longer than 5 years.
- intangible assets represented (i) by the valuation, on the occasion of business combinations, of customer relationships or management engagements supported by signed contracts; (ii) by an acquired contractual relationship. These assets, which have a finite life, are originally measured at fair value by discounting - adopting a rate representing the time value of money and the specific risks associated with the asset - the flows representing the net fee and commission margin over a period representing the contractual or estimated residual duration of the relationships in existence at the time of the business combination. They are amortized over the period in which economic benefits are expected to flow to the company;
- Intangible assets include goodwill. Goodwill may be recognized as part of business combinations, when the positive difference between the purchase cost of the assets and the fair value of the assets and other balance-sheet components acquired represents future income-generating capacity (goodwill). If this difference is negative (i.e. badwill) or if the goodwill cannot be justified by future income-generating capacity, the difference is recognized directly in profit or loss. On an annual basis (or whenever there is evidence of impairment), goodwill is tested to verify the appropriateness of the carrying amount. To this end, the cash-generating unit to which the goodwill is attributed is identified. The amount of

any reduction in value is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, if lower. This recoverable amount is equal to the greater of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. The resulting value adjustments are recognized through profit or loss.

Derecognition

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to be generated.

Other assets

The other assets essentially include 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 recognized under their own specific item (for example, those connected with withholding agent activities), accrued income and prepaid expenses.
In particular, prepaid expenses include the one-off commissions paid to distributors, with subsequent recognition in profit or loss of the portion pertaining to each year. At the end of each year, they are tested to verify the recoverability of the assets' carrying amount value.
Other assets also include improvements and incremental expenditures on leased property, which are capitalized in view of the fact that over the term of the lease the lessee has control of the asset and may derive future economic benefits from it. These costs are classified under other assets in compliance with the instructions of the Bank of Italy and are depreciated over the shorter of the period in which the improvements and expenditure can be used and the residual term of the lease.

Financial liabilities measured at amortized cost

Classification

"Financial liabilities measured at amortized cost" include financial liabilities deriving from relations with the sales networks, long-term loans granted to the Parent Company and bonds issued by the Parent Company.
They also include liabilities recognized by the Group as the lessee in lease transactions.

Recognition

The liabilities are initially recognized at their fair value, which is normally equal to the amount received or the issue price.

Measurement

After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.
An exception is made for short-term liabilities (less than 12 months), for which the time value of money is negligible, which continue to be recognized at fair value.

Derecognition

Financial liabilities are derecognized when they have expired or been extinguished. Previous issues of bonds that have been repurchased are also derecognized.

Current and deferred taxation

Income taxes, which are calculated in compliance with national tax laws, are accounted for as a cost on an accruals basis, consistent with the methods for recognition of the costs and revenues that generated those taxes. They therefore represent the balance of current and deferred taxation in respect of taxable income for the year.
Current tax assets and liabilities report the net balance of the Group companies' tax positions in respect of Italian and foreign tax authorities.
More specifically, these items report the net balance between current tax liabilities, calculated on the basis of an estimate of the tax liability due for the year, determined on the basis of applicable tax law, and current tax assets represented by payments on account and other tax receivables for tax withholdings.

The Parent Company and the subsidiary Anima SGR have opted to participate in a Group taxation mechanism pursuant to Article 117 et seq. of the Uniform Income Tax Code (the so-called "National Consolidated Taxation Mechanism"). Transactions between the participating companies are governed by a specific consolidated taxation agreement.
Deferred taxation is determined on the basis of the tax effects of temporary differences between the carrying amount of assets and liabilities and their value for tax purposes, which give rise to taxable or deductible amounts in future periods. For this purpose, "taxable temporary differences" are those that in future periods will give rise to taxable amounts and "deductible temporary differences" are those that in future periods will give rise to deductible amounts.
A deferred tax liability is not recognized where it arises from the initial recognition of goodwill or the initial recognition of an assets or a liabilities in transactions that are not a business combination and at the time of the transaction affect neither accounting profit or taxable profit (tax loss).
Deferred taxation is calculated by applying the tax rates established by law that are expected to apply in the period in which the associated temporary differences become taxable or deductible. Deferred taxation is recognized when it is likely that taxes will be paid in the periods in which the temporary differences reverse or when it is reasonably certain that taxable income will be available when the temporary differences can be deducted.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.
The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
If the deferred tax assets and liabilities relate to items in profit or loss, they are recognized through income taxes.
If the deferred tax assets and liabilities relate to items in equity outside of profit or loss (such as adjustments on first-time application of IAS/IFRS and the measurement of financial assets recognized at fair value through other comprehensive income or cash flow hedge derivatives), they are recognized in equity, impacting any specific reserves (e.g. valuation reserves).

Hedging

The Group uses financial derivatives (generally interest rate swaps) to hedge the exposure to the variability of cash flows attributable to a specific risk associated with the financial liabilities recognized.
A hedging relationship qualifies for hedge accounting only if all of the following conditions are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items under IFRS 9;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedging relationship meets all of the following hedge effectiveness requirements:
    - I. there is an economic relationship between the hedged item and the hedging instrument;
    - II. the effect of credit risk does not dominate the value changes that result from that economic relationship;
    - III. the hedge ratio is determined.

Cash flow hedges are recognized as follows:

1. the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge at initial recognition is recognized in other comprehensive income in the cash flow hedge reserve;
2. any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognized in profit or loss for the period;

3. the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment (see IAS 1) in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the amount accumulated in the reserve is negative and is not expected to be recovered, even in part, in future periods, the non-recoverable amount is immediately reclassified to profit or loss. When hedge accounting for a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is accounted for as follows:

a) if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur. When the future cash flows occur, they are reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss;
b) if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits can be broken down into:

- short-term employee benefits are employee benefits (other than termination benefits or equity payments) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service and are recognized in full in profit or loss at the time they accrue (this includes, for example, wages, salaries and bonuses);
- post-employment benefits are employee benefits that are payable after the completion of employment. These include the trattamento di fine rapporto (deferred remuneration benefits under Italian law) and pension funds, which in turn break down into defined contribution and defined benefit plans or company pension plans;
- termination benefits are employee benefits provided in exchange for the termination of an employee’s employment following an entity’s decision to terminate an employee’s employment before the normal retirement date;
- other long-term employee benefits are all employee benefits other than the foregoing that are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The measurement and recognition of other long-term benefits is carried out using the same measurement method as that for post-employment benefits but without recognizing actuarial gains/losses in other comprehensive income.

<u>Deferred compensation benefits</u>

Deferred compensation benefits (the Italian *trattamento di fine rapporto* mechanism) is defined as a “post-employment benefit” classified as:

- a “defined contribution plan” for the portion of benefits accrued as from 1 January 2007 (date of entry into force of the supplementary pension reform introduced with Legislative Decree 252 of 5 December 2005) both in the case employees opt for a supplementary pension scheme or they choose to pay into the Treasury fund held by INPS. The amount recognized under personnel expenses is determined on the basis of contributions due without the application of actuarial calculation methods;

- a “defined benefit plan” recognized on the basis of its actuarial value determined using the “projected unit credit” method for the portion of the benefits accrued up to 31 December 2006. These amounts are recognized on the basis of their actuarial value determined using the projected unit credit method, without applying the pro-rated service cost, since the current service cost of the benefits is almost entirely accrued and its revaluation for the years to come it is not believed to give rise to significant employee benefits.

The discount rate used is determined with reference to the market yield of investment grade corporate bonds taking account of the average residual maturity of the liability, weighted based on the percentage of the amount paid and advanced, for each maturity, with respect to the total to be paid and advanced up to the final extinction of the entire obligation.
Service cost for the plan is accounted for as personnel expense, while actuarial gains and losses are recorded in other comprehensive income.

Provisions for risks and charges

Provisions for commitments and guarantees issued

This sub-item of the provisions for risks and charges includes the guarantees issued by the subsidiary Anima SGR to the subscribers of the "Garanzia 1+" and "Incremento e Guaranzia 5+" sub-funds of the open-end Arti & Mestieri pension fund and the "Linea Garantita" segment of the ICBPI Group closed pension fund to pay a minimum amount, equal to the amount paid by the subscriber, regardless of the performance of the segments.

Other provisions for risks and charges

Other provisions for risks and charges include amounts recognized for legal obligations connected with labor disputes or tax litigation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits, assuming that the amount can be estimated reliably.
Consequently, a provision is recognized if, and only if:

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

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. It reflects the risks and uncertainties that inevitably surround many events and circumstances. Where the time value of money is material, the provisions are discounted using current market rates. The provision and increases due to time value of money are recognized through profit or loss.
The provision is reversed If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Recognition of revenues and costs

Operating revenue

Revenue is recognized through the following steps:
1. identification of the contract (or contracts) with the customer;
2. identification of performance obligations;
3. determination of the transaction price: the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer;
4. allocation of the transaction price to performance obligations;
5. recognition of revenue at the time of the satisfaction of the performance obligation; specifically, revenue can be recognized:

- at a point in time, when the performance obligation is satisfied with the transfer of the promised good or service to the customer; or
- over time, when the performance obligation is satisfied with the progressive transfer of the promised good or service to the customer.

The Group's operating companies perform the typical activities of asset management companies and the revenue deriving from product management activities are mainly represented by management fees, performance fees and placement fees.
The management and performance fees are linked to the market value of the assets under management (AUM) of the products and the performance of management activities.

Management fees are calculated periodically as a percentage of the average assets of the individual product.
Performance fees are charged for certain products and paid to management companies only when certain performance targets are achieved. In general, there are three different criteria for charging a performance fee in accordance with the investment policy of the individual funds: (i) when the performance of the product exceeds that of a certain benchmark index or a pre-established value or a return target (fee against benchmark); (ii) when the value of a fund's units exceeds the highest value recorded previously ("absolute high watermark fee") and (iii) when the value of a fund's units exceeds that of a benchmark index (or return target) and the difference with respect to the selected benchmark value exceeds the highest value recorded previously ("relative high watermark fee").
Finally, placement fees are determined, where applicable, on basis of the total capital raised during the placement period.
Fees and commissions are recognized, under the terms of contractual agreements, in the period in which the services are rendered. More specifically, representing the remuneration for specific performance obligations, which are satisfied in respect of the funds/portfolio at a specific moment, they are recognized in profit or loss "at a point in time".
Revenue from variable fees (performance fees) is recognized in profit or loss if it can be estimated reliably and only if it is highly probable that the fees will not subsequently be reversed, in whole or in significant part, from profit or loss.
If there is significant uncertainty about the quantification of the fees, they are only recognized at the time this uncertainty is resolved. In particular, fees determined using the "benchmark" method are recognized in the profit or loss of the management company only at the end of the reference year, when they can be considered to have definitively accrued to the company.

Operating costs

Operating costs are decreases in the economic benefits pertaining to a year that arise in the form of cash outflows or reductions in the value of assets or the incurrence of liabilities that result in decreases in shareholders' equity, other than those relating to distributions to those participating in the capital. Costs also include losses. Costs and losses arise in the course of ordinary business.
The costs are accounted for on an accruals basis when incurred.
A cost is considered incurred when:

- its existence has become certain;
- its amount can be determined objectively;
- the substance of the transaction indicates that the entity has incurred that cost based on an accruals basis.

The purchase cost of goods and consumables is recognized at the date of the transfer of risks and rewards of ownership, which may coincide with the delivery date or, if earlier, at the time of the transfer of ownership.
The costs for indirect taxes arise at the time of the transaction subject to taxation.
The costs for direct taxes arise at the time the associated basis is determined, that is at the close of the accounts. A reliable estimate of direct taxes is also made at the time of the preparation of interim financial statements.
Costs are measured at the fair value of the amount paid or to be paid
The costs of services, as remuneration of the factors of production, accrue in the year in which the same factors of production were used to generate the revenues from the sale of products and services. With regard to the recognition of costs incurred for services, reference is generally made to the timing of the provision of the service by third parties.

Other information

Treasury shares

Treasury shares held are deducted from shareholders' equity.
No profit or loss deriving from the purchase, sale, issue or cancellation of treasury shares is recognized in profit or loss.
The differences between the purchase and sale prices deriving from these transactions is recognized in an equity reserve.

Impairment testing

Intangible assets with a finite useful life undergo impairment testing if there is evidence that the carrying amount of the asset can no longer be recovered. The recoverable amount is determined as the higher of the fair value of the asset net of costs to sell or its value in use if this can be determined.
Intangible assets with an indefinite useful life undergo impairment testing at each reporting date in order to verify whether there is objective evidence that the asset may have incurred an impairment loss. In particular, intangible assets with an indefinite useful life include goodwill recognized following business combinations in application of IFRS 3.
As goodwill does not have independent cash flows, the appropriateness of the carrying amount recognized under assets is assessed with reference to the cash generating unit (CGU) to which the amounts are attributed on the occasion of the business combinations.
The amount of any impairment loss is determined on the basis of the difference between the carrying amount of the CGU and its recoverable amount, which is the greater of the fair value (net of any costs to sell) and the value in use .
The value of use of the CGU is determined by estimating the present value of the future cash flows that are expected to be generated by the CGU, using the discounted cash flow method. The cash flows are determined using the last available business plan or, if not available, with the formulation of an internal forecast by management or with other available external evidence. Normally the analytical forecast period covers a maximum of five years.
Any impairment incurred by the CGU is allocated to the individual non-monetary assets of which it is composed in the following order:

a) first, to the goodwill allocated to the CGU;
b) second, to other non-monetary assets in proportion to their carrying amounts.

If the reasons for the impairment loss should no longer obtain following an event occurring after the impairment was recognized, the impairment loss is reversed through the income statement. In no case are writedowns of goodwill reversed.

Share-based payments - LTIP

On 21 June 2018, the Shareholders' Meeting of the Company approved the 2018-2020 Long Term Incentive Plan (the "Plan" or "LTIP"), based on the financial instruments issued by Anima Holding, to be granted free of charge to employees of the Company and the subsidiaries who perform key functions and roles within the Group (the "Beneficiaries"). During the session addressing extraordinary business, the same Shareholders' Meeting authorized the Board of Directors of the Company, pursuant to Article 2443 of the Italian Civil Code, to carry out a bonus capital increase for Anima Holding S.p.A. in one or more instalments by the final time limit of 21 June 2023, through the issue of a maximum of 8,780,353 ordinary shares with no par value (the "Shares"), up to a maximum of 2.31% of share capital (percentage at the date of approval of the Plan), to be granted, pursuant to Article 2349 of the Civil Code, to employees and/or categories of employees of the Company and/or its subsidiaries, implementing the Plan by drawing on a corresponding amount of profit and/or profit reserves reported in the approved financial statements, up to a maximum amount of €168,470.
The Plan is intended to: (i) involve management personnel whose activities are considered of key importance to achieving the objectives of the Anima Group, (ii) strengthen the loyalty of management to the Group, encouraging such personnel to remain with Anima, (iii) share and align the medium/long-term interests of Group management with those of the Parent Company and the shareholders (the

Plan makes a significant portion of the variable remuneration of the Beneficiaries contingent on achieving corporate performance objectives) and (iv) facilitate the attraction and retention of talent.
The Plan is one of the range of tools used to supplement the remuneration packages of the key managers of the Anima Group, with remuneration deferred over an appropriate period of time and variable components linked to achievement of performance objectives (Vesting Conditions), with a view to creating medium/long-term value for shareholders.
The Plan provides for the grant to the Beneficiaries of a maximum of 8,780,353 exercisable rights (the "Units") entirely or in part on the basis of achievement of the Vesting Conditions. Each unit that vests will entitle the holder to receive a bonus share.
The period of deferral during which Anima Holding – on the basis of the performance achieved in the reference years and the assessment of the need to apply an ex post adjustment mechanism, such as a malus clause – will determine at its discretion whether the Units have vested for each individual Beneficiary in their entirety or, conversely, that the vested Units shall be reduced or cancelled is defined as the "Vesting Period".
The Plan is structured over a period of three full financial years, beginning with 2018 (with three 3-year observation periods for the Vesting Conditions : 2018-2020, 2019-2021, 2020-2022).

The full number of Units due to each Beneficiary is determined and granted in a single amount and will be awarded in three separate tranches as follows:

a) 34% of the Units in the first 3-year period 2018-2020 - "2018-2020 Units";
b) 33% of the Units in the second 3-year period 2019-2021 - "2019-2021 Units";
c) 33% of the Units in the third 3-year period 2020-2022 - "2020-2022 Units".

Exercise of the Units is subject to satisfaction of the following conditions:

a) the full or partial satisfaction of the Vesting Conditions detailed below:

	Performance parameters	**Percentage of Units vesting with achievement of performance objectives**
Non-market conditions	Level of net funding (**LNF**): Anima Group performance compared against competitors in terms of the increase in net funding, i.e. the ratio between i) net cumulative funding in each three-year period of the Plan and ii) the asset under management (AUM) of the Anima Group at 31 December, as reported in the consolidated financial statements of the Group for the year prior to the start of each three-year period.	25%
	EPS: achievement by the Anima Group of a specified level of cumulative normalized consolidated earnings per share (Adjusted EPS) for each three-year period of the Plan.	50%
Market conditions	**TRS:** comparative performance with respect to a specified group of Italian and foreign listed companies operating in the same sector as Anima Holding in terms of total return to shareholders for each three-year period of the Plan.	25%

b) the Vesting Period has passed;
c) at the Vesting Date of the Units by Beneficiary, that Beneficiary shall be in service ("service condition".

The 2018-2020 Units, the 2019-2021 Units and the 2020-2022 Units may be exercised, respectively, in the period between (i) the date of the Ordinary Shareholders' Meeting called to approve the separate financial statements of the Company at, as the case may be, 31 December 2020, 31 December 2021 or 31 December 2022 and (ii) the thirtieth day following that date, during which the Units may be exercised by the Beneficiary (exercise period), subject to verification of satisfaction of the Vesting Conditions and the service condition.
At the end of the Vesting Period, bonus shares shall be awarded to the Beneficiaries. The shares are subject to a lock-up period of 6 months from the date of each effective award. The Plan rules also provide for ex-post corrective measures (clawback and malus clauses).

If a public tender offer or a public exchange offer involving the Company's shares before the date of award of the shares is announced, the Plan will be terminated in advance with respect to the original termination date (31 December 2022) and the related obligations will be modified or proportionally reduced to take into account the shorter duration of the Plan.

Pursuant to IFRS 2, the Plan is to be considered a share-based payment for services rendered by the Beneficiary over the term of the Plan. The Plan is to be considered equity-settled (paid in shares).
Therefore, the company receives services from employees in exchange for equity instruments. Since it is objectively impossible to estimate the fair value of the services received, the fair value of the Plan is estimated by referring to the fair value, at the respective grant dates, of the equity instruments of the Company granted.
Consequently, at each Grant Date, the Units granted represent specific plans in relation to the respective fair value identified, with appropriate distinct quantification.
This fair value at initial recognition is not modified subsequently: any subsequent changes are determined solely by developments in the non-market EPS and LRN conditions.
At each grant date, the fair value of the Plan is calculated taking account only of the effects of any market conditions (market condition - "TRS"). The other conditions provide for the Beneficiaries to complete a specified period of service (service condition) or to achieve specified performance targets (performance condition) correlated with the EPS and LNF non-market conditions and are considered solely for the purpose of allocating the cost over the Vesting Period of the Plan and the final cost of the Plan.
The Company engaged an independent external advisor to estimate the fair value of the plan, using methods and assumptions consistent with applicable regulations in conformity with IFRS 2 "Share-based payment".

The cost of the EPS, LNF and TRS conditions
The cost of each of these Plan conditions is determined by multiplying the fair value by the number of Units that are expected to vest for each condition by the end of the Vesting Period. The estimate depends on assumptions concerning the number of Beneficiaries that will meet the service condition and the probability of achieving the performance conditions: the initial assessment at each grant date was 100%.
The cost of each of the conditions is allocated proportionately over the Vesting Period. The cost is recognized by the entity with which the Beneficiary has the employment relationship or provides service. At each reporting date, that entity recognizes the expense under "Personnel expenses" and in equity under "Other equity instruments".
The estimate of the number of Units that are expected to vest at the end of the Vesting Period is reviewed at each reporting date until the end of the Vesting Period, when the definitive number of vested Units accrued by the Beneficiaries is determined (the fair value is never recalculated over the term of the Plan).
In the event of a revision of the initial number of Units, the change is implemented by determining the estimated cumulative cost at the reporting date and recognizing an expense through profit or loss, net of the previously recognized cumulative cost. Under the provisions of IFRS 2, the failure to achieve the TRS market condition does not result in the remeasurement of the cost of the Plan.
At the end of the Vesting Period, the following situations might obtain:

- the Vesting Conditions (service and performance conditions) have not been satisfied, either in whole or in part. In this case the cost of the unvested Units is recognized by reversing the "other equity instruments" reserve through "personnel expenses" for the failure to satisfy the condition;
- the Vesting Conditions (service and performance conditions) are satisfied, either in whole or in part: IFRS 2 does not set out accounting criteria for this case. Accordingly, the Company has selected an accounting treatment involving reclassification of the "other equity instruments" reserve to "other reserves" upon final vesting of the cost of the Plan.

At the date of the approval of the Plan by the Shareholders' Meeting of the Company, 41.75% of the total number of Units ("Grant Date 21/06/2018") had been granted to the top management of the Group (6 Beneficiaries) identified directly by the Shareholders' Meeting and as defined by the Plan Rules (please see section "2.3 Criteria for determining the number of Units to be granted" of the information document (drawn up pursuant to Article 84-bis, paragraph 1 , of the Issuers' Regulation and in compliance with Form No. 7 of Annex 3A) published on the Anima Holding website at www.animaholding.it.
On 20 July 2018, an additional 34.5% of the total Units were granted to ten Beneficiaries selected by the Chief Executive Officer of Anima Holding (under the authorization from the Shareholders' Meeting) from among the main managers of the Company and the subsidiaries on the basis of their strategic importance and individual performance ("Grant Date 20/07/2018").
On 20 November 2018, an additional 19.35% of the total Units were granted to 33 Beneficiaries selected by the Chief Executive Officer of Anima Holding from among other main managers of the Company and the subsidiaries on the basis of their strategic importance and individual performance ("Grant Date 20/11/2018").
On 26 June 2019, the remaining 4.4% of the total Units of the Plan were granted to sixteen Beneficiaries identified by the Chief Executive Officer of Anima Holding, of whom thirteen were already recipients of the previous grant on 20 November 2018.

As mentioned above, the accounting standard establishes that the estimate of the number of Units that are expected to vest at the end of the vesting period shall be reviewed at each reporting date.
In light of the economic projections provided for in the 2020-2024 Business Plan and with the help of an independent external advisor, on 20 December 2019 the Board of Directors of the Company approved the revision of the estimate of the Units that can be exercised in relation to the non-market condition EPS. That revision of the probability of meeting the Vesting Conditions had already led to the modification, in the consolidated financial statements at 31 December 2019, of the cumulative cost of the Plan compared with initial estimates.

