





Unipol Gruppo Annual Report 2021

The official document containing the 2021 Financial Statements, accompanied by the Management Report, prepared according to the technical requirements of Regulation (EU) 815/2019 (European Single Electronic Reporting Format - ESEF) is available, in accordance with the law, on the Company's website (www.unipol.it).

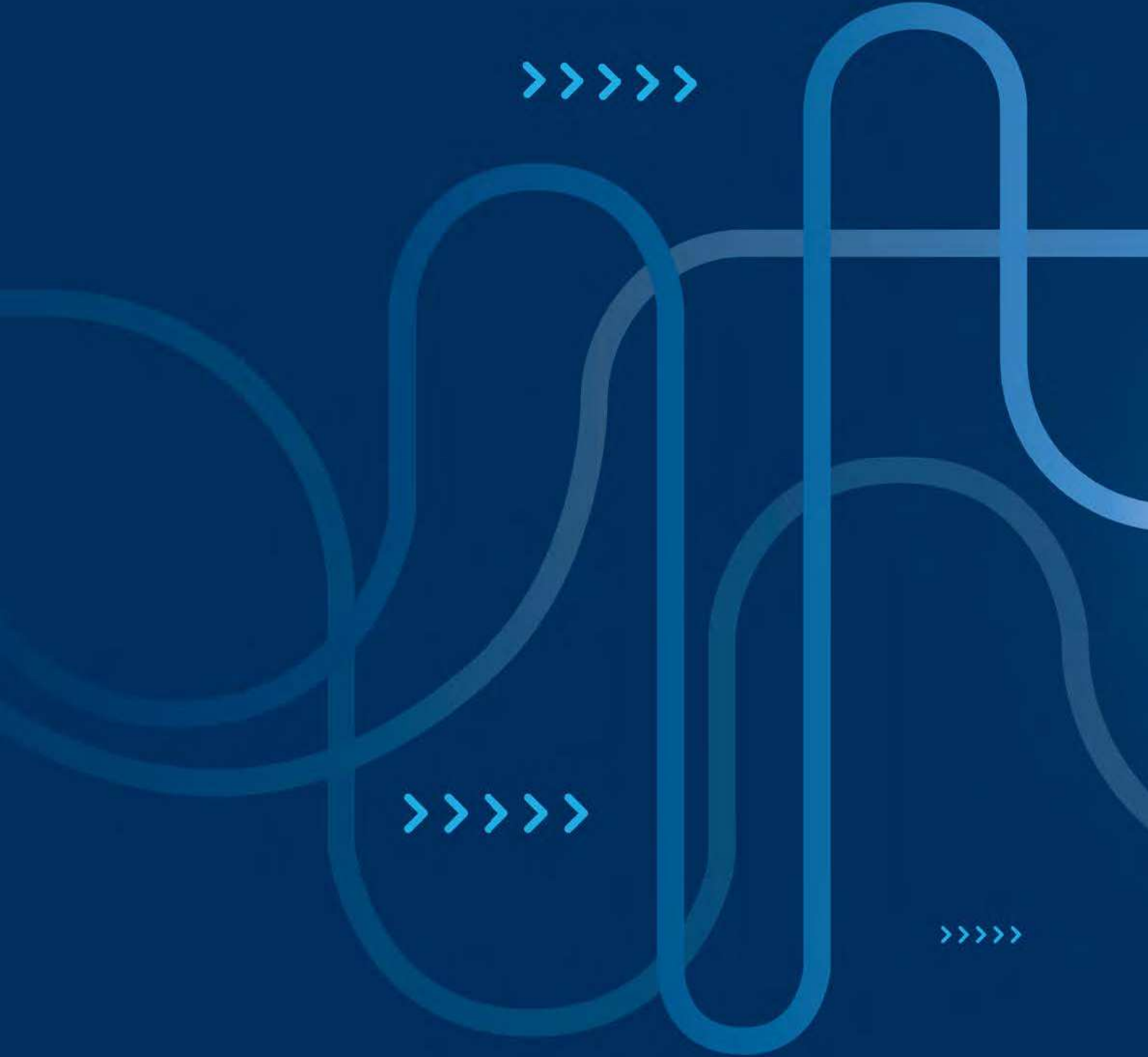
This document in PDF format provides the text of the 2021 Financial Statements, accompanied by the Management Report, for ease of reading.

Translation from the Italian original solely for the convenience of international readers.

>>>>>

>>>>>

>>>>>



LOOK TO THE FUTURE, FORGING INNOVATIVE PATHS

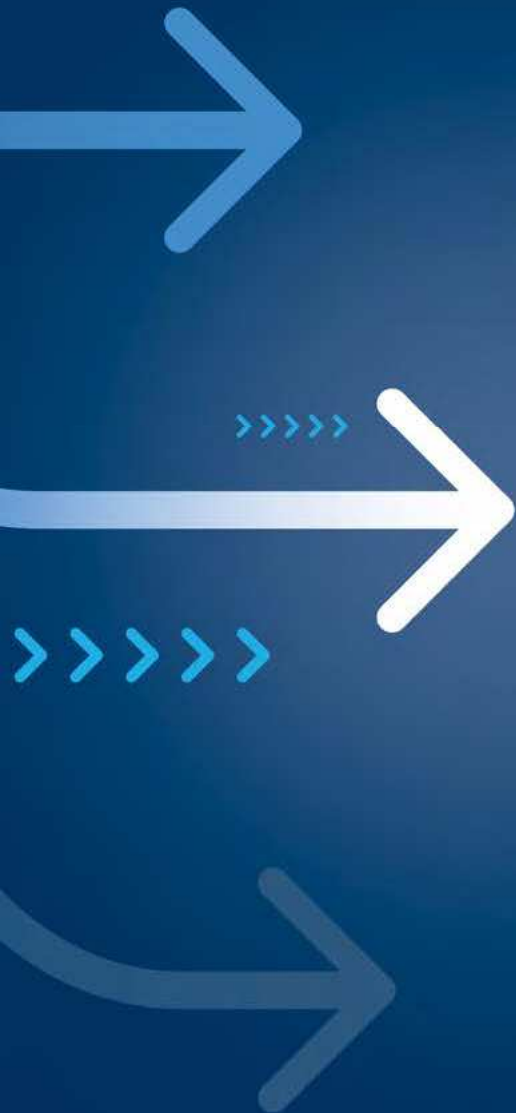
2021 saw the conclusion of our three-year Strategic Plan “Mission Evolve”, with the Unipol Group outperforming all the financial, development and capital strength targets it had set.

In these three years we have consolidated strategic intangible assets, such as the brand's reputation which, despite the unpredictability experienced during the pandemic, allowed us to be a point of reference not only for our stakeholders but also for Italy.

We have defined new and important standards in the field of product and service innovation, digitalisation and telematics, as factors in continuous improvement of the quality of life and sustainable development.

Our future is built in the here and now, and today, with a broad vision that encompasses the three major ecosystems of mobility, welfare and property, not only do we seize upon the challenges posed by the market with greater determination, but above all upon the opportunities arising from new needs.

Thanks to all our people and to the quality of everyday commitment, we aim to continue to express our leadership by targeting development that is in harmony with that of all our customers and the community. Casting our vision towards the future and forging increasingly innovative paths.



CONTENTS

Company bodies	9	3. Notes to the Financial Statements	57
Introduction	11	Structure and contents of the Financial Statements	58
Macroeconomic background and market performance	11	Measurement criteria	59
Main regulatory developments	14	Information on the Statement of Financial Position and Income Statement	63
1. Management Report	19	Other information	77
Share performance	20	Significant events after the reporting period	84
Shareholding structure	21	Proposals to the Ordinary Shareholders' Meeting	85
Group structure at 31 December 2021	22	4. Tables appended to the Notes to the Financial Statements	87
Management Report	23	1. Reclassified Income Statement	89
Salient aspects of business operations	27	2. Statement of changes in shareholders' equity	90
Asset and financial management	27	3. Statement of use and availability of equity reserves at 31/12/2021	93
Share capital	30	4. Statement of changes in intangible assets	94
Debt	30	5. Statement of changes in property, plant and equipment	94
Risk management policies (Art.2428 of the Civil Code)	31	6. Statement of changes in fixed investments	96
Internal Control and Risk Management System of the Unipol Group	32	7. List of shares and securities included in current assets at 31/12/2021	98
Report on corporate governance and ownership structures pursuant to Art.123-bis of Legislative Decree 58 of 24 February 1998	39	8. Statement of temporary differences that involved the recognition of deferred tax assets and liabilities	99
Performance of directly controlled companies	39	9. Information on debt at 31 December 2021	101
Transactions with Group companies and transactions with related parties	42	5. Statement on the Financial Statements in accordance with Art. 81-ter of Consob Regulation 11971/1999	103
Research and development activities	42	6. Board of Statutory Auditors' Report	107
Privacy obligations (Italian Legislative Decree 196/2003)	42	7. Independent Auditors' Report	123
Human resources	43		
IT services	44		
Internet	44		
Business outlook	44		
2. Financial Statements for the year 2021	47		
Statement of Financial Position	48		
Income Statement	52		
Statement of cash flows	54		

Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Pierluigi Stefanini	
	VICE CHAIRMAN	Ernesto Dalle Rive	
	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER	Carlo Cimbri	
	DIRECTORS	Gianmaria Balducci Mario Cifiello Roberta Datteri Patrizia De Luise Massimo Desiderio Daniele Ferrè Giuseppina Gualtieri Pier Luigi Morara	Antonietta Mundo Milo Pacchioni Maria Antonietta Pasquariello Roberto Pittalis Annamaria Trovò Rossana Zambelli Carlo Zini
	SECRETARY OF THE BOARD OF DIRECTORS	Fulvia Pirini	
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Mario Civetta	
	STATUTORY AUDITORS	Silvia Bocci Roberto Chiusoli	
	ALTERNATE AUDITORS	Massimo Gatto Rossella Porfido	
MANAGER IN CHARGE OF FINANCIAL REPORTING	Maurizio Castellina		
INDEPENDENT AUDITORS	EY SpA		

Introduction

Macroeconomic background and market performance

Macroeconomic background

Globally, 2021 was characterised as a year of economic recovery, with global GDP forecast to rise by 5.9% (after falling by 3.5% in 2020). The economic recovery was particularly strong in the second quarter of the year, due to the removal of widescale restrictions and gradual expansion of the vaccination campaigns. On the other hand, in the third and fourth quarter, growth slowed as a result of increasing downside risks due, on the one hand, to the spread of new variants of COVID-19 and, on the other, to the emergence of increasing inflationary risks in particular deriving from procurement difficulties and the increase in commodity and energy prices.

In the **United States**, GDP increased by 5.7% in 2021 (-3.4% in 2020). The recovery was particularly strong in the first and second quarter (+1.5% and +1.6% over the previous quarter) and then continued in the third and fourth quarter (+0.6% and +1.7% over the previous quarter). Economic growth was supported especially by an increase in consumption and private investments, and allowed for an improvement in the job market, with the unemployment rate falling from an average of 8.1% in 2020 to 5.4% in 2021. Monetary policy remained expansionary, with the Fed continuing with its bond purchase programme and keeping the Fed Funds rate at 0.125%. These factors helped to drive the inflation rate, which reached an average of 4.7% in 2021 compared to 1.2% in 2020.

In **China**, GDP increased by 8.1% in 2021 (+2.2% in 2020). Chinese growth was especially driven by robust expansion in industrial production, which offset less brilliant growth in domestic demand. In this context, the unemployment rate averaged 5.1% in 2021, while the annual average inflation rate was 0.9%. Also in this phase, the Chinese economy drove the growth of the emerging countries bloc, which was forecast at 6.9%, compared to the 1.6% decline in 2020.

In **Japan**, average estimated GDP growth for 2021 was 1.7%. Japanese growth was negatively affected (especially in the first and third quarter) by uncertain epidemic trends and particular procurement difficulties due to strong integration within global value chains. In this context, the unemployment rate remained steady at an annual average of 2.8%. Despite the very accommodative monetary policy (the policy rate was an average -0.03%), the inflation rate was negative on average compared to 2020, recording deflation of 0.2%.

In the **Euro Area**, GDP rose by 5.2% in 2021 (-6.5% in 2020). After a negative first quarter (-0.2% compared to the previous quarter), the economic recovery gained strength, marking 2.2% growth in the second and 2.3% growth in the third quarter. As a consequence of a new wave of the pandemic, growth slowed in the fourth quarter to 0.3% compared to the previous quarter. The average unemployment rate in 2021 was 7.7%, with the December 2021 rate at 7.0%. In this context, monetary policy maintained an expansionary tone throughout the year, with the ECB's main refinancing rate and the rate on deposits remaining unchanged (at 0.0% and -0.5%, respectively) and the implementation of the bond purchase programmes announced during the pandemic emergency (PEPP and APP). These measures allowed a recovery of the inflation rate, which in 2021 averaged 2.6%.

After a 9.1% decline in 2020, **Italian GDP** rose by 6.6% in 2021. After a weak first quarter (+0.3% over the previous quarter), growth strengthened during the year, buoyed by the recovery of industry and services, reaching 2.7% and 2.5% in the second and third quarter, to then close the final quarter of the year with 0.6% growth over the previous quarter. In this context, the average unemployment rate was 9.5%, with the December 2021 rate at 9.0%. The annual inflation rate was 1.9% (-0.1% in 2020).

Financial markets

The **ECB's** announcements in December regarding suspension of the PEPP from March 2022 and expectations of a more austere monetary policy drove a partial upturn in all the European interest rate curves, especially for the longer maturities. The **3-month Euribor** rate closed 2021 at a stable -0.57%, only 3 basis points down on the figures at the end of 2020, while the **10-year Swap** rate increased in the same period by 56 basis points, closing 2021 at 0.30%.

The gradual return to normal of the expansionary monetary policies also contributed to forcing up government interest rates in the main Euro Area countries. In Germany, the **10-year Bund** closed 2021 at -0.16%, up 39 basis points

Introduction

on the values at the end of 2020, whilst in Italy the **10-year BTP** closed 2021 at 1.19%, up 66 basis points. The **10-year spread** between Italian and German rates was therefore 133 basis points at the end of 2021, up by 24 basis points compared to the end of 2020.

The year 2021 closed positively for the European stock markets which, after overcoming the most acute phase of the pandemic crisis, closed the year with strong increases. The **Eurostoxx 50** index, referring to the Euro Area prices, showed a 21% increase in 2021 compared to the values at the end of 2020, whilst the **FTSE Mib**, referring to Italian listed companies, rose by 14.30% in the same period. The **DAX**, referring to German listed companies, instead closed 2021 up by +15.79% compared to December 2020.

Unemployment and inflation forecasts, along with the analysis of recent job market trends, underlie the change in rhetoric in the more restrictive sense on the part of the **Fed** in recent weeks. At its December meeting, inflationary risks and the progress made in the job market in the direction of full employment caused the **Fed** to announce that it would more quickly taper the rhythm of net purchases in its bond purchase programme. In any event, the first three quarters of 2021 were characterised by expansionary monetary policies and these measures supported the US stock indexes, allowing the **S&P 500** to close 2021 up 26.89% compared to the end of 2020. The US dollar appreciated compared to the euro, with the **EUR/USD exchange rate** closing 2021 at 1.14, marking a 7.06% appreciation of the dollar compared to the end of 2020.

The year 2021 instead closed in an uneven manner across the international stock indexes: the **Nikkei**, referring to listed companies in Japan, closed 2021 up by 4.91%, while the **Morgan Stanley Emerging Markets** index, focusing on emerging markets, declined by 4.59% in 2021.

Insurance Sector

In 2021, due to the expected evolution of the last part of the year, taking into consideration the final data at the third quarter of 2021, Italian insurance premiums should reach €143.4bn, up 6.3% compared to 2020.

Total premiums of the Italian direct portfolio in the **Non-Life** business (only direct business) are expected to increase in 2021 by 2.2% compared to 2020. In the **MV** sector, consisting of MV TPL, Marine Vessels TPL and Land Vehicle Hulls, premiums should be down compared to 2020 (-2.3%). In the same period, total premiums in the MV TPL + Marine Vessels TPL business should decline by 4.7%, while Land Vehicle Hulls should be up by 7.2%. According to ANIA data, in 2021 the average premium in the MV TPL business saw a decrease of 4.0% compared to 2020, to €322. The ISTAT index of the MV TPL prices, the value of which reflects the price lists and not those actually applied by companies, instead recorded a 1.5% decline in 2021.

Non-MV Non-Life premiums should increase by 6.2% in 2021 compared to 2020. The Healthcare segment should rise by 5.7%, due to the strong growth in Health (+7.4%) and the more limited increase in Accident (+4.1%). The Property class should be up by 5.9% thanks to the good performance of Other Damage to Property (+6.3%) and the Fire class (+5.5%). Other Non-Life premiums should instead rise by 5.7% thanks to the increase in Bonds (+10.5%), Legal Expenses (+8.3%) and Credit (+6.3%), while General TPL is expected to grow by 7.8%.

In the **MV** sector, the negative trend for the **agency channel** should continue in 2021, with premiums down by 2.6% compared to 2020 and an overall weight of 82.5% on total premiums, against a strong increase in premiums in the **banking channel** (+22.4%), a decline in the **Brokers** channel (-15.5%) and essential stability in the **Direct channel**. **Non-MV** premiums in the **agency channel** should increase by 4.2%, in the **banking channel** and **Direct channel** they should rise by 22.7% and 15.8% respectively, while premiums from **Brokers** are expected to decrease by -3.2%.

Premiums in the **Life segment** (only direct business) are forecast to increase by 7.7% in 2021 compared to 2020, mainly as a result of the strong growth in Class III premiums (+41.4%). On the other hand, growth is expected to be down for Class I (-4.6%), Class IV (-1.8%), Class V (-19.2%) and Class VI (-28.5%).

In 2021, the **agency channel** in the Life segment should be up by 3.1%, with an overall weight of 14.0% on total premiums. The **Consultants and Banks channels** should also be up, by 31.1% and 5.2%, respectively, compared to 2020, accounting for 74.4% of total premiums, whilst the **Direct** and **Brokers** channels are expected to decline by 0.6%.

Pension funds

In 2021, net deposits of **assets under management** (mutual funds, individual asset management, collective and individual pension plans) amounted to around €91.7bn, of which €71.4bn referring to collective management (open and closed funds).

Pension asset management, with net income of roughly €2.9bn in the third quarter of 2021, already broadly surpassed total net premiums from the previous year, equal to €1.5bn. It consistently recorded positive values throughout the year, with +€716.5bn in the first quarter, +€467bn in the second and +€981.1 in the third. Asset management referring to pension funds (pension funds and individual pension plans) therefore amounted to €113bn at the end of the third quarter of 2021, equal to 4.5% of total assets under management, up 4.6% on the end of 2020.

In 2021, existing positions with pension funds increased by 403k compared to the end of 2020. The annual increase of 4.3% was higher than the 2.6% recorded in 2020 and slightly lower than the 4.4% of 2019. In December 2021, there were therefore 9.745m existing positions, of which 72.4% held by employees.

In line with aggregate trends, in 2021 there was an expansion in **open funds** which recorded an increase of 6.6% in existing positions, corresponding to 14.2% growth in funds assigned to services. For **occupational funds** (also inclusive of welfare funds), funds assigned to services increased by 8.2%. There was also an increase in existing positions of 2.9% for **"new PIPs"**, for which the resources allocated to services were up by 13%. Lastly, for **pre-existing pension funds**, for which the available data date back to September 2021, the number of positions is basically unchanged compared to December of the previous year (-0.3%).

Thanks to the sustained growth in the equity markets during the year, in 2021 **average 1-year returns** of supplementary pension schemes linked to equities improved compared to the previous year. Indeed, in 2020 the returns of those lines were between -1.3% recorded for "new" PIPs and +5.6% for occupational pension funds, while in 2021 the values were between +11.1% for occupational funds and +18.9% for "new" PIPs. In general, the return observed for occupational pension funds went from +3.1% in 2020 to +4.9% in 2021, on the other hand in open pension funds it rose from +2.9% in 2020 to +6.4% in 2021, while in the "new" PIP unit-linked lines, it went from -0.2% in 2021 to +11.1% in 2021. On the segregated funds of "new" PIPs, the return dropped slightly, from 1.4% in 2020 to 1.3% in 2021, a figure which for this year is significantly lower than the revaluation of post-employment benefits (3.6%), which rose significantly compared to 1.2% in 2020 due to inflation.

Real Estate market

According to the Real Estate Market Observatory of the Tax Authorities, after the 7.7% decline recorded in 2020, in 2021 **home sales in the residential sector** rose by 29.5%, exceeding 2019 levels by a wide margin (+19.6%). The expansion was more significant in small urban centres, while in major cities the greatest growth compared to 2019 was seen in Genoa (+19.6%). The strong expansion in sales was stimulated by tax incentives for renovations as well as easy access to credit.

The strong expansion in housing investments was also reflected in **home prices** for the 13 major cities, which in 2021 saw a 1.0% increase compared to 2020, confirming the expansionary phase that began in the second half of 2020. Therefore, the market appears to be strongly expanding, also on the basis of the decline to historically very low values, as well as the average time between the assignment of the engagement and the sale, and the average discount requested. The **home price** growth rate however is still lower than inflation (the consumption deflator increased on average by 1.5%), again entailing a decline in home values in real terms. Furthermore, growth is widespread amongst the major cities, with Milan (+2.5%) and Bologna (+2.4%) confirmed as the most attractive markets, while decreases were seen in Palermo (-2.0%), Venice (-0.8%) and Florence (-0.1%) compared to 2020.

In the major cities, residential **rent** also increased over 2020 (+0.9%), although at a rate lower than the prices of existing homes (+1.0%) and with a stable cap rate. As for prices, the increase in rent involved nearly all of the major cities, except for Venice (-1.8%) and Rome (-0.8%), with Milan marking the best performance (+1.8%).

After the 13.3% decrease recorded in 2020, in 2021 **sales in the non-residential sector** were up by 37.9% on 2020, significantly exceeding 2019 levels, similar to the trend for homes. The growth was more marked for offices (+53.5%) and stores (+38.8%), but more modest for the production sector (+20.5%).

As observed for homes, the recovery also had positive impacts on **non-residential property prices**, although the decline in prices for stores and offices, which has now persisted over 28 half-years, continued in 2021, albeit at lower rates than those observed in 2020. Prices of offices declined by 0.5%, while those of stores were down by 1.1%. Positive growth rates were observed only in Rome and Milan for both segments.

Rent, down as regards stores (-1.1%), increased for offices (+0.3%), entailing an increase in the cap rates in this segment.

Introduction

Main regulatory developments

Relevant regulations for the insurance sector

As regards prudential insurance regulations, on 23 September 2021, the European Commission published a **proposal** (COM/2021/581) **to amend the Solvency II Directive** (Directive 2009/138/EC). The changes of most interest to the Italian insurance market regard the functioning of the **Volatility Adjustment**, the new formulation of which should guarantee a stronger potential for mitigation of excess financial market volatility at EU and domestic levels. In addition, the Commission proposes a significant review of **group supervision** rules, both in reference to identification of the “group” scope and as regards the group solvency calculation and corporate governance requirements at group level. In the proposal, in order to mitigate the spread of systemic risk, the assignment of **new macroprudential supervisory powers** to the competent authorities is also envisaged. These include the option of forbidding dividend distributions and freezing policy surrender rights of contracting parties for a limited period of time and in exceptional crisis situations. Furthermore, the Authorities can ask insurance companies to adopt systemic risk management plans as well as an enhanced system for monitoring liquidity risk.

Other significant changes will be contained in the **Solvency II Delegated Acts**, for which the Commission, even if the legislative text has not yet been presented, has clarified its political guidelines. Particularly important among these is the proposal to ease the eligibility requirements for **long-term equity** investments, which could benefit from more favourable prudential treatment, and the proposal to correct the function of the **Risk Margin** which, according to the Commission, will allow an aggregate level reduction in capital requirements of more than €50bn.

In addition, on 23 September 2021, the European Commission presented a **proposal for an Insurance Recovery and Resolution Directive (IRR)** (COM/2021/582) which follows the same lines as for banking sector regulations (BRRD) but without introducing additional capital requirements similar to those envisaged for banks (“Minimum Requirement for own funds and Eligible Liabilities” - MREL). The Commission’s proposal envisages the obligation for insurance companies to prepare a “Pre-emptive recovery plan” (in effect similar to the “Pre-emptive recovery plan” already envisaged in Italian regulations) and the obligation for Resolution Authorities to prepare a “Resolution plan” (it envisages that at least 80% and 70%, respectively, of the insurance market in each Member State will be subject to recovery planning and resolution planning). In the preparation and updating phases of the “Resolution plan”, the Resolution Authority will need to assess “resolvability” of the insurance company and, if significant impediments are found to the resolution option (and it considers action proposed by the company to remove the impediments to be insufficient), it can ask the insurance company to adopt highly incisive alternative measures, such as the closure of certain lines of business, limitations on intercompany loans and a reorganisation of operations.

Lastly, note that 22 December 2021 saw the entry into force of Directive (EU) 2021/2018, **amending the Motor Insurance Directive** (Directive 2009/103/EC), which must be adopted by Member States by 23 December 2023. The purpose of the Directive is to encourage alternative and sustainable mobility and strengthen the protection of injured parties in respect of damage resulting from accidents. The Directive amends the definition of “vehicle” and, consequently, extends civil liability policy obligations to include any motor vehicle propelled exclusively by mechanical power on land (but not running on rails), with: i) a maximum design speed of more than 25 km/h, regardless of net weight and their trailers; ii) a maximum design speed of more than 14 km/h and a maximum net weight of more than 25 kg. The new definition therefore excludes most electric scooters, segways and e-bikes in circulation. In addition, the activities of the Compensation Bodies is expanded, envisaging their involvement also if an insurance company defaults due to insolvency (i.e. the insurance company is subject to collective insolvency proceedings or to winding-up proceedings pursuant to Art. 268, letter d) of the Solvency II Directive). This latter situation guarantees the injured party in the event of a cross-border accident involving a foreign vehicle, the insurance company of which is no longer solvent. The onus upon Member States to guarantee that the Bodies reach compensation agreements, up to now mainly devolved to bilateral negotiation, is also extended, thereby facilitating recourse to the Compensation Bodies in all cases of cross-border claims. Furthermore, the Directive introduces the “claims-history statement” for policyholders to guarantee EU residents from all forms of contractual discrimination based on their nationality or based on their previous home Member State.

On 27 April 2021 in Italy, **IVASS Regulation no. 47 containing provisions on restructuring and financing plans was issued**. The Private Insurance Code (CAP) requires that insurance companies submit a restructuring plan to IVASS in the event of non-compliance with the Solvency Capital Requirement and a financing plan in a case of non-compliance with the Minimum Capital Requirement. IVASS Regulation no. 47/2021 provides detailed instructions regarding the

contents of individual and group restructuring and financing plans, as well as implementing rules on the preparation and authorisation process for the aforementioned plans.

Lastly, note that **IVASS Regulation no. 48 containing capital add-on provisions** was issued on 3 November 2021. The Private Insurance Code (CAP) envisages the option for Supervisory Authorities to require a capital add-on from insurance companies if, following a prudential control procedure pursuant to Art. 47-*quinquies* of the CAP, significant shortcomings are detected, among other things, in the corporate governance system. IVASS Regulation no. 48/2021 clarifies the justifying conditions for IVASS to trigger such power and which parameters are used to determine the amount of the capital add-on.

Tax regulations

Various legal measures were issued in 2021 in the wake of the urgent legislation in 2020, starting with Decree Law no. 18 of 17 March 2020, the "Cure Italy Decree" (and subsequent Liquidity, Relaunch, August and Relief decrees), with the aim of extending or strengthening the support and relaunch measures for the economy that was hit hard by the COVID-19 epidemiological emergency.

These refer in particular to the following Decrees, later converted to law:

- Decree Law no. 41 of 22 March 2021, "*Urgent measures on support for businesses and economic, employment, health and local services operators, in relation to the COVID-19 emergency*" (Support Decree);
- Decree Law no. 73 of 25 May 2021, "*Urgent measures relating to the COVID-19 emergency, for businesses, employment, young people, health and local services*" (Support-bis Decree);
- Decree Law no. 146 of 21 October 2021, "*Urgent measures on economic and tax matters, job protection and needs that cannot be postponed*", the Tax and Jobs Decree associated with the 2022 Budget Law.

The provisions of interest to the Group include:

- the regulation in the Support-bis Decree which, with the aim of incentivising the capitalisation of businesses in economic difficulty as a result of COVID, upgraded the ACE benefit (Aid to Economic Growth), in particular increasing the extent of this benefit only for capital increases in the 2021 tax period and with a limit of €5m, raising the related notional yield to be deducted from the tax to 15% of the total - instead of 1.3% - and allowing businesses to make use of the benefit by alternatively transforming it into a tax credit;
- the regulation in Decree 146 (later incorporated into the 2022 Budget Law), which rewrites the operating methods for the "Patent Box" benefit, repealing previous provisions which made the benefit commensurate with income from intangible assets, now replaced by a benefit that consists in increasing by 110% the costs incurred for research and development (R&D) relating to those same assets, used directly or indirectly in a company's business activities, excluding trademarks and know-how.