Following the termination on 27 March 2020 of the employment relationship with the previous General Manager of Anima SGR (the "Departing Beneficiary"), considered a good leaver for the purposes of the Plan, the number of Units granted to him were requantified in view of the lapse of the exercise rights in respect of Units that had not yet vested pursuant to the Plan Rules.
Following that requantification, the Departing Beneficiary retained a grant of 3.83% of the total Units granted to the Plan beneficiaries, a decrease from the original grant on 21 June 2018 of 15% of the total Plan Units.
On 7 May 2020, following a resolution of the Company's Board of Directors, a portion of the Units originally granted to the departing Beneficiary were reassigned to Alessandro Melzi d'Eril, CEO and General Manager of the Company and of Anima SGR, in proportion to the residual duration of the Plan. As a result of the foregoing, Mr. Melzi, who on 21 June 2018 had already been granted 7.5% of the total Units of the Plan, was granted an additional 2.79% of the total Units, bringing the total to 10.29%.
The Plan Units granted on 7 May 2020 (Grant Date 7/05/2020) to Mr. Melzi d'Eril had the following fair values correlated with each Vesting Condition:

- at the Grant Date 7/5/2020 the fair value of each 2018-2020 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €3.20, while the fair value of each 2018-2020 Unit for the TRS condition (market condition) of the Plan was €0.37. The overall fair value of the 2018-2020 Units granted on 7 May 2020 amounted to about €0.03 million (the value also reflected the revision of the probability of meeting the Vesting Conditions approved by the Company's Board of Directors on 20 December 2019);
- at the Grant Date 7/5/2020 the fair value of each 2019-2021 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €3.10, while the fair value of each 2019-2021 Unit for the TRS condition (market condition) of the Plan was €1.63. The overall fair value of the 2019-2021 Units granted on 7 May 2020 amounted to about €0.16 million (the value also reflected the revision of the probability of meeting the Vesting Conditions approved by the Company's Board of Directors on 20 December 2019;

- at the Grant Date 7/5/2020 the fair value of each 2020-2022 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €3.01, while the fair value of each 2020-2022 Unit for the TRS condition (market condition) of the Plan was €1.49. The overall fair value of the 2020-2022 Units granted on 7 May 2020 amounted to about €0.16 million (the value also reflected the revision of the probability of meeting the Vesting Conditions approved by the Company's Board of Directors on 20 December 2019.

At 31 December 2020, the verification of achievement of the Vesting Conditions for the 2018-2020 Units found that:

- the EPS condition, assessed on the basis of the pro-forma consolidated figures at 31 December 2020, had not been satisfied. Accordingly the exercisable Units were not awarded;
- the TRS condition, assessed on the basis of total shareholders return at 31 December 2020, had not been satisfied. Accordingly the exercisable Units were not awarded;
- the LNF condition, estimated on the basis of the increase in net funding to 31 December 2020, had been partially satisfied. Accordingly, the percentage award was lowered from 25% to 15% of the exercisable Units.

In view of the foregoing and in accordance with the accounting policies adopted, the overall value of the Plan for the Group, which reflects the requantifications/reassignments described above and the final accounting of the results for the 2018-2020 Units, is summarized in the following table:

Vesting period	31/12/2020	31/12/2019
Units 2018-2020	2,986,408	4,786,326
Units 2019-2021	4,626,195	5,368,238
Units 2020-2022	4,898,542	5,683,758
Total	**12,511,145**	**15,838,322**

The Group has therefore recognized, taking due account of the requantifications/reassignments described above and the final accounting of the results for the 2018-2020 Units, a net amount of about €1.9 million in profit or loss in these consolidated financial statements, deriving from the amount accruing for the period of about €3.5 million, partially offset by a positive adjustment of the previous estimate in the amount of €1.6 million.
The terms and conditions of the Plan, and the characteristics of the Units granted, are described in the disclosure document prepared pursuant to Article 84-bis, paragraph 1, of the Issuers Regulation and in accordance with Scheme 7 of Attachment 3A published on the website of Anima Holding at www.animaholding.it.

Business combinations

The transfer of control of an entity (or of an integrated set of activities and assets conducted and managed together) is a business combination.
To this end, control is transferred when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
IFRS 3 requires that an acquirer be identified for all business combinations. The acquirer is the entity that obtains control over another entity or group of assets. If it is not possible to identify the controlling entity using the above definition of control, for example in the event of an exchange of participating interests, the acquirer shall be identified using other factors, such as: the entity whose fair value is significantly greater, the entity that transfers cash consideration or the entity that issues new shares.
The acquisition, and accordingly the first consolidation of the acquiree, shall be recognized on the date on which the acquirer effectively obtains control over the entity or assets acquired. When the combination occurs in a single stage, the date of the transfer of consideration is normally the acquisition date. However, it is always necessary to determine if there are agreements between the parties that could give rise to the transfer of control prior to the transfer date.

The consideration transferred in a business combination is determined as the sum of the fair value, at the date of transfer of the consideration, of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control.
In transactions that provide for the payment of cash consideration (or when payment is made using financial instruments equivalent to cash), the price is the agreed consideration, discounted in the case of payment in instalments over a period greater than short term. If payment is made using an instrument other than cash, i.e. with the issue of equity instruments, the price is equal to the fair value of the means of payment less costs directly attributable to the issue of equity.
The consideration transferred in a business combination at the acquisition date includes adjustments subject to future events, if provided for in the transfer agreement and are likely to occur, can be determined reliably and achieved in the twelve months following the date of acquisition of control. The consideration does not include payments to the seller as compensation for a reduction in the value of the assets given, as this is already considered in the fair value of the equity instruments issued or as a reduction in the premium or increase in the discount on the initial issue of debt instruments.
Acquisition-related costs are costs that the acquirer incurs to effect a business combination. For example, these may include fees paid for auditing, valuation or legal advice, costs for appraisals and accounting, costs for the preparation of information documents required by regulations, finders' fees for the identification of potential acquisition targets if it is contractually specified that payment is subject to the successful completion of the combination, and the costs of registering and issued debt securities or shares. The acquirer shall account for acquisition-related costs as expenses in the period in which those costs are incurred and the services received, with the exception of costs of issuing debt or equity securities, which shall be recognized in accordance with IAS 32 and IAS 39.
Business combinations are accounted for using the "acquisition method", under which the identifiable assets acquired (including any intangible assets previously not recognized by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) shall be recognized at their fair values as at the acquisition date.
In addition, any non-controlling interests in the acquiree (for each business combination) may be recognized at fair value (with a consequent increase in the consideration transferred) or as the non-controlling interest's proportionate share in the acquiree's identifiable net assets.
If control is achieved in stages, the acquirer shall remeasure the previously held interest in the acquiree at its acquisition-date fair value and recognize any resulting gain or loss in profit or loss.
The excess of the aggregate of the consideration transferred (represented by the fair value of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer), the value of any non-controlling interests (determined as indicated above) and the fair value of any interest in the acquiree previously held by the acquirer over the fair value of the assets and liabilities acquired shall be recognized as goodwill. Conversely if the fair value of the assets and liabilities acquired is greater than the aggregate of the consideration transferred, the value of non-controlling interests and the fair value of previously held interests, the difference shall be recognized in profit or loss.
A business combination may be recognized provisionally by the end of the period in which the combination occurs, with definitive recognition to occur within twelve months of the acquisition date.
Additional interests acquired in entities over which control has already been obtained are considered equity transactions, in accordance with IFRS 10, i.e. transactions with owners in their capacity as owners. Accordingly, differences between the acquisition costs and the carrying amount of the non-controlling interests acquired are allocated to parent company equity. Similarly, sales of non-controlling interests that do not result in the loss of control are equity transactions recognized as a change in Group equity.
For present purposes, business combinations do not include transactions intended (i) to obtain control of one or more entities that do not constitute a business; (ii) to obtain transitory control; (iii) for reorganization purposes, i.e. between two or more entities or business that already belong to a group with no change in control regardless of the extent of non-controlling interests before and after the combination (business combinations of entities under common control). These transactions are considered to be without economic substance. Accordingly, in the absence of specific provisions in the IAS/IFRS and in compliance with the principles of IAS 8 (which specify that in the absence of a standard

that specifically applies to a transaction, management shall use its judgment in applying an accounting policy that provides information that is relevant, reliable, prudent and reflects the economic substance of a transaction), the values in the financial statements of the acquiree are preserved in the financial statements of the acquirer.
Mergers are a form of business combination, representing the most complete form of such combinations, as they involve the legal and economic unification of the entities involved.
Mergers, whether they "true mergers" with the formation of a new entity or "acquisitions", in which one entity is absorbed into another existing entity, are treated in accordance with the criteria indicated above. Specifically:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination within the scope of IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for with the preservation of the values reported in the financial statements of the merged entity.

A.3 – DISCLOSURES ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

With regard to the disclosures required under IFRS 7, paragraph 12 B, we report that during the year the Group did not transfer any financial assets between categories as defined by IFRS9.

A.4 – FAIR VALUE DISCLOSURES

QUALITATIVE DISCLOSURES

This section provides the fair value disclosures required by IFRS 13, paragraphs 91 and 92.
The fair value hierarchy, introduced by the IASB with an amendment of IFRS 7 "Financial Instruments: Disclosures" in March 2009, must be applied to all financial instruments recognized at fair value in the balance sheet.
Paragraph 24 of IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.
In the case of financial instruments quoted on active markets, fair value is determined on the basis of prices obtained from the financial markets, while the fair value of other financial instruments is determined on the basis of quoted prices for similar instruments or internal valuation techniques.
IFRS 13 establishes a fair value hierarchy based on the degree of observability of the inputs used in the valuation techniques adopted.
The following section sets out the manner in which financial instruments are classified within the three levels of the fair value hierarchy.

Level 1
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
A financial instrument is considered quoted on an active market when:

a) quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, authorized entity or regulatory agency;
b) those prices represent actual and regularly occurring market transactions on an arm's length basis.

If the quoted prices meet these requirements, they represent the best estimate of fair value and must be used to measure the financial instrument.
The definition indicates that the concept of active market regards that for the individual financial instrument being measured and not the market on which it is quoted. Accordingly, the fact that a financial instrument is listed on a regulated market is not in itself a sufficient condition for that instrument to be considered quoted on an active market.
Level 2 and 3
Financial instruments that are not listed on an active market must be classified in levels 2 or 3.
Whether an instrument is classified as level 2 or level 3 depends on the observability of the significant inputs used to measure the fair value. A financial instrument must be classified in its entirety in a single

level. When an instrument is measured using inputs from different levels it must be categorized in the same fair value level of the lowest level input that is significant to the entire measurement.
A financial instrument is classified as level 2 if all the significant inputs are observable on the market, either directly or indirectly. An input is observable when it reflects the same assumptions used by market participants based on market data provided by independent sources.
Level 2 inputs include:

- - quoted prices for similar assets or liabilities in active markets;
- - quoted prices for identical or similar assets or liabilities in markets that are not active, namely markets in which:
    - there are few recent transactions;
    - price quotations are not developed using current information or vary substantially either over time or among market makers and little information is publicly available;

  and there are also:
    - observable market inputs (e.g. interest rates or yield curves observable at commonly quoted intervals, volatility, etc.);
    - inputs based primarily on observable market data whose relationship is corroborated by various parameters, including correlation.

A financial instrument is classified as level 3 if the valuation techniques adopted also use inputs that are not observable on the market and they make a significant contribution to the estimation of the fair value.
All financial instruments not quoted on an active market are classified as level 3 when even if observable data is available, it is necessary to make substantial adjustments to the data using unobservable inputs, and the estimation is based on internal assumptions concerning future cash flows and risk adjustments of the discount rate.

A.4.1 Levels 2 and 3: the valuation techniques and inputs used

At 31 December 2020 the balance sheet items measured at fair value were composed:

- of financial assets measured at fair value through profit or loss, namely units of CIUs, which are measured exclusively with level 1 inputs (reference values published daily);
- financial derivatives (interest rate swaps) used to hedge the risk of changes in the cash flows connected with interest expense on the outstanding loan. The valuation technique used is the discounted cash flow method and the input used in 6-month Euribor, with the consequent classification of the fair value of the financial derivatives in level 2.

In addition, during the period the Group did not hold financial instruments measured using Level 3 inputs.

QUANTITATIVE DISCLOSURES

A.4.5 Fair value hierarchy

A.4.5.1 Financial assets and liabilities measured at fair value on a recurring basis: composition by level of fair value hierarchy

In the following table, financial assets and liabilities that are measured at fair value are broken down into the levels of the fair value hierarchy discussed above.

Financial assets/liabilities measured at fair value	Total 31.12.2020				Total 31.12.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through profit or loss	90,162			90,162	89,645			89,645
b) financial assets mandatorily measured at fair value	90,162			90,162	89,645			89,645
2. Financial assets measured at fair value through other comprehensive income								
3. Hedging derivatives								
4. Property, plant and equipment								
5. Intangible assets								
Total	**90,162**	**-**	**-**	**90,162**	**89,645**	**-**	**-**	**89,645**
1. Financial liabilities held for trading								
2. Financial liabilities designated at fair value								
3. Hedging derivatives		(2,569)		(2,569)				
Total	**-**	**(2,569)**	**-**	**(2,569)**	**-**	**-**	**-**	**-**

There were no transfers of assets/liabilities from level 1 to level 2 of the fair value hierarchy during the period (IFRS 13, paragraph 93 letter c).

In view of the type of financial assets/liabilities held, the impact of the Credit Value Adjustment (CVA)/Debit Value Adjustment (DVA) is not material.

A.4.5.4 Financial assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: composition by level of fair value hierarchy

In the following table, financial assets and liabilities that are not measured at fair value, or measured at fair value on a non-recurring basis, are broken down into the levels of the fair value hierarchy discussed above.

Financial assets/liabilities not measured at fair value or measured at fair value on non-recurring basis	31.12.2020				31.12.2019			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	400,833		400,833		383,787		383,787	
2. Investment property								
3. Non-current assets and disposal groups								
Total	**400,833**		**400,833**		**383,787**	**-**	**383,787**	
1. Financial liabilities measured at amortized cost	(687,009)	(282,040)	(404,969)		(741,930)	(297,476)	(444,454)	
2. Liabilities associated with assets held for sale								
Total	**(687,009)**	**(282,040)**	**(404,969)**		**(741,930)**	**(297,476)**	**(444,454)**	

A.5 – DISCLOSURE OF "DAY ONE PROFIT/LOSS"

Paragraph 28 of IFRS 7 does not apply.

OTHER INFORMATION

Reconciliation of shareholders' equity and performance of the Parent Company with the consolidated financial statements

		Share capital and reserves	Net Profit (loss)
Parent Company financial statements at 31 December 2020		**1,127,441**	**199,198**
Line-by-line consolidation of subsidiaries (comprehensive income 2020 Group)		(29)	204,107
Elimination of ancillary charges incurred for business combinations in previous years		(20,256)	
Adjustment of amortization of Anima SGR intangible assets net of deferred taxation		(91,808)	(7,567)
Adjustment of amortization of Anima SGR intangible assets net of deferred taxation (Gestielle SGR)		(35,716)	(17,858)
Elimination of writedown of Anima SGR intangibles (2011-2012) net of deferred taxes		1,661	
Adjustment of subordinated loan net of deferred taxes		(609)	
Interest expense for contingent consideration identified in Aperta PPA		(657)	
Recognition of price adjustment Anima Sgr PPA (IFRS3 R)		55,494	
Recognition of price adjustment Compendio Scisso BPF PPA (IFRS3 R)			(55)
Reversal writedown of Anima SA in Anima SGR financial statements		2,954	
Reversal gain on disposal of investment in Lussemburgo Gestioni SA between Anima Holding and Anima Sgr		(146)	
Adjustment of property sublet towards Group companies (IFRS 16 contracts)			(9)
Consolidation reserve		116,471	
of which:			
Profits and reserves from prior years of subsidiaries in scope of consolidation	(79,940)		
Restoration of consolidation difference former AAA IF	(787)		
Reversal of 2019 dividends from subsidiaries (Reserve)			(25,247)
Reversal of 2019 dividends from subsidiaries	197,198		(197,198)
Consolidated shareholders' equity and net profit at 31 December 2020		**1,154,800**	**155,371**

Disclosures on operating segments (IFRS 8)

As previously described, the Group decided during the year to enter the alternative "illiquid" products segment, in particular "private capital" funds to be offered to mainly institutional customers, through the establishment of Anima Alternative.

The activities of the Anima Group, which are conducted by Anima SGR and its subsidiaries specialized in the promotion and management of financial products, are carried out in a single operating segment.[1] The nature of the products and services, the structure of management and operational processes and the type of customers served do not differ to an extent that they would give rise to different risks and rewards. In fact, they are quite similar and correlated in many respects.

All the Group's operating companies, while operating with full independence under the management and coordination of Anima Holding, have been allocated to a single CGU, all of which is dedicated to asset management activities and capable of generating income flows, with no separate segment reporting.

Consequently, the accounting information has not been presented separately by operating segment, in line with the internal reporting system used by management, which is based on the accounting data of those companies used for the preparation of the consolidated financial statements in compliance with the IAS/IFRS.

Similarly, no disclosures are provided concerning customers and non-current assets broken down by geographical area or information on the degree of reliance on major customers as that information is not felt to be material by management.

As the Group essentially has a single segment as regards disclosures concerning revenues from customers broken down by product/service, readers should refer to the detailed information on commission and fee income in the information on the income statement in these explanatory notes.

[1] Under IFRS 8, an operating segment is a component of an entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and c) for which discrete financial information is available.

Earnings per share

Basic earnings per share were calculated by dividing consolidated net profit for the period by the weighted average number of ordinary shares in circulation.

	31/12/2020	31/12/2019	
Weighted average number of shares (number)	358,178,417	358,178,417	(*)
Net profit (euros)	155,371,000	145,829,000	
Basic earnings per share (euros)	0.43378102	0.40714067	
Diluted weighted average number of shares (number)	361,651,891	361,651,891	(*)
Net profit (euros)	155,371,000	145,829,000	
Diluted earnings per share (euros)	0.42961479	0.40323030	

(*) The figure for 31 December 2019 has been restated to reflect equity transactions in 2020 (as provided for under IAS 33).

The weighted average of basic earnings per share takes account of the daily purchases of treasury shares/cancellations of shares effected by the Company during the reference period: at 1 January 2020 there were 364,640,983 ordinary shares in circulation (net of 15,395,909 ordinary shares held by the Company), while at 31 December 2020 there were 357,487,690 ordinary shares in circulation (net of 11,148,095 ordinary shares held by the Company).

The diluted weighted average number of shares takes account of the dilutive effect of the LTIP (approved on 21 June 2018 by the Ordinary Shareholders' Meeting of the Company) and the Units granted and weighted in the light of (i) the revision of the probability of achieving the vesting conditions approved by the Board of Directors of the Company on 20 December 2019, (ii) the requantification of the Units granted to the departing Beneficiary in consideration of the lapse of the exercise rights in respect of Units that have not yet vested, (iii) the associated grant of a portion of those Units to Alessandro Melzi d'Eril, CEO and General Manager of the Company and of Anima SGR, in proportion to the residual duration of the Plan, and (iv) the preliminary assessment of achievement of the Vesting Conditions for the 2018-2020 Units.

PART B- INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents - item 10

	31.12.2020	31.12.2019
Cash on hand	5	7
Total	**5**	**7**

The item reports cash on hand. Amounts available on bank accounts are reported under item 40 “Financial assets measured at amortized cost”.

Section 2 – Financial assets measured at fair value through profit or loss - item 20

2.5 Other financial assets mandatorily measured at fair value: composition by type

Items/values	Total 31.12.2020			Total 31.12.2019		
	Level	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities						
2. Equity securities						
3. Units in collective investment undertakings	90,162			89,645		
4. Loans						
Total	**90,162**	**-**	**-**	**89,645**	**-**	**-**

Units in collective investment undertakings mainly regard units of funds established or operated by the subsidiary Anima SGR.
The change in the item during the year is mainly due to the net positive balance of subscriptions and redemptions during the year in the amount of around €1.1 million, net of a decrease of about €0.6 million in the fair value of the portfolio.

2.6 Other financial assets mandatorily measured at fair value: composition by debtor/issuer

Items/Values	Total 31.12.2020	Total 31.12.2019
1. Equity securities		
of which: banks		
of which: other financial companies		
of which: other non-financial companies		
2. Debt securities		
a) Governments		
b) Banks		
c) Other financial institutions		
of which: insurance companies		
d) Non-financial companies		
3. Units in collective investment undertakings	**90,162**	**89,645**
a) Governments		
b) Banks		
c) Other financial institutions		
of which: insurance companies		
e) Households		
Total	**90,162**	**89,645**

Section 4 – Financial assets measured at amortized cost – Voce 40

4.1 Financial assets measured at amortized cost: composition by type

Details/Values	Total 31.12.2020						Total 31.12.2019					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	of which: impaired acquired or originated	Level 1	Level 2	Level 3	First and second stage	Third stage	of which: impaired acquired or originated	Level 1	Level 2	Level 3
1. Receivables for asset management services:	110,883			-	110,883	-	119,775			-	119,775	-
1.1 management of collective investment undertakings	80,640				80,640		81,907				81,907	
1.2 individual portfolio management	14,042				14,042		23,964				23,964	
1.3 pension fund management	16,201				16,201		13,904				13,904	
2. Receivables for other services:	203			-	203	-	197			-	197	-
2.1 advisory services	163				163		174				174	
2.3 other	40				40		23				23	
3. Other loans and receivables:	289,747			-	289,747	-	263,815			-	263,815	-
3.2 current accounts and deposit accounts	288,424				288,424		263,705				263,705	
3.3 other	1,323				1,323		111				111	
4. Debt securities					-						-	
Total	**400,833**			**-**	**400,833**	**-**	**383,787**			**-**	**383,787**	**-**

The item "1. Receivables for asset management services" includes (i) receivables in respect of management and performance fees that the Group was mainly owed by funds it has established; (ii) receivables for commissions and fees for portfolio management services; and (iii) receivables for commissions and fees for asset management services provided to institutional and retail customers and pension funds. The item decreased by about €8.9 million compared with 31 December 2019, mainly in reflection of a decrease in withholding tax and the tax in lieu on the performance at end-December 2020 of products under management compared with the previous year.
Most of the receivables were collected in the month following the reporting date for these financial statements.
"2. Receivables for other services" mainly include receivables for advisory services performed by the subsidiary Anima SGR for institutional customers.
"3. Other receivables – 3.2 Current accounts and deposit accounts" include the Group liquidity available on the current accounts held with leading banks.
Please see the consolidated statement of cash flows for details on the events giving rise to the generation and use of cash during the year.
In the item "3. Other receivables - 3.3 Other" includes financial receivables recognized for subleases of assets consisting of rights of use acquired through lease and rental contracts that fall within the scope of IFRS 16.

4.2 Financial assets measured at amortized cost: composition by debtor/issuer

Composition/counterpart	Banks	of which belonging to the Group	Financial companies	of which belonging to the Group	Clients	of which belonging to the Group
1. Receivables for asset management services	150		15,034		95,699	
1.1 management of collective investment undertakings			15,034		65,606	
1.2 individual portfolio management	150				13,892	
1.3 pension fund management					16,201	
2. Receivables for other services			40		163	
2.1 advisory servicies					163	
2.3 other			40			
3. Other loans and receivables	288,424				1,323	
3.2 current accounts and deposit accounts	288,424					
3.3 other					1,323	
Total 31.12.2020	**288,574**	**-**	**15,074**	**-**	**97,185**	**-**
Total 31.12.2019	**263,758**		**10,142**		**109,887**	**-**

Section 8 – Property, plant and equipment – item 80

8.1 Property, plant and equipment used in operations: composition of assets carried at cost

Items/valuation	Total 31.12.2020	Total 31.12.2019
1. Owned	**3,613**	**3,572**
a) land	755	755
b) building	894	979
c) movables	277	308
d) electronic plants	1,670	1,529
e) other	17	
2. Right-of-use assets	**8,388**	**11,791**
b) building	7,733	11,049
d) electronic plants	270	**272**
e) other	385	**471**
Total	**12,001**	**15,363**

The item "1. Owned" assets include property, plant and equipment used in operations owned by the Group. More specifically, "land" and "buildings" regard the building located in Novara (owned by Anima SGR), for which the cost of the land has been separated from that of the building, as the cost value of the land is not amortized. The sub-item "electronic plant" is composed primarily of electrical and electromechanical plant and IT hardware.
"2. Right-of-use assets" includes the rights of use acquired under leases and rentals falling within the scope of IFRS 16. The sub-item "b) buildings" decreased on the previous year in part because of the transfer to item "40. Financial assets measured at amortized cost - 3 Other receivables– 3.3 other" of €1.5 million in respect of the long-term sublease of part of the Dublin building, which took effect from the start of 2020.

8.5 Property, plant and equipment used in operations: change for the period

		Land	Building	Movables	Electronic plant	Other	Total 31.12.2020
A.	**Gross opening balance**	**755**	**16,319**	**1,647**	**5,603**	**1,456**	**25,780**
A.1	Total net value adjustments		**4,291**	1,339	3,802	985	10,417
A.2	**Net opening balance**	**755**	**12,028**	**308**	**1,801**	**471**	**15,363**
B.	**Increases**	**-**	**454**	**1**	**893**	**192**	**1,540**
B.1.	**Purchases**		432	1	893	192	1,518
B.7	**Other changes**		22				22
C.	**Decreases**	**0**	**(3,854)**	**(32)**	**(755)**	**(261)**	**(4,902)**
C.1	**Sales**				5	16	21
C.2	**Depreciation**		2,311	32	750	245	3,338
C.7	**Other changes**		1,543				1,543
D	**Net closing balance**	**755**	**8,628**	**277**	**1,939**	**402**	**12,001**
D.1	Total net value adjustments		6,442	965	3,940	1,197	12,544
D.2	**Gross closing balance**	**755**	**15,070**	**1,242**	**5,879**	**1,599**	24,545
E	**Assets at cost**	**755**	**8,628**	**277**	**1,939**	**402**	**12,001**

Section 9 – Intangible assets - item 90

9.1 Intangible assets: composition by type of asset

	Total 31.12.2020		Total 31.12.2019	
	Assets valued at cost	Assets valued at fair value	Assets valued at cost	Assets valued at fair value
1. Goodwill	**1,105,463**		**1,105,463**	
2. Other intangible assets	**540,543**		**590,624**	
2.1 internally-generated intangible assets				
2.2 other	540,543		590,624	
of which software and other	5,291		5,147	
of which intangibles	535,252		585,477	
Total	**1,646,006**	**-**	**1,696,087**	**-**

The table below provides a breakdown of the intangible assets recognized in the Group's consolidated financial statements:

	31.12.2020	31.12.2019
Goodwill identified in PPA (former Gestielle Sgr)	421,951	421,951
Goodwill identified in PPA (former Prima Sgr)	304,736	304,736
Goodwill identified in PPA Anima Sgr	316,738	316,738
Goodwill identified in PPA Compendio Scisso BPF	44,327	44,327
Goodwill identified in PPA former Aperta SGR and former Lussemburgo Gestioni SA	17,711	17,711
	1,105,463	**1,105,463**
OTHER INTANGIBLE ASSETS		
Intangible assets identified in PPA (Anima Sgr)	112,121	112,121
- *of which intangible assets recognized by Anima Sgr*	*17,745*	*17,745*
- Amortization and impairment for previous periods	(86,604)	(77,072)
- Amortization and impairment for current period	(9,532)	(9,532)
Residual value of intangible assets identified in PPA (Anima Sgr)	**15,985**	**25,516**
Intangible assets identified in PPA (former Aperta Sgr and Lussemburgo Gestioni SA)	12,361	12,361
- *of which intangible assets recognized by former Aperta Sgr (now Anima Sgr)*	*9,680*	*9,680*
- Amortization and impairment for previous periods	(8,654)	(7,418)
- Amortization and impairment for current period	(1,236)	(1,236)
Residual value of intangible assets identified in PPA (former Aperta Sgr and Lus. Gestioni SA)	**2,471**	**3,706**
Intangible assets identified in PPA (former Gestielle Sgr)	380,341	380,341
- Amortization and impairment for previous periods	(50,711)	(25,355)
- Amortization and impairment for current period	(25,356)	(25,356)
Valore Residuo intangibili PPA ex Gestielle Sgr	**304,274**	**329,630**
Intangible assets identified in PPA (Compendio Scisso BPF)	106,875	106,875
- Amortization and impairment for current period	(7,139)	(7,120)
Residual value of intangible assets identified in PPA (Compendio Scisso BPF)	**91,426**	**98,565**
Total consolidated intangibles identified in PPA	**414,156**	**457,418**
Intangible assets in respect of management contracts	138,448	138,473
- Amortization and impairment for previous periods	(10,415)	(3,493)
- Amortization and impairment for current period	(6,937)	(6,922)
Residual value of intangible assets in respect of management contracts	**121,096**	**128,058**
Total Intangible assets	**535,252**	**585,477**
Other consolidated intangible assets	**5,291**	**5,147**
TOTAL OTHER INTANGIBLE ASSETS	**540,543**	**590,624**
TOTAL CONSOLIDATED INTANGIBLE ASSETS	**1,646,006**	**1,696,087**

Intangible assets with an indefinite life, represented by goodwill, total €1,105.5 million.

Intangible assets with a finite life are composed of:

- contracts, valued in the PPA for Anima SGR in 2011, in which the portfolio of contracts with customers acquired and trademarks was acquired for a residual value of about €16 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified the "AUM" as an intangible asset, the value of which is equal to the net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of assets managed. The volumes taken as the starting point for valuing the intangible asset referred to the AUM managed by the company at the acquisition date (29 December 2010). The estimated useful life of this intangible was set at ten years. In addition, we identified the intangible asset "trademark", the value of which was estimated based on the marketing costs incurred by the company in the 7 years prior to the acquisition and revalued at a rate of 2%. The estimated useful life of this intangible was determined on the basis of the duration of the company as set under the bylaws;
- contracts, valued in the PPA for the former Aperta SGR and the former Lussemburgo Gestioni SA during 2013, in which customer relationships were attributed a residual value of €2.5 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified "Portfolios managed (AUM)" as an intangible asset, the value of which is equal to net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of assets managed. The following asset management products were identified: portfolio management products (GP) and open-end retail collective investment undertakings formed under Luxembourg law (International CIUs). The volumes taken as the starting point for valuing the intangible asset referred to the AUM managed by the company at the acquisition date (27 December 2012).
- contracts, valued in the PPA for the former Aletti Gestielle S.p.A. ("Gestielle SGR"), in which customer relationships were attributed a residual value of €304.3 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified "Customer Relationships" as an intangible asset, the value of which is equal to the net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of funds managed. The volumes taken as the starting point for valuing the intangible asset referred to the AUM of the funds managed by Gestielle SGR at the acquisition date (28 December 2017); The estimated useful life of this intangible was set at fifteen years, amortized on a straight-line basis
- contracts for the management of insurance assets acquired by Anima SGR from Banca Aletti on 29 June 2018 for a residual value of €121.1 million. More specifically, given the characteristics of the acquisition, the value of the intangible (equal to the price paid to Banca Aletti), was determined on the basis of the assets under management transferred to Anima SGR, equal to about €9.4 billion. The estimated useful life of this intangible was set at twenty years, amortized on a straight-line basis.
- contracts, valued in the purchase price allocation process for the partial demerger of the BancoPosta Fondi SGR business line (the "Demerged Business"), for a residual value of €91.4 million. An intangible asset denominated "Operating Agreement" was identified, whose value was determined on the basis of the expected cash flows from the assets under management over the term of the Operating Agreement of 6 March 2018 between Poste Italiane, BancoPosta Fondi SGR, Poste Vita, Anima Holding and Anima SGR. Consistent with the guidelines established by IFRS 3, the AUM used in the valuation only regarded customer relationships established before the acquisition date. The ability to generate new relationships has not been valued in any way. The estimated useful life of this intangible was set at fifteen years, amortized on a straight-line basis.

For the acquisitions involving the former Gestielle SGR, the Management Contracts and the Demerged Business, the agreements (as supplemented/amended by agreements signed in 2020), in line with market practice for similar transactions, provide for specific protection and guarantee mechanisms (for example, price adjustment mechanisms, earn-in/earn-out mechanisms, maintenance of specified levels of market share by the counterparties for the products managed by the Group, mechanisms for verifying the performance of products managed by the Group and remedies in the event of their underperformance). For more details, see Chapter XXII of the Prospectus published on 23 March 2018 concerning the capital increase and the information documents on transactions of greater importance with related parties published on 7 April 2020 and 21 May 2020, which are available on the Company's website.

Reconciliation of the carrying amount of the equity investment in the separate financial statements of Anima Holding at 31 December 2020 and the value of the intangible assets reported in the consolidation statements at 31 December 2020

Equity investments recognized by Anima Holding (separate financial statements)		**1,791,172**
Adjustment for LTIP of the investment recognized on Anima Holding		**(35,419)**
Adjustment for grant payment for acquisition of management contracts from Banca Aletti		**(90,000)**
Anima Alternative Share Capital		**(3,000)**
Shareholders' equity of Anima SGR at acquisition date		**(172,084)**
Anima SGR	(161,509)	
Anima SGR (rif. Gestielle SGR)	(10,175)	
Anima SGR (rif. BPF)	(400)	
Consolidation differences of subsidiaries of Anima SGR		**9,186**
Lussemburgo Gestioni SA	5,836	
Anima Management Company SA	5,218	
Anima Asset Management Ltd e ex AAA IF	(1,868)	
Goodwill in the equity investments at acquisition date		**25,686**
Anima SGR	25,686	
Adjustments to intangible assets recognized in PPA (net of deferred taxes)		**(453,849)**
Anima SGR (PPA previous years)	(91,164)	
Anima SGR (recognized in the separate financial statements of subsidiaries)	(17,745)	
Anima SGR (rif. Aperta SGR and Luss. Gestioni)	7,886	
Anima SGR (recognized in the separate financial statements of subsidiary and rif. Aperta SGR and Luss. Gestioni)	(9,680)	
Anima SGR (rif. Gestielle SGR)	(267,874)	
Anima SGR (rif. BPF)	(75,272)	
Liabilities for contingent consideration identified in PPA of former Aperta		**(657)**
Contingent consideration identified in PPA	1,843	
Contingent consideration recognized in the separate financial statements of Anima Holding at 31.12.2014	(2,500)	
Writedown in IS of incidental expenses related to acquisition of equity investment (IFRS 3)		**(20,256)**
Other adjustments under IAS/IFRS		**(609)**
Recognition in consolidated IS of price adjustment (IFRS 3R) for previous periods		**55,439**
Adjustment of gain on disposal of intercompany interest previous periods		**(146)**
Total goodwill reported in consolidated financial statements at 31/12/2020		**1,105,463**
Reconciliation of intangible assets in the consolidated financial statements at 31/12/2020		
Fair value of intangible assets identified in PPA gross of amortization and deferred taxes		611,698
Fair value of other intangible assets with a finite life		138,448
Amortization of intangible assets 2009-2020		(214,894)
Totale intangible assets in consolidated financial statements at 31/12/2020		**535,252**
Other consolidated intangible assets		**5,291**
Total intangible assets in the consolidated financial statements at 31/12/2020		**1,646,006**

Impairment testing

Under IAS 36, goodwill is tested for impairment on an annual basis to determine whether it is recoverable.
Impairment is present whenever the carrying amount of an individual asset or a cash generating unit ("CGU") - i.e. the smallest "revenue center" to which it is possible to allocate specific cash flows - is greater than its recoverable amount.
For this purpose, goodwill must be allocated to individual assets or CGUs in such a way that they benefit from the synergies arising from the combination, regardless of whether other assets and liabilities acquired are assigned to those assets or CGUs.
In the consolidated financial statements of Anima Holding, intangible assets with an indefinite life, represented by goodwill, amounted to a total of €1,105.5 million. Following the various acquisitions and mergers in recent years, goodwill is treated as a single undifferentiated item allocated to the sole CGU dedicated to asset management (represented by the Group's operating companies), because:

- Anima Holding Group's management operates the companies as if they were a single CGU, capable of generating income and cash flows;
- there is no separate segment reporting for the assets acquired;
- Anima Holding does not possess any assets or liabilities that are unrelated to its business (so-called "surplus assets").

The establishment of Anima Alternative fits into this context and, in particular, as a strategic initiative for the entry of the Anima Group into the alternative "illiquid" products segment and in particular "private capital" funds, thus diversifying the asset management product range and increasing sources of income.
The CGU to which the goodwill has been allocated also includes intangible assets with finite useful lives identified during PPA or the purchase of assets, with a total residual value (net of any deferred taxation) of about €412.8 million. The impairment testing is conducted to determine how well the carrying amount of the single CGU identified ("Anima CGU"), equal to €1,518.3 million, has held its value.
For the purposes of the impairment testing procedure, already analyzed by the Parent Company's Controls and Risks Committee and approved by the Board of Directors of Anima Holding on 5 February 2021, the Group used the value-in-use method to determine whether goodwill is recoverable, taking due account of the recommendations issued by ESMA during the year and in early 2021, in particular the ESMA "Public Statement" of 28 October 2020 and by those given by Consob in its warning notice of 16 February 2021. In particular, in order to reflect the greater uncertainty caused by the pandemic, the supervisory authorities emphasized the need to use updated assumptions that reflect the most recent developments and the latest information available, suggesting possible operational approaches for conducting impairment tests as governed by IAS 36.
In addition, reflecting the previous ESMA recommendations published during the year, in both the Consolidated Interim Report at 31 March 2020 and the Consolidated Interim Report at 30 June 2020, the COVID-19 pandemic was considered by the Company as a potential indicator of impairment (a trigger event pursuant to IAS 36) for intangible assets and, consequently, the recoverable amount of these assets was estimated: in both instances the impairment testing did not find any losses of value.

<u>Method: Value in use</u>
Value in use is determined by estimating the present value of future cash flows that the Anima CGU is expected to generate. The value of an asset is determined by discounting future cash flows including the terminal value calculated as a perpetuity based on an economically sustainable normalized flow that is consistent with the long-term growth rate.
The discounting of the cash flows is used to determine the enterprise value of the CGU.
The discounted cash flow method was applied to the cash flows of the Anima CGU to estimate the value in use.

Cash flows

Under IAS 36, cash flow projections should be based on the most recent financial budgets/ business plans approved by the Group, reasonable and supportable assumptions that represent the best estimate of the economic conditions that will exist over the remaining useful life of the asset.

To determine value in use at 31 December 2020, the forecast estimates of the cash flows generated by the Anima CGU were developed starting from the data contained in the 2021 Budget, approved by the Board of Directors of the Company on 18 December 2020, developing updated projections for the subsequent years to take account of the values included in the 2021 Budget and on the basis of the guidelines of the 2020-2024 Business Plan, approved by the Board of Directors of the Parent Company on 20 December 2019.

Discount rate

To determine the value in use, cash flows must be discounted at a rate that reflects both the time value of money and the risks specific to the business conducted. The discount rate used is equal to 7.83% (8.10% the previous year, while it was 8.88% at 31 March 2020 and 7.94% at 30 June 2020), calculated in line with best valuation practices, and corresponds to the cost of equity, equal to the rate of return on equity demanded by investors/shareholders for investments with similar risk profiles. This rate was estimated using the Capital Asset Pricing Model (CAPM) on the basis of the following formula:

Ke = Rf + Beta * (ERP)

where

Rf = risk-free interest rate, equal to the 12-month average annual gross yield on 10-year Italian treasury bonds (source Bank of Italy, January 2021) , equal to 1.17% (1.95% the previous year, 1.58% at 31 March 2020 and 1.37% at 30 June 2020);

ERP = equity risk premium, determined on the basis of the long-term yield differential between equities and bonds. Unlike in previous years and with the aim of reflecting the risk deriving from the ongoing COVID-19 pandemic, an ERP of 5.50% was conservatively used, a percentage in line with generally accepted professional practice. The ERP yield at 31 December 2020, measured on the basis of the same sources used in previous years/periods (A. Damodaran) would produce a percentage equal to 4.20% (5.20% at 31 December 2019, 6.16% at 31 March 2020 and 5.37% at 30 June 2020);

Beta = a correlation factor between the effective return on a share and the overall return of the reference market (a measure of the volatility of a stock compared with the market), set equal to 1.21 as estimated considering the levered beta of Anima Holding with a 5-year observation period and a weekly observation frequency (1.18 at 31 December 2019, 1.19 at 31 March 2020 and 1.22 at 30 June 2020).

A perpetual growth rate of 1.5% was used to calculate the terminal value (unchanged from previous year/period), in line with long-term inflation forecasts provided by reliable external sources (International Monetary Fund, Prometeia, ECB).

The discounted flows are considered net of tax using a tax rate equal to current tax rates applicable as of the date of these consolidated financial statements.

Sensitivity analysis

In order to better gauge the sensitivity of the results of the impairment tests to changes in the underlying assumptions, sensitivity analysis was performed. For the purposes of calculating value in use, an analysis was conducted of sensitivity in respect of the overall discount rate (Ke) and the growth rate used to calculate the terminal value. The ranges of change analyzed were as follows:

- Ke between 6.83% and 8.83%;
- growth rate in perpetuity of between 0.5% and 2.5%.

Scenario analysis

As in previous years and in order to reflect the greater uncertainty of the current period and respond to the needs driven by regulatory developments, the Group believes it was advisable to develop more adverse scenarios than those underlying the 2021-2024 projections used in the estimate of value in use.

The purpose of this analysis is to identify, using a composite approach, the risks of a deterioration in profitability due to: i) a reduction in net funding flows as a result of the termination of existing distribution agreements; ii) market shocks; and iii) an increase in costs.
The scenario envisages a linear reduction in prospective EBITDA for each year in the explicit forecast period (-5%, -10% and -20%) compared with the 2021-2024 projections.
Furthermore, the Group has developed an additional scenario (stress scenario) involving a significant deterioration in the Group's performance, responding appropriately to the aforementioned ESMA recommendations to reflect an economic scenario linked to the uncertainty of the period and the evolution of the COVID-19 pandemic. The Stress scenario takes account of a simultaneous deterioration in the profitability of various parameters: (i) a reduction and subsequent stagnation of flow from AUM; (ii) a reduction in net fees and commissions; (iii) the reduction to zero of performance fees; and (iv) a consequent incremental reduction in prospective EBITDA compared with the prospective data in the Business Plan.

Results of impairment testing
The impairment testing did not find any impairment of goodwill or intangible assets with a finite useful life in either the baseline scenario or any of the other scenarios analyzed, with the recoverable amount of the Anima always exceeding the carrying amount.
For the purposes of the sensitivity analysis of the baseline scenario:

- using the change in the overall discount rate (Ke) to 8.83%, recoverable amount falls by 13.80%;
- using the change in the growth rate in perpetuity to 0.5%, recoverable amount falls by 11.50%;
- in the most extreme case in the sensitivity analysis of the two components considered jointly, recoverable amount falls by 22.29%;

An analysis was also conducted to identify the "threshold" discount rate and growth rate that equalizes the value in use of the Anima CGU with its carrying amount. That value was found to be 14.80%, while in the stress scenario, the threshold discount rate falls to 10.33%.

As part of the impairment testing process, Anima Holding asked the independent advisor PricewaterhouseCoopers Advisory S.p.A. (PWC Advisory) to prepare a fairness opinion on the determination made by the Company of the recoverable amount of the Anima CGU. The main comments of PWC Advisory on the analysis performed by Anima Holding were:

- the impairment testing was consistent with the application of international accounting standards (in particular IAS 36);
- the methodology adopted is technically appropriate and consistent with the purposes of the assessment, practice and theory;
- the valuation parameters are reasonable and consistent compared with best valuation practice and theory;
- the methodological procedure applied is mathematically correct;
- the results obtained are consistent with the evaluation methodology selected, with the valuation parameters and with the mathematical calculations.

Accordingly, PWC Advisory believes that the valuation methods adopted by the Group are appropriate and that they were properly applied in determining the recoverable amount of the Anima CGU.

No indicators of impairment were found for the remaining intangible assets with a finite useful life.

Finally, as of the date of approval of these consolidated financial statements, there is no external evidence of impairment to be considered.

9.2 Intangible assets – Change for the period

	31.12.2020
A. Opening balance	**1,696,087**
B. Increases	**2,167**
B.1 Purchases	2,167
C. Decreases	**(52,248)**
C.2 Amortization	52,223
C.5 Other decreases	25
D. Closing balance	**1,646,006**

"Purchases" main regard software acquired during the year by Anima SGR.
Item "C.5 Other decreases" regard a price adjustment received in respect of management contracts provided for in the purchase agreements (as supplemented/amended in 2020).

Section 10 – Tax assets and tax liabilities - items 100 of assets and 60 of liabilities

Tax assets/liabilities report the net balance of the tax positions of the individual Group companies with regard to their respective tax authorities.
The Company and the subsidiaries Anima SGR and Anima Alternative have opted to participate in a Group taxation mechanism pursuant to Article 117 et seq. of the Uniform Income Tax Code (the so-called "National Consolidated Taxation Mechanism"). For that reason, in the balance sheet the net balance of payments on account and the Group's ordinary corporate income tax (IRES) for the period is reported in "Current tax assets" or "Current tax liabilities".

10.1 Current and deferred tax assets: composition

	31.12.2020	31.12.2019
IRAP (regional business tax)		2,502
Total	**-**	**2,502**

The following table reports the events that gave rise to timing differences and the associated deferred tax assets.

	31.12.2020	31.12.2019
Provisions for risks and charges	388	267
Discharge of tax liability in respect of goodwill	12,537	15,222
Amortization former Aperta SGR eliminated in FTA	128	132
Impairment of intangible assets	29	64
Hedging derivatives	759	
Actuarial losses - termination benefits	106	93
Other	71	91
Total	**14,018**	**15,869**

10.2 Current and deferred tax liabilities: composition

	31.12.2020	31.12.2019
IRAP (regional business tax)	2,407	3,322
IRES (corporate income tax)	4,653	14,873
Other (foreign taxes)	3	41
Total	**7,063**	**18,235**

For IRAP purposes, the balance reported above, equal to about €2.4 million, reflects the liability for the tax of (i) Anima SGR in the amount of about €15.7 million, net of payments on account in 2020 totaling about €15 million, and (ii) Anima Holding in the amount of about €5.2 million, net of payments on account in 2020 totaling about €3.5 million.
For IRES purposes, the balance reported above, equal to about €4.7 million, reflects the tax liability calculated on the basis of Group taxable income for the year totaling about €63.2 million, net of payments on account in 2020 totaling about €58.5 million.

The following table reports the events that gave rise to timing differences and the associated deferred tax liabilities.