Also note the issue of the 2022 Budget Law - Law no. 234 of 30 December 2021, containing the State budget forecast for 2022 and the long-term budget for the three-year period 2022-2024, of which the following provisions are of particular interest to the Group:

- amendment of the revaluation and realignment rules for business assets contained in the August Decree (Decree Law 104/2020), trademarks and goodwill in particular, envisaging the tax deductibility of higher values recognised over 50 years instead of the 18 years indicated previously. Alternatively, the original amortisation schedule can be maintained, with the payment of a substitute tax at a variable rate (12.5% to 16%), as an additional option allowing the cancellation of all or part of a revaluation already applied or a realignment with offsetting or reimbursement of the substitute tax paid up to 3%. As an exception to the Taxpayers' Charter rules governing the effectiveness of tax laws over time, the regulations introduced become effective from the year after that in reference to which the revaluation or realignment were carried out;
- extension of the "Superbonus 110%" deduction, introduced by the Relaunch Decree (Decree Law 34/2020) has been extended, with different maturities depending on the type of beneficiary and/or year in which the expense is incurred, and gradual reduction of the current 110% percentage to 70% in 2024 and 65% in 2025, the last year of the benefit. With a view to combating credit fraud, on 25 February 2022 the Decree Law no. 13 (Fraud Decree) was issued, which definitively sanctioned the prohibition of further transfer of the tax credit, already introduced by the Decree Law no. 4 of 27 January 2022 (Support-ter Decree), however giving the possibility of making two further transfers in favor of qualified subjects, such as banks and financial intermediaries, companies belonging to a banking group, or insurance companies authorized to operate in Italy;
- extension of the tax deductions on energy renovation works, recovery of building assets and the "facades bonus", and the introduction of new relief measures in reference to works for the direct purpose of overcoming and eliminating physical access barriers from existing buildings;
- raising of the annual investment allowance for PIRs (long-term savings plans), from the current €30,000 to €40,000 for PIRs implemented up to 31 December 2019. The overall limit is also revised upwards, from €150,000

Introduction

to €200,000. For alternative PIRs, implemented from 1 January 2020 onwards, the annual investment cap of €300k and total of €1,500,000 remain, at the same time removing the restriction that allowed only one “ordinary” PIR and one “alternative” PIR to be held by each natural person.

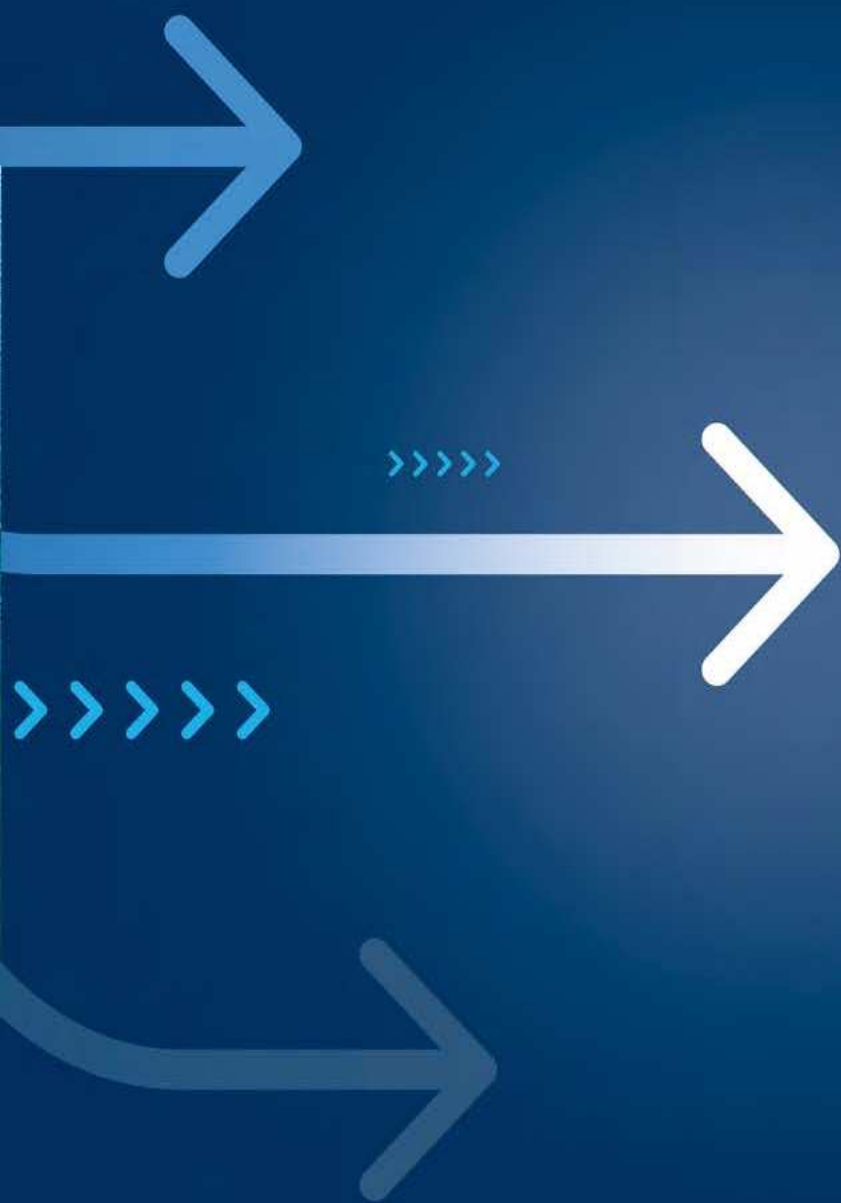
In 2021, no significant changes occurred in the series of national accounting standards issued by the OIC (Italian Accounting Standards Setter) that would be of interest to the sectors in which Unipol and its subsidiaries operate.

Other regulations

As regards **sustainable finance**, 9 December 2021 saw the publication in the EU Official Journal of **Delegated Regulation (EU) 2021/2139, supplementing the Taxonomy Regulation (Regulation (EU) 2020/852) by establishing the technical screening criteria** for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (*Climate Delegated Act*). The Delegated Regulation in question applies from 1 January 2022. Then on 10 December 2021 the **Delegated Regulation (EU) 2021/2178 was published, supplementing Article 8 of the Taxonomy Regulation**, by specifying the content and presentation of information to be disclosed by financial and non-financial companies subject to non-financial reporting obligations in relation to the extent to which their associated economic activities are sustainable pursuant to the EU Taxonomy. Delegated Regulation (EU) 2021/2178 will be applied gradually, with the first phase relating to reporting of Taxonomy-eligible economic activities (for financial companies from 1 January 2022 to 31 December 2023) and a second phase relating to the reporting of Taxonomy-aligned economic activities (for financial companies from 1 January 2024, in reference to 2023).

Lastly, **Regulation (EU) no. 2019/2088 of 27 November 2019 (the Disclosure Regulation)** will apply from 10 March 2021, imposing transparency obligations on financial market operators in relation to the methods for integrating ESG factors into investment activities and internal processes. In order to comply with the Regulation's obligations, insurance companies have supplemented the precontractual and periodic disclosures on insurance-based investment products (IBIPs), specifying the potential impacts of environmental or social changes on product yields (sustainability risks). In addition, further transparency obligations apply to sustainable investment products, i.e. products whose investments can promote environmental or social characteristics or are designed to finance sustainable economic activities. Lastly, the insurance companies have published a statement on their websites regarding measurement methods for the effects of corporate investment decisions on environmental and social factors, as well as the remuneration policies of the company in relation to the integration of sustainability risks. Additional transparency obligations will be introduced after the adoption of the Delegated Acts to the Regulation in question (2019/2088), due for application from 1 January 2023.





1

MANAGEMENT
REPORT

Share performance

Information on share performance

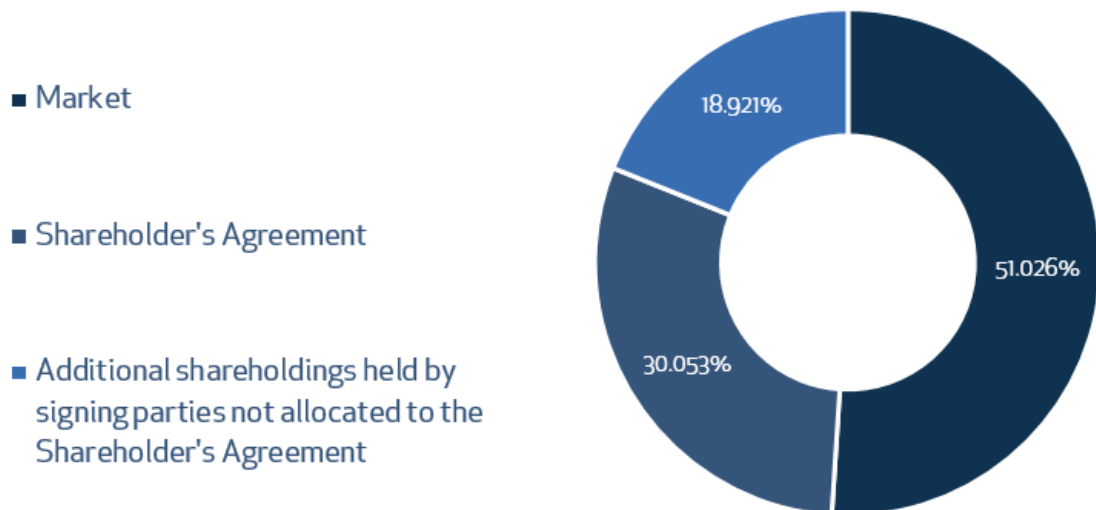
At the end of December 2021 the official price of the Unipol share was €4.779, in the last 12 months recording an increase of 22.2% against an increase in the FTSE Italia All-share index of 14.30%.

Capitalisation values

Total capitalisation was €3,429m at the end of December 2021 (€2,805m at 31/12/2020).

Shareholding structure

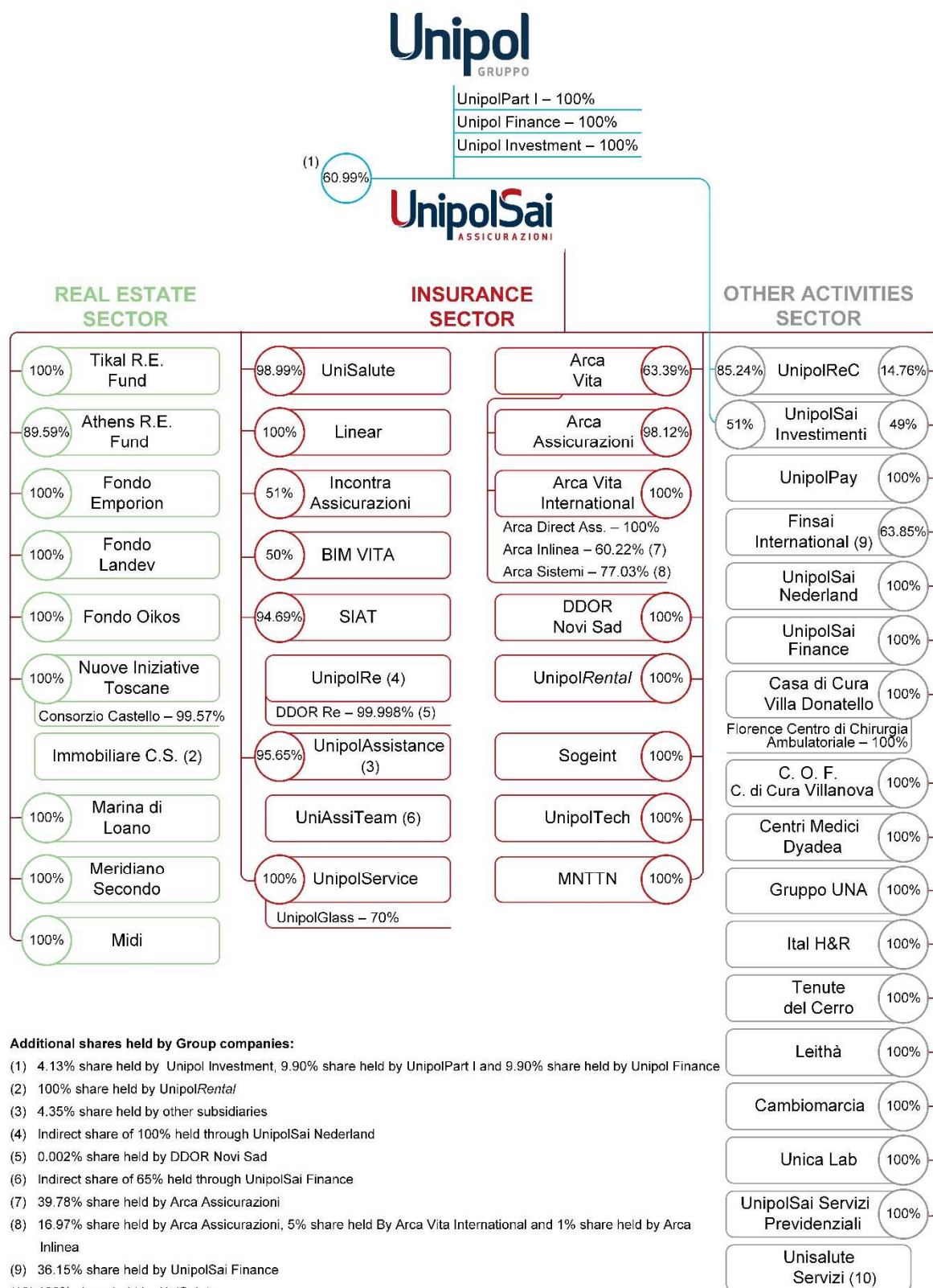
The shareholding structure at 31 December 2021 is shown in the chart below:



As then rendered public according to current legislation, 16 beneficiary companies signed a shareholders' agreement relating to Unipol Gruppo. That agreement, which was renewed on 15 December 2020, regarded 215,621,214 ordinary shares, representing 30.053% of the share capital of Unipol Gruppo.

Group structure at 31 December 2021

(direct holding out of total share capital)



Management Report

Significant events during the year

COVID-19 - Impacts and initiatives of the Group

The spread of the COVID-19 pandemic, which began at the end of February 2020, also affected 2021 though with a lower impact on Group operations compared to the previous year.

In particular, the first part of 2021 saw the continuation of certain travel restrictions for individuals through selective lockdowns, mainly on a regional scale, which gradually eased with the arrival of summer and improvement in the pandemic situation. In the second part of the year, despite rising infections, the growing success of the vaccination campaign meant that severe travel restrictions on individuals were no longer necessary and allowed businesses to reopen, for example the winter tourism industry, after a long halt.

In operating terms for the insurance sector, the MV TPL class was, as already mentioned, still affected by a limited claims frequency, though up on the previous year, and this strongly boosted competition as regards rates, which continued to decline. An effect on UnipolSai also came from continuation of the #UnMesePerTe initiative, which from April 2020 and throughout 2021, for customers who had not already made use of it on first renewal of the policy, offered its customers a 1/12 discount (one month) in the premium previously paid.

In the Non-Life insurance business other than MV TPL, on the other hand, the strong economic recovery during the year and the action of our production networks allowed a considerable recovery in production with a level of 2021 premiums that, overall, exceeded the pre-pandemic values.

In a context still influenced by the effects of the pandemic, albeit much improved by the vaccines, the Group maintained strong prudential criteria for its year-end valuations of Non-Life technical provisions as shock absorbers against any future repercussions, not yet known, on the global insurance guarantees provided by the Group.

The performances of premiums and volumes managed were highly positive in the Life sector, where they were favourably impacted by financial market trends which in 2021, aided by the economic recovery, recorded no particular turbulence despite the succession of waves of the pandemic.

With reference to other businesses of the Group in 2021, as in 2020, the only significant repercussions were on the company Gruppo UNA, active in the hotel sector, on which the COVID-19 pandemic had a very significant impact. In order to limit the economic effects, the company kept the majority of its hotels closed also in the first part of 2021, concentrated in major Italian cities and in some tourist areas, and made recourse to the Salary Integrity Fund for employees of the hotels closed.

The other Group companies, active in other types of businesses and moreover with sizes that are not particularly relevant within the Group, saw no significant impacts on the Income Statement for the period.

As in 2020, in drafting the Annual Financial Statements at 31 December 2021, appropriate analyses were again conducted to carefully consider the consequences of COVID-19, particularly with regard to the measurement of assets pursuant to IAS 36 and the identification of any impact, as regards COVID-19-related risks and uncertainties, on the going concern assumption and on strategic planning.

In particular, the financial statement measurements to determine the recoverable amount of goodwill as part of the impairment testing procedure are based on long-term economic and financial projections developed to take into account the Budget approved by the Board of Directors for 2022, strategic actions defined also for subsequent years and the related market scenario impacted by the COVID-19 pandemic.

On the basis of the long-term economic and financial projections prepared on information currently available, taking into account the nature and characteristics of the Group's businesses, it is not considered that the effects of COVID-19 can compromise going concern.

Main initiatives of the Group in response to the health emergency in 2021

At operating level, the Group continued with its actions and initiatives already undertaken in the course of 2020, adapting and adding to them over time as the health emergency and related regulatory measures developed.

In particular, initiatives supporting **customers** and the **agency network** activated in the course of 2020 continued, as did the Group's careful and constant monitoring of the liquidity and solvency situation, with a view to allowing for the prompt activation of any risk profile optimisation actions.

In this context, with the aim of accelerating the national COVID-19 vaccination campaign and in coordination with the relevant national and regional institutions, the Unipol Group prepared a vaccination programme for all its employees, their family members, agents and agency personnel, as well as Groups and companies in the main Italian production industries, confirming Unipol's role as a central player in the process of integrating public and private healthcare.

This was the first vaccination programme developed by a company operating anywhere in Italy, with over 200 approved vaccination sites, 4 specialist hubs and over 11 thousand vaccines administered during the year in 8 regions.

For **employees**, the Group extended the strongly precautionary initiatives already implemented in 2020 to contain the risk of infection and guarantee business continuity with maximum protection for personnel. For example, restrictions on travel and all gatherings, intensification of office disinfection activities, expansion of flexible entry and exit times and the protection of people in vulnerable situations were all extended.

Remote working was also envisaged for most of the year, as well as daily monitoring by the internally established Task Force and centralised management of office access authorisations. With a view to restoring normal working lives, from 4 November, in line with the recovery of all business and social activities in Italy, the Group organised a return to in-office activities. After significantly expanding the scope of protections envisaged by law and having agreed to requests for remote working from all personnel considered "vulnerable" (vulnerable health conditions, beneficiaries of protection under Art. 3, Law 104/92 or Law 68/99, exempt from the vaccination campaign, pregnant workers or with children up to 1 year of age, and the over-sixties), the return to in-office work involved around 70% of personnel.

In relation to the return to office working, numerous preliminary and control activities were carried out, such as:

- updating of the company COVID-19 Protocol consistent with legal changes and government protocol recommendations, also updating all training and education material and arranging its dissemination to all employees and external suppliers with access to company premises;
- activation of the Green Pass control system, differentiating methods according to the size and characteristics of the offices (automatic readers in offices with turnstiles, through appointed personnel at other offices), as well as verification and monitoring at all offices of the correct application and compliance with the COVID-19 Protocol with the involvement of internal and external personnel;
- prompt and widespread distribution of Personal Protection Equipment based on the plan for return to in-office working;
- management of health supervision consistent with ministerial indications, giving priority to close control requirements, prior to recruitments and returns after long absences;
- specific site inspections of all canteen premises, though managed by external suppliers, and company catering areas.

Aside from the prevention and management actions intended to limit the health emergency, the decision was made to provide a remote counselling service, due to the continuation of the pandemic, called "Parliamone" ("Let's Talk About It"), to support people in managing critical issues in their personal lives, which the extensive pandemic period may have caused to emerge or accentuated.

To support the national health service's management of positive cases, and with the aim of activating suitable preventive measures, a **medical support phone service** was established - managed by UniSalute - available to Group employees.

Settlement agreement regarding pending legal cases for corporate liability action against former directors and statutory auditors

In March 2021, with reference to the corporate liability action against several former directors and statutory auditors, approved by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni in the year 2013 and the relative pending legal cases, UnipolSai signed a settlement agreement with all defendants which fully defines the two liability actions. This settlement agreement, which came into effect following the approval by the Shareholders' Meeting of UnipolSai and the other plaintiff companies of the Unipol Group and executed in full in 2021, in both its economic and procedural parts, resulted in the recognition of a gain of €42m in the consolidated financial statements. For more information on the terms and conditions of the above-mentioned agreement, please refer to the Information Document drafted pursuant to Art. 5 of the Related Party Transactions Regulation adopted by Consob with Resolution no. 17721 of 12 March 2010 as amended, provided on UnipolSai's institutional website.

Early repayment of UnipolSai subordinated loans maturing in 2021 and 2023

On 15 March and 28 April 2021, after obtaining the authorisation of the Supervisory Authority to exercise the right to early repayment on the part of the issuer, UnipolSai extinguished in full the subordinated loan (ISIN XS0130717134) for a nominal value of €300m, the contractual maturity of which had been scheduled for June 2021 and the subordinated loan (ISIN XS0173649798) in the residual nominal amount of €262m maturing in July 2023. The repayment of these loans is in line with a proactive debt management and aims to decrease UnipolSai's financial leverage as a result of the issue of the RT1 instrument for a nominal value of €500m, finalised in the final quarter of 2020. In relation to the early repayment of the loans by UnipolSai, Unipol extinguished, for a residual nominal value equal to €268m, the outstanding loans previously granted by UnipolSai, when the latter had taken over the role of issuer of the subordinated loans originally issued by Unipol.

Fitch increases the rating of Unipol and UnipolSai

On 10 June and 13 December 2021, the Fitch Ratings rating agency raised the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni S.p.A. by two notches (from "BBB" to "A-") and the Long-Term Issuer Default Ratings (IDR) of Unipol Gruppo and UnipolSai (from "BBB-" to "BBB+"). These increases were due to the recognition of the validity of the strategy and results achieved by the Group, particularly with respect to the decrease in investment portfolio concentration risk and the resulting capital strengthening in 2020, as well as the upgrade in Italy's rating (BBB/stable outlook) on 3 December 2021.

As a result, the ratings of the debt issues all improved by two notches as well:

- the senior bonds of Unipol Gruppo SpA are now "BBB";
- the subordinated bonds of UnipolSai Assicurazioni SpA are now "BBB-";
- the RT1 perpetual subordinated bond of UnipolSai Assicurazioni SpA is now "BB".

The rating agency maintained the outlook of the above-mentioned ratings at "stable".

Operating performance

The Financial Statements of Unipol for the year ended 31 December 2021 closed with **net profit of €335.1m** (€316.3m in 2020), to which dividends received from Group companies totalling €430m (€308m in 2020) made a particular contribution.

The Company is a holding company which also provides services and is the Parent of the Unipol Group, the leader in the Italian insurance market, particularly in the Non-Life business.

The **2021 Consolidated Financial Statements** of the Unipol Group, drafted in compliance with IAS/IFRS, show a **profit of €796.2m**, of which €626.6m attributable to the owners of the Parent and €169.6m attributable to non-controlling interests.

A summary is provided below of the operations of the Unipol Group during the year 2021. For more detailed information, please refer to the Annual Integrated Report and the Consolidated Financial Statements.

Group highlights

<i>Amounts in €m</i>	31/12/2021	31/12/2020
Non-Life direct insurance premiums	7,943	7,882
% variation	0.8	(3.5)
Life direct insurance premiums	5,386	4,328
% variation	24.4	(26.0)
of which Life investment products	1,272	569
% variation	123.4	45.0
Direct insurance premiums	13,329	12,210
% variation	9.2	(12.9)
Net gains on financial instruments (*)	1,593	1,319
% variation	20.8	(37.3)
Consolidated profit (loss)	796	864
% variation	(7.9)	(20.5)
Balance on the statement of comprehensive income	746	1,079
% variation	(30.8)	(50.9)
Investments and cash and cash equivalents	71,692	71,271
% variation	0.6	5.2
Technical provisions	57,128	57,707
% variation	(1.0)	0.2
Financial liabilities	10,771	9,730
% variation	10.7	25.2
Shareholders' Equity attributable to the owners of the Parent	7,780	7,614
% variation	2.2	13.8
Solvency ratio	214	216
No. staff	11,946	11,836

(*) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index and unit-linked) and arising from pension fund management

The Financial Statements of Unipol are subject to audit by the independent auditors EY S.p.A., the company tasked with performing the legally-required audit of the financial statements for the 2021-2029 period.

Salient aspects of business operations

The economic figures that best summarise the operating performance of the Company are the following:

- Gains on investments: these were €440.0m (€318.7m in 2020) and mainly represent dividends agreed and collected during the year from subsidiaries (€430m) and associates (€5.4m).
- Value of production: amounted to €20.1m (€15.4m in 2020), primarily attributable for €16.2m to the recovery of costs for personnel seconded to Group companies (€11.5m at 31/12/2020), for €1.9m to remuneration paid to Company executives holding corporate offices in other Group companies (€2.1m at 31/12/2020) and for €1m to services provided to other companies (€0.6m at 31/12/2020).
- Costs of production: amounted to €57.3m (€47.4m in 2020) and included operating costs deriving from the core holding company activity, consisting primarily of personnel expenses of €27.0m (€22.3m in 2020) and costs for the acquisition of services amounting to €20.0m (€13.0m in 2020).
- Other net financial income/charges: these came to -€88m (-€74.6m at 31/12/2020). This item included primarily interest expense and other charges on bonds issued for €88.6m (€78.9m at 31/12/2020), income on long-term securities for €2m (€0.9m at 31/12/2020), interest expense due to subsidiaries for €6.7m (€8.3m at 31/12/2020) and income from securities recognised under current assets for €7.2m (€6.6m at 31/12/2020).
- Value adjustments to financial assets: these were negative in the amount of €1.6m (positive at €0.5m at 31/12/2020).
- Pre-tax profit: €313.1m (€212.6m at 31/12/2020).
- Income tax: this had a positive impact on the income statement for €22m (€103.8m at 31/12/2020) as a result of the remuneration of the loss encompassed in the tax consolidation scheme. The comparison with the year 2020 was impacted by the fact that, in the 2020 financial statements, lower taxes were recognised relating to previous years by €85.7m, attributable in particular to a more punctual application of the participation exemption regime in the 2019 income tax return.
- 2021 profit for the year: €335.1m (€316.3m at 31/12/2020).

Shareholders' Equity of the Company at 31 December 2021, including profit for the year, was €5,917.6m (€5,983.2m at 31/12/2020). The change was primarily impacted, downward, by the distribution of dividends for €401.6m (of which €200.8m relating to dividends referring to the year 2019, not distributed in 2020 in compliance with the recommendations provided at the time by the Supervisory Authority in relation to the situation caused by the COVID-19 pandemic) and, upward, by the profit for the year 2021 of €335.1m.

Asset and financial management

Property, plant and equipment and intangible assets

The breakdown of property, plant and equipment and intangible assets and the changes on the previous year is provided in the table below (for details on property, plant and equipment and intangible assets, please refer to Annexes 4 and 5 of the Notes to the financial statements).

Amounts in €m

	31/12/2021	31/12/2020	Changes	
			value	%
Property, plant and equipment				
- Plant and equipment		0.0	(0.0)	(100.0)
- Other assets	0.5	0.6	(0.1)	(11.9)
Total	0.5	0.6	(0.1)	(12.6)
Intangible assets				
- Concessions, licences, trademarks and similar rights	0.4	0.8	(0.3)	(43.1)
Total	0.4	0.8	(0.3)	(43.1)
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	0.9	1.3	(0.4)	(29.9)

Financial fixed assets

The breakdown of Financial fixed assets and the changes on the previous year are provided in the table below (for details on equity investments, please refer to Annex 6 of the Notes to the financial statements).

Amounts in €m

	31/12/2021	31/12/2020	Changes	
			value	%
Financial fixed assets				
-Investments				
-Subsidiaries	7,014.4	7,014.4	(0.0)	(0.0)
-Associates	298.1	298.1		
Total	7,312.5	7,312.5	(0.0)	(0.0)
-Receivables				
-Subsidiaries	150.5	103.3	47.2	45.6
-Other companies		0.0	(0.0)	(100.0)
Total	150.5	103.4	47.1	45.6
Other securities	163.5	155.1	8.4	5.4
TOTAL FINANCIAL FIXED ASSETS	7,626.5	7,570.9	55.6	0.7

The breakdown of investments by business segment and changes compared to the previous year were as follows:

Amounts in €m

	2021	Changes compared to 2020
Insurance	5,169.3	
Banks and financial services	668.6	
Other investments	1,474.6	(0.0)
	7,312.5	(0.0)

Investment in Banks and financial services were represented at 31 December 2021 by the investment in the associate BPER Banca and in the subsidiaries UnipolReC and UnipolSai Investimenti SGR. Other investments included Unipol Finance S.r.l., Unipol Investment S.p.A. and UnipolPart I S.p.A.