	31.12.2020	31.12.2019
Goodwill	6,281	5,966
Intangible assets identified during PPA	122,463	135,249
Other	68	74
Total	**128,812**	**141,289**

10.3 Changes in deferred tax assets (recognized in income statement)

	31.12.2020	31.12.2019
1. Opening balance	**15,776**	**2,794**
2. Increases	**237**	**13,302**
2.1 Deferred tax assets recognized during the period	237	13,302
d) other increases	237	13,302
2.2 News taxes or tax rate increase		
2.3 Other increase		
3. Decreases	**2,860**	**320**
3.1 Deferred tax assets derecognized during the period	2,860	320
a) reversals	2,860	320
3.2 Tax rate decrease		
3.3 Other decreases		
4. Closing balance	**13,153**	**15,776**

10.3.1 Changes in deferred tax assets as referred to in Law 214/2011 (recognized in income statement)

	31.12.2020	31.12.2019
1. Opening balance	**2,246**	**2,246**
2. Increases		
3. Decreases	**67**	**-**
3.1 Reversals	67	
3.2 Transformation in tax credit		
3.3 Other decreases		
4. Closing balance	**2,179**	**2,246**

10.4 Changes in deferred tax liabilities (recognized in income statement)

	31.12.2020	31.12.2019
1. Opening balance	**141,273**	**153,859**
2. Increases	**349**	**456**
2.1 Deferred tax liabilities recognized during the period	349	456
c) other	349	456
2.2 News taxes or tax rate increase		
2.3 Other increases		
3. Decreases	**12,826**	**13,042**
3.1 Deferred tax liabilities derecognized during the period	12,793	13,042
a) reversals	12,793	13,042
3.2 Tax rate decrease		
3.3 Other decrease	33	
4. Closing balance	**128,796**	**141,273**

10.5 Changes in deferred tax assets (recognized in shareholders' equity)

	31.12.2020	31.12.2019
1. Opening balance	**93**	**529**
2. Increases	**886**	**43**
2.1 Deferred tax assets recognized during the period	886	43
c) other	886	43
2.2 News taxes or tax rate increase		
2.3 Other increases		
3. Decreases	**114**	**479**
3.1 Deferred tax assets derecognized during the period	114	479
a) reversals	114	468
d) other		11
3.2 Tax rate decrease		
3.3 Other decrease		
4. Closing balance	**865**	**93**

10.6 Changes in deferred tax liabilities (recognized in shareholders' equity)

	31.12.2020	31.12.2019
1. Opening balance	**16**	**16**
2. Increases	**-**	**-**
2.1 Deferred tax liabilities recognized during the period		
2.2 News taxes or tax rate increase		
2.3 Other increases		
3. Decreases	**-**	**-**
3.1 Deferred tax liabilities derecognized during the period		
3.2 Tax rate decrease		
3.3 Other decrease		
4. Closing balance	**16**	**16**

Section 12 – Other assets – item 120

12.1 Other assets: composition

		31.12.2020	31.12.2019
1.	**Tax receivables**	**19,076**	**20,691**
	Application for reimbursement of IRES for IRAP deduction	550	973
	VAT credits	209	210
	Virtual stamp duty	7,885	9,108
	Other receivables	10,432	10,400
2	**Sundry receivables**	**24,722**	**14,874**
	Accrued income and prepaid expenses	6,716	4,380
	Prepaid one-off placement fees	11,380	4,018
	Due in respect of reimb. of IRES for IRAP ded.	1,569	1,569
	Due from former shareholders in respect of indemnities	3,304	3,304
	Other receivables	957	973
	Leasehold improvements	796	630
Total		**43,798**	**35,565**

"Other assets" includes (i) tax receivables in the amount of about €19.1 million; (ii) accrued income and prepaid expenses totaling about €6.7 million; (iii) prepaid one-off placement fees totaling about €11.4 million, the recoverable amount of which was tested successfully as at the date of these consolidated financial statements; (iv) receivables in respect of applications for reimbursement of corporate income taxes (IRES) in connection with the non-deduction of IRAP in respect of personnel expenses (pursuant to Article 2, paragraph 1-quater, of Decree Law 201/2011, for the 2004–2011 tax periods (submitted with the former consolidating shareholders Banca Monte dei Paschi di Siena and Banco BPM), in the amount of about €1.6 million; (v) receivables due from former shareholders in respect of indemnities under the agreements entered into by the Company in December 2010 in the amount of about €3.3 million; (vi) other assets totaling about €1 million; and (vii) assets in respect of leasehold improvements in the amount of €0.8 million.

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost – item 10

1.1 Financial liabilities measured at amortized cost: composition by type

	Details/Values	31.12.2020	31.12.2019
1.	Due to sales networks:	132,331	133,969
	1.1 for placement of collective investment undertakings	127,987	129,463
	1.2 for placement of individual portfolio management products	2,542	2,885
	1.3 for placement of pension fund products	1,802	1,621
2.	Due for management activities:	2,625	3,515
	2.1 for management of own portfolios		
	2.2 for management of third-party portfolio	2,596	3,488
	2.3 other	29	27
3.	Due for other services:	36	43
	3.3 other	36	43
4.	Other amounts due	269,977	306,927
	4.2 lease liabilities	9,481	12,112
	4.3 other	260,496	294,815
Total		**404,969**	**444,454**
	Fair value - level 1		
	Fair value - level 2	**404,969**	**444,454**
	Fair value - level 3		
Total fair value		**404,969**	**444,454**

The item "1. Due to sales networks" is almost entirely accounted for by commissions to be paid to the distributors of products created and managed by the Group. Those commissions will be almost entirely paid in the first quarter of 2021. The decrease compared with 31 December 2019 is mainly due to a decrease in front-end fees and maintenance fees to be paid to product distributors of about €4.8 million, net of an increase in placement fees and commissions of about €3.4 million.
The item "2. Due for management activities" is mainly accounted for by amounts due fees and commission to be paid to distributors of SICAVs promoted and/or managed by the Group, notably the Anima Funds Plc SICAV in Ireland.
The item "4. Other amounts due – 4.2 lease liabilities" represents the residual liability at 31 December 2020 connected with right-of-use assets recognized in application of IFRS 16. For more information, please see "Part D – Other information – Section 7 – Lease disclosures" of these notes to the consolidated financial statements.
The item "4. Other amounts due – 4.3 other" consists of the medium/long-term loan granted to the Parent Company on 10 October 2019 in the original amount of €297 million by a pool of banks (Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Credito Valtellinese S.p.A. and Banca Popolare di Puglia e Basilicata ScpA). The loan falls due 5 years from the signing date and bears an annual interest rate equal to 6-month Euribor plus a spread of 1.5% (150 bps) (the "Bank Loan").
On 30 June the Company, exercising the option available in the Bank Loan agreement, made an early repayment of principal in the amount of €35 million.
At 31 December 2020, the Bank Loan (with a nominal value of €262 million) is carried at amortized cost in the amount of about €260.5 million. The difference between its nominal value and the amortized cost is attributable to residual capitalized transaction costs of about €1.5 million connected with obtaining the loan.
For more details on the terms and conditions of the loan, please see "Part D – Other information– Section 3 – Risks and risk management policies - 3.1 Financial risks" of these notes to the consolidated financial statements.

1.2 Composition of "Financial liabilities measured at amortized cost: Securities issued"

Securities	**31.12.2020**				**31.12.2019**			
	CA	Fair value			CA	Fair value		
		L 1	L 2	L 3		L 1	L 2	L 3
1. Securities	282,040	287,690			297,476	296,772		
- bonds	282,040	287,690			297,476	296,772		
- other								
Total	**282,040**	**287,690**			**297,476**	**296,772**		

Key
CA = carrying amount; L1= Level 1; L2= Level 2; L3= Level 3.

The item "Securities – bonds" is represented by bonds issued by the Company on 23 October 2019 with a total nominal value of €300 million maturing in October 2029 (the "Bond"). The Bond was issued at a price of 99.459%, with a fixed annual interest rate of 1.75%. The Bond is currently rated BBB- by Fitch Ratings Ltd.
On 10 June 2020, the Company settled the partial repurchase offer (for a maximum nominal amount of €30 million) for bonds issued by the Company. The offer, which began on 22 May (see the press release of 22 May 2020), ended on 5 June 2020 (see the press release of 8 June 2020) with the repurchase of a total nominal amount of €16,022,000 at a price equal to 90.00% of the nominal value of the bonds. At 31 December 2020, following the cancellation of the repurchased bonds, the nominal value of the Bond is equal to €283,978,000.
At 31 December 2020, the Bond is carried at amortized cost in the amount of €282 million. That amount is represented by (i) the amount raised by the issue (net of the amount repurchased on 10 June 2020) of about €282.4 million, (ii) increased by interest expense accrued between the ex-coupon date for the last coupon paid (23 October 2020) and 31 December 2020, as calculated using the amortized cost method (on the basis of the effective interest rate) of about €1.2 million and (iii) decreased by transaction costs connected with the bond issue, which were capitalized and reported at their residual value of about €1.6 million.
For more details on the terms and conditions of the Bond, please see "Part D – Other information– Section 3 – Risks and risk management policies - 3.1 Financial risks" of these notes to the consolidated financial statements.

1.5 Financial liabilities measured at amortized cost - Debt: composition by counterparty

	Banks	**of which belonging to the Group**	**Financial institutions**	**of which belonging to the Group**	**Customers**	**of which belonging to the Group**
1. Due to sales netowrks:	132,141		390		4,381	
1.1 for placement of collective investment undertakings	127,987		268		4,313	
1.2 for placement of individual portfolio management products	2,542					
1.3 for placement of pension fund products	1,612		122		68	
2. Due for management activities:	1,289		77		1,259	
2.2 for management of third-party portfolios	1,289		53		1,254	
2.3 other			24		5	
3. Due for other services:	36					
3.3 other	36		-		-	
4. Other amounts due:	260,496				9,481	
4.2 lease liabilities					9,481	
4.3 other	260,496					
Total 31.12.2020	**393,962**	**-**	**467**	**-**	**15,121**	**-**
Total 31.12.2019	**425,458**	**-**	**568**	**-**	**18,429**	**-**

Section 4 – Hedging derivatives – item 40

4.1 Hedging derivatives: composition by type of hedge and fair value hierarchy level

Notional Value/ Fair value level	31.12.2020 Fair Value L1	L 2	L 3	NV	31.12.2019 Fair Value L1	L2	L3	NV
A. Financial derivatives								
1. Fair value								
2. Cash flows		2,569		148,500				
3. Investments in foreign operations				-				
Total A	-	2,569	-	148,500				
B. Credit derivatives								
1. Fair value				-				
2. Cash flows				-				
Total B	-	-	-	-				
Total	**-**	**2,569**	**-**	**148,500**				

Key: NV = notional value; L1= Level 1; L2= Level 2; L3= Level 3.

The item reports the fair value of interest rate swaps (IRS) entered into in order to hedge the risk of variations in Euribor (the basis rate of the outstanding loan), which is replaced by payment of a fixed rate (a cash flow hedging strategy).

Implementing the terms of the loan agreement, on 17 January 2020 and with effect from 21 January 2020 the Company signed the IRS contracts with a total notional value of €148.5 million. The contracts hedge the liability over the entire term of the loan.

The Parent Company verified the existence of all the conditions set out in IFRS 9 for the use of hedge accounting for the transaction. Consequently, the portion of changes in the fair value of the derivatives related to future interest payments on the loan not yet accrued for recognition through profit or loss are recognized in valuation reserves (net of tax effects) and are reported in the consolidated statement of comprehensive income.

For more information on the IRS contracts, see "Part D - Other Information - Section 3 - Information on risks and risk management policies – 3.3 Derivatives and hedging policies" of these notes to the consolidated financial statements.

4.2 Composition of "Hedging derivatives ": hedge portfolios and type of hedge

	Fair value							Cash flows		Investments in foreign operations
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equity securities and equity indices	currencies and gold	credit	commodities	other				
1. Financial assets at fair value through comprehensive income										
2. Financial assets measured at amortized cost										
3. Portfolio										
4. Other transactions										
Total assets	-	-	-	-	-	-	-	-	-	-
1. Financial liabilities								2,569		
2. Portfolio										
Total liabilities	-	-	-	-	-	-	-	**2,569**	-	-
1. Forecast transactions										
2. Portfolio of financial assets and liabilities										

Section 8 – Other liabilities - item 80

8.1 Composition of Item 90 "Other liabilities"

Details/Values	31.12.2020	31.12.2019
Due to suppliers for invoices to be paid and received	8,408	8,718
Due to employees and social security institutions	21,911	16,045
Withholding tax to be paid (on CIU, pension fund and portfolio management in	20,975	31,595
Due to tax authorities (IRPEF, VAT, other)	1,336	1,297
Due for virtual stamp duty	3,563	4,043
Due to former shareholders for prior-year items	8,835	8,835
Accrued expense and deferred income	176	205
Sundry payables	697	2,463
Total	**65,901**	**73,201**

"Other liabilities" include: (i) amounts due to suppliers; (ii) amounts due to employees and social security institutions including, among other things, the variable component of remuneration; (iii) liabilities for withholding tax and other taxes to be paid to tax authorities in respect of asset management products (this decreased by about €10.6 million on the previous year and is correlated with the decline in receivables in respect of products under management for tax withholdings and taxes in lieu recognized under item 40 of assets "Financial assets measured at amortized cost"); (iv) the liabilities in respect of tax consolidation agreements from previous years and agreements signed by the Company with former shareholders in December 2010; and (v) sundry payables.

Section 9 – Deferred remuneration benefits - item 90

9.1 Deferred remuneration benefits: change for the period

		31.12.2020	31.12.2019
A.	**Opening balance**	**2,546**	**2,484**
B.	**Increases**	**90**	**218**
	B.1. Provision for the period	36	55
	B.2. Other increases	54	163
C.	**Decreases**	**65**	**156**
	C.1. Benefit payments	65	156
D.	**Closing balance**	**2,571**	**2,546**

9.2 Other information

The following table reports the main assumptions used in the actuarial measurement of the liability:

Underlying assumptions	**31/12/2020**	**31/12/2019**
Turnover rate	2%	2%
Rate of advances	1%	1%
Mortality tables (by gender)	ISTAT 2018	ISTAT 2018
Inflation rate	1.75%	1.75%
Discount rate	0.40%	0.70%
Value of obligation	2,571	2,546

Finally, the following tables report the sensitivity analysis and the additional disclosures required under IAS 19:

Sensitivity analysis	**% change in base rate**	**Value of obligation**	**Change in value of obligation**
Inflation rate	0.25%	2,610	39
Inflation rate	-0.25%	2,532	-39
Discount rate	0.25%	2,515	-56
Discount rate	-0.25%	2,634	63
Turnover rate	1%	2,540	-31
Turnover rate	-1%	2,605	34
Expected disbursements in future years based upon underlying actuarial assumptions			
31 December 2021		84	
31 December 2022		77	
31 December 2023		153	
31 December 2024		119	
31 December 2025		70	
1 January 2026 -31 December 2030		875	

In order to determine the inflation rate, reference was made to the medium-term rate of the European Central Bank (with a specific adjustment for Italy), while for the discount rate, the reference parameter was the AA corporate bond yield curve at 31 December 2020.

Section 10 – Provisions for risks and charges – item 100

10.1 "Provisions for risks and charges": composition

	31.12.2020	**31.12.2019**
1. Provisions for committments and guarantees issued	136	97
2. Post-employment benefits		
3. Other provisions	2,591	1,626
3.1 Litigation and tax disputes	1,797	1,057
3.2 Personnel costs	585	360
3.3 Other	209	209
Total	**2,727**	**1,723**

For the "Garanzia 1+" and "Incremento e Garanzia 5+" segments of the Arti&Mestieri open-end pension fund and the "Linea Garantita" of the ICBPI Group closed pension fund, Anima SGR guarantees subscribers a minimum amount, equal to the amount paid by the subscriber regardless of the performance of the segments.

At 31 December 2020 the difference between the nominal value of the principal subscribed and guaranteed and the value of the units of those segments at the reference date was about €0.43 million. That amount is included in the report to the Bank of Italy on supervisory capital and capital requirements supporting the guarantee on the principal amount offered by the guaranteed segments of the pension funds under management.

Anima SGR has specified the criteria and procedures adopted to determine the commitment in a specific policy "Criteria and procedures for the determination of the commitments undertaken for the management of pension funds accompanied by a capital repayment guarantee".

In order to balance and manage the risk, that policy establishes that the Risk Management unit shall estimate the commitments assumed in respect of the capital repayment guarantee Anima SGR has issued, using an IT tool based on a Monte Carlo simulation method.

More specifically, the instrument estimates the value of the guarantee for each policy holder with the prospective reserve method. The assessment is implemented as the value of the guarantee weighted by the probability of retroceding the guarantee itself within the reference horizon. The probability of paying the guarantee takes account of the initial situation of the holders, the probability of retirement,

the probability of death or disability, the probability of unemployment, the probability that the transfer of the position to another fund or sector will be requested, the expectations regarding the new policy holders and events that give rise to the payment of the guarantee as provided for in the fund rules.
For each redemption scenario, the application simulates a large number of scenarios of possible values of the fund unit (in any case no fewer than 50,000) in order to calculate any amount that Anima SGR would be required to pay to the policy holder. Each scenario is simulated taking into account the initial value of the fund unit or unit and its future evolution as described by a Brownian geometric motion process parameterized with the expected return and volatility of the fund portfolio.
Once the distribution of possible losses over the reference horizon has been calculated, the 99.5-th worst percentile is measured to determine Anima SGR's commitment in respect of the risk.
Given the annual time horizon and taking account of accounting practices for liabilities that do not exceed 12 months, the value of the commitments thus estimated is not discounted.
At 31 December 2020, the estimated commitment of the Group was about €0.1 million, which is reported under item "1 – Provisions for commitments and guarantees issued".
The sub-item "3.1 Litigation and tax disputes", which amounts to about €1.8 million, contains provisions for sundry tax and contract disputes with a number of suppliers, including the costs of the related legal/tax advice.
Sub-item "3.2 Personnel costs", which amounts to about €0.6 million, reports provisions for (i) extraordinary settlement agreements being defined with employees for which there is no certainty about the amounts to be paid; (ii) amounts in respect of possible claims for contributions from INPS for exceeding contribution base ceilings pursuant to Article 2, paragraph 10 of Law 335/1995 and (iii) residual amounts to be paid to employees under the bonus system.
No provisions have been recognized for suits in which Group companies are joint and severally liable parties but for which, on the basis of previous rulings in the same type of litigation or in the opinion of external consultants, no charges are expected to be incurred.
See the section "Other information – Tax issues" of the report on operations accompanying these consolidated financial statements for a discussion of the potential risks associated with tax litigation.

10.2 "Provision for post-employment benefits" and "Other provisions for risks and charges": change for the period

	Post-employment benefits	Other provisions	**31.12.2020**
A. Opening balance		**1,626**	**1,626**
B. Increases		**1,179**	**1,179**
B.1 Provision for the period		1,173	1,173
B.3 Changes due to changes in the discount rate		6	6
C. Decreases		**(214)**	**(214)**
C.1 Use during the period		(82)	(82)
C.3 Other decreases		(132)	(132)
D. Closing balance		**2,591**	**2,591**

The amount reported under item "B.1 – Provision for the period - Other provisions column" mainly reflects (i) the amount of approximately €0.4 million related to possible claims for contributions from INPS and (ii) the amount of about €0.7 million set aside to deal with possible tax and contract disputes with a number of suppliers.
Item "C. Decreases – C.1 Use during the period – Other provisions column" reports the use of provisions accrued in previous periods, mainly in respect of costs for employees whose amount was uncertain, while item "C. Decreases – C3 Other decreases" regards the reversal through profit or loss of excess provisions following the settlement of the obligations that had prompted the original provision.

Section 11 – Shareholders' equity – items 110, 120, 130, 140, 150 and 160

11.1 Composition of item 120 "Share capital"

Type	31.12.2020	31.12.2019
1. Share capital	**7,292**	**7,292**
1.1 Ordinary	7,292	7,292
1.2 Other		

At 31 December 2020, share capital amounted to €7,291,809.72 and is represented by 368,635,785 ordinary shares with no par value.
The Shareholders' Meeting of 31 March 2020 approved the cancellation of 11,401,107 treasury shares in the Company's portfolio, equal to 3% of the share capital on the date of the resolution. Pursuant to Article 5 of the Company's Articles of Association, the share capital is represented by ordinary shares with no par value. Accordingly, the cancellation of treasury shares only reduced the number of existing shares (which went from 380,036,892 to 368,635,785) without any reduction in share capital. On 27 April 2020, the shareholders' resolution cancelling the treasury shares was filed with the Company Register.
The shares of the Company have been listed since 16 April 2014 on the electronic stock exchange (Mercato Telematico Azionario) organized and operated by Borsa Italiana S.p.A.

11.2 Composition of "Treasury shares"

Type	31.12.2020	31.12.2019
1. Treasury shares	**(45,245)**	**(59,639)**
1.1 Ordinary	(45,245)	(59,639)
1.2 Other		

On 21 December 2018, the Shareholder's Meeting of the Company approved a program to purchase treasury shares pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and of Article 132 of the Consolidated Law in order to: (i) make use of treasury shares to support existing and future incentive plans for corporate officers, employees, or other Group associates that involve the use or grant of shares or financial instruments that are convertible into shares; and (ii) establish a securities portfolio to be used, in line with the strategic guidelines of the Company, to support any extraordinary transactions.
The resolution authorized the purchase, in one or more transactions in a freely determinable amount, with a resolution of the Board of Directors, a maximum number of the Company's ordinary shares with no par value equal to no more than 10% of the share capital, taking account of any treasury shares that may already be held by the Company or held by subsidiaries.

The share buy-back program was initiated by the Company in two phases:
- the first (see the press release of 8 January 2019) in the period between 9 January 2019 and 23 April 2019 had resulted in the purchase on the Mercato Telematico Azionario ("MTA") of 11,401,107 treasury shares, equal to 3% of share capital, for €41,192,258 (excluding costs and/or income associated with the transaction) at an average price of €3.613;
- the second (see the press release of 15 November 2019) in the period between 18 November 2019 and 28 February 2020 resulted in the purchase on the MTA of 11,148,095 treasury shares, equal to 2.93% of share capital, for €49,999,992 (excluding costs and/or income associated with the transaction) at an average price of €4.4851.

The Company published information about the share buy-back program on a weekly basis, providing the number, average price and value of treasury shares purchased on the MTA during the specified period.

At 31 March 2020, the Company held a total of 22,549,202 treasury shares, with no par value, equal to approximately 5.93% of share capital, with a value of €91,516,260 (inclusive of transaction costs/income), corresponding to an average price of about €4.0585 per share.
As described in the previous section, on 31 March 2020 the Shareholders' Meeting, meeting in extraordinary session, of the Company approved the proposal of the Board of Directors to cancel 11,401,107 treasury shares in the Company's portfolio, equal to about 3% of share capital at the date of the resolution.
The same Shareholders' Meeting, meeting in ordinary session, approved the proposal of the Board of Directors to renew the purchase and disposal program for treasury shares pursuant to Articles 2357 and 2357-ter of the Civil Code and Article 132 of the Consolidated Law, authorizing the Board, subject to revocation of the unexecuted portion of the previous authorization, to purchase and dispose of treasury shares in an amount of up to 10% of share capital for a maximum period of eighteen months.
At 31 December 2020 the Company held 11,148,095 treasury shares, equal to about 3.024% of share capital. The value of the treasury shares, which is recognized in a negative equity reserve and includes transaction costs/income, amounts to about €45,244,704, equal to an average price of about €4.0585 per share.

During the year under review, the following transactions in treasury shares were carried out:

	No. of ordinary shares	Treasury shares	Shares in circulation
Shares at start of period	**380,036,892**	**(15,395,909)**	**364,640,983**
- Purchase of treasury shares		(7,153,293)	(7,153,293)
- Cancellation of treasury shares	(11,401,107)	11,401,107	
Shares at the end of the period	**368,635,785**	**(11,148,095)**	**357,487,690**

11.4 Composition of "Share premium reserve"

Type	**31.12.2020**	**31.12.2019**
Share premium reserve	787,652	787,652

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Section 1 – Fees and commissions – items 10 and 20

1.1 "Fees and commissions"

SERVICES	31.12.2020 Fee and commission income	31.12.2020 Fee and commission expense	31.12.2020 Net fees and commissions	31.12.2019 Fee and commission income	31.12.2019 Fee and commission expense	31.12.2019 Net fees and commissions
A. ASSET MANAGEMENT						
1. Management of own portfolios						
1.1 Investment funds						
- Management fees	548,407	(382,391)	166,016	576,170	(397,121)	179,049
- Performance fees	66,682	(5,396)	61,286	43,571	(565)	43,006
- Front-end load/back-end load	81,758	(80,821)	937	93,705	(93,097)	608
- Other fees and commissions	149,971	(113,087)	36,884	168,046	(132,536)	35,510
Total fees and commissions from investment funds	**846,818**	**(581,695)**	**265,123**	**881,492**	**(623,319)**	**258,173**
1.2 Individual portfolio management						
- Management fees	45,755	(10,386)	35,369	44,085	(11,657)	32,428
- Performance fees	27	-	27	18	-	18
- Front-end load/back-end load	1	(1)	0	1	(1)	0
- Other fees and commissions	66	0	66	79		79
Total fees and commissions from individual portfolio management	**45,849**	**(10,387)**	**35,462**	**44,183**	**(11,658)**	**32,525**
1.3 Open-end pension funds						
- Management fees	10,822	(5,653)	5,169	9,767	(5,087)	4,680
- Other fees and commissions	673	(280)	393	643	(264)	379
Total fees and commissions from open-end pension funds	**11,495**	**(5,933)**	**5,562**	**10,410**	**(5,351)**	**5,059**
2. Management of third-party portfolios						
- Management fees	64,797	(11,926)	52,871	66,629	(14,163)	52,466
- Performance fees	17,111	(45)	17,066	5,152		5,152
- Other fees and commissions	3,494	(601)	2,893	5,125	(1,386)	3,739
Total fees and commissions from management of third-party portfolios	**85,402**	**(12,572)**	**72,830**	**76,906**	**(15,549)**	**61,357**
TOTAL FEES AND COMMISSIONS FROM ASSET MANAGEMENT (A)	**989,564**	**(610,587)**	**378,977**	**1,012,991**	**(655,877)**	**357,114**
B. OTHER SERVICES						
- Advisory services	334	(127)	207	399	(156)	243
- Other services	84	(84)	0	265	(262)	3
TOTAL FEES AND COMMISSIONS FOR OTHER SERVICES (B)	**418**	**(211)**	**207**	**664**	**(418)**	**246**
TOTAL FEES AND COMMISSIONS (A+B)	**989,982**	**(610,798)**	**379,184**	**1,013,655**	**(656,295)**	**357,360**

At 31 December 2020, total net fees and commissions showed an increase of approximately €21.8 million compared with the previous year. Net fees and commission from investment funds registered an increase of about €7 million on the previous year, mainly due to the effect of (i) an increase of €18.3 million in performance fees and (ii) a decrease of €13 million in net management fees. Individual portfolio management posted an increase of €2.9 million on the previous year. Net fees and commissions from delegated portfolios increased by a total of €11.5 million with respect to 2019, mainly reflecting (i) an increase of €11.9 million in performance fees and (ii) a reduction of €0.8 million in other fees and commissions.

The income generated by fund management operations is primarily represented by management and performance fees (where provided for contractually), which account for the majority of the Group's revenue. Management and performance fees are connected with the market value of assets under management and the results of product management. More specifically, management fees are calculated periodically as a percentage of the assets of an individual product. Performance fees, on the other hand, are charged on certain products and paid to the management company when the return of the fund in a given period exceeds the performance of a benchmark index, a predetermined value or a target return. For some funds, performance fees are due if the value of fund units increases above its highest previous level. Accordingly, performance fees, and the amount of those fees, are highly affected by the returns achieved by funds and other managed products, which are in turn impacted not only by the quality of the funds' managers but also by developments in markets and, more generally, the national and international economy.

Fee and commission income from management fees on investment funds is collected on a monthly basis, that on individual portfolio management products and on products managed on a delegated basis is collected on a monthly or quarterly basis.

1.2 "Fee and commission expense": break down by type and counterparty

Type/Counterpart	Banks	of which belonging to Group	Financial institutions	of which belonging to Group	Other	of which belonging to Group	Total 31.12.2020	of which belonging to Group
A. ASSET MANAGEMENT								
1. Management of own portfolios	**(565,115)**	-	**(1,588)**	-	**(31,312)**	-	**(598,015)**	**-**
1.1 Placement fees	**(80,760)**	-	**(62)**	-	**-**	-	**(80,822)**	-
- Collective investment undertakings	(80,759)		(62)				(80,821)	
- Individual portfolio management	(1)						(1)	
1.2 Account maintenance fees	**(370,988)**	-	**(1,526)**	-	**(25,916)**	-	**(398,430)**	-
- Collective investment undertakings	(355,409)		(1,066)		(25,916)		(382,391)	
- Individual portfolio management	(10,386)						(10,386)	
- Pension funds	(5,193)		(460)				(5,653)	
1.3 Performance fees	**-**	**-**	**-**	**-**	**(5,396)**	**-**	**(5,396)**	-
- Collective investment undertakings					(5,396)		(5,396)	
1.4 Other fees and commissions	**(113,367)**	-	**-**	-	**-**	-	**(113,367)**	-
- Collective investment undertakings	(113,087)						(113,087)	
- Pension funds	(280)						(280)	
2. Management of third-party portfolios	**(5,868)**	-	**(184)**	-	**(6,520)**	-	**(12,572)**	-
- Collective investment undertakings	(5,868)		(184)		(6,495)		(12,547)	
- Pension funds					(25)		(25)	
TOTAL FEES AND COMMISSIONS FROM ASSET MANAGEMENT (A)	**(570,983)**	-	**(1,772)**	-	**(37,832)**	-	**(610,587)**	-
B. OTHER SERVICES								
Advisory services					(127)		(127)	
Other services	(84)						(84)	
TOTAL FEES AND COMMISSIONS FOR OTHER SERVICES (B)	**(84)**	**-**	**-**	**-**	**(127)**	**-**	**(211)**	-
TOTAL FEES AND COMMISSIONS (A+B)	**(571,067)**	**-**	**(1,772)**	**-**	**(37,959)**	**-**	**(610,798)**	-

Section 3 – Interest – items 40 and 50

3.1 Composition of "Interest and similar income"

Items/technical forms	Debt securities	Repurchase agreements	Deposit and current account	Other	Total 31.12.2020	Total 31.12.2019
1. Financial assets at fair value through profit or loss:						
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets measured at amortized cost:			60	18	77	51
3.1 Loans and receivables with banks			60		60	51
3.3 Loans and receivables with customers				18	18	
4. Hedging derivatives						
5. Other assets				58	58	48
6. Financial liabilities						
Total	**-**	**-**	**60**	**76**	**136**	**99**
of which: interest income on impaired financial assets						

Interest income was generated by (i) cash balances of the Group deposited on current accounts with leading banks, (ii) the reimbursement of tax receivables for IRES claims in respect of IRAP for the years 2007-2011 (reported under sub-item "5 – Other assets") and (iii) financial receivables in respect of subleases of right-of-use assets acquired with leases and rental agreements within the scope of IFRS 16 (reported under sub-item "3.3 Loans and receivables with customers").

3.2 Composition of "Interest and similar expense"

	Items/Technical forms	Loans	Repurchase agreement	Securities	Other	Total 31.12.2020	Total 31.12.2019
1.	Financial liabilities measured at amortized cost	(4,221)		(5,555)		(9,776)	(14,237)
	1.1 Debt	(4,221)				(4,221)	(13,139)
	1.2 Securities issued			(5,555)		(5,555)	(1,098)
2.	Financial liabilities held for trading						
3.	Financial liabilities measured at fair value						
4.	Other liabilities				(8)	(8)	
5.	Hedging derivatives	(385)				(385)	(822)
6.	Financial assets						
	Total	**(4,606)**	**-**	**(5,555)**	**(8)**	**(10,169)**	**(15,059)**
	of which: interest expense related to lease liabilities	(142)				(142)	(171)

Item "1.1 Debt" includes:

(i) interest expense on the Bank Loan of about €4.1 million, determined using the amortized cost method (based on the effective interest rate), of which about €0.2 million of interest related to the optional early repayment of €35 million in principal on 30 June 2020;

(ii) interest expense on lease liabilities recognized in application of IFRS 16 in the amount of about €0.1 million.

Item "1.2 Securities issued" reports the interest expense accrued during the year on the Bond and determined using the amortized cost method (based on the effective interest rate) in the amount of about €5.6 million.

Item "5. Hedging derivatives" reports the interest component of the IRS derivatives hedging the Bank Loan.

Section 4 – Net gain (loss) on trading activities – item 70

4.1 Net gain (loss) on trading activities: composition

At 31 December 2020 the item had no value. The previous year, the balance of about €2.5 million represented the value of the "Reserve from the measurement of cash flow hedging transactions", which was reversed to profit or loss following the termination of existing IRS contracts in October 2019.

Section 6 – Gain (loss) on disposal or repurchase – item 90

6.1 Composition of item 90 "Gain (loss) on disposal or repurchase"

Items/income elements	Total 31.12.2020			Total 31.12.2019		
	Gains	Losses	Net gain (loss)	Gains	Losses	Net gain (loss)
1.1 Financial assets						
1.1 Financial assets measured at amortized cost:						
1.2 Financial assets measured at fair value through other comprehens income						
Total assets (1)						
2. Financial liabilities measured at amortized cost						
2.1 Loans and other payables						
2.2 Securities issued	1,218		1,218			
Total liabilities (2)	**1,218**		**1,218**			
Total (1+2)	**1,218**	**-**	**1,218**			

Item “2.2 Securities issued” is represented by the gain realized on 10 June 2020 with the partial repurchase of €16,022,000 of the Bond issued by the Company on 23 October 2019. Under the provisions of IFRS 9, the amount is recognized net of transaction costs of about €0.2 million.

Section 7 – Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss – item 100

7.2 Composition of “Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss: other financial assets mandatorily measured at fair value

Items/income elements	Gains (A)	Gains on trading (B)	Losses (C)	Losses on trading (D)	Net gain (loss) (A+B)-(C+D)
1. Financial assets					
1.1 Debt securities					
1.2 Equity securities					
1.3 Units in CIUs	528	73	(1,104)	(130)	(633)
of which own UCIs	*528*	*73*	*(1,104)*	*(130)*	*(633)*
1.4 Other					
2. Financial liabilities					
2.1 Debt securities					
2.2 Other					
3. Financial assets and liabililities: exchange differences					
4. Derivatives					
4.1 Financial derivatives					
4.2 Credit derivatives					
Total	**528**	**73**	**(1,104)**	**(130)**	**(633)**

The table reports the increase/decreases (gain/loss) from the fair value measurement of financial assets mandatorily measured at fair value, as well as gains and losses realized on the sale of financial instruments.

Section 9 – Administrative expenses – item 140

9.1 Personnel expenses: composition

	Item	Total 31.12.2020	Total 31.12.2019
1.	**Employees**	**(49,529)**	**(44,705)**
	a) wages and salaries	(32,177)	(28,776)
	b) social security contributions	(7,909)	(7,272)
	d) pensions	(763)	(665)
	e) allocation to employee termination benefit provision	(36)	(64)
	g) payments to supplementary pension funds:	(2,000)	(1,772)
	- defined contribution	(2,000)	(1,772)
	h) other	(6,644)	(6,157)
2.	**Other personnel**	**(76)**	**(62)**
3.	**Board of Directors and members of Board of Auditors**	**(2,075)**	**(1,915)**
	Total	**(51,679)**	**(46,683)**

The item “Personnel expenses” shows a balance of €51.7 million (€46.7 million at 31 December 2019) and includes (i) the ordinary costs for employees and seconded personnel, Directors and the members of the Board of Statutory Auditors; (ii) costs relating to variable remuneration, which is also partly related to the performance fees generated by the products managed by the Group; (iii) the extraordinary costs pertaining to the period related to the termination of the employment relationship with Mr. Carreri as General Manager of Anima SGR (as well as Chief Executive Officer of the Company and Anima SGR) on 31 March 2020. This resolution involved the payment of a gross sum of about €1.3 million, in addition to the amount accrued in respect of remuneration up to the date of termination, deferred compensation benefits and the indemnity in lieu of notice calculated as provided for in law and the applicable national bargaining agreement. In addition, a 12-month non-competition agreement and an employee non-solicitation agreement was reached with Mr. Carreri for total gross consideration of €0.4 million (please see "Corporate governance and remuneration policies - Corporate Governance" in the report on operations accompanying these consolidated financial statements for more details) and (iv) the costs related to the LTIP in the amount of about €1.9 million (see "Part A – Accounting policies – A.2 The main items of the consolidated financial statements – Share-based payments - LTIP" in these notes to the consolidated financial statements for more on the accounting policies adopted in presenting the Plan in the financial statements).

9.2 Average number of employees by category

	average no. 31.12.2020	average no. 31.12.2019
Employees		
a) management	50	41
b) other employees	265	269
Total	**315**	**310**

9.3 "Other administrative expenses": composition

Items	Total 31.12.2020	Total 31.12.2019
advisory services	(2,519)	(2,096)
facility leasing and property management expenses	(1,479)	(1,637)
outsourcing	(8,059)	(9,206)
marketing and communication expenses	(2,963)	(6,253)
Infoproviders	(9,139)	(7,380)
telephone and information systems	(5,866)	(5,438)
other operating expenses	(4,299)	(4,030)
Total	**(34,324)**	**(36,040)**

The item "Other administrative expenses" shows a balance of €34.3 million (€36 million at 31 December 2019). Compared with the previous period, the item shows a reduction in (i) marketing and commercial costs in the amount of about €3.3 million (the decrease partly reflected the restrictions on mobility and economic activity adopted in response to the COVID-19 pandemic) and (ii) administrative outsourcing costs in the amount of about €1.1 million, associated with the review of certain contracts conducted beginning in the middle of the previous year. Conversely, increases were registered (a) costs for research services in the sub-item "infoproviders" (about €1.6 million), (b) costs for EDP consulting in the sub-item "IT systems" (about €0.7 million), (c) costs for consulting services, in particular those of a non-recurring nature, mainly in relation to agreements amending the contracts signed by the Company with strategic partners during 2020 and (d) costs for postal services related to periodic notifications concerning products managed in the sub-item "other operating expenses" (about €0.4 million).

Section 10 – Net provisions for risks and charges – item 150

10.1 Composition of item 150 "Net provisions for risks and charges"

Items	Total 31.12.2020	Total 31.12.2019
Increases due to allocations	(1,210)	172
Other changes (actuarial effect)	(6)	4
Reversals for elimination or reductions	38	(142)
Total	**(1,178)**	**30**

The increases for the year reported in the table above refer to provisions for possible legal, tax, contribution and contractual disputes with certain suppliers that the Group may incur in the future. This amount also includes the adjustment of the variation of the guarantee provided by Anima SGR on the segments of pension funds established and/or managed by it.
The "reversals for eliminations or reductions" refer to amounts allocated in previous years to the provision for risks in excess of the liabilities actually incurred.
For further details, please see "Part B - Section 10 - Provisions for risks and charges - Item 100" of these notes to the consolidated financial statements.

Section 11 – Net adjustments of property, plant and equipment – item 160

11.1 Composition of "Net adjustments of property, plant and equipment"

Items/Adjustments and writebacks values	Depreciation	Impairment	Writebacks	Net adjustments 31.12.2020
1. Operating assets	(3,322)			(3,322)
- owned	(748)			(748)
- right-of-use assets	(2,574)			(2,574)
2. Investment property				
Total	**(3,322)**	**-**	**-**	**(3,322)**

Item "1. Operating assets - owned" includes depreciation charges for the period on property, plant and equipment used in operations owned by the Group companies.
Item "2. Right-of-use assets" includes depreciation charges for the period on rights of use acquired through lease and rental contracts falling within the scope of IFRS 16.

Section 12 – Net adjustments of intangible assets – item 170

12.1 Composition of "Net adjustments of intangible assets"

Items/Adjustments and writebacks values	Amortization	Impairment	Writeback	Net adjustments 31.12.2020
1. Intangible asets other than goodwill	**(52,223)**	**-**	**-**	**(52,223)**
1.1 owned	(52,223)			**(52,223)**
- other	(52,223)			**(52,223)**
1.2 right-of-use assets				**-**
Total	**(52,223)**			**(52,223)**

The table above reports amortization for the period, including (i) about €50.2 million in amortization for the period in respect of intangibles with a finite useful life and (ii) about €2 million in amortization charges for other intangible assets (software).

Section 13 – Other operating income/expenses - item 180

13.1 Composition of "Other operating income/expenses"

Income	Total 31.12.2020	Total 31.12.2019
Sundry income related to products managed	12	14
Rentals	36	0
Price adjustements	2,560	2,164
Tax credits for research and development	260	335
Other	1,509	1,085
Total	**4,377**	**3,598**

Expense	Totale 31.12.2020	Total 31.12.2019
Expense related to products managed	(30)	(28)
Losses on disposal	(5)	(20)
Other	(968)	(231)
Charges for leasehold improvements	(196)	(149)
Total	**(1,199)**	**(428)**

Net total	**3,178**	**3,170**

Item "Income - Price adjustment" includes income of about €2.6 million associated with the price adjustments on the sale by Anima SGR to BNP Paribas of the "back office collective securities investment products and NAV calculation" business area in May 2012. The item "Income - Other" mainly includes the income for training activities performed by Anima SGR for a number of sales networks in the amount of about €0.8 million, as well as an indemnity of about €0.4 million received from an administrative outsourcer as a result of an error (the cost, of the same amount, is reported under "Expenses – Other". Finally, the item "Income - Tax credits for research and development" includes income of about €0.3 million in respect of the definitive quantification of the tax credit arising in 2019 provided for under Article 1, paragraph 35, of Law 190 of 23 December 2014 concerning research and development activity performed by the subsidiary Anima SGR.

Section 18 – Income tax expense from continuing operations - item 250

18.1 Composition of "Income tax expense from continuing operations"

Items	Total 31.12.2020	Total 31.12.2019
1. Current taxes	(84,700)	(84,634)
2. Changes in current taxes from previous periods	15	3
3. Reduction of current taxes for the period		
4. Change in deferred tax assets	(2,606)	12,977
5. Change in deferred tax liabilities	12,476	12,586
of which from previous period	33	
Income taxes for the period	**(74,815)**	**(59,068)**

"Current taxes", equal to about €84.7 million, include the Group corporate income tax (IRES) liability in the amount of €63.3 million, the regional business tax (IRAP) in the amount of about €20.9 million and the taxes of Anima AM Ltd totaling about €0.5 million.

At 31 December 2019, the item also included the tax in lieu of about €7.1 million paid by the subsidiary Anima SGR following election of the special tax scheme for the adjustment of the tax value of assets to their carrying amount ("Discharge of tax liability" – pursuant to Article 15, paragraph 10, of Decree Law 185 of 29 November 2008) for the goodwill recognized as part of the purchase price allocation for the acquisition of the Demerged Business. The election involved the recognition of deferred tax assets equal to the expected tax benefit of the future deductibility of the goodwill (about €13.1 million).

The effective income tax rate, with a tax liability of about €74.8 million for the period, came to about 32.50% of profit before tax on continuing operations of about €230.2 million (about 31.76% in the previous year, which was calculated without considering the net benefit of about €6 million associated with the discharge of tax liability referred to above).

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

Figures at 31 December 2020

	IRES		IRAP	
	Taxable income	Tax	Taxable income	Tax
Income before tax	204,897			
Income before tax relevant for IRES purposes	226,230			
Theoretical IRES liability		54,295		
Theoretical IRES rate		24.00%		
Difference between value and cost of production			423,555	
Theoretical IRAP liability				23,592
Theoretical IRAP rate				5.57%
Taxable differences - separate financial statements	9,734	2,336	9,825	547
Deductible differences - separate financial statements	(230,756)	(55,381)	(58,444)	(3,255)
Deductible/taxable differences - consolidated financial statements	258,545	62,051	0	
IRES taxable income	263,753			
Current IRES on income for the year		63,301		
IRAP taxable income			374,936	
Current IRAP on income for the year				20,884
Taxes for foreign companies		516		0
Tax liability recognized		**63,817**		**20,883**

Figures at 31 December 2019

	IRES		IRAP	
	Taxable income	Tax	Taxable income	Tax
Income before tax	204,897			
Income before tax relevant for IRES purposes	200,666			
Theoretical IRES liability		48,160		
Theoretical IRES rate		24.00%		
Difference between value and cost of production			367,278	
Theoretical IRAP liability				20,457
Theoretical IRAP rate				5.57%
Taxable differences - separate financial statements	10,415	2,500	10,161	566
Deductible differences - separate financial statements	(178,336)	(42,800)	(45,474)	(2,533)
Deductible/taxable differences - consolidated financial statements	211,074	50,658	0	
IRES taxable income	243,819			
Current IRES on income for the year		58,518		
IRAP taxable income			**331,965**	
Current IRAP on income for the year				**18,490**
Taxes for foreign companies		535		0
Tax liability recognized		**59,053**		**18,489**

PART D- OTHER INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

Section 1 – Specific comments on activities performed

The Company is primarily engaged in the coordination and operational management of its equity investments, while the other Group companies engage in the normal business of asset management companies.
In addition, the Group companies use a number of custodian banks for the various categories of funds it offers, including BNP Paribas for Italian investment funds, DepoBank for the Arti & Mestieri pension fund and State Street Bank for Irish funds and SICAVs.
Gestielle Investment SICAV (a SICAV incorporated under Luxembourg law), Anima Funds Plc (a SICAV under Irish law) and Monte SICAV (a SICAV under Luxembourg law) for which Anima SGR acts as the Management Company, have respectively appointed Banque Havilland, State Street and BNP Paribas as custodian banks.

1.1 Information on commitments, guarantees and leasehold interests

1.1.1 Commitments and guarantees issued to third parties (other than those reported in other sections)
The definitive agreements (as supplemented/amended as indicated below in 2020) for the acquisitions carried out in 2017 and 2018 with the Banco BPM Group and Poste Group provided for specific protection and guarantee mechanisms (for example, price adjustment mechanisms, earn-in/earn-out clauses, requirements to maintain certain market shares by the counterparties for the products managed by the Group, mechanisms to verify the performance of products managed by the Group and remedies in the event of their under-performance).
For more details, see Chapter XXII of the Prospectus published on 23 March 2018 concerning the capital increase and the information documents on transactions of greater importance with related parties published on 7 April 2020 and 21 May 2020, which are available on the Company's website.

Finally, on 23 December 2020, the Company and Anima SGR undertook, each in the amount of €7.5 million, to subscribe units in the Anima Alternative 1 Fund (a restricted closed-end alternative investment fund registered in Italy), sponsored by Anima Alternative.

1.1.2 Commitments in respect of pension funds with capital repayment guarantees
For the "Garanzia 1+" and "Incremento e Garanzia 5+" sub-funds of the open-end Arti & Mestieri pension fund and the "Linea Garantita" segment of the ICBPI Group closed pension fund, Anima SGR guarantees subscribers a minimum amount, equal to the amount paid by the subscriber regardless of the performance of the segments.
For more details, please see "Part B – Information on the Balance sheet – Section 10 – Provision for risks and charges – item 100" of these notes to the consolidated financial statements.

1.1.4 Own securities deposited with third parties

	31.12.2020	31.12.2019
Number of shares (*)	411,098	-
Number of units of own CIUs (investment funds)	5,017,380	4,676,121
Number of units of third-party CIUs (investment funds and SICAVs)	7,391,725	7,449,136

(*) They refer to unlisted shares held in the Group's portfolio at a value of zero. They regard the settlement of an operational error that occurred during the year on an asset management product which resulted in a charge for the Group of about €0.15 million, which is recognized under operating expenses.