Over the year, the investments held were subject to the changes summarised below.

UnipolSai Servizi Consortili S.c.a.r.l.

On 26 April 2021, the liquidation of UnipolSai Servizi Consortili S.c.r.l. was entered into the Register of Companies and its name was changed to UnipolSai Servizi Consortili S.c.r.l. in liquidazione. To conclude the voluntary liquidation process, on 23 December 2021, once the final liquidation financial statements and the relative distribution plan were approved, Unipol collected €5,859, resulting in a capital loss of €543.

Receivables from subsidiaries recognised under fixed assets

Receivables from subsidiaries recognised under fixed assets consisted of the loan disbursed to UnipolRenta/S.p.A. which at 31 December 2021 amounted to €150.5m (€59.9m at 31/12/2020), of which €0.5m relating to interest. The increase over the previous year was due to the disbursement in 2021 of additional tranches for a value of €90.3m, until reaching the maximum amount that could be disbursed, contractually established as €150m.

The outstanding loan at 31 December 2020 to the subsidiary UnipolReC for €43.5m was repaid in full in the course of 2021.

For more information on these loans, please refer to the Other Information section of the Notes to the financial statements containing comments on Transactions with related parties.

Treasury shares and shares of the holding company

At 31 December 2021, there were 83,050 treasury shares in the portfolio for an equivalent value of €0.3m, acquired to serve the compensation plans based on financial instruments (performance share type) for executive personnel. As part of these plans:

- 1,250,000 treasury shares were acquired in 2021, for a value of €6m;
- in April 2021, the third tranche of shares was allocated in implementation of the Compensation plan for the period 2016-2018;
- also in April 2021, shares were allocated to those entitled in implementation of the Short Term Incentive plan for the 2020 period;
- in December 2021, shares were allocated relating to the Short Term Incentive plan for the 2019 period to executives classified as significant risk takers, as they were not allocated in 2020 in compliance with Supervisory Authority recommendations.

At 31 December 2021, Unipol Gruppo also indirectly held a total of 196,248 treasury shares through:

- UnipolSai Assicurazioni: 68,783 Unipol shares;
- UniSalute: 26,751 Unipol shares;
- Linear Assicurazioni: 14,743 Unipol shares;
- Arca Vita: 5,703 Unipol shares;
- SIAT: 33,535 Unipol shares;
- Unipol *Rental*: 31,966 Unipol shares;
- UnipolAssistance: 4,039 Unipol shares;
- Leithà: 10,728 Unipol shares.

With regard to treasury shares, the Shareholders' Meeting of 29 April 2021 approved, pursuant to Articles 2357 and 2357-ter of the Civil Code, the renewal for 18 months of the authorisation to purchase and use treasury shares within the limits set with a maximum expenditure limit of €300m.

Current financial assets

They amounted to €147.2m, a decline of €1,235.3m compared to the previous year, caused by sales of securities and bonds during the year.

The breakdown of the item was as follows:

- government bonds for €50.3m (€1,305.9m at 31/12/2020);
- listed corporate bonds for €65.6m (€63.6m at 31/12/2020);
- listed foreign shares for €29.7m (€8.1m at 31/12/2020);
- listed shares of UnipolSai for €0.3m (€3.4m at 31/12/2020);
- unlisted shares (private equity fund units) for €0.1m (€0.2m at 31/12/2020).

The list of shares and securities recognised as current assets at 31 December 2021 is provided in Annex 7 of the Notes to the Financial Statements.

Financial operations

Financial operations in 2021 were consistent with the Investment Policy guidelines adopted by the Company and with recommendations of the Group Investments Committee and Financial Investments Committee.

The criteria of high liquidity of investments and prudence were the guidelines of the investment policy, which applied the criteria of optimising the portfolio's risk-return profile.

Management activities focused on the bond sector, where the exposure to government bonds in euros, primarily high-rating, was reduced against a limited increase in bonds of industrial and financial corporate issuers.

Exposure to the equity sector rose marginally.

Operating activities were characterised by maintaining a strong level of liquidity at the end of the year.

The volatility of share and bond prices throughout 2021 offered trading opportunities; these activities aimed to achieve the profitability objectives.

At 31 December 2021, the duration of the portfolio was equal to 0.58 years, down compared to the end of 2020 (0.89 years) following the transactions performed during the year, within the limits set by the Investment Policy.

Cash and cash equivalents

At 31 December 2021, bank deposits and cash were €1,052.4m, with an increase of €639.9m with respect to the balance at 31 December 2020.

Please note that a cash pooling agreement was in force with a number of Group companies to improve corporate cash management and allow the Parent to constantly monitor Group company liquidity, with resulting optimisation of the relative costs and returns.

At 31 December 2021, Unipol recorded cash pooling receivables of €6.2m (€7.5m at 31/12/2020) and cash pooling payables of €427m (€474.9m at 31/12/2020). The breakdown of receivables and payables and the relative counterparties are provided in the Notes.

Share capital

No transactions were carried out on the share capital in 2021. At 31 December 2021, the breakdown of the share capital, subscribed and fully paid-up, was as follows:

	Share capital at 31/12/2021		Share capital at 31/12/2020	
	No. of shares	Euro	No. of shares	Euro
Ordinary shares	717,473,508	3,365,292,408.03	717,473,508	3,365,292,408.03
Total	717,473,508	3,365,292,408.03	717,473,508	3,365,292,408.03

Debt

At 31 December 2021, the bonds issued by Unipol were €2,515.1m (€2,748.0m at 31/12/2020) and represent four senior unsecured bond loans, listed on the Luxembourg Stock Exchange:

- €1,000m nominal value, 3% interest rate, 2025 maturity (same amount at 31/12/2020);
- €500m nominal value, 3.5% interest rate, 2027 maturity (same amount at 31/12/2020);
- €1,000m total nominal value of the "green" senior bond loan, 3.25% interest rate, 2030 maturity (same amount at 31/12/2020), disbursed in two tranches in the course of 2020.

The issues described above were implemented as part of the Euro Medium Term Notes (EMTN Programme), established in December 2009 for an original nominal amount of up to €2bn with the latest renewal and increase to €3bn in September 2020.

On 5 March 2021, the senior bond loan listed on the Luxembourg Stock Exchange, with a fixed interest rate of 4.375% and issued in March 2014 was repaid upon maturity for a residual amount of €230.9m.

In the first half of 2021, the two loans granted in 2009 by UnipolSai Assicurazioni S.p.A., after the subsidiary took over the role of issuer in place of the holding company Unipol Gruppo S.p.A. on two bond loans maturing in 2021 and 2023, were repaid early.

Other non-current financial payables included the €300m unsecured loan from UnipolSai, maturing on 1 March 2024 and with an interest rate equal to the 3-month Euribor plus a spread of 2.60%.

At 31 December 2021, current financial payables included payables to Group companies due to the above-mentioned cash pooling agreement for a total of €427m.

Also taking account of the decrease in liquidity (€1,200m at 31 December 2021 compared with €1,795m at 31 December 2020), net debt (summarised in Annex 9 to the Notes to the Financial Statements) rose from €2,013.9m in the previous year to €2,056m at the end of 2021.

Risk management policies (Art. 2428 of the Civil Code)

Financial risk is managed through the regular monitoring of the main indicators of exposure to interest rate risk, credit risk, equity risk, and liquidity risk.

Interest rate risk

The duration of the investment portfolio, an indicator of the Company's interest rate risk exposure, was 0.58 years at 31 December 2021. With specific reference to the bond portfolio, the duration was 2.71 years.

The table shows the sensitivity of the bond portfolio to a parallel shift in the yield curve of reference for the financial instruments.

Amounts in €k

Risk Sector	Breakdown	Duration	10 bps increase	50 bps increase
Government	62.02%	2.48	(452)	(2,259)
Financial	30.78%	2.75	(249)	(1,245)
Corporate	7.20%	4.51	(95)	(477)
Bonds	100%	2.71	(796)	(3,981)

Credit risk

With specific reference to the bond portfolio alone, as shown in the table below, the investments in the bond portfolio include investment grade securities for 72.62% of the portfolio. In particular, 72.62% has the triple B rating.

Credit risk is monitored by measuring the portfolio's sensitivity to changes in benchmark credit spreads. The following table shows the sensitivity at 31 December 2021:

Amounts in €k

Rating	Breakdown	1 bps increase	10 bps increase	50 bps increase
BBB	72.62%	(90)	(897)	(4,485)
Non Investment Grade	27.38%	(25)	(251)	(1,255)
Bonds	100.00%	(115)	(1,148)	(5,740)

Equity risk

Equity risk is monitored by analysing the equity portfolio's sensitivity to changes in the reference markets represented by sector indices.

The following table shows the sensitivity at 31 December 2021:

Amounts in €k

Sector	Breakdown	Beta coefficient	Shock -10%
Utility	68%	0.91	(1,478)
Funds	0%	1.00	(5)
Consumer Discretionary	32%	1.14	(684)
Equity	100%	0.98	(2,167)

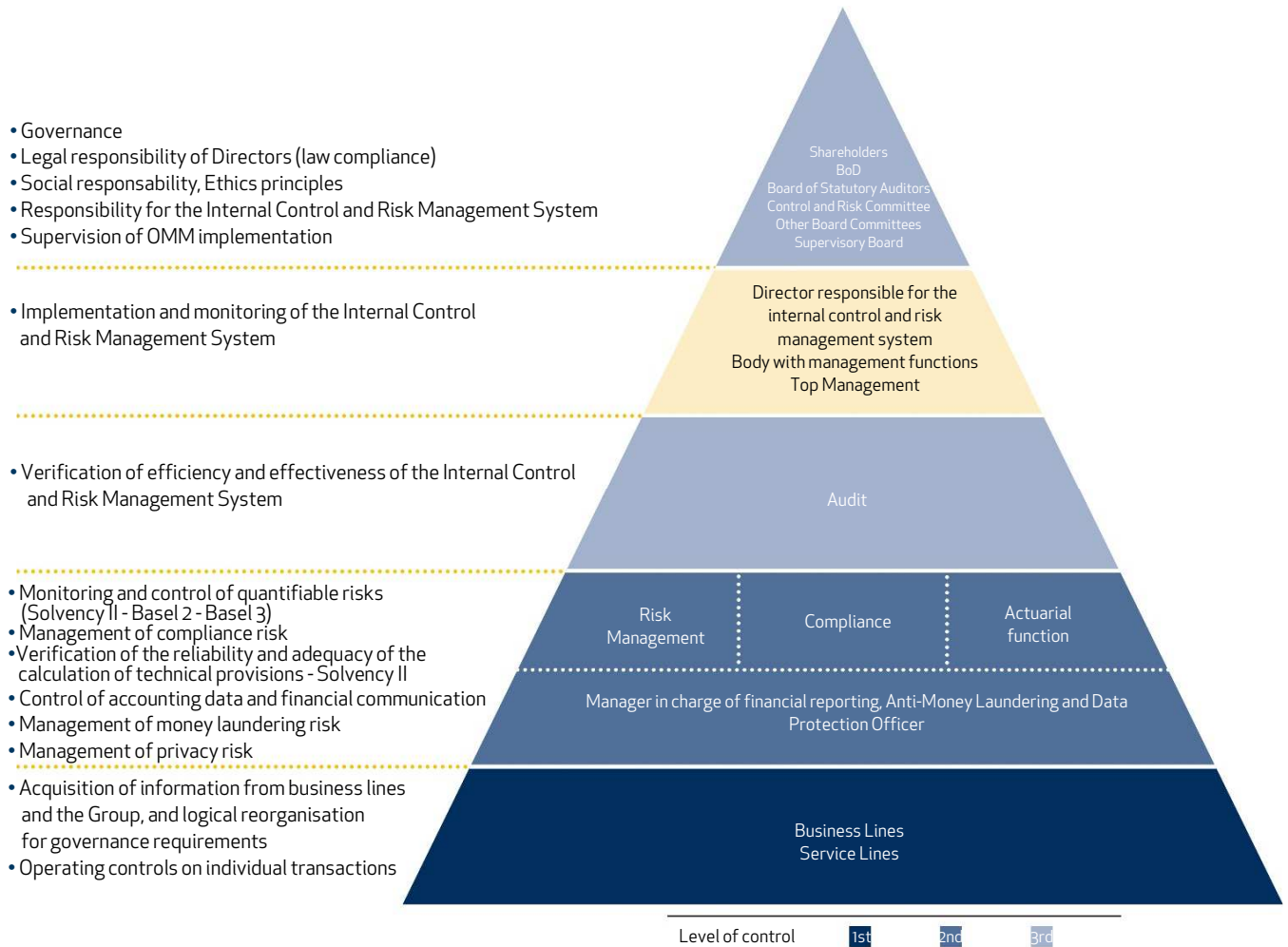
Liquidity risk

In the construction of the investment portfolio, priority is given to financial instruments that can be quickly transformed into cash and quantitative limits are specified for the purchases of securities that do not guarantee a rapid sale and/or a sale at fair conditions, because of their type or specific terms.

Internal Control and Risk Management System of the Unipol Group

The internal control and risk management system (the “System”) is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures for the effective and efficient identification, measurement, management and monitoring of the main risks, with the aim of contributing to the sustainable success of the Group.¹

The following scheme shows, in simplified form, the Group’s Risk and Control Governance Model.



The Risk Management System adopted by the Group is inspired by an Enterprise Risk Management logic (ERM Framework). This means it is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives. Based on these principles, and to pursue to assigned objectives, the Risk Management System relies on a key element: the Risk Appetite.

The Risk Management Policy outlines the risk management strategies and objectives of the Group and the companies in scope, identifying the roles and responsibilities of the corporate bodies and structures involved in the process. Through the model outlined in this policy, and the specific risk management policies, the Group defines suitable guidelines on activities which, on an ongoing basis, identify, assess, monitor and mitigate the risks to which the Group is exposed, also as a result of its strategic decisions, as well as taking into account the various business areas and different applicable regulations, changes to the nature and extent of business activities and in the market context, the emergence of new risks or changes in existing risks.

¹ The rules for the Unipol Group’s internal control and risk management system are set forth in the Group Directives on the corporate governance system, approved by the Unipol Board of Directors and the boards of other consolidated Group companies, and are periodically updated.

The corporate bodies and top management structures of the Group companies are committed to promoting the dissemination of a control culture, to enable the active contribution of the entire organisation to implementing the Internal Control and Risk Management System. So as to enhance the awareness of all corporate structures in this respect, over 6,000 Group employees participated in training courses (video conferences and e-learning) on risk management during 2021.

The monitoring of environmental, social and governance risks (“ESG risks”)

The monitoring of ESG risks is ensured by the system described above, with a first level of controls performed by the operating structures or as part of back office activities, to ensure the correct execution of transactions, added to which are the second-level controls of risks and compliance, performed, among others, by the Compliance and Anti-Money Laundering, Risk Management and the Actuarial Function, and the third-level controls performed by Audit, each for its own area of responsibility. At general level, as envisaged in the **Sustainability Policy**, the Unipol Board of Directors, also in exercising its role of management and coordination of the Group, is responsible for defining the model for identifying, assessing and managing the main ESG risks, with support from the Sustainability Committee and examination by the Control and Risk Committee and Group Risk Committee.² The same Policy outlines the commitments made by the Group to improve its sustainability results and to manage and mitigate the ESG risks to which it is exposed, in line with the overall risk management system of the Group, as well as the roles and responsibilities of the corporate structures involved in the ESG risk management process.

ESG risk management is the result of a complex process which uses different tools to identify and assess the risks suffered³ and risks generated⁴ by the Group, in relation to environmental, social and governance areas.

These risks are fully integrated into the **ERM framework** and included in the taxonomy of risks common to the entire Group, defined in the **Risk Management Policy**. On this basis, the seven most important ESG risk areas were identified: climate change, the increase in social polarisation, socio-demographic change, the technological evolution of society (risks suffered); the violation of human and workers’ rights, environmental damage and negative impacts on the environment and conduct in violation of business integrity (risks generated).

Then, specifically:

- the risks suffered are identified by focusing on risks emerging from environmental, social and governance aspects, through the **Reputational & Emerging Risk Observatory**⁵;
- to strengthen its capacity to systematically monitor and manage the risks generated, in 2021 the Group established its own **due diligence approach**. Using the “OECD Due Diligence Guidance for Responsible Business Conduct” and the “OECD Guidelines for Multinational Enterprises” (also referred to in Art. 18 of Regulation (EU) 2020/852 - the Taxonomy Regulation) as reference, Unipol has outlined a due diligence planning model, adopting a risk-based approach, starting with the areas identified in the Guidelines and associating the main ESG risks identified for the Group, the business processes involved and the strategic and regulatory controls in place at Group level.

The ESG risks are also included in the Group’s **Risk Appetite Statement**. For the ESG risks suffered, the Risk Appetite Statement refers to the assessment and monitoring framework for the emerging risks identified above. The ESG risks generated are instead **monitored** through a **dashboard dedicated to KRIs** (Key Risk Indicators), to assess the degree of risk associated with each of the three areas: environmental, social and governance. Specifically, the KRIs to be monitored cover the various risks identified in relation to each area, and include oversight and listening indicators in order to integrate the inside-out and outside-in visions. At least annually, the Board of Directors of Unipol Gruppo is informed of the monitoring results.

Particular attention is given to climate change-related risks, increasingly referred to in regulatory requirements. The Unipol Group is continuing its implementation of **scenario analysis to measure the impacts of physical and transition risks**. More specifically, as regards physical risks and transition risks in the stress testing framework, planned and reported on in the ORSA Report, specific stresses are tested.

² Composed of the Chief Executive Officer and Group CEO, Insurance Group General Manager, Group General Manager, Business Development and Corporate Communication General Manager, Administration Controlling and Operations General Manager, Insurance Business Deputy General Manager, Chief Investment Officer, Chief Risk Officer, Chief Regulation and Economic Studies Officer, Chief Strategic Planning and Organisation Officer.

³ Events representing a risk to the Group, which has no levers to prevent them but can only take action to control them, prevent them or mitigate their consequences, or to transform them into opportunities.

⁴ Events for which the triggers are directly associated with Group operations, for which the Group has levers to prevent them or mitigate their consequences if they should materialise.

⁵ The emerging risks are monitored through the “Reputational & Emerging Risk Observatory”, established by the Chief Risk Officer of the Parent to manage emerging risks using a holistic and anticipatory approach. This Observatory ensures that the Group has structured listening for signs of change in the various external environments (social, technological, environmental, political and regulatory and competitive context), to anticipate emerging trends and prepare today for the risks and opportunities of tomorrow.

The impact analysis of climate change on physical risks in the ORSA Report is divided into three levels: near-term, mid-term and long-term analysis for the most significant acute physical risks (flood and convective storms), as well as long-term analysis for chronic risks (rising sea levels) and acute risks today considered secondary perils (forest fires, drought). The analyses, conducted by cross-referencing actual portfolio exposures with climate projections in the IPCC's RCP scenarios, show an increase in risk and expected losses in a context in any event characterised by considerable uncertainties. The near-term analysis (2030) for RCP 8.5 scenario, also conducted using high-resolution spatial models recently licensed by RMS Italy Flood and Italy SCS, was then used to quantify the loss of own funds within the dedicated stress test.

In relation to the assessment of climate change impact on transition risks, the Group quantifies the losses in value of financial investments, in reference to the different asset classes (bonds, shares, funds, etc.), originating from the shocks, segmented by business sector (NACE), calibrated on the basis of scenarios outlined by the Network for Greening the Financial System (NGFS).

Since the introduction in 2020 of the issue "**Nature and Biodiversity**" to the Reputational & Emerging Risk Observatory as an issue "to watch", the Group began the work of defining a loss of biodiversity risk management framework, with the aim of mapping the natural risks and their breakdown into the various risk categories that make up the Group's ERM framework.

In 2021, the Group further consolidated the process for integrating ESG risks into the corporate policies system and developed procedures and tools for the actual implementation of control commitments made.

For application of the Policies (particularly those relating to underwriting and investments) the Group defined processes envisaging the involvement of Top Management, through the **Group Risk Committee**, to adopt decisions on the management of ESG risks of particular significance (for their potential impact and the extent of potential transactions in which they emerge).

In the systematisation of its due diligence approach, Unipol has defined a method to establish an order of priority for the most significant risk areas. This led to inclusion on the calendar, adopting a risk-based logic, of the subsequent exploratory and assessment steps in the various areas.

From this perspective, activities in 2022 will focus on "Human Rights", fundamental to the materiality of the topics considered, all the spheres of influence concerned and the numerous business processes involved. The scope of assessment of Human Rights will include direct activities and the main commercial relationships of the Group, starting with the supply chain.

Protection of personal data

The Unipol Group holds large quantities of personal data relating to conduct, available resources, health conditions, customer preferences. The mass of data will increase in the future, in step with the growing spread of connected devices.

The "**Policy on the protection and leveraging of personal data**" defines the general Unipol Group guidelines on protecting individuals with regard to the processing of their personal data. The policy describes the organisation model (organisation of roles, people, culture and skills), the operating model (processes, rules and documentation) and the architectural model (technology and tools) structured for this purpose.

The Unipol Group uses this system to implement Regulation (EU) no. 2016/679 (the GDPR) and, with support from the Group Data Protection Officer (DPO), performs ongoing assessment of the effectiveness and efficiency of controls, processes and the organisation put into place for implementation of the GDPR.

To supplement the personal data protection system, in 2020 Unipol approved the "**Unipol Data Vision**", which states and itemises the Group companies' commitments to correct and transparent **data leverage**, i.e. the use of data to create value shared among the Group, customers and the community. This is possible because advanced data management supports a more knowledgeable assumption of risks, able to make the processing of any claims more sustainable and leading to an increasingly stronger capacity to protect customers in an accessible manner; it also provides elements useful in defining prevention initiatives both at individual and collective level.

During 2021, 267 data breaches were recorded in the Group companies.⁶ The increase compared to the 92 cases in 2020 is mainly due to the gradually increasing awareness among Group collaborators in relation to events that could

⁶ According to the GDPR, a data breach is a security violation that leads to the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of, or access to, the personal data transmitted, stored or otherwise processed.

result in a breach, also due to ongoing training activities on GDPR topics which generated a higher number of reports. All cases were promptly managed and resolved by the competent Data Controller companies.

Prompt notification of the Data Protection Authority became necessary in just 2 cases. The Authority ordered archiving of the cases in consideration of the measures promptly adopted. The remaining cases were not reported, as they involved no risks to the rights and freedoms of the data subjects.

In 2021, 3 documented reports of breach of privacy were received at Group level (6 in 2020), issued by the Regulatory Bodies (specifically, the Data Protection Authority), which were answered promptly without any follow-up by the Authority.

In relation to cyber security, the **Information Security Policy** calls for the adoption of suitable physical, logical and procedural security measures aiming to guarantee appropriate and consistent protection to the information processed in the IT systems throughout the entire life cycle.

The cyber security governance and control function, on the staff of the Group Chief Information officer, operates in liaison with the IT operating functions for the correct implementation of security procedures, in alignment with the Control Functions and the DPO for adopting regulations and assessing the action taken.

During 2021, the initiatives envisaged in the Strategic Plan to enhance and develop cyber security continued along three main guidelines:

- the intensive use of technologies and methods based on best market practices to control the various levels of the architecture (access boundaries, data protection, application and infrastructure vulnerabilities, etc.);
- the enhancement and automation of attack detection and response;
- technical training for IT personnel and awareness for end users, integrated with adaptation action required due to regulatory developments.

Data protection enhancement and security monitoring initiatives continued, with an increase in the encryption levels of websites and applications exposed on the internet, enhancement of Threat Intelligence and Incident Detection & Response services automating the detection and response to cyber attacks, conducting vulnerability assessment sessions and penetration tests on infrastructure and applications, with particular regard to those most critical and those exposed on the internet.

The risk control system associated with the management and use of data is completed by various Group policies, particularly the Risk Management Policy, the Personal Data Protection Policy, the Business Continuity Management Policy and the Data Governance Policy. Data Governance is the set of processes, methodologies, roles and technologies which on the one hand allows for the formal management of data informational assets, establishing clear responsibility for them, and on the other offers opportunities to exploit the intrinsic value of the company's informational assets to support business strategies and objectives.

Training on privacy matters has involved most of the Group's collaborators (over 90% of employees in Italy) and numerous agents and subagents (over 70% in both cases), whilst cyber security courses, focusing on phishing issues has seen the participation of 12,626 Network staff (39.7%) and 8,246 employees (78%).

The companies operating in Serbia are adopting changes to the internal processes governing personal data protection to systematise and bring them into line with the European standard. For 2022, training activities for employees on privacy and information security are planned.

With regard to IT security, in 2021 DDOR Novi Sad obtained ISO 22301 Business Continuity Management certification which supports the organisation in reducing the probability of incidents and ensures business recovery after interruptions. In 2021 in Serbia, there were no reports of critical issues either in terms of privacy or IT security.

The Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

The Unipol Gruppo OMM, updated in December 2020 with a view to adapting to new legislation as and when introduced, has a General Part and 14 Special Parts, each dedicated to a category of crime that could theoretically be committed within the Company. In the Special Parts of the OMM, the specific principles of conduct and principles of control for preventing the commission of each type of such crimes are laid out in detail.

The OMMs of the Unipol Group companies call for the same oversight mechanisms and control tools.

Dissemination of the OMM to employees is via the company intranet, with the creation of constantly updated web pages containing the OMM, a description of its aims and new legislation introduced since the previous version of the

1 Management Report

Model. The updates are announced in a company communication sent via e-mail to all employees. The same approach is adopted by the Unipol Group companies that have an Organisation, Management and Control Model.

The internal system for reporting violations has been formalised in a specific Whistleblowing Procedure. The personnel (employees and those who operate on the basis of a relationship, even in a form other than employment, which determines their inclusion within the company organisation) may use an IT platform to submit reports of unlawful conduct pursuant to Decree 231/01, acts or facts which could constitute violations of the OMM, as well as violations of other precisely defined regulations⁷, with methods that guarantee the full confidentiality of the reporting party's identity and the content of the report⁸. The disciplinary system adopted envisages sanctions against those violating the whistleblower protection measures, and for those who with wilful misconduct or gross negligence submit reports that prove unfounded. No reports were received via this channel in 2021.

The duty of supervising the functioning and observance of the OMM and handling its updating is entrusted to the Supervisory Board (SB) consisting of three independent non-executive directors as members of the Control and Risk Committee, and a further two members of the company's Top Management responsible for the Compliance Function and the Auditing Function.

All the Unipol Group Companies subject to Anti-Money Laundering Regulations (Italian Legislative Decree 231/2007 and subsequent amendments) have a dedicated structure responsible for managing the risk of money-laundering and terrorist financing. The Group has also made an online course available on the crime of money laundering, with the aim of supporting those responsible for direct management of customers in complying with obligations deriving from the regulatory provisions. At the end of 2021, 93% of Italian insurance company employees had participated in the course, with an increase of 8 percentage points on the previous year.

For the companies operating in Serbia, internal procedures are in place, aligned with the provisions of local laws, and money laundering and terrorist financing prevention activities are continuously monitored.

UnipolRe has its own set of anti-money laundering, anti-terrorism and anti-corruption controls based on local regulations, and is subject to review and sanctioning by its supervisory authority, the Central Bank of Ireland.

Internal Control and Risk Management System

The Unipol Group's Risk Management structure and process are part of the wider internal control and risk management system already illustrated in the Annual Integrated Report, to which reference is made.

The principles and processes of the System as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking Internal Risk and Solvency Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy".

The policies setting the principles and guidelines below are an integral part of this System: (i) management of specific risk factors (e.g. the Investment Policy with regard to market and liquidity risks, and the Credit Policy), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) risk measurement model management.

The risk identification, assessment and monitoring processes are performed on an ongoing basis, to take into account any changes in their nature, business volumes and market context, and any insurgence of new risks or changes in existing risks.

These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of supervision of the Group and their mutual interdependencies.

⁷ Reference is made to (i) Regulation (EU) no. 596/2014 relating to market abuse ("MAR"), (ii) Italian Legislative Decree no. 231 of 21 November 2007 on preventing the use of the financial system for money laundering and terrorist financing, (iii) Italian Legislative Decree no. 209 of 7 September 2005 ("Private Insurance Code"), (iv) Italian Legislative Decree no. 58 of 24 February 1998 ("Consolidated Law on Finance").

⁸ The IT platform adopted by the Group makes it possible to (i) manage reports in pseudonymised form and (ii) keep track of the relative information in encrypted form. Access to the latter is limited to identified members of the company structures responsible for receiving, reviewing and evaluating whistleblowing reports.

Risk Appetite and Risk Appetite Framework

The Risk Management System adopted by the Group is inspired by an enterprise risk management logic. This means that is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives and replies on a fundamental element, i.e. the Risk Appetite.

In quantitative terms, the Group's Risk Appetite is determined in general on the basis of the following elements:

- capital at risk;
- capital adequacy;
- Liquidity/ALM ratios.

Furthermore, quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG (Environmental, Social and Governance) and operational risks.

The Risk Appetite is formalised in the Risk Appetite Statement, which indicates the risks that the Group and/or individual company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

The Risk Appetite forms part of a reference framework - the Risk Appetite Framework (RAF). The RAF is defined in strict compliance and prompt reconciliation with the business model, the Strategic Plan, the Own Risk and Solvency Assessment (ORSA) process and the Internal Capital Adequacy Assessment Process ("ICAAP"), the budget, company organisation and the internal control system.

The RAF defines the Risk Appetite and other components ensuring its management, both in normal and stress conditions.

These components are:

- Risk Capacity;
- Risk Tolerance;
- Risk Limits (or operational risk limits);
- Risk Profile.

The activity to define RAF components is dynamic and progressive, and reflects the risk management objectives associated with the objectives of the Strategic Plan. Verification is performed annually as part of the process of assigning Budget objectives. Further analyses for preventive control of the Risk Appetite, and capital adequacy in particular, are performed when studying extraordinary transactions (such as mergers, acquisitions, disposals).

The RAF is broken down into several analysis macro areas with the aim of guaranteeing continuous monitoring of risk trends and capital adequacy. The main analysis macro areas are:

- individual type of risk, overall risk and capital adequacy;
- individual companies and group.

The Group RAF takes into account the specific operations and related risk profiles of each company in the Group, in such a way as to be integrated and consistent.

The ORSA process

Under their own risk management systems, Unipol and the companies that fall within the scope of the internal current and forward-looking risk and solvency assessment policy use the ORSA to assess the effectiveness of the risk management system and its capital adequacy as well as liquidity governance and management.

The ORSA process allows the analysis of the current and forward-looking risk profiles of the Group and the insurance companies in the Group, based on strategy, market scenarios and business development.

Capital management policy

The capital management strategies and objectives of the Group are outlined in the "Capital management and dividend distribution policy", which describes the reference context and the process for managing capital and distributing dividends also in terms of the roles and responsibilities of the players involved. The document also identifies the

principles of capital management and the distribution of dividends or other elements of own funds, in line with the capital return objectives and the risk appetite defined by the Board of Directors.

The general aims pursued by the “Capital management and dividend distribution policy” are:

- ex ante definition of the return objectives on allocated capital, consistent with the profitability targets and in line with the risk appetite;
- maintaining a sound and efficient capital structure, considering growth targets and risk appetite;
- outlining the capital management process for the definition of procedures to ensure, inter alia, that:
 - the elements of own funds, both at the time of issue and subsequently, satisfy the requirements of the applicable capital regime and are correctly classified;
 - the terms and conditions for each element of own funds are clear and unequivocal;
- ex ante definition of a sustainable flow of dividends, in line with the profit generated, free cash flow and risk appetite, identifying and documenting any situations in which the postponement or cancellation of distributions from an element of own funds could arise;
- outlining the dividend distribution process for the definition of procedures to ensure sound and efficient capital management, considering that the growth and profitability targets are in line with the risk appetite;
- defining the roles, responsibilities and reporting in relation to capital management and the distribution of dividends or other elements of own funds.

The capital management and dividend distribution process is divided into five steps, in close relation with other corporate processes:

- final measurement of available capital and the capital required;
- preparation of the mid-term capital management plan;
- monitoring and reporting;
- management action on capital, including any contingency measures;
- distribution of dividends or other elements of own funds.

Measurement of risks for the insurance sector

Partial Internal Model

The Unipol Group and the subsidiaries UnipolSai Assicurazioni and Arca Vita are authorised by IVASS to use the Partial Internal Model to calculate the solvency capital requirement.

The Partial Internal Model is used to assess the following risk factors, as well as in the aggregation process:

- Non-Life and Health Technical Insurance risks relating to the earthquake catastrophe component;
- Life Technical Insurance risks;
- Market risk;
- Credit risk.

There is a plan for the extension of the Partial Internal Model to include all measurable risk modules and reach a Full Internal Model type configuration.

Market Wide Standard Formula

For Group companies other than UnipolSai Assicurazioni and Arca Vita, risk is measured using the Market Wide Standard Formula.

Report on corporate governance and ownership structures pursuant to Art. 123-bis of Legislative Decree 58 of 24 February 1998

The information required by Art. 123-bis, Italian Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on Corporate Governance, approved by the Board of Directors and published together with the Management Report.

The Annual Report on Corporate Governance is available in the "Governance" section of the Company's website (www.unipol.it), <http://www.unipol.it>

Performance of directly controlled companies

The key figures of directly controlled companies are provided below. Reference should be made to their respective financial statements for details of companies under their direct control.

The financial statements of (direct and indirect) subsidiaries and associates were filed pursuant to Art. 2429 of the Civil Code.

UnipolSai Assicurazioni S.p.A.

Registered Office: Bologna

Share capital: €2,031,456k

Carrying amount: fixed assets €5,169,262k; current assets €343k

% holding: 84.92% - Direct holding of 60.99% and an indirect holding of 23.93% in the capital

The company is authorised to operate as insurer and reinsurer in the Non-Life, Life and Capitalisation sectors. It may also set up and manage open pension funds.

UnipolSai closed 2021 with a net profit €648.1m (€814.3m at 31/12/2020). The aspects best characterising the operating performance in the year ended at 31 December 2021 were the following:

- at the end of 2021, premiums were €9,874.5m, of which €9,590.9m in direct business, with breakdown as follows:

Amounts in €m

Premiums	Non-Life	Life	Total 2021	Total 2020	% var.	Variation on 2020
Direct business	6,721.2	2,869.7	9,590.9	9,870.4	(2.8)	(279.5)
Indirect business	283.6	0.0	283.6	260.0	9.1	23.7
	7,004.7	2,869.8	9,874.5	10,130.3	(2.5)	(255.8)
Premiums ceded	284.3	5.9	290.2	288.5	0.6	1.7
Premiums retained	6,720.5	2,863.9	9,584.3	9,841.8	(2.6)	(257.5)
% breakdown	70.1	29.9	100.0			

The net retention of acquired premiums was 97.1%, substantially in line with the previous year (97.2%).

The shareholders' equity of UnipolSai, including the profit for the year, was €6,561.9m (€6,450.9m at 31/12/2020). In the course of 2021, the company paid the holding company Unipol Gruppo dividends of €328m.

Unipol Investment S.p.A.

Registered Office: Bologna

Share capital: €5,180k

Carrying amount: €528,577k

% holding: 100% direct

The company's purpose is to acquire interests and investments in other companies, not from the public, as well as the trading of financial instruments in general, for investment purposes. The company's financial year is from 1 July to 30 June.

At 30 June 2021, the company recorded a profit of €120m (€45.6m at 30/06/2020), due in particular to the capital gain of €92.4m, realised from the sale of shares of the affiliate UnipolSai Assicurazioni S.p.A., and dividends of €22.2m collected from the affiliate UnipolSai, a subsidiary of Unipol Gruppo.

The aspects best characterising the operating performance in the year ended at 30 June 2021 were the following:

- Gains on investments of €122m (€45.3m at 30/06/2020).
- Costs of production of €0.5m (€0.2m at 30/06/2020).
- Financial fixed assets recognised for €220.5m (€534.1m at 30/06/2020) and relating to the equity investment, amounting to 4.128% (9.99% at 30/06/2020), in the affiliate UnipolSai Assicurazioni S.p.A. The decrease was linked to the over the counter sale on 2 March 2021 of a total of 166,123,540 shares of the associate UnipolSai Assicurazioni S.p.A., for a total value of €406m, realising a capital gain of €92.4m. The shares were sold to the affiliates Unipol Finance (120,456,520 shares) and UnipolPart I (45,667,020 shares).

At 30 June 2021, the shareholders' equity of the company, including profit (loss) for the year, was €695.6m (€605.6m at 30/06/2020).

In the course of 2021, the company paid the holding company Unipol Gruppo dividends of €100m.

Unipol Finance S.r.l.

Registered Office: Bologna

Share capital: €5,000k

Carrying amount: €482,800k

% holding: 100% direct

The company's corporate purpose is to acquire interests and investments in other companies, not from the public, and increase their value for long-term investment purposes, rather than for placement or brokerage with the public. The company's financial year is from 1 July to 30 June.

At 30 June 2021, the company recorded a profit of €73.3m (a loss of €6.8m at 30/06/2020), due primarily to the dividend collected from the affiliate UnipolSai Assicurazioni S.p.A. and capital gains realised on trading of listed shares and mutual funds classified as current assets.

The aspects best characterising the operating performance in the year ended at 30 June 2021 were the following:

- Gains on investments of €86.3m (€40.1m at 30/06/2020), of which €53.2m in dividends received from the affiliate UnipolSai Assicurazioni S.p.A., a subsidiary of Unipol Gruppo, €30.9m in capital gains from the trading of shares and units of mutual funds and €2.2m in dividends collected from other companies and income deriving from mutual fund units.
- Interest and other financial charges of €6.3m (€44.9m at 30/06/2020) consisting primarily of capital losses from the trading of shares and mutual fund units.
- Financial fixed assets of €666.6m (€328.5m at 30/06/2020), relating to the 9.9% investment in the affiliate UnipolSai Assicurazioni S.p.A. The increase can be linked to the following acquisitions:
 - in the months of July, August and September 2020, direct acquisitions in the stock market of a total of 18,558,000 shares, for a value of €43.6m;
 - on 2 March 2021, acquisition from the affiliate Unipol Investment S.p.A. of an additional 120,456,520 shares, for a total value of €294.4m. This transaction took place over the counter at the closing price for the day.

At 30 June 2021, the shareholders' equity of the company, including profit (loss) for the year, was €682.1m (€608.9m at 30/06/2020).

In the course of 2021, the company did not pay dividends to the holding company Unipol Gruppo.

UnipolPart I S.p.A.

Registered Office: Bologna

Share capital: €4,100k

Carrying amount: €463,198k

% holding: 100% direct

The company's corporate purpose is to acquire interests and investments in other companies, not from the public, as well as the trading of financial instruments in general, for investment purposes. The company's financial year is from 1 July to 30 June.

At 30 June 2021, the company recorded a profit of €52.9m (€37.3m at 30/06/2020) due primarily to dividends collected from the investee UnipolSai.

The aspects best characterising the operating performance in the year ended at 30 June 2021 were the following:

- Gains on investments of €53.2m (€37.5m at 30/06/2020), consisting in full of dividends collected on shares of the affiliate UnipolSai Assicurazioni S.p.A.
- Costs of production of €0.1m (unchanged compared to 30/06/2020).
- Financial fixed assets recognised for €574m (€462.4m at 30/06/2020) and relating to the equity investment, amounting to 9.9%, in the affiliate UnipolSai Assicurazioni. The increase was linked to the acquisition from the affiliate Unipol Investment S.p.A. of 45,667,020 shares of UnipolSai Assicurazioni S.p.A. The acquisition took place over the counter on 2 March 2021 at the closing price for the day, for a total value of €111.6m.

At 30 June 2021, the shareholders' equity of the company, including profit (loss) for the year, was €576.9m (€524.1m at 30/06/2020).

In the course of 2021, the company did not pay dividends to the holding company Unipol Gruppo.

UnipolSai Investimenti SGR S.p.A.

Registered Office: Turin

Share capital: €3,914k

Carrying amount: €10,710k

% holding: 100% - Direct holding of 51% and an indirect holding of 49% in the capital

UnipolSai Investimenti SGR manages the real estate investment funds Tikal, Athens, Fondo Emporion, Fondo Landev and Fondo Oikos.

The company's performance recorded profit for the year of €9m (net profit of €5m at 31/12/2020).

The aspects best characterising the operating performance in the year ended at 31 December 2021 were the following:

- Commission income of €14.7m (€9.3m at 31/12/2020), deriving from the management of the real estate investment funds mentioned above.
- €2.5m costs for services and miscellaneous (€2.4m at 31/12/2020), of which €2m due to UnipolSai Assicurazioni S.p.A. for seconded staff and miscellaneous services.
- €15m gross operating income (€9.6m at 31/12/2020, +56.01%).
- €12.7m net operating income (€7.2m at 31/12/2020).

The shareholders' equity of the company, including profit (loss) for the year, was €24.7m (€20.6m at 31/12/2020).

UnipolReC S.p.A.

Registered Office: Bologna

Share capital: €290,123k

Carrying amount: €359,819k

% holding: 100% - Direct holding of 85.24% and an indirect holding of 14.76% in the ordinary capital

UnipolReC S.p.A., enrolled in the register of financial intermediaries pursuant to Art. 106 of the Consolidated Law on Banking (TUB) as of 2 July 2019, has as its main activities the acquisition, management and disposal of non-performing loans.

Please note that on 1 December 2021, the merger by incorporation of the wholly owned subsidiary Unipol Reoco S.p.A. into UnipolReC S.p.A. was finalised. The merger was retroactively effective for accounting purposes as of 1 January 2021.

At 31 December 2021, the company recorded a profit of €1.5m (€6.2m at 31/12/2020).

The aspects best characterising the operating performance in the year ended at 31 December 2021 were the following:

- €17.7m gross operating income (€16.8m at 31/12/2020);
- €12.9m net financial income (€18.6m at 31/12/2020);
- €13.6m operating expenses (€12.8m at 31/12/2020);
- Collections from non-performing loans for €81.8m, with a 23% recovery ratio (€116.4m collected in 2020, with a 28% recovery ratio);

1 Management Report

- Non-performing loans managed, recognised in the financial statements under Financial assets measured at amortised cost, for a net value of €357.2m (€422.7m at 31/12/2020), with a coverage ratio of 87% (86% at 31/12/2020) compared to the relative gross value of €2,689.2m (€3,046m at 31/12/2020);
- Financial liabilities measured at amortised cost of €0.5m (€76m at 31/12/2020). The decline was due to the full repayment in the course of 2021 of the shareholder loan granted by the holding company Unipol and the affiliate UnipolSai.

The shareholders' equity of the company, including profit (loss) for the year, was €441.3m (€440.2m at 31/12/2020).

Transactions with Group companies and transactions with related parties

As the investment and services holding company and Parent of the Unipol Insurance Group (registration no. 046 in the Insurance Groups Register), Unipol Gruppo carries out management and coordination activities pursuant to Art. 2497 et seq. of the Civil Code.

It should be noted that none of the shareholders of Unipol Gruppo carries out management and coordination activities over the company in accordance with Art. 2497 et seq. of the Civil Code.

The Procedure for related-party transactions (the "Procedure") - prepared pursuant to Art. 4 of Consob Regulation no. 17221 of 12 March 2010 as amended (the "Consob Regulation") and updated most recently by the Unipol Board of Directors on 24 June 2021, effective as of 1 July 2021, in order to incorporate the amendments made to the Consob Regulation with resolution no. 21624 of 10 December 2020 - defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties carried out by Unipol, either directly or through its subsidiaries.

In 2021, Unipol did not approve, or carry out, directly or through subsidiaries, any related party transactions qualified as of "Major Significance", or which significantly influenced the financial position or profit and loss of the companies, pursuant to Art. 5, paragraph 8 of Consob Regulation.

With regard to the information required by Consob Communication no. DEM/6064293/2006, we refer to the paragraph on transactions with related parties in the Notes to the financial statements.

Research and development activities

In response to a market scenario undergoing constant technological evolution, the Unipol Group makes investments to develop and accelerate innovation and meet the new needs of customers.

Intellectual capital represents a key asset in building Group strategies and is continuously enhanced through investments in innovation.

The investment in data, telematics, AI applications and Robotic Process Automation (RPA) generates concrete returns for core business, for example in the area of anti-fraud and to develop products and services based on the improved awareness of customer needs, and influences the entire life of the relationship with the customer.

Privacy obligations (Italian Legislative Decree 196/2003)

Regulation (EU) 2016/679 on the protection of personal data (the "GDPR") requires continuous training on personal data protection and strong substantial accountability of the company, which must guarantee and be capable of demonstrating its compliance with the GDPR provisions.

To that end, in the course of 2021, the Company, with the support of the Group's Data Protection Officer - who performs the activities under his responsibility for the Parent and for its subsidiaries with registered office in Italy - continued to provide training to the employees both through e-learning courses and face-to-face meetings/lessons carried out remotely, in addition to evaluating the effectiveness and efficiency of the oversight mechanisms, processes and organisational system implemented in order to guarantee that its personal data management complies with regulations in force and is more transparent with respect to data subjects, through:

- monitoring of the record of processing activities required under Art. 30 of the GDPR;

- updating of service agreements between Group companies and between them and external suppliers;
- updating of company communication documents to outline guidelines and procedures for the proper management of personal data and to ensure the regulatory compliance of processing;
- assessment on the compliance of processes and procedures with regulatory provisions;
- monitoring of the implementation of the actions identified in the assessments;
- monitoring of the reference regulatory framework, including through the analysis of regulations and/or guidelines of the European and national authorities subject to public consultation to propose, when necessary, requests for changes, amendments, supplements or clarifications with respect to topics linked to the processing of personal data;
- analysis of the penalty measures issued by the Data Protection Authority;
- impact assessments on data protection, in keeping with the privacy by design and by default principles.

Human resources

At 31 December 2021, the Company had 16 employees (unchanged compared to 31/12/2020), as shown in the table below.

	31/12/2021			31/12/2020		
	Average	Final	FTE	Average	Final	FTE
Permanent	15	15	15	17	16	17
Fixed-term	1	1	1			
Total	16	16	16	17	16	17

Training

In 2021, the Unipol Group's Corporate Academy, Unica, continued its training initiatives remotely (virtual classroom and e-learning), focusing on providing courses with compulsory regulatory, technical, commercial, managerial and conduct-related content.

In June 2021, ISO 9001:2015 certification of Unica's Quality Management System was confirmed and maintained.

Share-based compensation plans

The Unipol Group pays additional benefits (short- and long-term incentives) to the General Manager, Key Managers and other senior executives under closed three-year, share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of Gross Profit and solvency capital requirements, as well as individual targets are achieved.

The 2016-2018 Compensation Plan based on financial instruments (performance share type) envisaged the assignment of Unipol and UnipolSai shares over three years with effect from April 2019. The first tranche, for 1,056,628 Unipol shares and 1,952,974 UnipolSai shares, was paid to entitled parties on 25 April 2019; the second tranche, for 1,038,100 Unipol shares and 1,918,729 UnipolSai shares, was paid to entitled parties on 27 April 2020; the third tranche, for 1,038,100 Unipol shares and 1,918,729 UnipolSai shares, was paid to the entitled parties on 28 April 2021.

In addition, on 28 April 2021, 232,356 Unipol shares and 457,429 UnipolSai shares were delivered to eligible executives as short-term incentives for the 2020 financial year.

Lastly, on 15 December 2021, 268,214 Unipol shares and 485,194 UnipolSai shares were delivered only to executives in the category of significant risk takers, for the short-term incentive referring to the year 2019, not allocated last year in compliance with the recommendations made at the time by the Supervisory Authority in relation to the situation caused by the COVID-19 pandemic.

The Information Documents, prepared pursuant to Art. 114-bis of the Consolidated Law on Finance and Art. 84-bis of the Consob Issuer's Regulation no. 11971/1999, are available on the relevant websites, in the Governance/Shareholders meetings section.

Trade Union agreements regarding Personnel

During the 2019-2020 two-year period, the Group insurance companies signed trade union agreements in relation to jointly agreed termination of employment contracts for non-executive personnel meeting pension requirements by 31 December 2023. In this regard, in the course of 2021 the agreed termination of contract involved 266 workers.

During the 2020-2021 two-year period, Unipol and the Group insurance companies signed trade union agreements in relation to jointly agreed termination of employment contracts also for executive personnel meeting pension requirements by 31 December 2024.

The agreed termination of contract involved a total of 7 executives in 2021, one of whom was a direct employee of Unipol.

In terms of policies and projects, the most significant news for companies in the insurance segment was the renewal of the Group's Supplemental Corporate Agreement ("CIA"), with improved provisions on supplementary pensions, health care, remuneration for the contact centre staff and other institutions.

IT services

In the course of 2021, activities concentrated on 3 lines of action:

- **the enhancement of the services offered and the evolution of Digital Touch Points supporting Omnichannel interaction with customers.** These include:
 - the creation of a new version of the app that integrates new functions to pay for fuel with API/IP and Tamoil;
 - the management of the new Electronic Toll Payment service;
 - self-service sale of Pet and Travel products and new gamification functions supporting app usage.
 The upward trend in electronic signatures and payments was also confirmed, with 6m signatures and 3m payments during the year;
- development of **new solutions and architectures** based on technologies and methodologies aligned with the highest market standards;
- **continuation of the digitalisation and optimisation of processes and evolution of insurance products and systems.** Activities also continued in the areas of Artificial Intelligence, Process Robotics, Data and Cybersecurity, and design activities began on the new Non-Life New Core system.

Internet

www.unipol.it is the Unipol website via which users can access the websites of the various Group companies and obtain information about Unipol itself.

Business outlook

After the robust economic recovery seen in Europe and in Italy in 2021, a slowdown in growth is forecast for 2022, intensified by the current geopolitical scenario. Having overcome domestic political uncertainties earlier in the year and, thanks to the success of the vaccination campaign and the limitation of the infection curve, reduced concerns relating to pandemic variants, tensions have progressively increased in relation to a number of factors of instability. Indeed, in the initial months of 2022, the international scenario was impacted by the deterioration of the conflict between Russia and Ukraine, which transformed into a large-scale clash of military forces following Russia's invasion of Ukrainian territory. Aside from the heavy price in terms of human life and refugees, the effects of the conflict and the ensuing economic and financial sanctions imposed on Russia by the international community are affecting the global economy. Some of the main impacts are expected to be difficulties in the procurement of raw materials, with additional increases in the relative prices, and the risk of an already stressed supply chain becoming even more compromised.

These situations of uncertainty and fears of the potential impacts are creating financial market tensions, with plummeting international share prices and upward trends in interest rates. All this reflects on the Group's financial investments, which have marked a reduction in their implicit capital gains, and on financial management, which in any event continues to be aimed at the consistency of assets and liabilities and optimising the risk/return profile of the portfolio, also with regard to the maintenance of an adequate level of solvency.

The uncertainty of the current context and, especially, its future evolution, does not make it possible to fully determine its effects on the financial situation and economic results of the Group. However, the Group does not carry out relevant economic activities in the area concerned by the conflict, does not hold, except to an extremely marginal

extent, financial investments in securities of Russian or Ukrainian issuers and is not a contractual party to any relevant financial transactions with subjects or entities subject to the international sanctions.

With regard to the trends of the business sectors in which the Company operates, there are no particularly significant events to report with respect to the trends recorded throughout 2021.

Of particular note was the invitation submitted to UnipolSai to become a founding member of two of the five National Centres of Excellence established within the National Recovery and Resilience Plan (the “NRRP”). In particular, one located in Bologna concerns the establishment of the “National Centre for HPC supercomputing and the cloud” and “Quantum Computing”, and the other, in Milan, regards the establishment of the “National Centre for sustainable mobility”. UnipolSai immediately decided to participate in both initiatives, which moreover involve areas in which the Company is developing technological innovations for some time now.

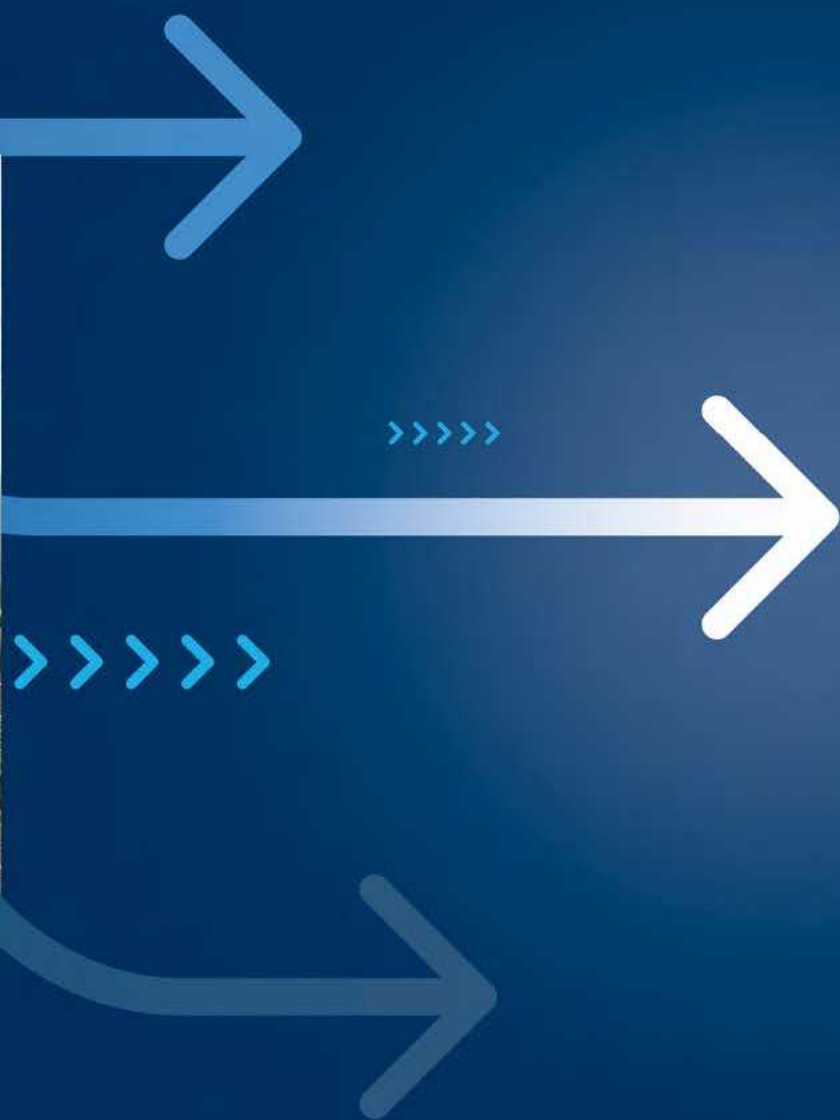
The Group is completing activities for the preparation of the new 2022-2024 Strategic Plan, which will be presented to the financial markets this May.

Excluding unforeseeable events also connected with uncertainties in the reference context, the operating result is expected to remain positive.