1.2 Disclosures on assets under management

1.2.1 Net asset value of collective investment undertakings (breakdown by individual CIU)

Collective investment undertakings	31/12/20	31/12/19
1. Own portfolios		
Investment funds:		
Anima America	1,289,002	332,052
Anima Valore Globale	1,117,601	1,087,619
Anima Obbligazionario Euro BT (*)	-	159,160
Anima Risparmio	1,757,475	1,297,640
Anima Sforzesco	4,890,689	5,039,784
Anima Pianeta	1,718,457	565,656
Anima Visconteo	3,478,338	3,657,026
Anima Obbligazionario corporate	1,273,097	491,851
Anima Italia	345,479	179,472
Anima Pacifico	638,390	230,885
Anima Iniziativa Europa	415,450	199,362
Anima Obbligazionario Emergente	949,507	255,814
Anima Capitale Piu' Obbligazionario	40,217	44,121
Anima Capitale Piu' 15	72,229	84,074
Anima Capitale Piu' 30	91,443	107,194
Anima Capitale Piu' 70	78,349	89,891
Anima Alto Potenziale Globale (*)	-	761,316
Anima Obbligazionario High Yield (*)	-	616,199
Anima Fondo Trading	1,015,851	632,516
Anima Obbligazionario Euro (*)	-	291,749
Anima Liquidita' Euro	1,359,813	1,004,229
Anima Emergenti	832,329	331,311
Anima Europa	402,741	459,881
Anima Riserva Globale	35,281	39,965
Anima Riserva Emergente	146,042	183,474
Anima Tricolore	343,015	311,197
Anima Riserva Dollaro	99,240	105,072
Anima Traguardo Cedola America	27,963	45,024
Anima Selection	695,839	119,821
Anima Russell Multi-Asset	111,923	179,469
Anima Traguardo 2021 Globale	73,150	96,818
Anima Traguardo Crescita Italia	28,776	44,294
Anima Cedola Alto Potenziale 2021 II	32,265	42,242
Anima Cedola Alto Potenziale 2021 III	52,194	64,283
Anima Evoluzione 2019 IV (*)	-	31,968
Anima Cedola Alto Potenziale 2022 I	54,043	67,734
Anima Geo Italia (*)	-	219,147
Anima Selezione Globale	622,633	810,009
Anima Obbligazionario Euro BT (ex Anima Fix Obbligazionario Euro E	642,087	709,408
Anima Geo America (*)	-	828,404
Anima Geo Asia (*)	-	429,362
Anima Selezione Europa	940,719	1,019,711
Anima Geo Paesi Emergenti (*)	-	432,275
Anima Fix Emergenti (*)	-	426,276
Anima Forza Moderato	340,489	204,067
Anima Forza Equilibrato	263,007	174,467
Anima Forza Dinamico	133,188	84,345
Anima Obbligazionario High Yield (ex Anima Fix High Yield)	1,037,913	365,863
Anima Alto Potenziale Italia	228,466	247,309
Anima Forza Prudente	301,902	188,148
Anima Geo Europa PMI (*)	-	244,017
Anima Alto Potenziale Europa	773,409	765,773
Anima Fix Imprese (*)	-	658,931
Anima Obbligazionario Euro MLT (ex Anima Fix Euro MLT)	859,611	379,974
Anima Fix Obbligazionario Globale (*)	-	997,172
Anima Rendimento Assoluto Obbligazionario	220,415	398,074
Anima Global Macro Diversified	359,103	227,317
Anima Progetto Dinamico 2022	211,989	323,789

	31/12/20	31/12/19
Anima Obiettivo Cedola 2022	139,694	182,801
Anima Progetto Globale 2022 Cedola	46,365	85,355
Anima Selezione Dinamica 2020 (*)	-	209,254
Anima Progetto Dinamico 2022 II	37,077	69,744
Anima Evoluzione 2020 III (*)	-	81,180
Anima Progetto Dinamico 2022 III	22,393	40,449
Anima Selezione Dinamica 2020 III (*)	-	120,241
Anima Evoluzione 2020 IV	34,449	68,378
Anima Selezione Dinamica 2020 II (*)	-	170,620
Anima Target Cedola 2022	16,537	25,250
Anima Evoluzione 2020 II (*)	-	103,658
Anima Evoluzione 2020 I (*)	-	149,705
Anima Progetto Dinamico 2022 Multi-Asset	33,218	81,581
Anima Selezione Dinamica 2021	38,300	50,665
Anima Selezione Dinamica 2020 IV	66,378	108,520
Anima Reddito Flessibile (*)	-	24,068
Anima BlueBay Reddito Emergenti	231,430	169,462
Anima Progetto Flessibile 2020	28,176	82,196
Anima Progetto Flessibile 2021	9,363	20,817
Anima Sviluppo Globale 2022	6,587	16,394
Anima Sviluppo Europa 2022	7,267	14,903
Anima Reddito 2022	207,258	247,701
Anima Reddito 2021	191,017	297,296
Anima Reddito 2021 II	224,303	324,104
Anima Reddito 2021 S	235,565	369,142
Anima Reddito 2021 III	188,138	279,922
Anima Reddito 2021 IV S	89,635	114,791
Anima Evoluzione 2021	44,110	62,694
Anima Evoluzione 2021 III	37,492	48,725
Anima Portfolio America	46,430	74,454
Anima Evoluzione 2021 II	61,912	81,244
Anima Sforzesco Plus	947,574	965,164
Anima Visconteo Plus	634,460	688,069
Anima Obbligazionario High Yield BT (ex Anima High Yield Breve Termine)	218,635	181,226
Anima Infrastrutture (**)	-	92,042
Anima Iniziativa Italia	390,027	390,998
Anima Portfolio Globale	93,783	115,905
Anima Sviluppo Globale 2023	12,606	24,607
Anima Sviluppo Multi-Asset 2023	24,409	32,832
Anima Sviluppo Multi-Asset 2023 II	14,272	19,108
Anima Reddito Bilanciato 2023	50,350	56,259
Anima Reddito Più 2022	491,249	556,420
Anima Reddito Più 2022 III	432,123	487,432
Anima Reddito Più 2022 II	408,790	463,290
Anima Reddito Più 2022 IV	168,229	186,168
Anima Soluzione Cedola 2023	171,305	192,749
Anima Reddito Più 2023	426,893	464,226
Anima Evoluzione Bilanciato 2022	52,790	77,325
Anima Vespucci	1,024,929	994,528
Anima Crescita Italia	1,094,425	1,081,668
Anima Magellano	1,253,419	1,198,298
Anima Global Macro Neutral	138,736	166,318
Anima Obbligazionario Euro Core	14,272	14,657
Anima Obbligazionario Flessibile	245,550	143,982
Anima Monetario	10,342	9,137
Anima Smart Beta Europa	12,140	10,688
Anima Metodo&Selezione 2024	44,676	51,811
Anima Reddito Consumer 2023	53,458	56,884
Anima Reddito Health Care 2023	67,098	72,264
Anima Reddito Energy 2023	44,919	50,122

	31/12/20	31/12/19
Anima Traguardo 2023	377,323	416,784
Anima Traguardo 2023 Flex	765,284	801,153
Anima Patrimonio Globale 2024	382,903	411,503
Anima Programma Cedola 2023	646,220	660,716
Anima Programma Cedola 2023 II	861,133	877,745
Anima Valore 2026	129,274	132,129
Anima Commodities	17,134	16,648
Anima Systematic Global Allocation	86,639	12,724
Anima Obbligazionario Tattico	61,326	19,075
Anima ESaloGo Azionario Globale	165,575	9,677
Anima ESaloGo Bilanciato	581,574	14,536
Anima ESaloGo Obbligazionario Corporate	211,740	15,052
Anima Metodo Attivo 2024 II	265,277	282,763
Anima Metodo Attivo 2024	299,600	321,398
Anima Legg Mason Multi Credit	47,708	34,125
Anima PicPac Valore Globale 2022	101,733	104,112
Anima PicPac Magellano 2022	104,217	105,635
Anima PicPac Valore Globale 2023	83,829	9,146
Anima PicPac Magellano 2023	84,131	8,893
Anima Smart Beta Globale	8,142	9,295
Anima Obiettivo Globale 2024	332,350	334,711
Anima Megatrend	110,015	46,537
Anima Azionario Globale ex EMU	8,906	11,569
Anima Azionario Paesi Sviluppati LTE	65,539	24,438
Anima Obiettivo Globale Plus 2025	163,850	65,921
Anima Obiettivo Globale 2024 II	145,711	147,537
Anima Primopasso 2022 II	41,307	50,718
Anima Primopasso 2022	66,754	85,017
Anima Primopasso Pac 2023	91,894	44,085
Anima Traguardo 2024 Flex	645,704	661,505
Anima Patrimonio Globale & I-Tech 2024	218,909	237,144
Anima Patrimonio Globale & Robotica 2024	195,896	205,625
Anima Investimento Robotica&Intelligenza Artificiale 2024	617,453	615,803
Anima Patrimonio Globale Lusso&Moda 2024	314,949	323,105
Anima Investimento ENG 2025	440,601	372,284
Anima Patrimonio Globale & Clean Energy 2024	330,822	328,733
Anima Valore Obbligazionario	399,754	-
Anima Crescita Italia New	54,856	-
Anima Valore Multi-Credit 2027	33,363	-
Anima Bilanciato Megatrend	20,939	-
ALTEIA Europa	27,744	-
Anima America AI	10,175	-
Anima Global Macro Risk Control	31,566	-
Anima Global Macro Flexible	10,072	-
Anima Obbligazionario Internazionale	35,325	-
Anima Obbligazionario Governativo US	34,317	-
Anima Patrimonio Globale & Nuovi Consumi 2025	163,700	-
Anima PicPac Megatrend 2023	62,235	-
Anima PicPac ESaloGo Bilanciato 2023	73,652	-
Anima PicPac Visconteo Plus 2025	172,388	-
Anima PicPac Megatrend 2023 II	27,847	-
Anima Azionario Europa LTE	142,483	-
Anima Azionario Nord America LTE	41,990	-
Anima Accumulo Mercati Globali 2025	47,409	-
Anima Azionario Internazionale	110,114	-
Anima Investimento Agritech 2026	16,663	-
Anima Patrimonio Globale & Mobility 2025	173,207	-
Anima Investimento Circular Economy 2025	664,312	-
Anima Patrimonio Globale & Longevity 2025	354,224	-
Anima Primopasso Pac 2023 II	17,449	-

	31/12/20	31/12/19
Anima Patrimonio Globale & Health Care 2025	278,382	-
Anima Investimento New Normal 2025	337,066	-
Anima Investimento Global Recovery 2025	307,081	-
Anima Investimento Future Mobility 2025	193,316	-
Anima Tricolore Corporate 2023	138,133	-
Anima Target Visconteo 2024	57,477	58,358
Gestielle Best Selection Cedola AR (*)	-	39,345
Gestielle Best Selection Equity 20 (*)	-	165,859
Anima Selection Multi-Brand (ex Gestielle Best Selection Equity 50)	175,776	25,833
Anima Obiettivo Emerging Markets	130,445	96,990
Gestielle Obiettivo India (*)	-	33,053
Anima Obiettivo Italia	30,657	37,993
Anima Obiettivo Europa	73,054	217,270
Gestielle Obiettivo Risparmio (*)	-	568,340
Gestielle Obiettivo Stabilità (*)	-	135,543
Gestielle Obiettivo America (*)	-	36,604
Gestielle Obiettivo Cina (*)	-	37,436
Anima Obiettivo Internazionale	218,300	386,622
Anima Obbligazionario Corporate Blend	324,732	354,398
Gestielle Obbligazionario Internazionale (*)	-	49,637
Volterra Absolute Return (*)	-	15,359
Volterra Dinamico (*)	-	7,675
Gestielle Profilo Cedola	54,229	72,945
Gestielle Profilo Cedola II	887,545	1,097,295
Gestielle Profilo Cedola III	465,340	566,224
Gestielle Emerging Markets Bond (*)	-	197,860
Anima Pro Italia	108,072	116,710
Gestielle Mt Euro (*)	-	66,554
Gestielle BT Cedola (*)	-	81,990
Gestielle Dual Brand Equity 30 (*)	-	23,876
Gestielle Cedola Multi Target III	119,434	151,998
Gestielle Cedola Multi Target IV	38,201	53,625
Gestielle Cedola Multi Target V	1,228,607	1,532,291
Gestielle Cedola Multiasset III	1,123,915	1,383,555
Gestielle Cedola Multifactor	250,590	321,283
Gestielle Cedola Multimanager Quality	37,274	58,519
Gestielle Cedola Multimanager Smart Beta	91,026	130,377
Gestielle Cedola Fissa III	237,044	316,720
Anima Absolute Return	358,243	498,752
Gestielle Absolute Return Defensive (*)	-	149,047
Gestielle Cedola EM Bond Opportunity	339,669	551,234
Gestielle Cedola Corporate	501,995	742,863
Gestielle Cedola Corporate Plus	97,068	142,610
Gestielle Cedola Corporate Professionale	38,319	41,431
Gestielle Cedola Best Selection (*)	-	452,790
Gestielle Cedola Emerging Markets Opportunity (*)	-	59,255
Gestielle Cedola Target High Dividend	89,104	122,502
Gestielle Cedola Forex Opportunity U$D (*)	-	114,712
Gestielle Cedola Italy Opportunity (*)	-	82,429
Gestielle Hedge Low Volatility	6,458	9,312
Phedge Low Volatility Side Pocket (**)	965	1,042
MPS Private Solution Absolute	26,707	41,337
MPS Private Solution Flexible Bond	1,840	2,640
MPS Private Solution Flexible	66,998	109,809
MPS Private Solution Global	11,832	26,068
MPS Private Solution Multi Asset	19,623	39,312
MPS Private Solution Responsible	2,869	2,332
Creval Private Selection Fund Conservative	14,079	17,534
Creval Private Selection Fund Equity	565	658
Creval Private Selection Fund Income	5,194	5,378

	31/12/20	31/12/19
Rainbow Active Fund	43,623	72,032
Rainbow Fund X (**)	-	6,613
Rainbow Fund XI (**)	-	4,765
Rainbow Fund XII (**)	-	10,735
Rainbow Fund XIII (**)	-	5,483
Rainbow Fund XIV (**)	-	13,539
Rainbow Fund XV (**)	-	12,977
Rainbow Fund XVI (**)	-	9,843
Rainbow Fund XVII (**)	-	12,896
Rainbow Fund XVIII (**)	-	6,553
Rainbow Fund XIX	18,157	26,409
Rainbow Fund XX	5,017	6,924
Rainbow Fund XXI	10,806	15,301
Rainbow Fund XXII	4,210	6,054
Rainbow Fund XXIII	5,960	8,570
Rainbow Fund XXIV	6,036	8,732
Rainbow Fund XXVI	96,177	135,550
Rainbow Fund XXVIII	63,269	87,224
Rainbow Fund XXIX	65,379	91,241
Rainbow Fund XXXI	153,249	197,611
Rainbow Fund Solution 2021 I	46,008	57,061
Rainbow Fund XXXIII	29,108	58,853
Total own portfolios	**61,863,839**	**62,397,435**
2. Third-party portfolios		
Collective investment undertakings:		
- *Open-end CIUs*		
Anima Star Bond	264,069	258,059
Anima Star High Potential Europe	873,743	658,160
Anima Life Bond (**)	-	244,465
Anima Emerging Markets Equity	47,063	44,595
Anima Global Equity Value (ex Anima Global Equity)	31,290	45,836
Anima Europe Equity	337,429	355,552
Anima Asia Pacific Equity	62,398	59,123
Anima U.S. Equity	348,178	263,135
Anima Global Currencies	4,866	7,031
Anima Short Term Corporate Bond	405,103	408,330
Anima Euro Equity	109,752	98,141
Anima Trading Fund (ex Anima Star High Potential Global)	97,786	48,468
Anima Star High Potential Italy	17,865	33,331
Anima Hybrid Bond	101,040	87,021
Anima Credit Opportunities	372,326	311,790
Anima Euro Government Bond	162,062	244,626
Anima Flexible Income (****)	-	35,775
Anima Italian Equity	15,762	21,292
Anima Bond 2022 Opportunities	48,494	48,016
Anima Global Macro	213,297	140,192
Anima Variable Rate Bond	23,667	26,718
Anima Brightview 2023-I	27,370	30,396
Anima Brightview 2023-II	123,373	155,157
Anima Brightview 2023-III	38,873	52,518
Anima Brightview 2023-IV	53,081	60,613
Anima Brightview 2024-I	69,203	74,545
Anima Brightview 2024-II	87,760	93,666
Anima Brightview 2024-III	97,973	112,910
Anima Brightview 2024-IV	100,347	117,986
Anima Brightview 2024-V	124,303	165,497
Anima Brightview 2027-I	104,059	136,572
Anima Brightview 2025-I	243,977	261,238
Anima Brightview II	64,165	63,966
Anima Brightview III	62,364	61,316
Anima Brightview IV	77,919	250
Anima Italian Bond	32,522	34,232
Anima Liquidity	662,149	412,438

	31/12/20	31/12/19
Anima Medium Term Bond	420,125	398,877
Anima Short Term Bond	328,471	147,369
Anima Bond Dollar	264,559	171,873
Anima Defensive	51,186	80,221
Anima Orizzonte Europa 2022	31,849	35,396
Anima Orizzonte Europa 2023	34,992	38,361
Anima Orizzonte Sostenibile 2023	217,367	235,097
Anima Orizzonte Benessere 2023	272,053	304,789
Anima Orizzonte Energia 2023	78,625	120,170
Anima Orizzonte Consumi 2023	22,440	27,667
Anima Smart Dividends Europe	13,096	15,856
Anima Smart Volatility Europe	12,012	14,926
Anima Smart Volatility Global	153,966	118,185
Anima Smart Volatility Italy	13,857	16,921
Anima Smart Volatility USA	77,970	45,547
Anima Smart Volatility Emerging Markets	104,499	13,993
Anima Global Bond	156,174	170,136
Anima International Bond	31,780	17,690
Anima High Yield Bond	20,091	12,811
Anima Infrastructure (****)	-	108,676
Anima Flexible Bond	43,082	71,831
Anima Solution 2022 I	31,778	39,051
Anima Solution 2022 II	15,382	22,173
Anima Solution 2022 III	22,691	29,374
Anima Solution 2023 I	37,603	44,001
Anima Solution EM	31,250	35,850
Anima Zephyr Global	43,743	46,244
Anima Zephyr Real Assets	25,357	27,410
Anima Zephyr Global Allocation	57,444	60,454
Anima Active Selection	19,189	22,979
Anima Zephyr New	21,482	-
Anima Brightview V	38,030	-
Anima Brightview VI	208,260	-
Anima Brightview VII	96,823	-
ANIMA Brightview VIII	250	-
Anima Global Selection	10,207	-
Etica Obbligazionario Breve Termine	374,656	315,294
Etica Obbligazionario Misto	1,768,611	1,489,691
Etica Bilanciato	1,461,276	1,362,412
Etica Azionario	408,257	378,179
Etica Rendita Bilanciata	883,248	803,176
Etica Impatto Clima	442,951	243,070
BancoPosta Evoluzione 3D	126,700	132,215
BancoPosta Evoluzione 3D I 2016	60,589	62,815
BancoPosta Evoluzione 3D Luglio 2021	41,601	42,332
BancoPosta Evoluzione 3D Ottobre 2021	33,974	35,089
BancoPosta Mix 3	1,143,357	1,076,094
BancoPosta Cedola Dinamica Nov 2022	220,549	226,474
BancoPosta Cedola Dinamica Feb 2023	73,902	76,027
BancoPosta Mix 1	1,129,002	1,172,025
BancoPosta Mix 2	1,219,979	1,154,754
BancoPosta Azionario Internazionale	570,023	528,991
BancoPosta Cedola Dinamica Maggio 2023	80,947	83,073
BancoPosta CedolaChiara Marzo 2023	38,046	38,584
BancoPosta CedolaChiara Maggio 2022	265,231	270,358
BancoPosta Progetto Giugno 2023	94,642	97,375
BancoPosta CedolaChiara Settembre 2022	51,515	52,612
BancoPosta Sviluppo Mix Settembre 2021	70,458	70,508
BancoPosta CedolaChiara Dicembre 2022	30,270	30,676
BancoPosta Sviluppo Mix Dicembre 2021	26,405	26,658

	31/12/20	31/12/19
BancoPosta Sviluppo Mix Marzo 2022	29,189	29,432
BancoPosta CedolaChiara Giugno 2023	129,363	131,889
BancoPosta Sviluppo Mix Giugno 2022	43,222	43,510
BancoPosta CedolaChiara Settembre 2023	88,190	90,152
BancoPosta Sviluppo Mix Dicembre 2022	42,664	42,800
BancoPosta Sviluppo Mix 2023 I	33,880	33,930
BancoPosta CedolaChiara 2024 I	28,181	28,840
BancoPosta Focus Digital 2025	86,308	85,831
BancoPosta Sviluppo Re-Mix 2025	48,414	14,014
BancoPosta Focus Benessere 2024	229,134	238,643
BancoPosta Sviluppo Mix 2023 II	55,126	55,523
BancoPosta Sviluppo Re-Mix 2024	41,026	40,636
BancoPosta Focus Benessere 2024 II	73,384	76,047
BancoPosta Sviluppo Re-Mix 2024 II	29,277	28,891
BancoPosta Focus Digital 2025 II	20,714	-
BancoPosta Rinascimento	3,239	-
BG Selection Sicav Anima Club (***)	-	42,678
BG Selection Sicav Italy Equities (***)	-	87,142
Lux Im - Anima High Yield Short Term Opportunities	62,335	84,891
Monte Sicav Flex Global	88,134	175,468
Gis Cedola Europlus	9,330	14,228
Gis Cedola Link Inflation	519,967	617,314
Gis Cedola Plus	4,539	6,449
Gis Cedola Risk Control	36,829	57,011
Gis Cedola Risk Control Health Care	51,483	115,428
Gis Cedola Risk Control Health Care II	48,406	115,064
Gis Cedola Risk Control Megatrend	72,267	133,919
Gis Quant 1	17,812	22,322
Gis Cedola Risk Control Digital Revolution	154,642	342,282
Gis Cedola Risk Control Energie Rinnovabili	93,341	333,800
Gis Cedola Risk Control Global Science for Life	10,197	47,096
Gis Cedola Risk Control Longevity	93,068	103,553
Etica Sustainable Conservative Allocation	22,201	-
Etica Sustainable Dynamic Allocation	19,430	-
Etica Sustainable Global Equity	17,459	-
Quaestio Solutions Funds	74,984	-
Total third-party portfolios	**21,507,232**	**20,774,140**
3. Portfolios delegated to third parties		
Collective investment undertakings:		
- *Open-end CIUs*		
- *Closed-end CIUs*		
Total portfolios delegated to third parties	**-**	**-**

(*) Merged
(**) Liquidated
(***) with expiry of the contractual terms
(****) Revoked

1.2.2 Value of portfolio management products

	31.12.20		31.12.19	
		of which invested in SGR funds		**of which invested in SGR funds**
1. Own portfolios	104,543,637	2,914,875	97,326,976	2,945,006
2. Third-party portfolios				
3. Portfolios delegated to third parties				

1.2.3 Net value of pension funds

	31/12/20	31/12/19
1. Own funds		
1.1 Open-ended pension funds:		
Arti & Mestieri	983,073	849,204
Total own funds	**983,073**	**849,204**
2. Third-party portfolios		
2.1 Pension funds:		
- open-end		
- closed-end	413,607	603,753
- other pension funds	5,022,906	3,707,008
Total third-party portfolios	**5,436,513**	**4,310,761**
3. Portfolios delegated to third parties		
3.1 Pension funds:		
Total portfolios delegated to third partie	**-**	**-**

1.2.4 Commitments for subscriptions to be settled

CIUs and pension funds (breakdown for each CIU/pension funds)	31/12/20	31/12/19
Investment funds		
Anima America	125.0	148.8
Anima Valore Globale	205.2	502.0
Anima Obbligazionario Euro BT (*)	-	8.6
Anima Risparmio	94.0	39.9
Anima Sforzesco	363.4	668.8
Anima Sforzesco Plus	79.2	279.1
Anima Pianeta	75.6	106.5
Anima Visconteo	231.5	457.7
Anima Visconteo Plus	53.4	95.8
Anima Obbligazionario Corporate	51.9	8.5
Anima Capitale Piu' 70	7.3	20.5
Anima Italia	76.4	40.4
Anima Pacifico	36.4	26.5
Anima Iniziativa Europa	44.5	24.9
Anima Capitale Piu' 30	0.5	1.2
Anima Obbligazionario Emergente	40.5	20.2
Anima Capitale Piu' 15	6.2	1.7
Anima Alto Potenziale Globale (*)	-	39.4
Anima Obbligazionario High Yield	37.9	1,741.7
Anima Fondo Trading	10.4	13.4
Anima Capitale Piu' Obbligazionario	-	-
Anima Riserva Emergente	8.2	31.2
Anima Riserva Globale	6.5	17.3
Anima Obbligazionario Euro (*)	0.0	2.1
Anima Liquidita' Euro	67.8	67.3
Anima Emergenti	58.7	85.3
Anima Tricolore	55.4	59.7
Anima Europa	16.5	39.2
Anima Russel Multi-Asset	0.6	0.8
Anima Selection	1.8	0.5
Anima Riserva Dollaro	46.4	14.2
Anima Geo Italia (*)	-	130.0
Anima Selezione Globale	88.9	254.5
Anima Obbligazionario Euro BT (ex Anima Fix Obbligazionario Eur	124.8	97.6
Anima Geo Asia (*)	-	40.5
Anima Selezione Europa	108.0	306.9
Anima Geo Paesi Emergenti (*)	-	84.3
Anima Fix Emergenti (*)	-	39.2