Bologna, 24 March 2022

The Board of Directors





2

FINANCIAL
STATEMENTS
FOR THE YEAR 2021

Unipol Gruppo S.p.A. Statement of Financial Position

Amounts in €

ASSETS	31.12.2021	31.12.2020
A) SUBSCRIBED CAPITAL, UNPAID		
- of which called		
B) FIXED ASSETS		
I Intangible assets		
4) Concessions, licences, trademarks and similar rights	434,134	762,713
Total	434,134	762,713
II Property, plant and equipment		
2) Plant and equipment		4,200
4) Other assets	508,201	576,999
Total	508,201	581,198
III Financial fixed assets		
1) Investments in:		
a) subsidiaries	7,014,365,537	7,014,371,939
b) associates	298,098,507	298,098,507
Total investments	7,312,464,044	7,312,470,446
2) Receivables:		
a) from subsidiaries	150,491,770	103,341,647
- of which payable within 12 months	491,770	6,767,697
d-bis) from others		10,290
- of which payable within 12 months		10,290
Total receivables	150,491,770	103,351,937
3) Other securities	163,541,312	155,117,163
Total	7,626,497,125	7,570,939,546
TOTAL FIXED ASSETS	7,627,439,460	7,572,283,457

Unipol Gruppo S.p.A. Statement of Financial Position

Amounts in €

ASSETS	31.12.2021	31.12.2020
C) CURRENT ASSETS		
II Receivables		
1) from customers	71,340	412,944
2) from subsidiaries	162,635,108	98,516,315
3) from associates	177,887	
5 bis) tax receivables	19,828,265	40,195,051
- of which payable after 12 months	3,480,619	4,829,995
5 ter) deferred tax assets	311,807,377	353,894,253
- of which payable after 12 months	260,533,016	336,956,035
5) quater) from others	801,757	456,487
- of which payable after 12 months	1,933	72,538
Total	495,321,735	493,475,050
III Current financial assets		
1) Investments in subsidiaries	343,260	3,403,111
4) Other investments	29,721,370	8,149,295
5) Financial derivative assets		13,878
6) Other securities	117,092,370	1,370,875,423
Total	147,157,000	1,382,441,707
IV Cash and cash equivalents		
1) Bank and post office deposits	1,052,432,261	412,539,370
- of which from associates	1,052,419,758	412,520,626
3) Cash at bank and in hand	14,774	12,382
Total	1,052,447,036	412,551,752
TOTAL CURRENT ASSETS	1,694,925,771	2,288,468,510
D) ACCRUALS AND DEFERRALS		
2) Deferrals	359,119	374,410
TOTAL ACCRUALS AND DEFERRALS	359,119	374,410
TOTAL ASSETS	9,322,724,349	9,861,126,377

Unipol Gruppo S.p.A. Statement of Financial Position

Amounts in €

LIABILITIES	31.12.2021	31.12.2020
A) SHAREHOLDERS' EQUITY		
I Share capital	3,365,292,408	3,365,292,408
II Share premium reserve	1,345,677,187	1,345,677,187
IV Legal reserve	673,058,482	673,058,482
VI Other reserves	198,836,867	284,054,255
- Extraordinary reserve	198,836,867	284,054,255
IX Profit (loss) for the year	335,104,982	316,348,943
X Negative reserve for treasury shares	(339,222)	(1,279,807)
TOTAL SHAREHOLDERS' EQUITY	5,917,630,704	5,983,151,468
B) PROVISIONS FOR RISKS AND CHARGES		
3) Financial derivative liabilities	430,028	
4) Other	24,074,060	43,277,017
TOTAL PROVISIONS FOR RISKS AND CHARGES	24,504,089	43,277,017
C) POST-EMPLOYMENT BENEFITS	39,710	38,346
D) PAYABLES		
1) Bonds	2,515,103,507	2,747,980,396
- of which payable after 12 months	2,515,103,507	2,509,161,749
5) Payables to other lenders	515,186	515,186
7) Trade payables	7,384,026	3,135,746
9) Payables to subsidiaries	758,934,793	1,061,012,197
- of which payable after 12 months	300,524,417	300,518,000
10) Payables to associates	822,253	239,374
12) Tax payables	77,747,945	838,479
13) Social security charges payable	1,075,769	546,112
14) Other payables	18,966,367	20,392,057
TOTAL PAYABLES	3,380,549,846	3,834,659,546
TOTAL LIABILITIES	9,322,724,349	9,861,126,377

Unipol Gruppo S.p.A. Income Statement

Amounts in €

	31.12.2021	31.12.2020
A) VALUE OF PRODUCTION		
1) Revenue from sales and services	1,048,257	638,158
5) Other revenue and income		
b) sundries	19,006,044	14,798,099
Total other revenue and income	19,006,044	14,798,099
TOTAL VALUE OF PRODUCTION	20,054,300	15,436,257
B) COSTS OF PRODUCTION		
6) Raw materials, consumables and goods for resale	151,545	184,251
7) Services	19,999,647	13,004,710
8) Use of third party assets	1,077,131	1,256,231
9) Personnel:		
a) wages and salaries	20,963,711	17,345,183
b) social security expenses	3,237,837	2,847,461
c) post-employment benefits	623,789	576,653
e) other costs	2,199,885	1,555,416
Total personnel	27,025,221	22,324,713
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	338,057	783,091
b) depreciation of property, plant and equipment	22,982	48,378
Total amortisation, depreciation and write-downs	361,039	831,469
12) Provisions for risks	47,000	23,131
13) Other provisions		4,000,000
14) Sundry operating expenses	8,653,724	5,772,009
TOTAL COSTS OF PRODUCTION	57,315,306	47,396,515
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(37,261,006)	(31,960,258)
C) FINANCIAL INCOME AND CHARGES		
15) Gains on investments:		
a) in subsidiaries	430,190,548	318,594,372
b) in associates	5,401,273	
d) in other companies	4,405,230	58,810
Total gains on investments	439,997,052	318,653,182
16) Other financial income:		
a) from receivables recognised under fixed assets	3,429,961	3,794,413
1) from subsidiaries	3,429,961	3,794,406
4) from others		8
b) from securities held as fixed assets	2,044,385	899,520
c) from securities recognised under current assets	7,227,989	6,573,794
d) other income	590,833	2,605,433
1) from subsidiaries	131,403	16,116
4) from others	459,429	2,589,317
Total other financial income	13,293,168	13,873,160
17) Interest and other financial charges:		
a) subsidiaries	6,660,291	8,297,417
b) associates	27,559	45,006
d) others	95,026,663	79,756,562
Total interest and other financial charges	101,714,513	88,098,986
17-bis) Exchange gains (losses)	450,861	(325,015)
TOTAL FINANCIAL INCOME AND CHARGES	352,026,568	244,102,342

Unipol Gruppo S.p.A. Income Statement

Amounts in €

	31.12.2021	31.12.2020
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18) Write-ups:		
c) of securities recognised under current assets	404,994	1,175,784
d) of financial derivative instruments		13,878
Total write-ups	404,994	1,189,662
19) Write-downs:		
a) of investments	383,148	
c) of securities recognised under current assets	1,213,141	737,328
d) of financial derivative instruments	443,906	
Total write-downs	2,040,195	737,328
TOTAL ADJUSTMENTS	(1,635,201)	452,335
PRE-TAX PROFIT (LOSS)	313,130,360	212,594,418
20) Income tax for the year: current and deferred		
a) Current taxes	(62,087,806)	(26,901,058)
b) Taxes related to prior years	880,490	(85,731,624)
c bis) Deferred tax assets	39,232,695	8,878,158
Total income tax for the year	(21,974,621)	(103,754,524)
PROFIT (LOSS) FOR THE YEAR	335,104,982	316,348,943

Unipol Gruppo S.p.A. Statement of cash flows

Amounts in €

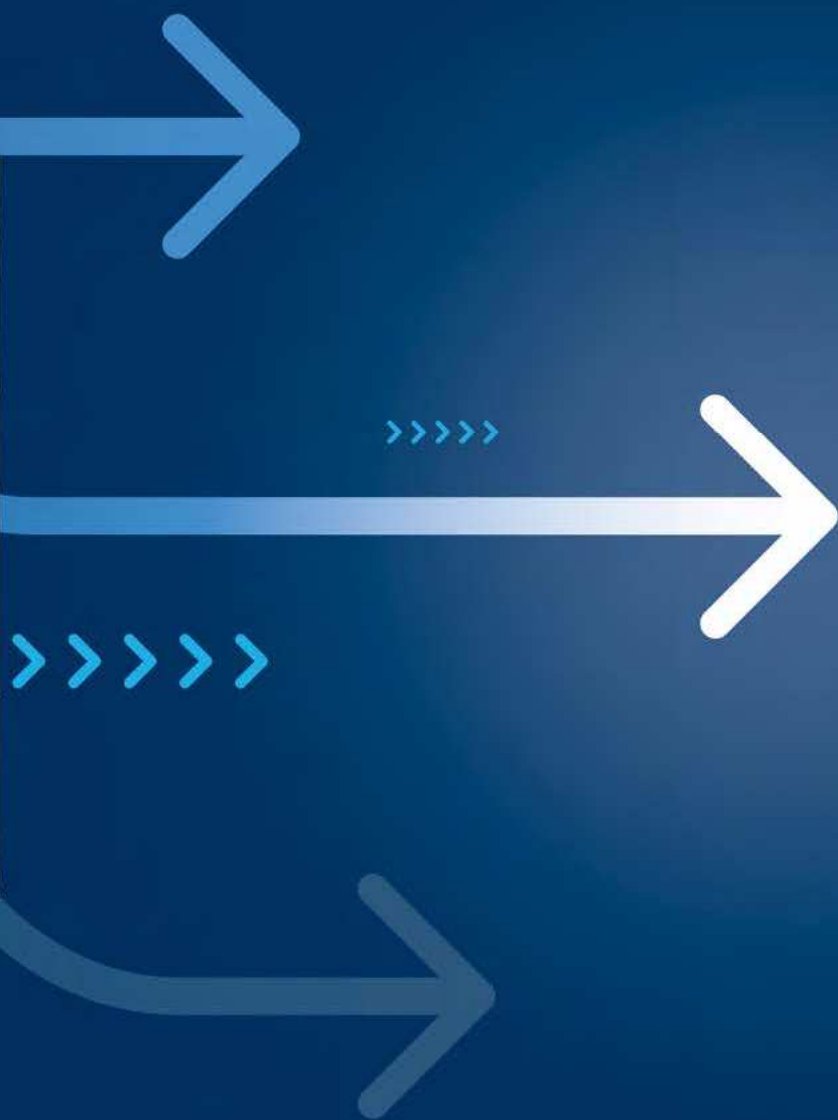
	31.12.2021	31.12.2020
A. Cash flows arising from income management (indirect method)		
Profit (loss) for the year	335,104,982	316,348,943
Income tax	(21,974,621)	(103,754,524)
Interest expense/(interest income)	81,996,341	67,863,317
(Dividends)	(430,190,548)	(307,908,556)
(Capital gains)/losses arising from disposal of assets	(2,258,800)	(14,063,909)
1.Pre-tax profit (loss) for the year, interests, dividends and capital gains/losses on disposals	(37,322,647)	(41,514,729)
<i>Adjustments for non-monetary items with no impact on net current assets</i>		
Allocation to provisions	2,845,488	6,923,131
Depreciation of fixed assets	361,039	831,469
Value adjustments to financial assets and liabilities relating to financial derivatives, not involving monetary transactions	430,028	
Other adjustments to non-monetary items	22,582,626	117,726,569
<i>Total adjustments to non-monetary items</i>	<i>26,219,181</i>	<i>125,481,170</i>
2. Cash flows before adjustments to net current assets	(11,103,466)	83,966,440
<i>Change in net current assets</i>		
Decrease (increase) in receivables from customers		(44,923)
Decrease (increase) in trade payables	4,248,280	279,816
Decrease (increase) in prepayments and accrued income	15,291	231,403
Decrease (increase) in receivables from subsidiaries	(64,118,793)	(7,161,374)
Other changes in net current assets	(135,974,864)	50,313,164
<i>Total changes in net current assets</i>	<i>(195,830,085)</i>	<i>43,618,087</i>
3. Cash flows after adjustments to net current assets	(206,933,552)	127,584,527
<i>Other adjustments</i>		
Interest amounts collected (paid)	(81,996,341)	(67,863,317)
(Tax income paid)	(27,211,992)	
Dividends received	430,190,548	307,908,556
(Use of provisions)	(22,048,444)	(338,927)
<i>Total other adjustments</i>	<i>298,933,771</i>	<i>239,706,312</i>
Cash flows arising from income management (A)	92,000,219	367,290,839

Unipol Gruppo S.p.A. Statement of cash flows

Amounts in €

	31.12.2021	31.12.2020
B. Cash flows arising from investing activity		
<i>Property, plant and equipments</i>		
Disposals	50,016	
<i>Intangible assets</i>		
(Investments)	(9,479)	(2,154)
<i>Financial fixed assets</i>		
(Investments)	(98,738,012)	(243,433,712)
Disposals - realisation values	42,532,910	47,075,711
<i>Financial current assets</i>		
(Investments)	(21,955,223)	(946,890,103)
Disposals - realisation values	1,257,543,723	14,063,909
Cash flows arising from investing activity (B)	1,179,423,936	(1,129,186,350)
C. Cash flows arising from financing activity		
<i>Loans received</i>		
Loans execution		1,004,535,000
Repayment of loans	(230,881,000)	(88,139,890)
<i>Equity</i>		
Sale (purchase) of treasury shares	940,585	(104,157)
(Dividends and interim dividends distributed)	(401,588,457)	
Cash flows arising from financing activity (C)	(631,528,872)	916,290,953
Increase (decrease) in cash and cash equivalents (A ± B ± C)	639,895,283	154,395,442
Cash and cash equivalents at 1 January	412,551,752	258,156,310
of which:		
Bank and post office deposits	412,539,370	258,141,960
Cash at bank and in hand	12,382	14,350
Cash and cash equivalents at 31 December	1,052,447,036	412,551,752
of which:		
Bank and post office deposits	1,052,432,261	412,539,370
Cash at bank and in hand	14,774	12,382





3

NOTES
TO THE FINANCIAL
STATEMENTS

Structure and contents of the Financial Statements

Unipol 2021 financial statements were prepared in compliance with the provisions of the Civil Code and the national accounting standards approved by the OIC (Italian Accounting Standards Setter). In fact, since it qualifies as the Parent of an insurance group, Unipol is required to prepare consolidated financial statements in compliance with international accounting standards according to Art. 95, paragraph 2-bis of Italian Legislative Decree 209/2005 (Private Insurance Code), but cannot apply these international accounting standards to the company's separate financial statements pursuant to Art. 4 of Italian Legislative Decree 38/2005.

The financial statements include the Statement of Financial Position, the Income Statement, the Statement of Cash Flows and these Notes. They are also accompanied by the Management Report.

As stated in Art. 2423, paragraph 6 of the Civil Code, the amounts in the Financial Statements are expressed in Euro, without decimals, whilst amounts indicated in the Notes to the Financial Statements are expressed in €k, unless otherwise indicated, as permitted by the provisions of the Civil Code.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the transactions or contracts, pursuant to Articles 2423 and 2423-bis of the Civil Code.

The nature and effect on the Statement of Financial Position, Income Statement and Statement of Cash Flows of the main significant events after year end, also as regards, where applicable, the valuations of these annual financial statements, are reported in a special chapter of these Notes.

In order to integrate disclosures provided in the aforementioned mandatory statements, the Income Statement figures were restated in the attached reclassification statement and were accompanied by the Statement of Changes in Shareholders' Equity and the Statement of Cash Flows.

The layout of the financial statements offers a comparison with the figures of the previous year. Where necessary, in the event of a change to the accounting standards, measurement or classification criteria, the comparative data are re-stated and reclassified in order to provide homogeneous and consistent information.

Unipol administrative bodies and the manager in charge of financial reporting have provided the Statement on the financial statements in accordance with Art. 81-ter, Consob Regulation 11971 of 14 May 1999, with later amendments and integrations.

These financial statements were audited by EY SpA, appointed independent auditors by the Shareholders' Meeting for the years 2021-2029.

EU ESEF Regulation - Financial statements in the single electronic reporting format

The "Transparency Directive" (2004/109/EC) requires listed companies to publish their annual financial report in the "single electronic reporting format". To this end, Regulation (EU) 2019/815 of 2018 (the "ESEF Regulation") imposed the obligation of drafting such reporting in XHTML format, also marking up certain information in the consolidated financial statements (financial statements and certain identifying data of the issuer) using XBRL specifications. The obligation of applying this preparation method, following an extension adopted at national level, comes into force starting from the 2021 financial year.

Measurement criteria

Intangible assets

Intangible assets are recognised at historical acquisition or production cost, including accessory charges, and are amortised over their residual useful lives (3-5-10 years). For projects under development, amortisation is suspended until the year in which they are first used.

Start-up and expansion costs are amortised on a straight-line basis over five years from the effective date of the related transaction, taking into account their future usefulness and their estimated useful life.

Other long-term costs are amortised over their estimated useful lives. If the intangible assets are no longer believed to have future usefulness, the assets are written off and charged to the Income Statement.

Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and adjusted for the corresponding accumulated depreciation. The carrying amount takes into consideration any accessory charges and direct/indirect costs in the portion reasonably attributable to the asset.

Depreciation is calculated according to the useful life of the asset:

- plant and equipment: useful life of 3 to 7 years;
- movable assets entered in public registers: useful life of 4 years;
- office furniture and machines: useful life of 3 to 8 years;
- data processing centre machines: useful life of 2 to 5 years;
- assets up to €516: fully depreciated over 1 year.

Financial fixed assets

These are mainly represented by controlling interests.

The investments concerned are recognised at purchase or subscription cost or at a value below cost if, on the basis of the financial position of the companies invested in, the investments show evidence of impairment.

The bonds held as investments in the Company's equity are measured at amortised cost, applying the internal effective rate of return (effective interest criterion). The value is adjusted for any impairment losses.

If the reasons for recognition of the value adjustment no longer apply, the value of the security is restored to the extent of the amortised cost, calculated as if the previous adjustments had not been recognised.

Transfers of investments

In the event of a change in strategy decided by the management body regarding the destination of an investment to remain for a longer or shorter length of time in the company's assets, said investment is reclassified among fixed assets (fixed financial assets) and among current assets (current financial assets).

The transfer is recognised on the basis of the value resulting from the application - at the time of said transfer - of the valuation criteria of the original portfolio. Therefore:

- a) the transfer of fixed investments to current assets is recognised on the basis of the cost, adjusted if necessary to reflect any impairment losses;
- b) the transfer of current investments to financial fixed investments is recognised on the basis of the lesser value between the cost and the sale value based on market performance.

Receivables

Receivables are measured at amortised cost, applying the internal effective rate of return (effective interest criterion), taking into account the time factor, except for current receivables (due in less than 12 months).

Current financial assets

Shares classified as current assets and mutual investment fund units are recognised at the lower of average purchase cost and market value, which for listed securities is the average price recorded in the last month of the year and for unlisted securities a prudent estimated realisable value.

Furthermore, for listed securities, if the December average is not representative of the market value, the average believed to be more representative is used as a prudent measure.

Bonds classed as current are recognised at the lower of the purchase cost (determined using the amortised cost method) and the realisable value estimated from market trends, for listed securities based on the arithmetic mean of prices recorded in December and for unlisted securities on the estimated realisable value at 31 December, calculated

3 Notes to the Financial Statements

on the basis of the current value of securities traded on regulated markets and with similar characteristics. Write-downs in previous years are not maintained if the reasons giving rise to such write-downs should no longer apply.

Financial derivatives

Financial derivatives are recognised and measured at fair value. Changes in fair value are recognised in the income statement under section D. "Value adjustments to financial assets and liabilities" (items D18 and D19), except in cases where the changes derive from a cash flow hedging strategy. In this case, the effective portion of the gains or losses on the derivative instrument are suspended in a shareholder' equity reserve and later recognised in the income statement to the extent and timing corresponding to cash flows occurring or changing from the hedged instrument or if the transaction hedged is performed. Note that section D. "Value adjustments to financial assets and liabilities" (items D18 and D19) also includes changes in fair value deriving from the hedged item and attributable to the measurement of the hedging instrument as part of an effective fair value hedging strategy.

In terms of assets, the market value of the existing financial instruments classified as financial assets is recognised:

- among "Financial fixed assets", in item B) III 4) financial derivative assets;
- among "Current financial assets", in item C) III 5) financial derivative assets.

If, instead, the fair value of the derivatives is negative, this value is recognised under "Provisions for risks and charges", item B) 3) - financial derivative liabilities.

Financial derivatives are used only for hedging purposes, to reduce the risk profile of the assets/liabilities hedged, i.e. to optimise their risk/return profile.

At 31 December 2021, there were no hedging transactions qualified for accounting purposes as cash flow hedges or fair value hedges.

Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover losses or liabilities of certain or probable existence, but for which the amount or contingency date cannot be reliably determined at the end of the year. The measurement of these provisions complies with general prudent and accrual criteria and the amounts allocated reflect the best possible estimate based on available information.

Post-employment benefits

Post-employment benefits reflect the liability accrued to employees at year end, net of amounts devolved to supplementary pension funds and to the INPS Treasury Fund in accordance with current regulations.

Payables

Payables recognised in the financial statements according to the amortised cost criterion, applying the internal effective rate of return (effective interest criterion) and taking into account the time factor. The amortised cost criterion does not apply to current payables (i.e. due in less than 12 months).

Dividends

Dividends are recognised at the moment in which, following a resolution of the Shareholders' Meeting of the investee to distribute profit or possibly reserves, the investor's entitlement to their collection arises.

Recognition of costs and revenues

Revenues and costs are recognised according to prudent and accrual principles.

Income tax for the year

Income tax for the year is calculated according to current tax regulations and recognised among costs for the year. These comprise charges/income for:

- current tax for the year;
- tax from previous years, the amount of which has changed at the initiative of the taxpayer or the Tax Administration, or due to the closure of disputes;
- deferred tax assets and liabilities arising during the year and usable in future years;

- the portion for the year of deferred tax assets and liabilities generated in previous years.
- Pursuant to Art. 117 et seq. of Presidential Decree 917/1986 and Ministerial Decree of 9 June 2004, the Company has renewed the option, as consolidating company, for the IRES tax consolidation regime, with 37 companies, among which UnipolSai, taking part as consolidated companies. Unipol has signed an agreement with these companies regulating the economic and financial aspects governing the regime in question, recognising in its financial position the effects of the transfer of the IRES taxable income of the consolidated companies, calculated pursuant to the law, keeping into account the applicable consolidation adjustments and the tax credits accrued.
- In application of Accounting Principle no. 25 of the Italian Accounting Standards Setter, deferred tax assets and liabilities are calculated on the temporary differences between profit (loss) for the year and taxable income. Deferred tax assets are recognised only if it is reasonably certain that they will be recovered in future years.
- Deferred tax liabilities are calculated on the basis of the tax rates set by current tax regulations and applicable to the future years in which all or part of the temporary differences that produce them are expected to be reabsorbed.
- The disclosure pursuant to Art. 2427, par. 1, no. 14 of the Civil Code, together with the statement of reconciliation between theoretical and effective tax charges, is provided in the section "Income Statement - Income tax for the year: current and deferred".

Translation of balances in foreign currencies

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting. In compliance with Art. 2426, par. 8-bis of the Civil Code, property, plant and equipment, intangible assets and financial assets (held as investments) in foreign currencies are recognised at the spot rate at the time of purchase. Other items expressed in a foreign currency are recognised at the year-end rates. All translation differences are recognised in the Income Statement.

Exchange rates used

The main exchange rates used for the translation into euros are as follows:

Currencies	31/12/2021	31/12/2020
US Dollar	1.1326	1.2271
Pound Sterling	0.8403	0.8990
Swiss Franc	1.0331	1.0802
Yen	130.3800	126.4900
Danish Krone	7.4364	7.4409
Swedish Krona	10.2503	

Exceptions pursuant to Art. 2423, paragraph 5 of the Civil Code

No exceptions pursuant to Art. 2423, paragraph 5 of the Civil Code were applied.

Uncertainty in the use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.

As regards the 2021 financial statements, it is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows. The relevant paragraphs of the Notes to the Financial Statements provide full details of the reasons underlying the decisions made and the measurements performed. In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information.

However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

In particular, a greater use of subjective assessments by company management is required in the following cases:

- calculation of impairment losses on equity investments;
- calculation of the current value of financial assets and liabilities where this cannot be directly observed on active markets. In this case, the subjective elements lie in the choice of measurement models or input parameters that cannot be directly observed on the market;

3 Notes to the Financial Statements

- definition of parameters used in the analytical assessment of securities investments to verify any impairment. In particular, reference is made to the choice of measurement models and the main assumptions and parameters used;
- assessment of the recoverability of deferred tax assets;
- quantification of provisions for risks and charges where there is uncertainty about the amount required and the contingency periods.

In such cases an explanation is provided with the aim of providing investors with a better understanding of the main causes of uncertainty, but in no way is meant to suggest that alternative assumptions might be appropriate or more valid. In addition, the financial statements measurements are made on the basis of going concern assumptions, as no risks have been identified that could compromise orderly business operations.

Information on the Statement of Financial Position and Income Statement

The items in the Statement of Financial Position and the changes in corresponding balances with respect to the previous year are commented on below, with additional information as required by current regulations.

Statement of Financial Position - Assets

B. Fixed assets

B) I - Intangible assets

Intangible assets totalled €434k at 31 December 2021, down by €329k compared to the previous year's balance, almost exclusively due to amortisation for the year.

This item is almost entirely comprised of Concessions, licences, trademarks and similar rights (€763k at 31/12/2020), referring to software user licences and accessory costs for related customisation.

B) II - Property, plant and equipment

Property, plant and equipment totalled €508k at 31 December 2021 (€581k at 31/12/2020) and referred entirely to furnishings, hardware and works of art.

The changes in intangible asset items, property, plant and equipment items and the related accumulated amortisation/depreciation are described in Annexes 4 and 5 to these Notes to the Financial Statements.

B) III - Financial fixed assets

1) Investments

The total value of investments at 31 December 2021 was €7,312,464k, compared to €7,312,470k at the end of the previous year, recording a decrease of €6k.

Details are provided in the table below:

Amounts in €k

Company	Business activities	Share capital	% holding		Carrying amount
			direct	indirect	
Investments in subsidiaries:					
UnipolSai Assicurazioni S.p.A.	Insurance and reinsurance	2,031,456	60.98	23.93	5,169,262
Unipol Investment S.p.A.	Investment holding	5,180	100.00		528,577
Unipol Finance S.r.l.	Investment holding	5,000	100.00		482,800
UnipolPart I S.p.A.	Investment holding	4,100	100.00		463,198
UnipolReC S.p.A.	Financial intermediary	290,123	85.24	14.76	359,819
UnipolSai Investimenti SGR S.p.A.	Asset Management	3,914	51.00	49.00	10,710
Total					7,014,366
Investments in associates:					
BPER Banca	Bank	2,100,435	9.55	9.34	298,099
Total					298,099
TOTAL					7,312,464

At 31 December 2021, Unipol also held 145,031 UnipolSai shares, classified among current financial assets. If these shares are also considered, the direct investment in UnipolSai is 60.99%.

The details of changes in item B.III) "Investments" are provided in Annex 6 to these Notes to the Financial Statements.

3 Notes to the Financial Statements

The following table lists the subsidiaries and associates, indicating the carrying amount and related percentage of shareholders' equity calculated on the basis of the last draft financial statements approved by the subsidiary's Board of Directors.

Any recognised value of the investment in excess of the corresponding portion of the carrying amount of shareholders' equity, refers to the equity, economic and strategic value of the company together with its future profitability.

Amounts in €k

Company	Carrying amount	% holding	Shareholders' equity at 31/12/2021	Portion of shareholders' equity attributable
Investments in subsidiaries:				
UnipolSai Assicurazioni S.p.A.	5,169,262	60.98	6,561,910	4,001,453
Unipol Investment S.p.A.	528,577	100.00	595,636 (*)	595,636
Unipol Finance S.r.l.	482,800	100.00	682,115 (*)	682,115
UnipolPart I S.p.A.	463,198	100.00	576,922 (*)	576,922
UnipolReC S.p.A.	359,819	85.24	441,326	376,203
UnipolSai Investimenti SGR S.p.A.	10,710	51.00	24,687	12,590
Total	7,014,366		8,882,596	6,244,919
Investments in associates:				
BPER Banca	298,099	9.55	6,696,312 (**)	639,498
Total	298,099		6,696,312	639,498
TOTAL	7,312,464			6,884,417

(*) The reference shareholders' equity is that from the most recent financial statements approved at 30 June 2021.

For the company Unipol Investment, the shareholders' equity is net of the dividend paid to the holding company in November 2021.

(**) The reference shareholders' equity is that set forth in the draft financial statements at 31 December 2021.

In particular, we note that:

- for UnipolSai Assicurazioni, in order to determine the "value in use" of the equity investment, an SOP (Sum of Parts) methodology was adopted, estimating separately the value assigned to assets in the Non-Life and Life businesses, using:
 - an excess capital version of a Dividend Discount Model (DDM) in relation to UnipolSai Assicurazioni - Non-Life;
 - an Appraisal Value methodology for UnipolSai Assicurazioni - Life.

2) Receivables

Receivables recognised as fixed assets were €150,492k, against €103,352k at 31 December 2020. The following primarily impacted the changes in this balance:

- upward, the disbursement of additional tranches totalling €90,314k of the loan granted to UnipolRental S.p.A. which, at 31 December 2021, amounted to €150,492k, inclusive of accrued interest of €492k;
- downward, the early repayment, for a total of €42,158k, of the shareholder loan in place with the subsidiary UnipolReC S.p.A., in three tranches paid in January, June and September 2021.

The amounts due by 31 December 2022 were equal to €492k, with nothing due after 31 December 2026.

3) Other securities

The item Other securities amounted to €163,541k (€155,117k at 31/12/2020) and included:

- government bonds totalling €118,394k (€132,541k at 31/12/2020);
- listed bonds for €45,147k (€22,577k at 31/12/2020).

C. Current assets

C) II – Receivables

The balance of this item at 31 December 2021 came to €495,322k, an increase of €1,847k compared to 31 December 2020. The breakdown for this item and the comparison with the previous year are shown in the following table:

Amounts in €k

	31/12/2021	31/12/2020
1) Receivables from customers	71	413
2) Receivables from subsidiaries	162,635	98,516
3) Receivables from associates	178	
5 bis) Tax receivables	19,828	40,195
5 ter) Deferred tax assets	311,807	353,894
5 quater) Receivables from others	802	456
Total	495,322	493,475

The amounts due after 31 December 2022 are equal to €264,016k, of which €86,844k due after 31 December 2026.

“Receivables from subsidiaries” amounted to €162,635k (€98,516k at 31/12/2020), and mainly consisted of:

- receivables pertaining to the group tax consolidation, totalling €150,852k (€83,009k at 31/12/2020), due from the subsidiaries that individually have an IRES tax debt, net of advances paid;
- receivables of €6,212k (€7,550k at 31/12/2020) relating to the cash pooling agreement from the subsidiaries Tenute del Cerro and Cambiomarcia;
- receivables relating to the chargeback of costs for personnel seconded to Group companies;
- receivables from Group companies that participate in the Group consolidated VAT scheme.

“Tax receivables” amounted to €19,828k (€40,195k at 31/12/2020), and mainly consisted of:

- €15,862k relating to tax receivables corresponding to the VAT balances of the companies in the Unipol VAT Group (€2,420k at 31/12/2020);
- €1,315k for other tax receivables, relating mainly to taxes paid in previous years pending cases in dispute, which are expected to have favourable outcomes.

The reduction in tax receivables was caused by the use of the 2020 IRES tax consolidation balance of €32,945k, to partially offset the IRES payable for the year 2021.

The balance of the deferred tax assets at 31 December 2021, equal to €311,807k, shows net decrease of €42,087k with respect to 31 December 2020. The changes during the year are summarised in the following table.

Amounts in €k

Opening balance at 1/1/2021	353,894
Increases in the year	3,826
Uses in the year	(43,058)
Other changes	(2,855)
Closing balance at 31/12/2021	311,807

With regard to the statement of temporary differences which led to the recognition of deferred tax assets and liabilities (Art. 2427, paragraph 1, no. 14 of the Civil Code), as well as the movements during the period, reference should be made to Annex 8 to the Notes to the Financial Statements.

Net tax assets are deemed to be recoverable on the basis of the provisional plans of Group companies, taking into account the effects of the tax consolidation and current regulations both on unlimited carry-forward of tax losses to future years, and the transformation into tax receivables of deferred tax assets in cases of statutory loss and/or tax loss in the presence of amortisation of taxable goodwill.

The item “Receivables from others” under Current Assets went from €456k at 31 December 2020 to €802k at 31 December 2021.

3 Notes to the Financial Statements

This item includes:

- receivable from Unicredit for the establishment of collateral during the year for €520k;
- €22k sundry receivables from current and former employees (€111k at 31/12/2020);
- €37k receivables for utility guarantee deposits (€49k at 31/12/2020);
- receivables due from owners of properties for advances for €5k (in line with 31/12/2020).

This item is recognised net of the related write-down provisions.

C) III - Current financial assets

The breakdown of this item, equal to €147,157k at 31 December 2021, is as follows:

Amounts in €k

	31/12/2021	31/12/2020
Investments in subsidiaries	343	3,403
Other investments	29,721	8,149
Financial derivative assets		14
Other securities	117,092	1,370,875
Total	147,157	1,382,442

"Investments in subsidiaries", amounting to €343k at the end of 2021, consisted entirely of shares of the subsidiary company UnipolSai to serve the executive incentive plans (€3,403k at 31/12/2020).

"Other investments" rose from €8,149k at the end of 2020 to €29,721k at the end of 2021 and are represented by listed shares.

"Other securities" refer to:

- listed government bonds totalling €50,339k (€1,305,935k at 31/12/2020);
- listed bonds for €66,698k (€64,721k at 31/12/2020);
- foreign funds for €55k (€219k at 31/12/2020).

Details of the shares and securities recognised as current assets are provided in Annex 7 to the Notes to the Financial Statements.

C) IV - Cash and cash equivalents

Cash and cash equivalents, which at 31 December 2021 were €1,052,447k (€412,552k at 31/12/2020), consisted almost entirely of bank and post office deposits, equal to €1,052,432k, of which €1,052,420k deposited with the associate BPER Banca S.p.A. (€412,539k at 31/12/2020, of which €412,521k deposited with the associate BPER Banca S.p.A.).

D. Accruals and deferrals

The Item "Accruals and deferrals" at 31 December 2021 was €359k (€374k at 31/12/2020), and consisted entirely of deferrals.

Statement of Financial Position - Liabilities

A. Shareholders' equity

Movements in shareholders' equity recognised during the year with respect to the previous year are set out in the attached Statement of Changes in Shareholders' Equity (Annex 2).

A statement of use and availability of equity reserves has also been prepared, as required by Art. 2427, par. 1, letter 7-bis of the Civil Code (Annex 3).

The share capital and equity reserves at 31 December 2021 (excluding the results for the year), totalled €5,582,526k (€5,666,803k at 31/12/2020). The decrease of €84,277k was due to the following effects:

- allocation to the extraordinary reserve of a share amounting to €115,555k of the profit for the year 2020;
- distribution of a dividend of €200,794k, from part of the profit for the year 2019 amounting to €283,536k, allocated in full to the extraordinary reserve in 2020;
- transfer to the extraordinary reserve of €22k relating to the 2015 time-barred dividends;
- decrease of the negative reserve for treasury shares in portfolio by €941k following the:
 - acquisition of 1,250,000 treasury shares for a value of €5,985k;
 - assignment of 2,015,737 shares for a value of €6,926k to those entitled as part of the performance share type long term incentive (LTI) and short term incentive (STI) plans based on financial instruments.

At 31 December 2021 the share capital was €3,365,292k (unchanged with respect to 31/12/2020), subscribed and fully paid-up, and consisted of 717,473,508 shares, all ordinary shares.

The breakdown of equity reserves, €2,217,233k at 31 December 2021, is provided in the following table together with the previous year's values:

Amounts in €k

	31/12/2021	31/12/2020
A.II Share premium reserve	1,345,677	1,345,677
A.IV Legal reserve	673,058	673,058
A.VI Extraordinary reserve	198,837	284,054
A.X Negative reserve for treasury shares	(339)	(1,280)
Total	2,217,233	2,301,510

B. Provisions for risks and charges

The following table summarises the changes during the year in "Provisions for risks and charges", which at 31 December 2021 were equal to €24,504k, (€43,277k at 31/12/2020).

Amounts in €k

	31/12/2020	Increases		Decreases		31/12/2021
		Provisions	Uses	Other		
3) Financial derivative liabilities						
Forward sales of currency		430				430
4) Other						
Provision for sundry risks and charges	37,158	2,947	(20,174)	(175)		19,756
Provision for donations		2,150				2,150
Employee leaving provision	4,000		(1,874)			2,126
Provision for taxes from previous years	2,119		(2,077)			42
	43,277	5,527	(24,125)	(175)		24,504

3 Notes to the Financial Statements

The item "Provision for sundry Risks and Charges" refers mainly to the Provision relating to loyalty bonuses to be recognised to Key Managers, as defined by the Remuneration Policies of the Unipol Group. This provision, amounting to €13,707k at 31/12/2021 including the related social security expenses, was used in the financial year 2021 for a total of € 20,093k, to meet loyalty bonuses and related charges for the period.

Decreases other than uses were caused by provision surpluses released in the course of the year, due to the elimination of all or part of the relative risks.

On 24 June 2021, the Unipol Board of Directors, in compliance with Article 19 of the By-Laws, approved the establishment of a Provision for charitable donations and social, welfare and cultural activity, totalling €2,150k.

The "Employee leaving provision", which includes estimated expenses in relation to agreements entered into concerning pre-retirement arrangements for executive staff, was used in the amount of €1,874k.

The "Provision for taxes from previous years" declined from €2,119k at 31 December 2020 to €42k at 31 December 2021, following the discontinuance of the matter in issue on several disputes for which provisions had been recognised in prior years.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (the "Losses from Dispute Counterclaims"), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions specifically allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019 (€10m). Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims. Provisions deemed suitable were allocated against the commitments described above.

Relations with the Tax Authorities

The IRES and IRAP tax dispute for the 2005-2007 tax periods of the former Aurora Assicurazioni, merged by incorporation into Unipol in 2007, pertaining mostly to findings relating to specific insurance provisions, is still pending before the Court of Cassation for the periods 2005 and 2006.

C. Post-employment benefits

The balance of post-employment benefits at 31 December 2021, was equal to €40k (€38k at 31/12/2020). The breakdown of the changes over the year is provided in the following table:

Amounts in €k

Balance at 1/1/2021	38
Increases in the year	
Provisions in the year	624
Decreases in the year	
Transfer to pension fund	(420)
Transfers to INPS treasury fund	(61)
Other decreases	(141)
Closing balance at 31/12/2021	40

D. Payables

The balance of Payables at 31 December 2021 was equal to €3,380,550k (€3,834,660k at 31/12/2020). The breakdown and related comparison with the previous year are provided in the following table:

<i>Amounts in €k</i>		
	31/12/2021	31/12/2020
Bonds	2,515,104	2,747,980
Payables to other lenders	515	515
Trade payables	7,384	3,136
Payables to subsidiaries	758,935	1,061,012
Payables to associates	822	239
Tax payables	77,748	838
Social security charges payable	1,076	546
Other payables	18,966	20,392
Total	3,380,550	3,834,660

The amounts due after 31 December 2022 were equal to €2,815,628k, of which €1,508,609k due after 31 December 2026.

The item "Bonds" was €2,515,104k (€2,747,980k at 31/12/2020), and consists of the following:

- for a total of €1,006,495k (€1,001,023k at 31/12/2020) of the senior bond loan (nominal value of €1,000,000k), listed on the Luxembourg Stock Exchange, with a ten-year duration (March 2025 maturity) and 3% fixed interest rate;
- for a total of €499,681k (€499,310k at 31/12/2020) of a non-convertible, non-subordinate and non-guaranteed senior bond loan (nominal value of €500,000k), listed on the Luxembourg Stock Exchange, with a ten-year duration (November 2027 maturity) and 3.5% fixed interest rate;
- for a total of €1,008,928k (€1,008,828k at 31/12/2020) of the senior "green" bond loan (nominal value of €1,000,000k), listed on the Luxembourg Stock Exchange, with a ten-year duration (September 2030 maturity) and 3.25% fixed interest rate, issued in two tranches in the course of 2020.

The issues described above were implemented as part of the Euro Medium Term Notes (EMTN Programme), established in December 2009 with a maximum total nominal amount of €2bn, raised to a maximum of €3bn during the renewal in September 2020.

On 5 March 2021, the senior bond loan listed on the Luxembourg Stock Exchange, with a fixed interest rate of 4.375% and issued in March 2014, was repaid for a residual amount of €230,881k.

Total interest payments for the year were €81,996k (€67,863k at 31/12/2020).

The item "Trade payables" went from €3,136k at 31 December 2020 to €7,384k at 31 December 2021.

The balance of the item "Payables to subsidiaries" was €758,935k at 31 December 2021 (€1,061,012k at 31/12/2020).

The decline was primarily due to the extinction of loans, respectively of €228,873k and €39,019k taken out in 2009 in favour of UnipolSai Assicurazioni, after the Company took over the role of issuer, in place of the holding company Unipol Gruppo S.p.A., of bond loans maturing in 2021 and 2023. The loans, repayable on demand either in full or in part at the request of UnipolSai Assicurazioni S.p.A. bore interest at the 3M Euribor rate plus 100 b.p. spread.

The balance of the item at 31 December 2021 consisted primarily of:

- €300,524k (€300,518k at 31/12/2020) relating to an unsecured loan granted by UnipolSai Assicurazioni S.p.A. on 1 March 2019 as part of the exercise of the put option relating to 27.49% of the share capital of Unipol Banca S.p.A. and UnipolReC S.p.A. This loan is indexed to the 3M Euribor plus a spread of 260 basis points, with bullet repayment at 5 years (with the possibility of full or partial early repayment), and the payment of interest on a quarterly deferred basis. In 2021 interest expense of €6,274k accrued;
- €13,412k due to subsidiaries for the current tax consolidation (€11,373k at 31/12/2020);
- €427,036k with respect to the Group companies that participated in the cash pooling agreement. Details of payables and the relative counterparties are provided in the table below:

Amounts in €k

COUNTERPARTY COMPANIES	31/12/2021	31/12/2020
Unipol Finance S.r.l.	4,594	188,086
UnipolSai Finance S.p.A.	23,034	30,401
Centri Medici Dyadea S.p.A.	3,007	29
Unipol Investment S.p.A.	190,773	41,497
Midi S.r.l.	20,817	17,191
UnipolGlass S.r.l.	9,613	7,905
UnipolService S.p.A.	16,279	20,050
UnipolSai Servizi Previdenziali S.r.l.	1,577	1,201
Sogeint S.r.l.	6,908	6,325
UnipolAssistance S.c.r.l.	14,882	18,472
GruppoUna S.p.A.	24,285	2,963
Marina Di Loano S.p.A.	9,670	8,755
Meridiano Secondo S.r.l.	20,392	2,736
Alfaevolution Technology S.p.A.	23,737	15,183
Leithà S.p.A.	4,789	1,935
UnipolReC S.p.A.	38,138	46,162
UnipolRental S.p.A.	11,487	3,389
UnipolPart I S.p.A.	2,952	61,515
MNTTN S.p.A.	102	
Total	427,036	474,909

The balance of "Tax payables" at 31 December 2021 was €77,748k, an increase of €76,909k compared to the previous year, attributable to the IRES balance for the 2021 tax consolidation.

The balance of the "Social security charges payable" at 31 December 2021 was €1,076k (€546k at 31/12/2020). This item represents outstanding payments due at the end of the year to welfare institutions for contributions payable by the Company and borne by employees on December salaries.

The balance of the "Other payables" at 31 December 2021 was €18,966k, down with respect to the previous year by €1,426k. The balance mainly referred to liabilities to employees of €16,570k (€19,848k at 31/12/2020).

Guarantees, commitments and other contingent liabilities

The guarantees, commitments and other contingent liabilities, not recorded in the Statement of Financial Position, are illustrated (at their contractual value) in the following table:

Amounts in €k

	31/12/2021	31/12/2020
Guarantees		
Sureties given in the interest of subsidiaries	76,224	99,259
Sureties and endorsements given in the interest of third parties	8	8
Other personal guarantees given in the interest of subsidiaries		561,689
Guarantees given by third parties in the interest of the company	36	1,666
Guarantees given by subsidiaries in the interest of the company	15	15
Total	76,282	662,637
Commitments		
Other commitments	12,314	98,563
Total	12,314	98,563
Grand total	88,596	761,200

The item "Other personal guarantees given in the interest of subsidiaries" was eliminated (€561,689k at 31/12/2020) following the full early repayment by UnipolSai Assicurazioni S.p.A. on 15 March and 28 April 2021 of the subordinated loans UGF 7% with maturity in 2021 (for €300,000k) and UGF 5.66% with maturity in 2023 (for €261,689k). Unipol, the

original issuer of those loans, had recognised guarantees in the interest of the subsidiary UnipolSai Assicurazioni S.p.A., which took over as issuer in the course of 2009.

The item "Other commitments" included €8,829k relating to a forward currency sale agreement (dollars - USD), hedging exchange rate risk on a nominal value of 1,000,000 shares of Ermenegildo Zegna Holditalia S.p.A. (formerly Investindustrial Acquisition Corp) acquired in November 2020.

At the end of 2020, there was a commitment, recognised in the item "Other commitments", amounting to €90,314k, relating to the share not yet disbursed to the company Unipol/Renta/S.p.A. relating to the loan granted to the company on 8 November 2019 for a maximum amount of €150,000k. At 31 December 2021, the loan reached the maximum disburseable amount (€59,686k at 31/12/2020) and as a result that commitment was discontinued.

Information on financial derivatives

In compliance with the guidelines established by resolution of the Company's Board of Directors on 11 November 2021, financial derivative transactions during the year were performed solely to achieve two objectives: reduce investment risk (hedging) or achieve effective management of the portfolio, excluding therefore purely speculative purposes.

These aims were achieved through the specific derivatives listed in the Board of Directors resolution, involving securities held in portfolio at the time of conclusion of the related contract and for its entire duration.

All transactions were performed with banking counterparties or similar.

The derivative positions open at the end of the year are described below.

A. Derivative contracts involving forward equity swaps

The value recognised is the settlement price of the contracts. For transactions in foreign currencies the agreed forward rate was applied:

Amounts in €k

Transaction description	No. of transactions	Notional value at 31/12/2021
Forward sales of currency	1	8,829
Warrant	1	3,385
Total		12,214

The forward currency sale referred to a single transaction in dollars (USD).

This was a forward sale transaction of USD 10m carried out to cover 1,000,000 Ermenegildo Zegna Holditalia S.p.A. (formerly Investindustrial Acquisition Corp) shares, acquired in November 2020, the carrying amount of which is USD 10m.

The warrant agreement relates to the right to subscribe Ermenegildo Zegna Holditalia S.p.A. shares to be issued in the future.

B. Derivative contracts not involving forward equity swaps

At 31 December 2021 the Company did not hold contracts of this type.

3 Notes to the Financial Statements

Income Statement

The Income Statement is structured in accordance with the provisions of Art. 2425 of the Civil Code. Costs and revenues are recognised separately without netting.

A. Value of production

The total value of production at 31 December 2021 was €20,054k, against €15,436k at 31 December 2020.

A.1 Revenue from sales and services

Revenue from sales and services, relating to services rendered, amounted to €1,048k at 31 December 2021 (€638k at 31/12/2020) and related to services rendered.

A.5 Other revenue and income

“Other revenue and income” rose from €14,798k at 31 December 2020 to €19,006k at 31 December 2021.

The items included in the balance referred mainly to:

- recovery of costs for services of Unipol personnel seconded to Group companies, for €16,174k (€11,515k at 31/12/2020);
- remuneration charged back to the Company for Director duties performed by executives at other companies, for €1,897k (€2,113k at 31/12/2020);
- surpluses in provisions for risks and charges of €175k due to the elimination of all or part of the relative risks (€308k at 31/12/2020).

B. Costs of production

The total value of the costs of production at 31 December 2021 was €57,315k against €47,397k at 31 December 2020.

B.6 Raw materials, consumables and goods for resale

The item, equal to €152k (€184k at 31/12/2020) consists of purchase costs of printed materials and stationery for the offices.

B.7 Costs for services

The item was equal to €20,000k at 31 December 2021 (€13,005k at 31/12/2020), broken down as follows:

Amounts in €k

	31/12/2021	31/12/2020
Subsidiary services	6,879	1,903
Corporate bodies	5,457	4,677
Technical, legal and administrative consulting	3,883	3,916
Advertising	1,575	696
Fees for auditing and other certification services	519	91
Associates services	300	303
Electricity, heating and cleaning	250	313
Costs for IT services	229	222
Corporate and Shareholders' Meeting costs	207	241
Post and telephone	82	66
Seconded personnel services	58	82
Software maintenance, repairs and upgrades	40	55
Conventions, meetings and corporate events	19	30
Other overheads	501	410
Total	20,000	13,005

B.8 Costs for use of third party assets

The item, equal to €1,077k at 31 December 2021 (€1,256k at 31/12/2020), mainly refers to rents due on properties used by the Company (€649k). The item also includes €159k for car rental contracts of cars allocated to executives, entered into with the subsidiary Unipol *Renta*/S.p.A.

B.9 Personnel costs

The cost of labour at 31 December 2021 amounted to €27,025k, compared to €22,325k in the previous year.

The Company workforce at 31 December 2021 was 16 (unchanged compared to 31/12/2020):

	31/12/2020	Recruitments	Terminations	31/12/2021
Personnel - Permanent	16		(1)	15
Personnel - Fixed-term		1		1
Total	16	1	(1)	16

The average workforce is specified below:

Average employees broken down by category	2021	2020
Executives	15	16
Employees	1	1
Average employees	16	17

B.10 Amortisation, depreciation and write-downs

The balance of this item, which at 31 December 2021 was €361k (€831k at 31/12/2020), can be broken down as follows:

- amortisation of intangible assets for €338k;
- depreciation of property, plant and equipment for €23k.

Details of changes in intangible assets and property, plant and equipment are provided in Annexes 4 and 5 to these Notes.

B.12 Provisions for risks

The item went from €23k at 31 December 2020 to €47k at 31 December 2021.

B.13 Other provisions

No provisions of this type were recognised during the year.

At 31 December 2020, this item amounted to €4,000k, relating to the establishment of an Employee leaving provision.

B.14 Sundry operating expenses

The item amounted to €8,654k at 31 December 2021 (€5,772k at 31/12/2020).

The main items making up this balance at 31 December 2021 were:

- provisions for €2,900k related to any loyalty bonuses due to key managers as defined in the Remuneration Policies of the Unipol Group (unchanged compared to 31/12/2020);
- contributions paid to supervisory authorities and other associations, for €1,598k (€1,486k at 31/12/2020);
- donations for €3,000k (€750k at 31/12/2020);
- corporate and shareholders' meeting costs for €682k (€421k at 31/12/2020);
- taxes on financial transactions of €58k (€60k at 31/12/2020).

At 31 December 2021, there were contingent liabilities of €141k primarily relating to receivables from employees no longer collectable and supplier invoices.

C. Financial income and charges

C.15 Gains on investments

The item amounted to €439,997k at 31 December 2021 (€318,653k at 31/12/2020), of which €430,191k referring to investments in subsidiaries (€318,594k at 31/12/2020), consisting entirely of dividends approved and distributed during the year by the subsidiaries UnipolSai, Unipol Investment, UnipolSai Investimenti SGR and UnipolSai Servizi Consortili (a company which stopped operating as a result of its voluntary liquidation on 23/12/2021).

C.16 Other financial income

The composition of this item, with a total amount equal to €13,293k (€13,873k at 31/12/2020), is summarised in the following table:

Amounts in €k

	31/12/2021	31/12/2020
A) Receivables recognised under fixed assets		
1. Subsidiaries	3,430	3,794
4. Others		
Total	3,430	3,794
B) Securities held as fixed assets	2,044	900
C) Securities recognised under current assets	7,228	6,574
D) Other income		
1. Subsidiaries	131	16
4. Others	459	2,589
Total	591	2,605
Grand total	13,293	13,873

Financial income from receivables recorded under fixed assets was represented by the interest on the loans granted to the subsidiaries UnipolRental S.p.A. (€2,774k) and UnipolReC S.p.A. (€656k). This latter loan was paid off by the company UnipolReC in September 2021.

Income from securities recognised under fixed assets, totalling €2,044k (€900k at 31/12/2020) was represented by interest on long-term securities (€1,686k) and capital gains from trading (€359k).

Income from securities recognised under current assets, equal to €7,228k (€6,574k at 31/12/2020), included mainly interest from bonds for €3,213k (€2,758k at 31/12/2020), margins on trading on the acquisition of Italian and foreign bonds for €2,620k (€290k at 31/12/2020) and gains deriving from bond trading for €103k (€3,462k at 31/12/2020).

Other income, amounting to €591k (€2,605k at 31/12/2020), included the issue premium on bond loans for €459k (€62k at 31/12/2020) and interest income deriving from the cash pooling agreement for €131k (€16k at 31/12/2020).

At the end of 2020, the item included income from the value adjustment on liabilities to employees in relation to executive compensation plans based on financial instruments (Long Term Incentive and Short Term Incentive) for €2,444k.

C.17 Interest and other financial charges - C.17.bis Exchange gains (losses)

Interest and other financial charges for €101,715k were recognised at 31 December 2021 (€88,099k at 31/12/2020); the item Exchange gains (losses) was positive for €451k (negative for €325k at 31/12/2020).

Amounts in €k

	31/12/2021	31/12/2020
Interest and other financial charges:		
a. Subsidiaries	(6,660)	(8,297)
b. Associates	(28)	(45)
d. Others	(95,027)	(79,757)
Total	(101,715)	(88,099)
Exchange gains (losses)	451	(325)
Grand total	(101,264)	(88,424)

Interest and other financial charges to subsidiaries, amounting to €6,660k (€8,297k at 31/12/2020), consisted almost exclusively of interest expense, for €6,655k (€8,291k at 31/12/2020), accrued during the year on loans granted by UnipolSai.

Interest and financial charges due to associates, totalling €28k (€45k at 31/12/2020), included bank charges and commissions to BPER Banca.

Interest and other financial charges due to others totalled €95,027k (€79,757k at 31/12/2020) and mainly referred to:

- interest expense on bond loans for €81,996k (€67,863k at 31/12/2020);
- charges arising from the issue of bond loans for €6,568k (€9,348k at 31/12/2020);
- losses on share, bond and short-term mutual fund trading for €2,571k (€143k at 31/12/2020);
- unrealised capital losses from the value adjustment on liabilities to employees in relation to executive compensation plans based on financial instruments (Long Term Incentive and Short Term Incentive) for €3,436k (gains of €2,444k at 31/12/2020).

D. Value adjustments to financial assets

The item at 31 December 2021 had a negative balance of €1,635k (positive for €452k at 31/12/2020), due primarily to write-downs on securities recognised in current assets.

Income tax for the year: current and deferred

The item tax for the year included overall income of €21,975k (income for €103,755k at 31/12/2020) consisting of:

- €62,088k relating to the valuation of the tax loss for the period;
- €39,233k relating to the net expense from deferred tax assets/liabilities;
- €880k for lower taxes from previous years, deriving from adjustments relating to prior years made in the 2020 income tax return.

The following table shows the breakdown of this item in greater detail:

Amounts in €k

	IRES	Total 2021	IRES	Total 2020
Current taxes	62,088	62,088	26,901	26,901
Taxes pertaining to prior years	(880)	(880)	85,732	85,732
Deferred tax assets and liabilities:				
- use of deferred tax assets	(43,059)	(43,059)	(17,161)	(17,161)
- recognition of deferred tax assets	3,826	3,826	8,283	8,283
Balance of deferred tax assets/liabilities	(39,233)	(39,233)	(8,878)	(8,878)
Total	21,975	21,975	103,755	103,755

No income or charges were recognised for IRAP tax, since the taxable income for IRAP purposes was negative and regulations do not allow IRAP losses to be carried forward.

The statement of reconciliation between theoretical and effective IRES tax charges is provided below.

Amounts in €k

	2021	2020
Pre-tax profit (loss)	313,130	212,594
Taxes pertaining to prior years	(880)	85,732
Theoretical IRES - Income/(Expenses)	(75,151)	(51,023)
Increases:	(2,073)	(1,165)
- Interest expense	(914)	(822)
- Other changes	(1,159)	(343)
Decreases:	99,833	70,211
- Use of provisions for tax liabilities	498	
- Dividends excluded	99,323	70,203
- Other changes	11	8
IRES pertaining to the year - Income/(Expenses)	22,609	18,023
Profit (loss) after taxes	334,859	316,349

3 Notes to the Financial Statements

With regard to the statement of temporary differences which led to the recognition of deferred tax assets and liabilities (Art. 2427, paragraph 1, no. 14 of the Civil Code), reference should be made to Annex 8 to the Notes to the Financial Statements.

Other information

Consolidated Financial Statements

Unipol Gruppo, Parent of the Unipol Insurance Group (registered in the Insurance Groups Register with reg. no. 046), prepares the Consolidated Financial Statements in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended. They conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of Regulation (EC) no. 1606/2002 in force on the closing date of the financial statements. A copy of the Consolidated Financial Statements at 31 December 2021 is available from the company's registered office and on the company's website (www.unipol.it).

The layout conforms to the provisions of ISVAP Regulation no. 7 of 13 July 2007, Part III as amended, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies that must adopt international accounting standards.

Fees for legally-required audit and non-audit services

Pursuant to Art. 149-*duodecies* of the Consob Issuer's Regulation, the following table shows the fees for the year for the provision of auditing and other services, specified separately by category, provided to Unipol Gruppo by the independent auditors, or a member of their network.

Amounts in €k

Type of services	Provider of the service	Recipient	Fees (*)
Legally-required audit	Ernst & Young S.p.A.	Unipol S.p.A.	137
Other professional services	Ernst & Young S.p.A.	Unipol S.p.A.	103
Total Unipol Gruppo			240

(*) Fees do not include non-deductible VAT, if any, and recharged expenses

Transactions with related parties

Please take note of the following transactions with related parties carried out during the year.

Loan to UnipolReC S.p.A.

On 31 January 2018, as part of the restructuring plan of the banking sector, Unipol and UnipolSai granted a shareholder loan to Unipol Banca S.p.A., later transferred to BPER Banca S.p.A., of €173,250k and €126,750k respectively, for a total of €300,000k which, as envisaged in the Spin-Off Plan, was included in the Complex involved in the division transferred to the newly-established company UnipolReC S.p.A. The shareholder loan accrued annual interest of 3.25%. On 28 November 2018, an "Amendment Agreement" was signed which envisaged, without prejudice to the maturity of 16 January 2028, the right for UnipolReC to be able to request, at any moment, the early repayment of the amount due pursuant to the agreement, all or in part, along with interest accrued on the amount repaid, after obtaining the consent of the Lending Shareholders.

By virtue of the above-mentioned Amendment Agreement, the loan was partially repaid in the years 2019 and 2020 and in 2021 it was extinguished after the payment made by the company UnipolReC in three tranches, in January, June and September, of a total of €42,158k.

Loan to UnipolRental S.p.A.

On 8 November 2019, a loan agreement was entered into between Unipol Gruppo and the company UnipolRental S.p.A. for a maximum amount of €150,000k, which may be called up until 31 July 2021 in tranches for a minimum of €5,000k at the rate of 2.216% and with maturity on 8 November 2023. At 31 December 2021, the loan amounted to €150,492k, inclusive of interest accrued of €492k.