	31/12/20	31/12/19
Anima Forza Equilibrato	11.8	57.3
Anima Forza Dinamico	16.2	48.0
Anima Obbligazionario High Yield (ex Anima Fix High Yield)	-	74.5
Anima Alto Potenziale Italia	2.9	9.2
Anima Forza Prudente	15.0	41.0
Anima Geo Europa PMI (*)	0.0	98.7
Anima Alto Potenziale Europa	65.7	32.6
Anima Fix Imprese (*)	-	23.2
Anima Obbligazionario Euro MLT (ex Anima Fix Euro MLT)	278.1	30.3
Anima Fix Obbligazionario Globale (*)	-	16.2
Anima Rendimento Assoluto Obbligazionario	1.6	5.3
Anima Bluebay Reddito Emergenti	21.5	12.6
Anima Iniziativa Italia	23.2	68.5
Anima Reddito Flessibile (*)	-	0.1
Anima Global Macro Diversified	19.2	3.5
Anima Crescita Italia	12.2	96.4
Anima Obbligazionario High Yield BT (ex Anima High Yield Breve T	1.6	3.3
Anima Magellano	175.0	532.4
Anima Vespucci	123.8	308.8
Anima Investimento ENG 2025	-	1,544.7
Anima Legg Mason Multi Credit	10.8	12.1
Anima Obiettivo Globale Plus 2025	-	692.2
Anima PicPac Magellano 2023	-	16.0
Anima Primopasso Pac 2023	-	703.3
Anima Obbligazionario Euro Core	0.2	0.4
Anima Azionario Globale ex EMU	0.1	-
Anima ESaloGo Azionario Globale	112.4	-
Anima ESaloGo Bilanciato	447.7	-
Anima ESaloGo Obbligazionario Corporate	60.6	-
Anima Megatrend	124.4	-
Anima Obbligazionario Corporate Blend	41.4	-
Anima Obbligazionario Flessibile	0.4	-
Anima Crescita Italia New	11.2	-
Gestielle Obiettivo Risparmio (*)	-	86.6
Anima Obiettivo Emerging Markets	10.1	19.3
Gestielle Mt Euro (*)	-	41.4
Anima Obiettivo Internazionale	12.4	40.2
Gestielle Emerging Markets Bond (*)	-	101.1
Gestielle Absolute Return	15.2	89.3
Gestielle Absolute Return Defensive (*)	-	1.3
Gestielle Best Selection Cedola AR (*)	-	1.3
Gestielle Best Selection Equity 20 (*)	-	27.2
Anima Selection Multi-Brand (ex Gestielle Best Selection Equity 50	7.3	8.7
Gestielle BT Cedola (*)	-	37.5
Gestielle Obbligazionario Corporate	-	97.5
Gestielle Obbligazionario Internazionale (*)	-	17.0
Gestielle Obiettivo America (*)	-	12.9
Gestielle Obiettivo Cina (*)	-	31.1
Anima Obiettivo Europa	6.9	18.9
Gestielle Obiettivo India (*)	-	5.9
Anima Obiettivo Italia	2.4	12.6
Gestielle Obiettivo Stabilità (*)	-	0.3
Anima Pro Italia	2.7	8.9
Anima Asia Pacific Equity	150.2	3.9
Anima Bond Dollar	-	0.1
Anima Defensive	-	3.0

	31/12/20	31/12/19
Anima Emerging Markets Equity	426.0	12.0
Anima Euro Equity	-	2.2
Anima Euro Government Bond	1.0	49.4
Anima Europe Equity	7.9	4.3
Anima Global Bond	176.8	153.8
Anima Global Equity	-	19.3
Anima Italian Bond	-	2.0
Anima Italian Equity	2.1	4.4
Anima Liquidity	3.5	14.6
Anima Medium Term Bond	3.7	20.1
Anima Short Term Bond	25.5	227.3
Anima Short Term Corporate Bond	0.3	7.3
Anima Smart Volatility Europe	-	9.0
Anima Star Bond	0.3	1.6
Anima Star High Potential Europe	1,274.6	226.5
Anima Star High Potential Italy	-	6.9
Anima U.S. Equity	230.3	20.1
Anima Variable Rate Bond	2.6	2.3
Anima Trading Fund	9.0	-
Anima Global Equity Value	9.4	-
Total investment funds	**6,102.2**	**11,571.0**

1.2.5 Advisory services: number of existing advisory service contracts

At the end of the period, there were three contracts for advisory services concerning investments in financial instruments, all entered into on market terms.

Section 3 – Information on risks and risk management policies

Premise

<u>Group organization</u>

In accordance with applicable legislation and the content of the Group Regulation, Anima Holding, as Parent Company, exercises management and coordination over the Anima Group companies and provides governance and policy-setting services for the Group concerning:

- general planning and strategic policies;
- analysis of the competitive environment and identification of internal and external areas for growth to improve the Group's market position;
- extraordinary operations and transactions of greater importance from a strategic, performance, capital and financial standpoint;
- assessment of the Group's organizational, administrative and accounting structure, with focus on the internal control and risk management system;
- corporate governance policies;
- Group compensation and incentive policies;
- financial management;
- mapping of strategic risks (including the Group model for managing money laundering risk).

The subsidiaries are exclusively responsible for providing asset management and investment services and carrying out other activities relating to the product offering and customer service for the Group. Under the Group's organizational structure, operational activities are almost fully concentrated within the subsidiaries.

The policies governing the assumption of risks are defined by the Board of Directors, with strategic and management supervision functions, and by the Management Control Committee, with control functions. The Board of Directors also performs its activities through specific internal committees, including the Control, Risks and Sustainability Committee (the "Committee"). The Committee is an

advisory and informative body, composed of three Independent directors, with expertise and experience in accounting and financial matters and/or risk management.
The meetings of the Committee are normally attended by the CEO and General Manager (as the officer responsible for overseeing the internal control and risk management system), the Chairman of the Board of Auditors (the other members of the Board of Auditors are also normally invited to attend), the heads of Internal Audit and Compliance and, depending on the agenda, the General Manager, the Group CFO & HR Director and the Financial Reporting Officer.
The Committee was set up in order to ensure the monitoring and management of risks and the safeguarding of corporate value at Group level, including the internal control system, in implementation of the strategic guidelines and management policies defined by the corporate bodies.

Internal control system
The Parent Company has implemented an internal control and risk management system ("ICRMS"), in compliance with applicable legislation and the recommendations of the Corporate Governance Code. The ICRMS is designed to continually protect against the usual risks associated with the Group's business. The ICRMS represents the reference framework within which the objectives and principles that must inspire the design, operation and continuous evolution of an effective control system are delineated, as well as the roles, duties and responsibilities of the corporate bodies and functions. The ICRMS is also structured to ensure proper financial disclosure and adequate oversight of all the Group's activities, guaranteeing the reliability of accounting and management data, ensuring compliance with laws and regulations, and safeguarding business integrity, in part to prevent fraud and losses to the Company and the financial markets. The ICRMS is proportional to the nature and severity of the risks to which the Company is exposed (risk-based approach), and to its size and operational features.
The ICRMS is structured along three levels of control:

- **first level of control (or line controls),** which represents risk management in its purest form and is designed to ensure that transactions are carried out correctly in the context of business processes. Controls are performed by the managers responsible for operational activities (the risk owners) and are hierarchical, systematic and sample-based, or incorporated into the IT procedures of the Company;
- **second level of control,** which is designed to assess the risks to which the Company is exposed in the conduct of its business. These controls are carried out by the Compliance function with regard to the risk of non-compliance (with anti-money laundering, market abuse and conflict of interest legislation) and the Internal Audit function, which is responsible for overseeing all other areas, in particular the administrative and accounting procedures established in accordance with Law 262/05. The operating companies may have established additional specific arrangements on the basis of the activities they perform;
- **third level of control**, which is intended to assess on a scheduled basis the completeness, functionality and adequacy of the ICRMS in relation to the nature and severity of the risk and business needs as a whole. These controls are performed by the Internal Audit function and extend to the subsidiaries as well.

The position within the organizational structure and reporting hierarchy of the second- and third-level control structures guarantee their independence from the operational management functions.
In order to ensure that the system functions correctly, the Group has adopted internal rules, measuring methods and control mechanisms formally described in specific company procedures.

The following corporate bodies and functions are responsible for ensuring the functioning and assessing the adequacy of the ICRMS:

Anima Holding
• Board of Directors; • Board of Auditors; • CEO/General Manager; • Control, Risks and Sustainability Committee; • Head of the Internal Audit function; • Head of the Compliance function; • Financial Reporting Officer pursuant to Article 154-bis of the Consolidated Law; • Supervisory Body pursuant to Legislative Decree 231/2001.

In general the scope of the risks identified and managed by the Group include: (i) risks that pertain to normal business processes ("enterprise risks"), (ii) those regarding the investment processes followed for collectively or individually managed assets ("managed-portfolios risk") and (iii) risks associated with financial disclosures (Article 123-bis, paragraph 2, letter b) of the Consolidated Law).
An enterprise risk is the risk of there being a negative impact on the performance and capital and financial position of each Group company (which, taken to the extreme, poses a threat to business continuity). In accordance with this definition and taking account of the Groups operations, the following types of enterprise risk have been identified:

- **Financial risk**: the risk of adverse impacts on the performance and financial position of the Group as a result of losses incurred on financial instruments and other financial assets recognized in the Group's consolidated financial statements.
  More specifically, that exposure is essentially associated with the management of the liquidity of Group companies, both in relation to the repayment of the borrowings obtained by the Company and in relation to the surplus of financial resources over expected liquidity needs generated by ordinary operations, i.e. the proprietary portfolio of the Group.
  The financial risks of the Group's proprietary portfolio (essentially price risk, interest rate risk, credit risk, exchange risk, counterparty risk and liquidity risk) are managed by setting and monitoring operational limits on the risk that the proprietary portfolio of each company can assume.
- **Operational risk**: the risk of adverse impacts on the performance and financial position of the Group resulting from the occurrence of an event of an operational nature (management of human resources, processes, technology and external events). These include risks arising from the handling of complaints and legal risks.
  A list of identified risks, each associated with the functions that participate in the processes that generate such risks, is drawn up and updated at least once a year to take account of significant changes in the internal and external environment.
  Operational risk events that occur in the course of the daily operations of the Group companies are identified and recorded. Information recorded includes the amount of the operating loss for the period and any recoveries of previous operating losses. A risk assessment is performed each year to pinpoint situations requiring mitigation. The assessment takes account of the judgment of the heads of the processes from which the risks arise, the analysis of the control functions and, for operational risks only, operating losses incurred.
- **Risks associated with guarantees provided for pension funds**: the risk of adverse impacts on the performance and financial position of the Group as a result of losses associated with reimbursements made to participants in the pension funds managed by Anima SGR, for which it made guarantees to either reimburse the capital invested or pay a minimum return.

The risks associated with the commitments assumed to reimburse the capital invested in pension funds managed are estimated in accordance with the fund policy, which follows applicable legislation. These risks are managed by changing the features of the pension funds established or the agreements delegating management of the funds to Anima SGR.

- **Reputational risk**: the risk of adverse impacts on the performance and financial position of the Group arising from damage to the Group's reputation with respect to third parties.
  Operational and reputational risks are identified by analyzing business processes, which includes discussions with the heads of the processes.
- **Strategic risk**: the risk of adverse impacts on the performance and financial position of the Group as a result of the erroneous definition of business strategies or their incorrect implementation. Strategic risk is dependent upon the compatibility between the Group's strategic objectives, the external environment, the planned strategies for achieving the strategic objectives, the resources dedicated for this purpose and the quality of the implementation of the strategies defined.
  The mapping of strategic risks is generally conducted in concomitance with the preparation of the Business Plan and is updated annually on the occasion of the preparation of the budget for the year. It may also be reviewed in response to significant changes in the internal and/or external environment (such as, for example, developments in the market, the regulatory framework, the business model, the product range and corporate governance). A list of detected risks, each associated with the functions that participate in the processes that generate such risks, is drawn up and updated at least once a year to take account of significant internal and external changes. The analysis and assessment of the mapped risks is intended to define actions and projects to strengthen or consolidate the company's competitive position and mitigate the risk of losses or of a decline in its economic value in relation to the main risk factors identified. Monitoring strategic risk mitigation actions is an essential component of the management control that enables top management and the Board of Directors of the Company to ascertain the extent to which objectives and projects have been achieved or implemented and to decide any corrective actions.

To this end, the Company has developed a risk assessment model based on best practice in the field of risk management. It is intended to support senior management in identifying the main corporate risks, in analyzing the methods with which they are managed, as well as in evaluating the proposed mitigation actions and the extent of the residual risk.
With regard to risks of a strategic nature, the Company has implemented specific arrangements within the Finance & HR department, through which the Strategic Risks unit performs targeted qualitative and quantitative analyses within the Group .
Taking account of the fact that the Company is mainly engaged in directing, coordinating and managing its subsidiaries, its exposure to operational risks is not material. The comprehensive oversight and monitoring of operational risks is instead performed within the Group's operating companies. The Company also maintains an overview of the exposure to operational risks of the entire Group through a reporting system used by the subsidiaries. The Company, and its subsidiaries where relevant, have also adopted specific policies and controls to monitor the financial risks that may arise in the presence of excess liquidity available for investment purposes.
With specific regard to sustainability risks, the Company has progressively integrated these aspects, which are incorporated into the operations of the Company itself and those of the subsidiaries, into existing or specifically developed policies and procedures.
The Board of Directors of the Company, with the support of the Control, Risks and Sustainability Committee, ascertains the nature and level of risk compatible with the corporate objectives, taking account of parameters connected with operating performance, equity and the net financial position of the Company.
As to financial reporting, the ICRMS consists of a series of administrative and accounting procedures, supported by specific software, and tools for assessing their suitability and functioning ("financial risk reporting" model).
The implementation and maintenance of the model is divided into the following main phases:

a) identification and assessment of financial reporting risks;
b) identification of the controls for the risks identified at the level of the relevant process;
c) assessment of the adequacy and effective application of the administrative and accounting procedures and the relative controls.

With regard to risks associated with the COVID-19 pandemic, please see the discussion in these notes to the consolidated financial statements in "Part A – Accounting policies – A1 General information – Section 4 Other information – Risks, uncertainties and impact of the COVID-19 pandemic".

3.1 Financial risks

This disclosure is provided for under Article 2428 of the Italian Civil Code and under IAS 32 and IFRS 7.

Financial risks include:

- liquidity risk, which is associated with the difficulty of selling an asset rapidly and at a market price, or of promptly accessing the financial resources necessary for the company at a sustainable cost;
- credit risk, i.e. the risk of incurring losses due to the default or insolvency of the counterparty;
- market risk linked to fluctuations in the value of assets/liabilities following changes in market conditions (price, rate, exchange and commodity risk).

The Group is exposed to all three of the risks mentioned above. More specifically, that exposure is essentially associated with the management of the liquidity of Group companies, both in relation to the repayment of the loan obtained by the Company and in relation to the surplus of financial resources with respect to the expected liquidity needs generated by ordinary operations, i.e. the portfolio owned by the Group.

<u>Liquidity management: borrowing</u>

At 31 December 2020, the Parent Company had the following debt structure:

Type	Nominal value	Debt exposure at 31 December 2020
Bank loan	262,000	260,458
Bond	283,978	282,040
Total borrowing	**545,978**	**542,498**

The nominal maturity profile of debt is as follows:

Falling due	Bank loan	Bond	Total
less than 6 months			**-**
less than 1 year			**-**
between 1 and 3 years			**-**
between 3 and 5 years	262,000		**262,000**
more than 5 years		283,978	**283,978**
Total	**262,000**	**283,978**	**545,978**

The Bank Loan refers to the transaction on 10 October 2019 in which the Company obtained a medium/long-term credit line in the maximum amount of €300 million (see the press release of 17 October 2019). This credit line was drawn on 24 October 2019 in the amount of €297 million. On 30 June 2020, the Company exercised the provisions of Article 7.5 of the loan agreement for the optional early repayment of principal in the amount of €35 million.

The Bank Loan falls due 5 years from the date it was granted and bears an annual interest rate equal to 6-month Euribor plus a spread of 1.5% (150 bps), with interest paid semi-annually on 31 December and 30 June.

The Bank Loan requires compliance with financial covenants. More specifically, the contract calls for: (i) the ratio of the consolidated net financial position to consolidated EBITDA, as established in that loan agreement, to be equal to or less than 2.5. In the event of failure to comply with the covenants, the lending banks are protected by guarantee mechanisms (for example, equity cures, restrictions on the distribution of profits, early repayment of the loan).

As of the date of approval of these consolidated financial statements, the Company was in compliance with all of the covenants, including that calculated at 31 December 2020.
Furthermore, at 31 December of each financial year, starting from the year ending at 31 December 2021, the Company has undertaken to allocate part of any available financial surpluses - as contractually defined - to mandatory early repayment of the Bank Loan ("cash sweep").
Finally, note that the Company, at any time, has the right to proceed with the cancellation (total or partial) of the Bank Loan.

On 23 October 2019, the non-convertible senior unsecured Bond was issued with a nominal value of €300 million with a maturity of 7 years. The Bond was issued at a price of 99.459%, with a fixed annual interest rate of 1.75% (see the press release of 17 October 2019). The bond raised a net €298.38 million for Anima Holding.
On 10 June 2020, the Company settled the partial repurchase offer (for a maximum nominal amount of €30 million) for bonds issued by the Company. The offer, which began on 22 May (see the press release of 22 May 2020), ended on 5 June 2020 (see the press release of 8 June 2020) with the repurchase of a total nominal amount of €16,022,000 at a price equal to 90.00% of the nominal value of the bonds. At 31 December 2020, following the cancellation of the repurchased bonds, the nominal value of the Bond is equal to €283,978,000;
The Bond was restricted to qualified investors in Italy and abroad, excluding the United States and other selected countries. The Bond was listed on the multilateral trading system, as defined pursuant to Directive 2014/65/EU (multilateral trading facility, or MTF), denominated "Global Exchange Market", operated by Euronext Dublin. The Bond is currently rated BBB- by Fitch Ratings Ltd.

The following table summarizes the main features of the instrument:

Isser	ISIN	Listing market	Rating	Currency	Nominal value	IAS reporting value	Coupon	Maturing
Anima Holding S.p.A.	XS2069040389	MTF	BBB-	Euro	283,978	282,040	Annual fixed rate 1,75%	10/23/2026

With regard to other clauses concerning corporate debt, please see the "Report on corporate governance and ownership structure" - available on the Company's website (Governance section) – which has been prepared on the basis of the provisions of Article 123-bis of the Consolidated Law on Financial Intermediation, pursuant to which each year issuers must provide investors with a series of disclosures, specified in detail in the law.

With regard to market risk, the Company also has an exposure to interest rate risk on the variable-rate new Loan it obtained.
To hedge this risk, as also provided for in the Bank Loan agreement, specific hedging contracts have been entered into. More details are provided in the section "3.3 Derivatives and hedging policies" of these notes to the consolidated financial statements.

<u>Liquidity management: excess financial resources</u>
With regard to company liquidity, the Group invests excess cash in UCITS – either managed directly or managed under contract with other Group companies – and in bank deposits. The financial risks of the portfolio owned by the Group are managed through the definition of operating limits designed to mitigate the risk that the portfolio can assume. These limits are expressed both in terms of the types of investments allowed, the allowable amounts and a limit on the maximum risk (expressed by volatility) that can be assumed.
Each year, the Board of Directors of each Group company determines the characteristics and operating limits regarding investments in UCITS (direct management or granting a management contract) and in bank deposits.
Control activities are performed, including inter-group services as well, by the Risk Management department of the subsidiary Anima SGR.
The investment in UCITS is represented by products established and/or managed by the Group, selected on the basis of the return objectives and risk limits established by the respective Boards of

Directors. This type of investment is characterized by a high level of liquidity and a low level of direct credit risk, as the assets of the UCITS are segregated.
The financial risks deriving from this type of investment are essentially attributable to the market risk of the investments made, which is in any case compatible with the prudent profile that characterizes the investment strategy for the Group's liquidity.
The risks deriving from the investment in UCITS are monitored by verifying, on a daily basis, compliance with the limits set by the respective Boards of Directors. In particular, the risk limits established in terms of volatility are monitored with the risk model used by the subsidiary Anima SGR.
In view of the above, together with the diversified nature of the investments in UCITS, the Group does not feel that an analysis of the sensitivity of these investments to the market risks to which they are exposed would be representative.
Investment in bank deposits is by its nature characterized by a high level of liquidity and the absence of market risk. The financial risks deriving from this type of investment are substantially attributable to credit risk and are regularly monitored and mitigated using various techniques, including the use of limits aimed at splitting the risk.

3.2 Operational risks

The Parent Company primarily coordinates and provides operational management for the subsidiaries. Its exposure to operational risk is thus limited to administrative processes, some of which are handled for the Group companies as well.
Operational risks are monitored and managed by the Group's operating companies.
As regard outsourced services, in compliance with the rules governing outsourcing provided for in the Joint Bank of Italy - Consob Regulation of 19 January 2015, the Group outsources a number of important services to contractors governed by specific contracts. These primarily include a number of administrative and accounting-related back-office activities and IT services connected with asset management products, including the Arti&Mestieri pension fund.
In order to monitor the maintenance of high standards of efficiency in outsourced processes, specific Service Level Agreements ("SLAs") have been reached with the outsourcers. These contracts specify the quality arrangements made by the supplier and the qualitative and quantitative service levels for the service that the outsourcer must deliver through the achievement of specific key performance indicators (KPI). Outsourced IT services are governed by specific clauses concerning the disaster recovery and business continuity plans implemented by the outsourcers in order to ensure service continuity and the retention, security and integrity of data.
These agreements also have specific clauses that enable the Group to take action against the vendors in the event of losses caused by breach of those agreements.
In the event of changes in (i) the regulatory framework, (ii) information systems or (iii) the internal organization of outsourcers, the agreements provide for contract revisions in order to keep them updated and appropriate to the new situation.
The failure of outsourcers to provide the minimum service levels could in any event harm Group operations and give rise to reputational losses.
For these risks, the Group has implemented the measures required under the applicable regulations to verify compliance with the SLAs with outsourcers.
The Group has also adopted a Disaster Recovery and Business Continuity Plan for IT services, designed to ensure service continuity and the conservation, security and integrity of corporate data.
In addition, Anima SGR - which centralizes information technology ("IT") activities for the Group - has a long-term consulting contract with a cyber security expert who is a professor in the field at the Università Cattolica del Sacro Cuore of Milan. This consulting arrangement provides constant monitoring of the security level of IT systems (against possible attacks from outside or inside the company), as well as proactively identifying new attack vectors, thanks to the research conducted in the consultant's academic position.
The cyber security activity performed by the consultant verifies the impenetrability of all the logical and physical devices that make up the Group's IT architecture: the website, data network, fixed and mobile telephony, network servers and clients, antivirus systems and firewalls etc. The results of this activity are formalized in periodic reports sent to the Group's IT representatives: any identified

weakness is analyzed and addressed with specific measures. To date, the attacks that the Group's systems have suffered (viruses, trojans, access attempts, brute force attacks etc.) have all been intercepted and repulsed.
Note that during the year an extraordinary assessment of the risk conditions of the Group's IT security was conducted by a specialized firm. More specifically, the firm performed (i) a vulnerability assessment, consisting of retrieving information on the versions of the software used on servers, consulting the (public) databases containing known vulnerabilities and drawing up a report (these activities sought identify any weaknesses in software that could be used to access a system without authorization); and (ii) a penetration test activity, which consisted in exploiting the weaknesses identified in the vulnerability assessment to try to access the elements of the system so identified and then draw up a specific report. These activities made it possible to strengthen the Group's IT security.
Finally, the Group has signed a specific insurance policy taking effect from 2021 to cover IT risks associated with possible external actions.