UnipolSai Assicurazioni S.p.A. loans payable

On 15 March and 28 April 2021, UnipolSai extinguished in full the subordinated loan (ISIN XS0130717134) for a nominal value of €300,000k, the contractual maturity of which had been scheduled for June 2021 and the subordinated loan (ISIN XS0173649798) in the residual nominal amount of €261,689k maturing in July 2023.

3 Notes to the Financial Statements

In relation to the early repayment of the above-mentioned loans by UnipolSai, Unipol extinguished, for a residual nominal value equal to €267,785k, the outstanding loans previously granted by UnipolSai, when the latter had taken over the role of issuer of the subordinated loans originally issued by Unipol. Interest paid to UnipolSai Assicurazioni S.p.A. in 2021 was equal to €382k.

An unsecured five-year loan remains outstanding with the subsidiary UnipolSai at 31 December 2021 in the amount of €300,000k, which is indexed to the 3M Euribor plus a spread of 260 basis points, with bullet repayment at 5 years, the possibility of full or partial early repayment, and the payment of interest on a deferred quarterly basis. This loan, disbursed by UnipolSai on 1 March 2019 when the put option was exercised relating to 27.49% of the share capital of Unipol Banca S.p.A. and UnipolReC S.p.A., was extinguished on 1 March 2022, as described in the Significant events after the reporting period. Interest paid to UnipolSai Assicurazioni S.p.A. in 2021 was equal to €6,274k.

The other types of intragroup services provided in 2021 and the providing companies are summarised below.

Unipol Gruppo provides the following services to the subsidiary UnipolReC S.p.A.:

- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism.

UnipolSai Assicurazioni provides the following services to companies of the Group:

- Governance (services supporting internal control, risk management and compliance);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance);
- IT services;
- Actuarial Function Calculation;
- Administration (accounting, tax, administrative and financial statements services);
- Management control;
- Purchase of goods and services (including real estate) and general services;
- Real estate (coordination of urban planning processes, value added services, operational management of property sales and purchases, property leasing services, project management, logistics and real estate services, facility management, tax and duty property management, property management).

UniSalute provides the following services:

- Managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of UnipolSai;
- Policyholder record updating services and administrative services associated with the payment of health policy claims for UnipolSai.

The services provided by UniSalute to its subsidiary UniSalute Servizi mainly concerned the following areas:

- Administration and management control;
- Complaints, regulations and tenders;
- IT services;
- Digital marketing and Communications;

- Supplier Network Management and Medical Coordination;
- Human resource monitoring and Training;
- Collective Operating Centre - Assistance Class 18 and LTC case management.

SIAT performs the following services in favour of UnipolSai:

- Technical assistance in the negotiation and stipulation of transport and aviation contracts;
- Portfolio services for agreements in the transport sector;
- Administrative support in the relationships with insurance counterparties.

UnipolService (formerly **Auto Presto&Bene**) provides car repair services for certain Group companies, while **UnipolGlass** (formerly **APB Car Service**) provides glass repair services.

UnipolSai Servizi Previdenziali performs administrative management of open pension funds on behalf of a number of Group companies.

UnipolRe carries out administrative and accounting services for inwards and outwards reinsurance with reference to treaties in run-off on behalf of UnipolSai.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of real estate funds set up by third-party asset managers, owned by UnipolSai.

In 2021, **UnipolReC**, in its capacity as an agent, conducted credit collection, out-of-court recovery of receivables due from Customers, such as, by way of example, the analysis of the receivables assigned, the sending of dunning letters by post and/or credit collection by phone, monitoring the responses received, checking payments and reconciling the same, searching for individuals that are difficult to trace and any other activity required or related to said services on behalf of Gruppo UNA and Tenute del Cerro.

UnipolTech (formerly **Alfaevolution Technology**) guarantees competitiveness to the Group insurance companies through continuous technological innovation and the evolution of ITC services:

- management of black boxes, designed and continuously innovated internally and complete with proprietary software associated with MV, Motorcycle and fleet policies, confirming the Unipol Group as market leader. Black boxes are directly linked to the service centre (TSP) in order to guarantee secure insurance services through a complex data analysis based on crash recognition and reconstruction, assistance and theft up to value added services such as private emergency calls, plus the VASs available on the mobile app;
- IoT technology and safety and security services linked to home, store and commercial business insurance policies (smart home);
- telematic devices associated with insurance policies for pet protection.

The company has developed products offered through the UnipolSai agency network, such as:

- Qshino, the product that offers an anti-abandonment device service for child car seats as required by Italian Law no. 117 of 1 October 2018, which makes their use compulsory;
- UnipolMove, the electronic motorway toll payment service, the pilot phase of which was launched in 2021. In the course of 2022, it will be made available to all group customers.

Support was also provided to UnipolSai in the development of mobile payment solutions to offer customers an integrated model of distinctive services, complementary to the insurance business. The first services available on the UnipolSai App therefore include the opportunity to pay car parking fees, fines and road tax.

Leithà designs, develops and provides to Group companies services, applications, data-intensive components and innovative, high-tech tools based primarily on Artificial Intelligence, Machine Learning, Intelligence Process Automation and Computer Vision solutions.

It also studies and analyses data in support of new product development (both in actuarial and product creation terms), processes and business development. This includes the necessary preparatory and instrumental activities for the implementation of commissioned research projects and the development of operating system software, operating systems, applications and database management concerning and functional to such projects.

The main project areas covered include:

- development of software supporting the reconstruction and settlement of claims;
- development of solutions for real-time claims management;

3 Notes to the Financial Statements

- natural events and weather alert services;
- reinsurance support;
- communication tools for the agency network;
- smartphone telematics;
- support for tariff-setting processes through data enrichment;
- scientific communication activities through collaboration with important European projects and research centres (e.g. ADA - ADaptation in Agriculture and development of the E3CI - European Extreme Events Climate Index).

UnipolAssistance (formerly **Pronto Assistance Servizi**) provides the following services for the Companies of the Consortium (and to a minimal extent also to third parties on the external market):

- organisation, provision and 24/7 management of services provided by the assistance insurance coverage, by taking the action requested and managing relations with professionals and independent suppliers to which the material execution of the action is assigned, also including settlement of the related remuneration. Analogous activities, when requested, may be provided to Consortium members not in the insurance business.

As part of the Tourism claims management for consortium members only, in addition to the provision of normal Assistance services, at the request of an individual consortium member UnipolAssistance can advance medical expense payments on behalf of that member;

- contact centre activities for customers, specialists and agencies of the Group, whose services consist of:
 - providing front office services to existing or potential customers at all stages of relations with the consortium members and their respective sales networks, or to any intermediaries acting on their behalf (brokers, banks);
 - providing after-sales services on policy statuses or on any transactions that can be made on existing policies;
 - providing customer satisfaction services;
 - providing support services to the agency network in relations with customers and consortium members;
 - providing contact centre services dedicated to opening claims and related information requests.

The consortium **UnipolSai Servizi Consortili** (placed in voluntary liquidation as of 26 April 2021 and which stopped operating on 29 December 2021) managed several supply contracts and services in 2021 relating to the Unipol Group's communications, image and trademark. Starting from 1 January 2022, these services are managed directly by Unipol Gruppo and UnipolSai.

Arca Vita provides the following services to Group companies:

- human resource management and development, organisation, corporate affairs, purchasing, legal services and complaints, secretariat and general services, security and privacy, administration, life planning in favour of subsidiaries;
- real estate and leasing of offices and parking spaces in favour of subsidiaries and UnipolSai.

An agreement with Arca Vita International is also in place regarding the licence for use of the "Arca Vita International" trademark owned by Arca Vita.

Arca Inlinea provides sales support services to Arca Assicurazioni, Arca Vita and Arca Vita International.

Arca Sistemi provides the following services primarily in favour of the Companies participating in the consortium:

- IT system design, development and management;
- alternative storage design, development and management.

Arca Direct Assicurazioni has insurance brokerage agreements in place with Arca Vita, Arca Assicurazioni and UnipolSai.

UnipolRental provides medium/long-term vehicle rental services to Group companies.

Cambiomarcia provides services and a digital platform dedicated to the sale of ex-rental vehicles of UnipolRental on the B2C channel (Business to Consumer).

Moreover, it is noted that the Group companies conduct the following regular transactions with each other:

- reinsurance and coinsurance;
- leasing of property and other tangible assets;

- agency mandates;
- secondment of personnel;
- long-term vehicle rental;
- training project management.

No atypical or unusual transactions were carried out in the execution of these services.

Fees are mainly calculated on the basis of the external costs incurred, for example the costs of products and services acquired from suppliers, and the costs resulting from activities carried out directly, i.e. generated by their own staff, and taking account of:

- performance targets set for the provision of the service to the company;
- strategic investments required to ensure the agreed levels of service.

The following elements are specifically taken into consideration:

- personnel costs;
- operating costs (logistics, etc.);
- general costs (IT, consultancy, etc.).

As regards services rendered by Leithà, the consideration was determined to the extent equal to costs, as previously defined, to which a mark-up was applied, which is the operating margin for the service rendered.

The costs for financing activities are calculated by applying a fee on managed volumes. The services provided by UniSalute (except for operating services provided to Unisalute Servizi for which the costs are split), UnipolService, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.

Both the Parent **Unipol** and its subsidiaries, including **UnipolSai**, **Arca Vita** and **Arca Assicurazioni**, second their staff to other Group companies to optimise the synergies within the Group.

Tax regime for taxation of group income (so-called “tax consolidation”)

The Parent Unipol exercised the Group tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Unipol VAT Group

Unipol Gruppo and the subsidiaries for which there are economic, financial and organisational restrictions exercised the option of establishment of the Unipol VAT Group pursuant to Art. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018. Initially valid for the three-year period 2019-2021, the option renews each year until cancelled.

The following table, supplementing the information provided in previous paragraphs of these Notes to the Financial Statements, lists transactions with related parties (subsidiaries, associates and others) carried out during 2021, as laid down in regulations in force, supplemented by Consob Communication no. DEM/6064293/2006. It should be noted that the application scope of the Procedure to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof, including the company Coop Alleanza 3.0 Società Cooperativa (shown in the following table under item “Others”).

3 Notes to the Financial Statements

Amounts in €k

	Subsidiaries	Associates	Others	Total	% impact	
Fixed shares and holdings	7,014,366	298,099		7,312,464	78.4 (1)	7,948.3 (3)
Other receivables	313,127	178		313,305	3.4 (1)	340.5 (3)
Bank deposits		1,052,420		1,052,420	11.3 (1)	1,143.9 (3)
Current shares and quotas	343			343	0.0 (1)	0.4 (3)
TOTAL ASSETS	7,327,836	1,350,696		8,678,532	93.1 (1)	9,433.2 (3)
Sundry payables	758,935	822		759,757	8.1 (1)	825.8 (3)
TOTAL LIABILITIES	758,935	822		759,757	8.1 (1)	825.8 (3)
Dividends and other income from shares and holdings	430,191	5,401		435,592	139.1 (2)	473.5 (3)
Other financial income	3,561			3,561	1.1 (2)	3.9 (3)
Other revenue and income	18,009	898	188	19,095	6.1 (2)	20.8 (3)
TOTAL INCOME	451,761	6,300	188	458,249	146.3 (2)	498.1 (3)
Interest and financial charges	6,660	28		6,688	2.1 (2)	7.3 (3)
Costs for services	5,746	398		6,144	2.0 (2)	6.7 (3)
Costs for use of third party assets	816			816	0.3 (2)	0.9 (3)
Sundry operating expenses	850			850	0.3 (2)	0.9 (3)
TOTAL EXPENSES	14,073	425		14,499	4.6 (2)	15.8 (3)

(1) Percentage of total assets in the statement of financial position

(2) Percentage of pre-tax profit (loss)

(3) Percentage of total sources of funds in the statement of cash flows

Other receivables from subsidiaries included primarily the loan granted to the subsidiary Unipol*Rental* (€150,492k) and receivables relating to Group tax consolidation, due from the subsidiaries that individually had a payable IRES tax position (€150,852k).

Other payables to subsidiaries consisted mainly of the unsecured loan from Unipol*Sai* described above (€300,524k) and the payable to subsidiaries that participated in the cash pooling agreement (€427,036k).

Other revenue and income from subsidiaries mainly included recoveries for administrative and personnel expenses for €15,433k.

Other revenue and income from Other related parties related to services rendered to Coop Alleanza 3.0.

Costs for services from subsidiaries referred primarily to personnel secondments and services received.

Remuneration paid to members of the Administration and Control Bodies, the General Manager and Key Managers

Remuneration for 2021 due to Directors, Statutory Auditors and Key Managers of the Parent, for carrying out their duties in Unipol, was €15,722k, with breakdown as follows:

Amounts in €k

Directors and General Manager	8,968
Statutory Auditors	253
Other Key Managers	6,501 (*)

(*) mainly includes compensation of employees.

The remuneration of the General Manager and the other Key Managers relating to benefits granted under the share-based compensation plans (Performance Shares), is duly represented in the Remuneration Report, prepared according to Art. 123-ter of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.

It should also be noted that, during the year, loyalty bonuses were paid to Key Managers with strategic responsibilities for an amount of €15,975k, mostly pertaining to previous years and allocated to a specific Provision for Risks and Charges. The remuneration figures shown in the table above include only the accrued portion for 2021 of this loyalty bonus, equal to €799k net of the related social security expenses.

In 2021 the Group companies paid Unipol the sum of €1,751k as remuneration for the activities carried out by the Chairman, the Chief Executive Officer, the General Manager and the Key Managers of those companies.

Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraphs 125 and 125-*bis* of Italian Law 124/2017 and subsequent amendments and supplements, note that the Company did not benefit from the facilitations, subsidies, benefits, contributions and other aid in cash or in kind from public resources subject to the transparency obligation pursuant to the above-mentioned legislation.

For the sake of comprehensiveness, although such grants are excluded from the transparency obligations established in the regulations cited, Aid measures and the relative individual Aid granted and recorded in the system by the Granting Authorities for the benefit of the Company are published in the National Register of State Aid, open to the public for consultation on the relative website in the transparency section.

Non-recurring significant transactions occurred during the year

In 2021 there were no non-recurring significant transactions and events, in addition to any reported among the main events of the period.

Atypical and/or unusual transactions occurred during the year

In 2021 there were no atypical and/or unusual transactions that, because of the significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these Financial Statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

Significant events after the reporting period

Early repayment of loan disbursed by UnipolSai maturing in 2024

On 1 March 2022, Unipol, exercising the right to early repayment established in the contract, repaid in full the €300m loan disbursed by UnipolSai on 1 March 2019 as part of the sale to Unipol of the shareholding in Unipol Banca.

Acquisition of I.Car S.r.l.

On **13 January 2022**, UnipolSai acquired 100% of **I.Car S.r.l.** share capital at the price of €60m and 100% of **Muriana Manuela S.r.l.** share capital for €3m. The acquisition of these two companies, operating respectively in the motor vehicle anti-theft and insurance brokerage sectors, is consistent with development of the Mobility Ecosystem undertaken by the Group in recent years. The I.Car price could later be integrated with the payment of two variable tranches of around €10m each, which will be determined after approval of the I.Car financial statements for 2021 and 2022 in accordance with the criteria envisaged in the purchase agreement.

Termination of the agreement with Intesa Sanpaolo S.p.A.

10 February 2022 saw the conclusion of the jointly-agreed termination of the agreement signed on 17 February 2020 between **UnipolSai** and **Intesa Sanpaolo S.p.A.** in the broader context of Intesa Sanpaolo S.p.A.'s launch of a public exchange offer on 100% of UBI Banca shares and the related acquisition of business units referring to one or more insurance company investees of UBI Banca. This termination was the result of the assessment, agreed between the parties, of the transaction no longer being convenient and of mutual interest, taking into account the implementation costs and complexities.

Proposals to the Ordinary Shareholders' Meeting

Dear Shareholders,

We submit the following resolution proposal for your approval:

Proposal to the Shareholders' Meeting approval of the 2021 financial statements

"The Ordinary Shareholders' Meeting of Unipol Gruppo S.p.A. ("Unipol" or the "Company"),

- having examined the draft financial statements of the Company at 31 December 2021;
- having examined the results of said draft financial statements, which recorded a profit for the year of €335,104,981.50;
- having viewed the Management Report of the Board of Directors at 31 December 2021;
- having accepted the Board of Statutory Auditors' Report and the report prepared by the Independent Auditors, EY S.p.A.;

hereby resolves

- to approve the financial statements of Unipol at 31 December 2021, accompanied by the Management Report and recording profit for the year of €335,104,981.50."

Proposal to the Shareholders' Meeting approval of the allocation of profit for the year and dividend distribution

"The Ordinary Shareholders' Meeting of Unipol Gruppo S.p.A. ("Unipol" or the "Company"),

- having approved the Company's financial statements at 31 December 2021, which recorded a profit for the year of €335,104,981.50 ("Profit for the year");
- having acknowledged that the legal reserve existing at 31 December 2021 and unchanged at the current date, has already reached the limit of 20% of the share capital;
- having also acknowledged that as things currently stand, the Company holds 783,050 ordinary treasury shares,

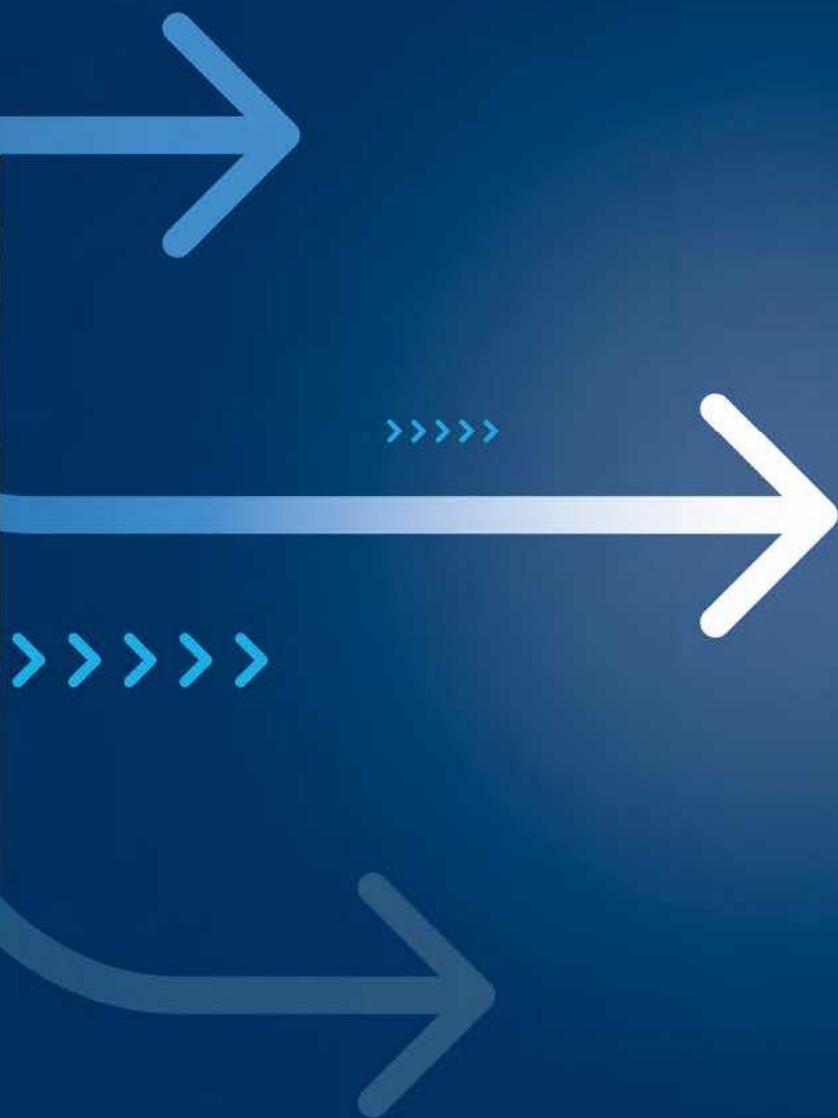
hereby resolves

- to approve the proposed allocation of the Profit for the year at 31 December 2021, in compliance with Art. 19 of the By-Laws as follows:
 - to the Extraordinary Reserve, €120,097,844.10;
 - the remainder of the profit, equal to 64.16% of the total, to the dividend for the 716,690,458 ordinary shares outstanding, at €0.30 per share and thus for a total of €215,007,137.40;
- to therefore approve the distribution of an overall unit dividend, also in consideration of the redistribution of the dividend pertaining to treasury shares, equal to €0.30 for each entitled ordinary share, for a total of €215,007,137.40, also with warning that the possible change in the number of treasury shares in the portfolio of the Company at the time of the distribution will have no incidence on the amount of the unit dividend as established above, but will increase or decrease the amount set aside to the extraordinary reserve;
- to set the dividend payment date as 25 May 2022 (ex-dividend date of 23 May 2022 and record date of 24 May 2022)."

Bologna, 24 March 2022

The Board of Directors





4

TABLES APPENDED
TO THE NOTES
TO THE FINANCIAL
STATEMENTS

Reclassified Income Statement

Amounts in €k

	31.12.2021	31.12.2020
1) Gains on investments:		
in subsidiaries	430,191	318,594
in associates	5,401	
in other companies	4,405	59
Total gains on investments	439,997	318,653
2) Other financial income:		
a) from receivables recognised under fixed assets	3,430	3,794
from subsidiaries	3,430	3,794
from others		
b) from securities held as fixed assets	2,044	900
c) from securities recognised under current assets	7,228	6,574
d) income other than above	591	2,605
from subsidiaries	131	16
from others	459	2,589
Total other financial income	13,293	13,873
3) Interest expense and other financial charges:		
subsidiaries	(6,660)	(8,297)
associates	(28)	(45)
other	(95,027)	(79,757)
Total interest expense and other financial charges	(101,715)	(88,099)
Exchange gains (losses)	451	(325)
TOTAL FINANCIAL INCOME AND CHARGES	352,027	244,102
4) Write-ups:		
c) of securities recognised under current assets	405	1,176
d) of financial derivative instruments		14
Total write-ups	405	1,190
5) Write-downs:		
a) of investments	(383)	
c) of securities recognised under current assets	(1,213)	(737)
d) of financial derivative instruments	(444)	
Total write-downs	(2,040)	(737)
TOTAL ADJUSTMENTS	(1,635)	452
6) Other operating income	20,054	15,436
TOTAL OTHER OPERATING INCOME	20,054	15,436
7) Costs for non-financial services	(20,151)	(13,189)
8) Costs for use of third party assets	(1,077)	(1,256)
9) Personnel costs	(27,025)	(22,325)
10) Amortisation, depreciation and write-downs	(361)	(831)
11) Provisions for risks	(47)	(23)
12) Other provisions		(4,000)
13) Sundry operating expenses	(8,654)	(5,772)
TOTAL OTHER OPERATING COSTS	(57,315)	(47,397)
PRE-TAX PROFIT (LOSS)	313,130	212,594
16) Income tax for the year	21,975	103,755
17) PROFIT (LOSS) FOR THE YEAR	335,105	316,349

Statement of changes in shareholders' equity

Amounts in €k

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Equity reserves Reserve for treasury/holding company shares
BALANCES AT 31 DECEMBER 2019	3,365,292	1,345,677		673,058	
Shareholders' Meeting resolutions of 30 April 2020					
Allocation of 2019 profit					
- extraordinary reserve					
Allocation of treasury shares to third parties					
Purchase of treasury shares					
Profit (loss) for the year 2020					
BALANCES AT 31 DECEMBER 2020	3,365,292	1,345,677		673,058	
Shareholders' Meeting resolutions of 29 April 2021					
Allocation of 2020 profit					
- extraordinary reserve					
- dividend to shareholders					
Distribution of the dividend f.y. 2019					
Dividend limitation period					
Allocation of treasury shares to third parties					
Purchase of treasury shares					
Profit (loss) for the year 2021					
BALANCES AT 31 DECEMBER 2021	3,365,292	1,345,677		673,058	

and unallocated profit

Reserve for treasury shares in portfolio	Extraordinary reserve	Other reserves	Retained Profit (loss)	Profit (loss) for the year	Negative reserve for treasury shares	TOTAL
	518			283,536	(1,175)	5,666,907
	283,536			(283,536)		
					3,599	3,599
					(3,703)	(3,703)
				316,349		316,349
	284,054			316,349	(1,280)	5,983,152
	115,555			(115,555)		
				(200,794)		(200,794)
	(200,794)					(200,794)
	22					22
					6,926	6,926
					(5,985)	(5,985)
				335,105		335,105
	198,837			335,105	(339)	5,917,631

4 Tables appended to the Notes to the Financial Statements

Statement of use and availability of equity reserves at 31/12/2021

Amounts in €k

Nature/Description	Amount	Possibility of use (*)	Available portion	Summary of uses made in the last three years	
				to cover losses	for other reasons
Share capital	3,365,292				
Capital reserves					
Share premium reserve	1,345,677	A, B, C	1,345,677		
Legal reserve	455,556 (a)	B			
Income-related reserves					
Legal reserve	217,502	B			
Extraordinary reserve	198,837	A, B, C	198,837		
Negative reserve for treasury shares in portfolio	(339)		(339)		
Total	5,582,526		1,544,175		
Non-distributable portion					
Distributable portion			1,544,175		

(*) A: for share capital increase
 B: to cover losses
 C: for distribution to shareholders

(a) For transfer from share premium reserve

4 Tables appended to the Notes to the Financial Statements

Statement of changes in intangible assets

Amounts in €k

	OPENING POSITION		
	Historical cost	Amortisation	Net amount at 31/12/2020
Concessions, licences, trademarks and similar rights	7,688	(6,925)	763
TOTAL	7,688	(6,925)	763

Statement of changes in property, plant and equipment

Amounts in €k

	OPENING POSITION		
	Historical cost	Accumulated depreciation	Net amount at 31/12/2020
Plant and equipment	618	(614)	4
Other assets	3,073	(2,496)	577
TOTAL	3,691	(3,110)	581

Annex 4

MOVEMENTS DURING THE PERIOD					CLOSING POSITION		
HISTORICAL COST		AMORTISATION			Historical cost	Amortisation	Net amount at 31/12/2021
Increases	Decreases		Increases	Decreases			
Purchases	Sales	Reversals	Pro-rata current portion	Sales			
9			(338)		7,697	(7,263)	434
9			(338)		7,697	(7,263)	434

Annex 5

MOVEMENTS DURING THE PERIOD					CLOSING POSITION		
HISTORICAL COST		ACCUMULATED DEPRECIATION			Historical cost	Accumulated depreciation	Net amount at 31/12/2021
Increases	Decreases	Increases	Decreases				
Purchases	Sales	Current portion	Sales				
	(329)	(4)	329		289	(289)	
	(299)	(19)	249		2,774	(2,266)	508
	(628)	(23)	578		3,063	(2,555)	508

4 Tables appended to the Notes to the Financial Statements

Statement of changes in fixed investments

Amounts in €k

CARRYING AMOUNT AT 31/12/2020

Name	No. of shares/ holdings	Value
UnipolSai Assicurazioni S.p.A.	1,725,656,482	5,169,262
UnipolSai Investimenti SGR S.p.A.	1,995,930	10,710
Unipol Investment S.p.A.	3,430,535	528,577
UnipolReC S.p.A.	247,312,193	359,819
Unipol Finance S.r.l.	1	482,800
UnipolPart I S.p.A.	4,100,000	463,198
UnipolSai Servizi Consortili S.c.a.r.l.	2,000	6
Total subsidiaries	1,982,497,141	7,014,372
BPER Banca S.p.A.	135,031,835	298,099
Total associates	135,031,835	298,099
TOTAL B.III.1)	2,117,528,976	7,312,470

INCREASES IN THE YEAR				DECREASES IN THE YEAR				CARRYING AMOUNT AT 31/12/2021		
FOR PURCHASES/SUBSCRIPTIONS		OTHER		FOR SALES		OTHER		No. of shares/ holdings	Value	
No. of shares/ holdings	Value	No. of shares/ holdings	Value	No. of shares/ holdings	Value	No. of shares/ holdings	Value			
								1,725,656,482	5,169,262	
								1,995,930	10,710	
								3,430,535	528,577	
								247,312,193	359,819	
								1	482,800	
								4,100,000	463,198	
							(2,000)	(6)		
							(2,000)	(6)	1,982,495,141	7,014,366
								135,031,835	298,099	
								135,031,835	298,099	
							(2,000)	(6)	2,117,526,976	7,312,464