3.3 DERIVATIVES AND HEDGING POLICIES

DERIVATIVES
The Group has no positions in trading derivatives

HEDGING POLICIES
Qualitative disclosures
The Group hedging activity focuses on the interest rate risk resulting from variations in 6-month Euribor, to which the Bank Loan agreement signed by the Parent Company is indexed.
The objective pursued by hedging interest rate risk is to stabilize the amount of future cash flows from interest on the floating-rate loan agreement (the "hedged item"). This has been achieved with interest rate swaps (the "hedging instrument") entered into with Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. that enable the Company to receive a floating interest rate from the counterparties (indexed to the same market parameter envisaged in the Bank Loan agreement) while paying a fixed interest rate.
The derivatives are not listed on a regulated market but were transacted on OYC circuits.
The interest rate risk hedging relationship has the following characteristics:

- type of hedged Item: liability;
- type of hedging relationship: cash flow hedge.

The hedged item and the hedging instrument are both indexed to 6-month Euribor
There is therefore an economic relationship between the above elements, given the perfect match between the technical and financial characteristics of the hedged item and the hedging instrument.
The following source of ineffectiveness of the hedging relationship has been identified:
Credit Value Adjustment (CVA)/*Debit Value Adjustment* (DVA): this adjustment is made periodically as part of the determination of the fair value of the hedging instrument in order to reflect the credit risk of the parties involved. Since the hedged risk does not include credit risk in the calculation of the fair value of the hedged item, no adjustment is made for this risk.
For the purposes of measuring any ineffectiveness, the effect of the CVA/DVA of the hedging instrument is monitored.

Finally, noted that the reform of the benchmark indices for the determination of interest rates governed by Regulation (EU) 2016/1011 and Regulation (EU) 2021/168 did not impact the hedging relationship established by the Company.

Quantitative disclosures

3.3.2 Hedging derivatives: end-of-period notional values

	31/12/2020
Type	Interest Rate Swap
Notional value	148,500
Fair value	(2,569)
Effective date	1/21/2020
Maturity	10/10/2024

3.3.8 Impact of hedges on shareholders' equity: reconciliation of components of shareholders' equity

Cash flow hedges	**Gross amount**	**Income taxes**	**Total**
Opening balance	**0**	**0**	**0**
a) change in fair value	(2,952)	873	**(2,079)**
b) recycling to profit or loss	385	(114)	**271**
c) other changes			
Closing balance	**(2,567)**	**759**	**(1,808)**

Section 4 – Information on capital

4.1 *Company capital*

4.1.1 Qualitative disclosures.

At 31 December 2020, the share capital of the Company, fully subscribed and paid-up in the amount of €7,291,809.72 is represented by 368,635,785 shares with no par value.
The shares of the Company have been listed since 16 April 2014 on the *Mercato Telematico Azionario* organized and operated by Borsa Italiana S.p.A.
At the date of the approval of the consolidated financial statements at 31 December 2020 by the Board of Directors, shareholders with significant interests in Anima Holding, on the basis of the reports submitted pursuant to Article 120 of Legislative Decree 58/98 and other information available to the Company, were Banco BPM S.p.A. with 19.385%, Poste Italiane S.p.A. ("Poste Italiane" or "Poste") with 10.355 %, Wellington Management Group LLP with 5.028%, River and Mercantile Asset Management LLP with 4.972%, Norges Bank with 2.967% and DWS Investment Gmbh with 2.967%. In addition, the Company holds 3.024% of its share capital as treasury shares with no voting rights.
In addition, pursuant to Consob Resolutions 21326 - 21327 of 9 April 2020 and 21434 of 8 July 2020, on 31 March 2020 the Company was notified that the threshold of 1% of share capital had been exceeded by Caltagirone Gaetano Francesco, acting through Gamma S.r.l., with 1.118%.
Anima Holding has not issued profit participation certificates, convertible bonds, other securities or similar instruments.

4.1.1 Quantitative disclosures.

4.1.2.1 Company capital: composition

		31.12.2020	31.12.2019
1.	Share capital	7,292	7,292
2.	Share premium reserve	787,652	787,652
3.	Reserves	407,673	379,494
	- earnings	376,811	347,600
	a) legal	1,458	1,458
	b) established in bylaws		
	c) treasury shares		
	d) other	375,353	346,142
	- other	30,862	31,895
4.	(Treasury shares)	(45,245)	(59,639)
5.	Valuation reserves	(2,572)	(728)
	- Cash flow hedges	(1,808)	
	- Actuarial gains (losses) on defined benefit plans	(764)	(728)
6.	Equity instruments		
7.	Net profit (loss) for the period	155,371	145,829
Total		**1,310,171**	**1,259,901**

At 31 December 2020 the Company held 11,148,095 treasury shares with no par value, equal to about 3.024% of share capital. The value of the treasury shares, which is recognized in a negative equity reserve and includes transaction costs/income, amounts to about €45,244,704, equal to an average price of about €4.0585 per share.
On 20 May 2020 the dividend was paid in respect of 2019 earnings in the amount of about €73 million (with exclusion of treasury shares held by the Company).

Section 5 – Detailed breakdown of comprehensive income

Items		31.12.2020	31.12.2019
10.	**NET PROFIT (LOSS) FOR THE PERIOD**	**155,371**	**145,829**
	OTHER COMPREHENSIVE INCOME - NO RECYCLING TO PROFIT OR LOSS		
40.	**Defined benefit plans**	**(36)**	**(123)**
90.	**Cash flow hedges**	**(1,808)**	**1,107**
	a) change in fair value	(2,079)	(1,225)
	b) reversal to income statement	271	2,332
	c) other changes		
130.	**TOTAL OTHER COMPREHENSIVE INCOME**	**(1,844)**	**984**
140.	**COMPREHENSIVE INCOME (items 10+130)**	**153,527**	**146,813**

Section 6 – Transactions with related parties

6.1 Information on the remuneration of key management personnel.

The following table reports the amount of remuneration for the year accrued by the members of the governing and control bodies and by key management personnel.

	Board of Auditors	Board of Directors - Committees	Key management personnel	Total at 31.12.2020
Short-term benefits (1)	377	1,475	3,204	**5,056**
Post-employment benefits (2)	0	0	258	**258**
Other long-term benefits	0	0	0	
Termination benefits (3)	0	150	2,061	**2,211**
Share-based payments (4)	0	0	1,092	**1,092**
Total	**377**	**1,625**	**6,615**	**8,617**

(1) Includes fixed and variable remuneration, social security contributions charges to the company and benefits in kind.
(2) Includes the company contribution to the pension fund and the accrual to the termination benefit as provided for by law and company rules.
(3) Includes remuneration pertaining to the year connected with agreements for the termination of employment relationships and non-compete agreements with the Departing Beneficiary and the associated social security contributions charged to the Group.
(4) The value reported regards the variable portion of long-term remuneration pertaining to the year from key management personnel's participation in the LTIP, which is quantified as described in "Part A – Accounting policies – A.2 The main items of the consolidated financial statements – Other information – Share-based payments - LTIP" in the consolidated financial statements at 31 December 2020; the value reported does not include the amount pertaining to the Departing Beneficiary.

As at the reporting date, no guarantees had been granted to directors, members of the Board of Auditors or key management personnel.

6.2 Information on transactions with related parties

In implementation of the regulation on related parties, the Parent Company has approved a "Procedure for related-party transactions" (available on the Anima Holding website www.animaholding.it in the section Investor Relations – Corporate Governance).

During the year under review, the Group carried out transactions, settled on terms and conditions in line with market standards, with the parties identified by the procedures approved by the Parent Company, which are designed to ensure the transparency and the substantive and procedural fairness of transactions with related parties.

Transactions of greater importance

- On 31 March 2020, the Poste Modification Agreement was signed by Poste, BPF and Poste Vita on the one hand and the Company and Anima SGR on the other agreed to amend certain provisions of the Operating Agreement and part of the annexes and, as a result, replace the attachment to the Demerger and Purchase Agreement relating to the earn-out mechanisms.
  The Poste Modification Agreement qualifies as a related party transaction of greater importance, since, at the signing date, Poste held 10.04% of the Company's share capital and consequently, in accordance with applicable law and regulations, the transaction was approved by the Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
  Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Parent Company has prepared the Information Document which was published on 7 April 2020 on the Anima Holding website at www.animaholding.it.

- On 14 May 2020 the Banco BPM Modification Agreement was signed, under which Banco BPM and Banca Aletti on the one hand and the Company and Anima SGR on the other agreed to modify certain provisions contained in the Private Agreement and the Framework Insurance Agreement.
  The Banco BPM Amending Agreement qualifies as a transaction between related parties of greater importance, since, at the signing date, Banco BPM held 15.443% of the Company's share capital and is also one of the main distributors of savings products managed by Anima SGR. Note that, at the signing date, the Company director Venuti was Head of Private Customer Coordination at Banco BPM (previously, he was Head of Investments and Wealth Management at Banca Aletti - Banco BPM Group) and a director of Bipiemme Vita S.p.A .
  Consequently, in accordance with applicable law and regulations, the transaction was approved by the Company's Board of Directors, subject to obtaining favorable opinions from the Related Parties Committee.
  Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Parent Company has prepared the Information Document which was published on 21 May 2020 on the Anima Holding website at www.animaholding.it.

Transactions of lesser importance

With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, the Related Parties Committee was asked to issue an opinion on the early termination of the employment relationship with Marco Carreri, the previous General Manager of Anima SGR and previous CEO of Anima SGR and the Company (the "Termination").
The Termination qualified as a transaction with a related party pursuant to the Procedure: more specifically, it was a transaction carried out by Anima SGR in which the Company itself participated in relation to the non-compete obligations that Dr. Carreri has undertaken for the benefit of the Company as well.
Mr. Carreri was considered a related party of the Company and of Anima SGR in that he was (i) a manager of Anima SGR with the position of General Manager of the that company; (ii) Chief Executive Officer of Anima SGR and (iii) Chief Executive Officer of the Company.
Since, on the basis of the checks performed by the Related Party Transaction unit, the materiality index applicable to the case in question (i.e. the significance of the value of the transaction) did not exceed the thresholds referred to in Article 6.1 of the Related Party Procedure, the transaction qualified as a "transaction (related party) of lesser importance".

Other significant transactions

With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, during the period no other transactions of "greater importance" or "lesser importance" were carried out with related parties.
No atypical or unusual transactions were carried out.

Ordinary or recurring transactions

Transactions with related parties mainly regarded commercial activities supporting the distribution of the products managed by the Group, the management engagements received, current account deposits for the management of liquidity, bank loans and the IRS derivatives connected with the Outstanding Loan, advisory support for the partial repurchase of the Bond, postal services received, as well as the remuneration paid to the members of the Board of Directors of the Company originating in Banco BPM and Poste.

BALANCE SHEET	Banco BPM Group	Poste Italiane Group	Total related parties
ASSETS			
40 Financial assets measured at amortized cost	129,825	6,918	**136,743**
a) for asset management	16	6,918	**6,934**
c) other loans and receivables	129,809	*0*	**129,809**
- deposit and current accounts	*129,809*	*0*	**129,809**
120 Other assets	494	188	**682**
Total assets	**130,319**	**7,106**	**137,425**
LIABILITIES			
10 Financial liabilities measured at amortized cost	(163,606)		**(163,606)**
- for product distribution	*(76,272)*		**(76,272)**
- for loans	*(87,333)*		**(87,333)**
40 Hedging derivatives	(991)		**(991)**
80 Other liabilities	(15)	(485)	**(500)**
Total liabilities	**(164,612)**	**(485)**	**(165,096)**
INCOME STATEMENT			
10 Fee and commission income	95	26,416	**26,511**
20 Fee and commission expense	(331,054)	0	**(331,054)**
50 Interest income on deposit and current account	10	0	**10**
60 Interest expense on deposit and current account	(1,282)	0	**(1,282)**
140a Personnel expenses	(66)	(20)	**(86)**
140b Other administrative expenses	(42)	(2,132)	**(2,175)**
180 Other operating income and expenses	50	750	**800**
TOTAL INCOME STATEMENT	**(332,290)**	**25,014**	**(307,277)**

In addition, in application of IFRS 16, about €0.06 million was recognized under "Financial assets measured at amortized cost" in respect of the lease for an apartment, which was sublet during the year to a key Group executive.

Section 7 –Lease disclosures

Qualitative disclosures

The leases held by the Group and falling within the scope of IFRS 16 concern the following cases: property, hardware and cars. Real estate leases are the most significant, representing about 95% of the value of the right-of-use assets recognized. The impact of car and hardware leases is marginal.
There are no outgoing cash flows to which the Group companies, as a lessee, are potentially exposed that have not already been quantified in the liabilities recognized in application of IFRS 16.
With regard to the term of the leases, note that the Group:

- only considers the first renewal as reasonably certain for real estate leases, unless there are contractual clauses that prohibit the renewal, or facts or circumstances that would prompt consideration of additional renewals or termination of the lease;
- does not consider the exercise of any renewal options for car leases to be reasonably certain.

During the year under review, no sale and leaseback transactions were carried out involving assets owned by the Group.
For short-term leases or leases for which the underlying asset is of low value, the Group has applied the exemptions provided for in paragraph 5 of IFRS 16: accordingly, for these contracts, the lease payments are recognized under administrative expenses on a straight-line basis over the term of the respective leases.
Furthermore, the incremental borrowing rate of the Parent Company (represented by the average borrowing rate) at the commencement date of each new lease within the scope of IFRS 16 is used to discount the lease payments.

Quantitative disclosures

Property, plant and equipment – right-of-use assets acquired with leases and lease liabilities: composition

Assets	31/12/2020	31/12/2019
40. Financial assets measured at amortized cost	1323	111
Financial receivables for property sublet	*1323*	*111*
80. Property, plant and equipment	8,387	11,792
buildings	*7,733*	*11,049*
electronic plant	*270*	*272*
other assets - cars	*384*	*471*
Total assets	**9,710**	**11,903**

Liabilities	31/12/2020	31/12/2019
10. Financial liabilities measured at amortized cost	(9,481)	(12,112)
a) debt	(9,481)	(12,112)
lease liabilities on buildings	*(8,811)*	*(11,370)*
lease liabilities on electronic plant	*(283)*	*(269)*
lease liabilities on other assets - cars	*(387)*	*(473)*
Total liabilities	**(9,481)**	**(12,112)**

Income components of under IFRS 16 leases

Income statement	2020	2019
50. Interest and similar income	18	
of which in respect of property sublet	18	
60. Interest and similar expense	(142)	(171)
of which in respect of lease liabilities on buildings	*(132)*	*(162)*
of which in respect of lease liabilities on electronic plant	*(4)*	*(4)*
of which in respect of lease liabilities on other assets - cars	*(6)*	*(5)*
140. Administrative expenses	(768)	(883)
a) personnel expenses	(91)	(140)
costs for short-term car rentals	*(91)*	*(140)*
b) other administrative expenses	(677)	(743)
costs for rental of electronic plant	*(199)*	*(208)*
short-term property leases	*(478)*	*(535)*
160. Net adjustments of property, plant and equipment	(2,590)	(2,783)
Depreciation of right-of-use assets on buildings acquired with leases	*(2,226)*	*(2,419)*
Depreciation of right-of-use assets on electronic plant acquired with leases	*(120)*	*(174)*
Depreciation of right-of-use assets on other assets (cars) acquired with leases	*(244)*	*(190)*

Property, plant and equipment – right-of-use assets acquired with leases: change for the period

		Land	Buildings	Movables	Electronic plant	Other	Total
A.	**Gross opening balance**		**13,474**		**446**	**661**	**14,581**
A.1	Total net value adjustments		*(2,425)*		*(174)*	*(190)*	*(2,789)*
A.2	**Net opening balance**		**11,049**		**272**	**471**	**11,792**
B.	**Increases:**	**-**	**453**	**-**	**118**	**173**	**744**
B.1	Purchases		432		118	173	723
B.7	Other changes		21				21
C.	**Decreases:**	**-**	**(3,769)**	**-**	**(120)**	**(260)**	**(4,149)**
C.1	Sales					(16)	(16)
C.2	Depreciation		(2,226)		(120)	(244)	(2,590)
C.7	Other changes		*(1,543)*				- 1,543
D.	**Net closing balance**	**-**	**7,733**	**-**	**270**	**384**	**8,387**
D.1	Total net value adjustments		(4,492)		(285)	(398)	- 5,175
D.2	**Gross closing balance**		**12,225**		**555**	**782**	**13,562**
E.	Assets at cost	-	7,733	-	270	384	8,387

Maturity profile of financial assets and liabilities measured at amortized cost and connected with the acquisition of right-of-use assets with leases

Financial assets/liabilities measured at amortized cost	**Less than 6 months**	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Assets						
Financial receivables for property sublet	*112*	*110*	*594*	*391*	*116*	*1,323*
Total	**112**	**110**	**594**	**391**	**116**	**1,323**
Liabilities						
Lease liabilities on buildings	*(756)*	*(1,245)*	*(5,007)*	*(1,345)*	*(458)*	***(8,811)***
Lease liabilities on electronic plant	*(53)*	*(49)*	*(181)*			***(283)***
Lease liabilities on other assets - cars	*(117)*	*(95)*	*(175)*			***(387)***
Total	**(926)**	**(1,389)**	**(5,363)**	**(1,345)**	**(458)**	**(9,481)**

Rates used to discount receipts and payments on leases

	1.325%	**1.458%**	**1.504%**	**1.54%**	**Totale**
Financial receivables for property sublet	*1,323*				*1,323*
Total receivables	**1,323**				**1,323**
Lease liabilities on buildings	*(8,811)*			*(406)*	*(9,217)*
Lease liabilities on electronic plant	*(175)*		*(108)*		*(283)*
Lease liabilities on other assets - cars	*(164)*	*(76)*	*(49)*	*(98)*	*(387)*
Total payables	**(9,150)**	**(76)**	**(157)**	**(504)**	**(9,887)**

Section 8 – Other disclosures

Disclosure of fees paid for audit and non-audit services pursuant to Art. 149 duodecies of Consob Regulation no. 11971/99 as amended

	Deloitte & Touche S.p.A.
Audit services	136
Other audit services	19
Certification services	64
Fees for audit of pension fund accounts	17
Fees for audit of CIU accounts	1,427
Total fees	**1,663**

The amounts are reported net of out-of-pocket expenses and VAT.

Milan, 1 March 2021.

For the Board of Directors

The Chief Executive Officer

Certification of the consolidated financial statements pursuant to Article 154-bis, paragraph 5, of Legislative Decree 58/98 and Article 81-ter of Consob Regulation no. 11971/99 as amended

The undersigned Alessandro Melzi d'Eril and Enrico Maria Bosi, in their respective capacities as Chief Executive Officer and officer responsible for the preparation of the financial reports of Anima Holding, hereby certify, taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- the appropriateness with respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements in 2020.

The assessment of the appropriateness of the administrative and accounting procedures used in the preparation of the consolidated financial statements at 31 December 2020 was carried out on the basis of a process developed by Anima Holding consistent with the guidelines set out in the Internal Controls - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents a generally accepted international framework.

In this regard, we also certify that:

1. the consolidated financial statements at 31 December 2020:

   - have been prepared in compliance with the international accounting standards (IAS/IFRS) and the associated interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002 as well as the relevant provisions of the Italian Civil Code, Legislative Decree 38 of 28 February 2005 and the applicable measures, rules and other instructions of supervisory authorities;
   - correspond to the information in the books and other accounting records;
   - provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation.

2. the report on operations contains a reliable analysis of operations and performance, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which the Group is exposed.

Milano, 1 March 2020

The Chief Executive Officer	Financial Reporting Officer
Alessandro Melzi d'Eril	Enrico Maria Bosi

ANIMA

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Anima Holding S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Anima Holding S.p.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2020, and the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Anima Holding S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test of goodwill

Description of the Key Audit Matter	The goodwill recorded in the consolidated financial statements as at December 31, 2020 amounts to Euro 1.105 million. This goodwill recognized in relation to business combinations carried out during previous years has been allocated to the Group's sole CGU (Anima CGU) and, as required by IAS 36 "Impairment of assets", is subjected to impairment test at least annually by comparing the recoverable amount - determined according to the value in use method - and the carrying amount. The notes to the consolidated financial statements "Part B - Section 9 of Assets" show that the Directors of the Company have been assisted in the impairment test as at December 31, 2020 by an advisory firm with specific experience in corporate valuations (External Advisor) that issued a *fairness opinion* on the determination of the recoverable amount of Anima CGU. In formulating the estimate of the recoverable amount, the Directors of Anima Holding S.p.A. have used updated assumptions in order to reflect the most recent developments and the latest information available, also in consideration of the uncertainty of current macro-economic context due to the effects related to the spread of Covid-19 pandemic. Hence taking into account what was recommended by ESMA during the year and in the most recent "Public Statement" of October 28, 2020 and by Consob in the notice published on February 16, 2021. The main assumptions adopted by the Directors of Anima Holding S.p.A. refer to: • the forecast of Anima CGU expected cash flows for the explicit period based on the 2021 Budget approved by the Company's Board of Directors on December 18, 2020 and the estimated projections for the remaining years of the aforementioned period in compliance with the guidelines of the Group Business Plan 2020 - 2024, approved by the Board of Directors on December 20, 2019, updated in light of the values included in the 2021 Budget; • the cash-flows to be included in the terminal value, the discount rate, the long-term growth rate, the key variables for the preparation of sensitivity and multi-scenario analysis. The notes to the consolidated financial statements "Part B - Section 9 of Assets" show that, as a result of the impairment test carried out, no losses in value have been identified both in the base scenario and in all those assumed by the scenario analyses carried out. Taking into consideration the complexity and subjectivity of the estimate of the expected cash-flows and key variables with respect to the valuation model adopted by the Company as well as the magnitude of the amount of goodwill recorded in the consolidated financial statements, the related

	impairment test has been identified as a key audit matter in the context of the audit of the consolidated financial statements of the Group as at December 31, 2020.
Audit procedures to address the Key Audit Matter identified	Our audit procedures, also carried out with the support of specialists belonging to our network, have included, among others, the following: • examination of the process used by the Company to determine the value in use of the CGU Anima, analyzing the methods and assumptions adopted by the Directors to carry out the impairment test. In this context we held meetings and discussions with Management; • understanding and observation of relevant controls put in place by the Company with respect to the impairment test process; • analysis of the External Advisor's fairness opinion; • verification of the reasonableness of main assumptions adopted to forecast cash-flows; • evaluation of the reasonableness of the discounting rate, of the long-term growth rate and of other key variables adopted in the valuation model; • verification of mathematical accuracy of the model used to determine the value in use. Furthermore, we examined the completeness and compliance of the disclosures provided by the Company to the provisions of IAS 36, as well as the interpretative documents supporting the application of the accounting standards in relation to the impacts from Covid-19, issued by regulatory and supervisory bodies.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Anima Holding S.p.A. has appointed us on April 27, 2017 as auditors of the Company for the years from December 31, 2017 to December 31, 2025.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Anima Holding S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of the Group as at December 31, 2020, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of the Group as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of the Group as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Paolo Gibello Ribatto
Partner

Milan, Italy
March 9, 2021

This report has been translated into the English language solely for the convenience of international readers.