4 Tables appended to the Notes to the Financial Statements

Annex 7

List of shares and securities included in current assets at 31/12/2021

Amounts in €k

ISIN Code	Security description	No. of shares/holdings at 31/12/2021	Carrying amount at 31/12/2021	Current value at 31/12/2021	Write-downs	Type
IT0004827447	UnipolSai Ord.	145,031	343	356		Listed Italian shares
IT0003153415	Snam Rete Gas Spa	250,000	1,253	1,289		Listed Italian shares
IT0003242622	Terna	505,000	3,310	3,487		Listed Italian shares
IT0003128367	Enel ord.	1,400,000	9,475	9,475	(105)	Listed Italian shares
DE000A1EWWW0	Adidas AG new	27,000	6,854	6,854	(278)	Listed foreign shares
NL0015000PB5	Ermenegildo Zegna Holditalia Spa	1,000,000	8,829	9,326		Listed foreign shares
Total listed shares		3,327,031	30,065	30,786	(383)	
unipwcs9215	Banca di Rimini Credito Cooperativo Scrl	1				Unlisted Italian shares
EQUINOXA	Equinox Two S.C.A. A shares	28,652	0.4	0.4	(1)	Unlisted foreign shares
EQUINOX	Equinox Two S.C.A. R shares	4,970,950	54	54	(163)	Unlisted foreign shares
Total unlisted shares		4,999,603	55	55	(164)	
ISIN Code	Security description	Nominal value at 31/12/2021 (in €)	Carrying amount at 31/12/2021	Current value at 31/12/2021	Write-downs	Type
XS1577952440	Altice Finco 4.75% 15/01/2028	5,000,000	4,700	4,718		Other listed bonds
XS2206380573	Amco 1,50% 17/07/2023	5,000,000	4,994	5,124		Other listed bonds
XS1686880599	Banco Bpm 4,375% 21/09/2027 Cble Sub	3,000,000	2,994	3,057		Other listed bonds
XS1793250041	Banco Santander 4,75% 19/03/2025-Perp CBLE SUB	2,600,000	2,619	2,684		Other listed bonds
XS2167003685	Citigroup 1,25% 06/07/2026 Mwc-Cble	10,000,000	9,964	10,367		Other listed bonds
XS2179037697	Intesa Sanpaolo 2,125% 26/05/2025	10,000,000	9,987	10,619		Other listed bonds
XS1752894292	Mps 5,375% 18/01/2028 Cble Sub	10,000,000	7,787	7,787	(1,049)	Other listed bonds
XS1756703275	Raiffeisen Bk 4,5% 15/06/2025-49 Prp/Cble Sub	5,200,000	5,200	5,231		Other listed bonds
XS2026295126	IntSanPaolo 4,375% Fix to Cms 12/07/2029 Cble Sub	7,500,000	7,577	8,076		Other listed bonds
XS2121441856	Unicredit 3,875% 03/06/2027-Perp Sub Cble	5,000,000	4,789	4,789		Other listed bonds
XS1619015719	Unicredit 6,625% 03/06/2023-Perp Cble Sub	5,000,000	5,000	5,298		Other listed bonds
Total listed bonds		68,300,000	65,610	67,749	(1,049)	
IT0005410912	Btp Italia 1,40% 26/05/2025	50,000,000	50,271	54,854		Listed government bonds
Total listed government bonds		50,000,000	50,271	54,854		
TOTAL SHARES AND SECURITIES INCLUDED IN CURRENT ASSETS			146,001	153,444	(1,596)	

Statement of temporary differences that involved the recognition of deferred tax assets and liabilities

Amounts in €k

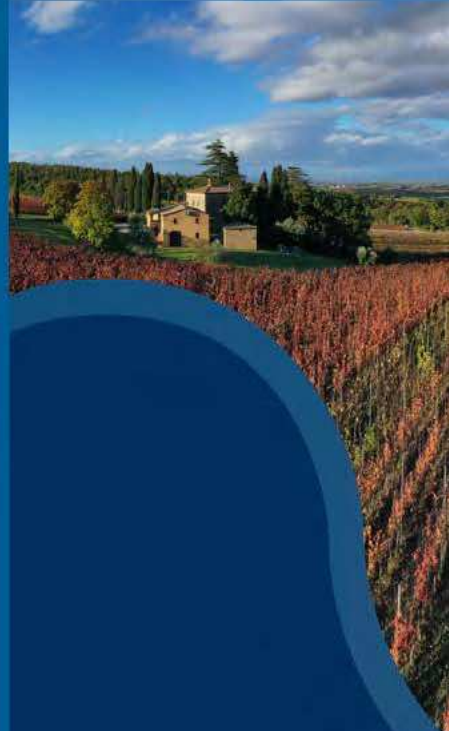
DEFERRED TAX ASSETS	2020		INCREASES		DECREASES		2021	
	Taxable amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
Unrealised losses relating to current investments evaluation			383	92			383	92
Excess amortisation/depreciation	52	13	7	2			58	14
Provisions for personnel expenses	23,710	5,689	12,604	3,025	14,406	3,457	21,908	5,257
Provision for future charges	34,923	8,381	3,032	728	20,349	4,884	17,606	4,225
Past tax losses	11,892	2,855			11,892	2,855		
Realigned goodwill	1,403,983	336,956			144,741	34,738	1,259,243	302,219
TOTAL	1,474,560	353,894	16,026	3,846	191,388	45,933	1,299,198	311,807

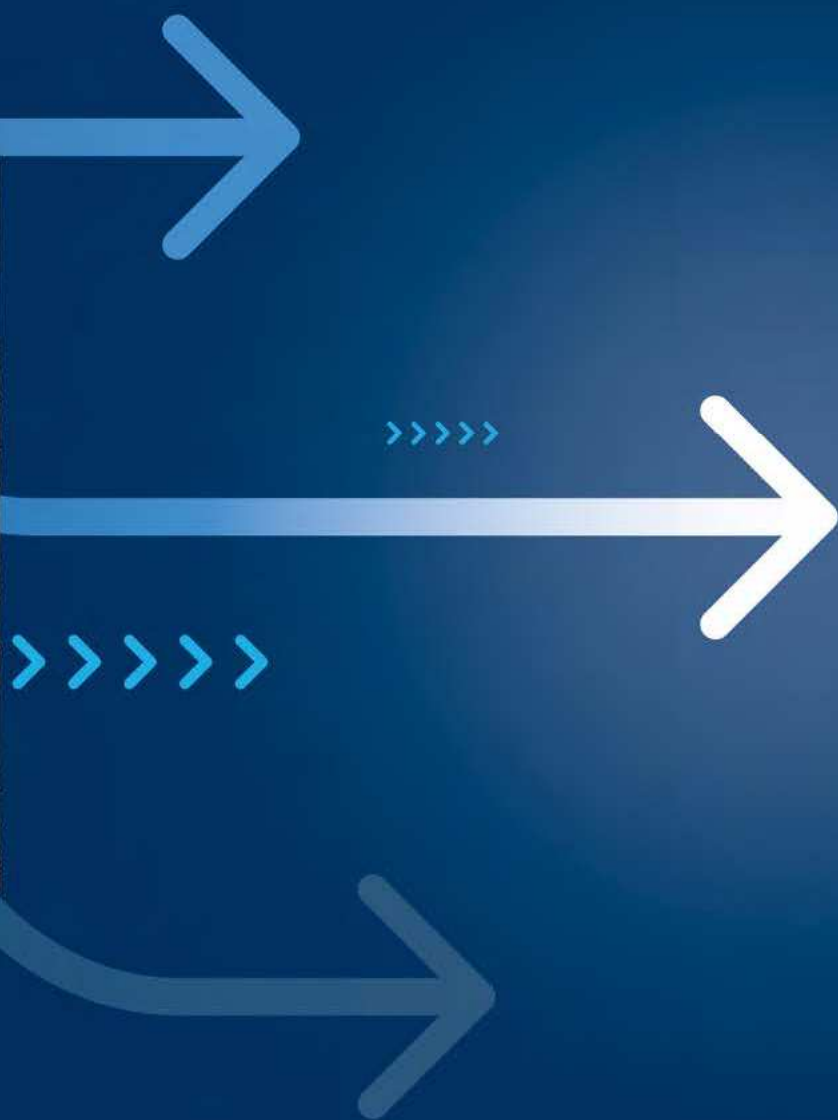
4 Tables appended to the Notes to the Financial Statements

Information on debt at 31 December 2021

Amounts in €k

	31/12/2021	31/12/2020
A Cash and cash equivalents	1,052,447	412,552
- of which associates	1,052,420	412,521
- of which others	13	19
B Cash equivalents		
C Other current financial assets	153,369	1,389,992
D Cash and cash equivalents (A) + (B) + (C)	1,205,816	1,802,543
E Current financial payable	(427,036)	(742,729)
F Current portion of non-current financial payable	(34,764)	(42,862)
G Current financial debt (E) + (F)	(461,801)	(785,591)
H Net current financial debt (G) - (D)	744,015	1,016,952
I Non-current financial payable	(300,000)	(300,000)
J Debt instruments	(2,500,000)	(2,730,881)
K Trade payables and other non-current payables		
L Non-current financial debt (I) + (J) + (K)	(2,800,000)	(3,030,881)
M Total financial debt (H) + (L)	(2,055,985)	(2,013,929)





5

STATEMENT
ON THE FINANCIAL
STATEMENTS
IN ACCORDANCE
WITH ART. 81-TER
OF CONSOB
REGULATION
NO. 11971/1999



**STATEMENT ON THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No. 11971 OF 14 MAY 1999
AND SUBSEQUENT AMENDMENTS AND ADDITIONS**

1. The undersigned, Carlo Cimbri, as Chief Executive Officer, and Maurizio Castellina, as Manager in charge of financial reporting of Unipol Gruppo S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application,

of the administrative and accounting procedures for the preparation of the financial statements for the period 1 January 2021-31 December 2021.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements at 31 December 2021 is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission), internationally recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:
 - 3.1. The financial statements at 31 December 2021:
 - were prepared in compliance with provisions of the Civil Code and the national accounting principles approved by the OIC (Italian Accounting Standards Setter);
 - correspond to the book results and accounting records;
 - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer;
 - 3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

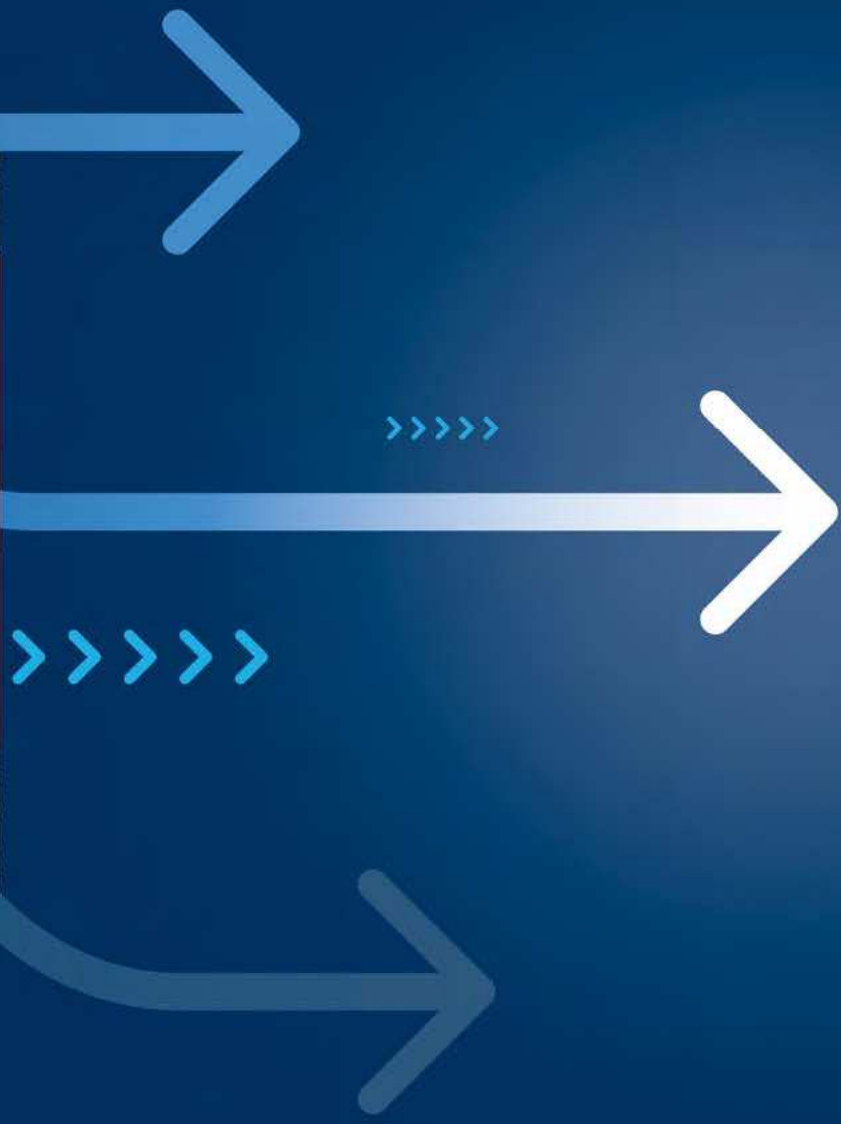
Bologna, 24 March 2022

The Manager in charge
of financial reporting
Maurizio Castellina

The Chief Executive Officer
Carlo Cimbri

(signed on the original)





6

BOARD OF
STATUTORY
AUDITORS' REPORT

Board of Statutory Auditors' Report to the Shareholders' Meeting of Unipol Gruppo S.p.A.

prepared pursuant to Art. 153 of Legislative Decree no. 58/1998

Dear Shareholders,

in the year ending 31 December 2021, the Board of Statutory Auditors carried out the activities within its competence, also acting as Internal Control and Audit Committee, pursuant to the applicable legal and regulatory provisions⁹, taking into account the Rules of conduct of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the communications on this matter issued by CONSOB (in particular, communication no. DEM/1025564 of 6 April 2001 as amended), as well as the instructions laid out in the Corporate Governance Code for listed companies ("**Corporate Governance Code**").

In compliance with Art. 153 of Italian Legislative Decree no. 58 of 24 February 1988 ("**Consolidated Law on Finance**"), the Board of Statutory Auditors therefore reports on its supervisory activity.

1. Preliminary evidence regarding the legal provisions governing the preparation of the Financial Statements of Unipol Gruppo S.p.A. at 31 December 2021.

The draft financial statements ("**Financial Statements**") presented to you show the management activity carried out during the year and the equity, financial and economic position of Unipol Gruppo S.p.A. (also "**Unipol**" or "**Company**") at 31 December 2021, and was drafted in compliance with the provisions of the Italian Civil Code and the accounting standards issued by Organismo Italiano di Contabilità (Italian Accounting Board, OIC).

Unipol which, at the date of the drafting of this Report, qualifies as an issuer of financial instruments listed on regulated markets, and Parent Company of the Unipol Insurance Group, is required to prepare the consolidated financial statements ("**Consolidated Financial Statements**") in compliance with International Accounting Standards, but cannot apply those standards to the company's Financial Statements submitted for your approval, in accordance with Art. 4 of Italian Legislative Decree no. 38 of 28 February 2005.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data and of the transactions or contracts, pursuant to Articles 2423 and 2423-bis of the Italian Civil Code.

It is observed that, in the implementation of the "Transparency Directive"¹⁰, which requires issuers whose real estate assets are quoted in regulated markets of the European Union to prepare their financial annual report in a single electronic communication format, the technical procedures for the fulfilment of this obligation are governed by delegated Regulation of the European Union no. 2019/815 of 17 December 2018 (the "**ESEF Regulation**"). In compliance with this latter Regulation, the Separate Financial Statements and the Consolidated Financial Statements at 31 December 2021 of Unipol are prepared and published in the HTML (Extensible Hypertext Markup Language) format, also marking some of the economic information in the Consolidated Financial Statements with XBRL (Extensible Business Reporting Language) language specifications with the objective of further increasing the accessibility, analysis and comparability of the data contained therein. The Independent Auditors have expressed in their Report an opinion of compliance of the Separate Financial Statements and the Consolidated Financial Statements to the ESEF Regulation. In turn, the Board of Statutory Auditors has verified the fulfilment of the above mentioned obligations in the context of the tasks of their pertinence with regard to compliance with the applicable pro-tempore laws.

No significant events occurred after the end of the financial year that could affect the financial statement results.

⁹ Please refer in particular to Regulation no. 38 issued by IVASS on 3 July 2018.

¹⁰ Directive no. 2004/109/CE, as amended by Directive no. 2013/50/EU, which harmonises the disclosure obligations to the markets on the part of issuers with real estate assets traded on the European regulated market.

2. Activities of the Board of Statutory Auditors in the financial year ending 31 December 2021.

In 2021, the Board carried out its supervisory activities, holding 16 meetings with an average length of approximately one hour and 20 minutes.

The Board also took part in:

- 9 Meetings of the Board of Directors;
- 10 meetings of the Control and Risk Committee;
- 5 meetings of the Committee for Transactions with Related Parties ("**Related Party Transactions Committee**");
- 5 meetings of the Remuneration Committee,

and was informed of the proceedings of the 5 meetings of the Appointments and Corporate Governance Committee, the 4 meetings of the Sustainability Committee and the 3 meetings of the Ethics Committee.

As part of its activities aimed at the mutual exchange of information between the bodies and functions involved in the internal control and risks management system, the Board of Statutory Auditors also met with:

- the Chief Risk Officer and the Heads of Audit, of the Compliance and Anti-Money Laundering Function (jointly, "**Control Functions**"), and of the Actuarial Function (jointly with the Control Functions, "**Key Functions**"), the Manager in charge of financial reporting ("**Financial Reporting Officer**") as well as the Heads and/or representatives of the company departments each time involved by the supervisory activities of the Board of Statutory Auditors;
- the Supervisory Board established pursuant to Italian Legislative Decree no. 231, 8 June 2001 ("**Italian Legislative Decree no. 231/2001**"), Art. 6, Par. 1, letter b);
- the representatives of the independent auditing firm appointed, EY S.p.A. (hereinafter also "**EY**" or the "**Independent Auditors**"), within the framework of relationships between Board of Statutory Auditors and independent auditors required by laws and regulations in force, also of a statutory nature.

Pursuant to Art. 151 of the Consolidated Law on Finance, the Board of Statutory Auditors also had meetings and/or exchanged information with the Boards of Statutory Auditors of the subsidiaries.

3. Most significant economic, financial and equity transactions. Other noteworthy events

3.1 Activity performed by the Board of Statutory Auditors

Pursuant to the reference laws and regulations in force, the Board of Statutory Auditors describes below the outcomes of its control and audit activity. It therefore acknowledges that it has:

- monitored compliance with laws and by-laws and compliance with the rules of proper administration, particularly in regard to the most significant economic, financial and equity transactions mentioned here;
- obtained information from the Directors - including by participating in the meetings of the Board of Directors and the Board Committees - on the activity carried out and on the transactions of greatest economic, financial and equity significance performed by Unipol, including through direct or indirect subsidiaries. Based on the information made available, the Board of Statutory Auditors reasonably believe that the activities and transactions approved and carried out comply with laws, by-laws and rules of proper administration and do not appear to be manifestly imprudent or risky, or in contrast with the resolutions adopted by the Shareholders' Meeting, or able to jeopardise the integrity of the company assets. In addition, transactions involving a potential conflict of interests were approved in compliance with laws, regulations and codes of conduct adopted.

The Board of Statutory Auditors also reports to have received adequate information with regard to the effects deriving from:

- the health emergency due to the COVID-19 respiratory syndrome ("**COVID-19**") on the business outlook as well as on the actions and initiatives undertaken to deal with it, taken by the Company and by the Unipol Group with

6 Board of Statutory Auditors' Report

respect to employees and the distribution network, as well as with respect to their customers, as reported in detail in the Management Report. In this regard, it should be noted that the Board of Statutory Auditors was constantly informed of the analyses carried out, particularly with regard to the identification of any impact, due to risks and uncertainties linked to COVID-19, on business continuity, strategic planning and plan targets;

- by the Russia-Ukraine conflict currently in progress and the consequent economic and financial sanctions imposed on Russia by the international community. With regard to this, the Supervisory Board verified that Unipol and the Group companies do not carry out relevant economic activities in the area concerned by the conflict, do not hold, except to an extremely marginal extent, financial investments in securities of Russian or Ukrainian issuers and are not a contractual party to any relevant financial transactions with subjects or entities subject to the international sanctions. However, as reported in the Management Report, the uncertainty and fears relating to the impacts that may derive from the war are causing tensions on financial markets, with marked drops in the international share markets and upwards trends in the interest rates, with consequent impacts on the financial investments of the Company and of the Group. The evolution of this context and the relative impacts on the business outlook are constantly monitored by the relevant company functions. Considering the uncertainty of the same situation, the Board of Statutory Auditors in turn monitors, to the extent of its competence, also in compliance with the attention notice issued by CONSOB on 18 March 2022, the possible effects of the Russia-Ukraine conflict and the consequent restrictive measures adopted by the European Union on the financial situation, also from a prospective point of view, and on the economic results of the Company and of the Group, checking if the future development of the same might involve significant impacts on the business performance. The Control Board has also checked that Unipol has arranged suitable and efficient organisational and technical procedures aimed at the mitigation of the risks linked to cyber-security aspects.

3.2 Main significant events

In regard to the main events and the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries in 2021, the Board of Statutory Auditors reports as follows:

Settlement of corporate liability actions against some former directors and statutory auditors of subsidiaries. In regard to the two corporate liability actions brought against some former directors and statutory auditors, both resolved in 2013 by the Shareholders' Meetings of FONDIARIA-SAI S.p.A. ("**Fondiarìa-Sai**") and Milano Assicurazioni S.p.A., in March 2021, the complainant companies of the Unipol Group signed a settlement agreement (the "Agreement") with all parties which fully settles the two liability actions. This Agreement, which came into effect following the approval by the Shareholders' Meetings of the plaintiff companies of the Unipol Group, executed in full in 2021 resulted in the recognition of a gain of €42m.

Early repayment of subordinated loans issued by UnipolSai Assicurazioni S.p.A. maturing in 2021 and 2023. On 15 March and 28 April 2021, subject to the authorisation of the Supervisory Authority to exercise the right to early repayment, two subordinated loans issued by the subsidiary UnipolSai Assicurazioni S.p.A. ("**UnipolSai**") were extinguished in full, of which one for a nominal value of €300m, with contractual maturity scheduled for June 2021, and the other for a residual nominal amount of €262m, whose contractual maturity was scheduled for July 2023. At the time of the repayment by UnipolSai, Unipol extinguished, for a residual nominal value overall equal to €268m, the outstanding loans previously granted to the same Company, when UnipolSai took over the role of issuer of these loans.

Exercise by UnipolSai of the tax realignment option (Italian Decree Law no. 104/2020). UnipolSai has taken advantage of the option set forth in Article 110, paragraph 8-bis of Italian Decree Law no. 104/2020, which makes it possible to realign the values recognised for tax purposes of goodwill and other assets already recognised in the financial statements at 31 December 2019, to the values of such assets as set forth in the financial statements at 31 December 2020, against payment of a substitute tax of 3% of the higher value recognised for tax purposes. The realignment concerned goodwill for a value of €318m and real estate for a value of €24.8m, resulting in a substitute tax expense of €10.3m, to be paid in three annual instalments, the first of which was paid during 2021. Following the amendments introduced by the 2022 Budget Law - Italian Law no. 234 of 30 December 2021, the amortisation period for tax purposes of the higher values of goodwill subject to the realignment was increased from 18 years to 50 years. Due to the effect of the higher taxable values recognised, UnipolSai has achieved a benefit in terms of lower future IRES and IRAP taxes quantified at €104.6m and recognised in the income statement as an increase in net deferred taxes, of which €98m with reference to goodwill, which will translate into a reduction in current taxes from the year 2021, according to an amortisation plan allowed by the tax regulations (50 years) for goodwill that has become

deductible, and €6.6m with reference to property, entirely recognised in the income statement for the year 2021 due to the effect of reabsorption of deferred taxes already recognised in the financial statements. The realignment of tax values entails the requirement of restricting a reserve subject to suspended taxation for €332.5m, in an amount corresponding to the higher values recognised for tax purposes net of the substitute tax due.

Acquisition of Shares of Banca Popolare di Sondrio S.p.A. During 2021, in part through a reverse accelerated book-building (RABB) procedure and partly on the market, UnipolSai acquired 40,289,500 ordinary shares of Banca Popolare di Sondrio S.p.A. ("BPS" or the "Bank") equal to 8.89% of the share capital of the Bank. Taking into account the shares previously held in portfolio, therefore, UnipolSai holds a total shareholding of 43,126,000 shares, equal to approximately 9.51% of the share capital of BPS. The transaction falls within the scope of UnipolSai's strategy to contribute to the development plans of the Bank, a business partner of the Group within the Non-Life and Life bancassurance segment.

Completion of the sale of Torre Velasca. In February 2021, the sale of the property in Piazza Velasca, Milan (Torre Velasca), was finalised following the Public Administration's failure to exercise pre-emption rights. The sale price was €160m, resulting in a capital gain of roughly €80.1m for UnipolSai.

Capital account payment to Gruppo UNA S.p.A. On 4 June 2021, UnipolSai made a capital account payment of €40m in favour of the subsidiary Gruppo UNA S.p.A. in order to replenish its shareholders' equity, which had reduced due to losses during the COVID-19 health emergency.

More information on these transactions and additional events is provided in the Management Report and the Notes to the Financial Statements for the year closed on 31 December 2021.

3.3. Significant events after the end of the financial year

In regard to the significant events occurred after the end of the financial year, the Board of Statutory Auditors believes the following should be mentioned:

Russia-Ukraine conflict currently in progress. Indeed, in the initial months of 2022, the international scenario was impacted by the deterioration of the conflict between Russia and Ukraine, which transformed into a large-scale clash of military forces. The effects of the conflict and the ensuing economic and financial sanctions imposed on Russia by the international community are affecting the global economy. Some of the main impacts are expected to be difficulties in the procurement of raw materials, with additional increases in the relative prices, and the risk of an already stressed supply chain becoming even more compromised. These situations of uncertainty and fears of the potential impacts are creating financial market tensions, with plummeting international share prices and upward trends in interest rates. All this reflects on the financial investments of Unipol and of the Group companies, which have marked a reduction in their implicit capital gains, and on financial management, which in any event continues to be aimed at the consistency of assets and liabilities and optimising the risk/return profile of the portfolio, also with regard to the maintenance of an adequate level of solvency. The uncertainty of the current context and, especially, its future evolution, does not make it possible to fully determine its effects on the financial situation and economic results of the Company and of the Group. As already indicated above, please note, however, that Unipol and the Group companies do not carry out relevant economic activities in the area concerned by the conflict, do not hold, except to an extremely marginal extent, financial investments in securities of Russian or Ukrainian issuers and are not contractual parties to any relevant financial transactions with subjects or entities subject to the international sanctions.

Termination of the agreement with Intesa Sanpaolo S.p.A. 10 February 2022 saw the conclusion of the jointly-agreed termination of the agreement signed on 17 February 2020 between UnipolSai and Intesa Sanpaolo S.p.A. ("Intesa") in the broader context of Intesa's launch of a public exchange offer on 100% of the shares of UBI Banca S.p.A. ("UBI Banca") and the related acquisition of business units referring to one or more insurance company investees of UBI Banca. This termination was the result of the assessment, agreed between the parties, of the transaction no longer being convenient and of mutual interest, taking into account the implementation costs and complexities.

Early repayment of the loan disbursed to Unipol by UnipolSai maturing in 2024. On 1 March 2022, exercising the option of early reimbursement contractually provided, Unipol fully repaid the loan of €300m disbursed by UnipolSai on 1 March 2019, in the context of the exercise of the sale option relative to 27.49% of the share capital of Unipol Banca

6 Board of Statutory Auditors' Report

S.p.A. and UnipolReC S.p.A., due to it with respect to Unipol itself due to the option contract subscribed on 31 December 2013 between the then Fondiaria-Sai and Unipol.

3.4 Dispute proceedings

In regard to disputes involving the Company and the Group in 2021, the Board of Statutory Auditors was informed and kept up to date in regard to the ongoing sanction and legal proceedings, described in the Notes to the Financial Statements at 31 December 2021, to which reference is made.

3.5 Related-party and inter-company transactions. Atypical and/or unusual transactions

In compliance with the provisions of the Regulations indicating provisions with regard to transactions with related parties adopted by CONSOB with resolution no. 17221 of 12 March 2010 as subsequently amended (the "**Consob Regulation**"), the Company set out a Procedure for transactions with related parties (the "**OPC Procedure**"), lastly updated on 24 June 2021 with effect from 1 July 2021, and Operational Guidelines for the application of the same. The Board of Statutory Auditors has acknowledged the amendments made to the OPC Procedure in order to adapt its content to the provisions introduced by CONSOB Regulation by Resolution no. 21624, 10 December 2020, implementing Directive (EU) no. 2017/828 ("*Shareholder Rights Directive II*"), checking the compliance of the same with the new provisions.

The Board of Statutory Auditors also monitored the transactions with related parties to ensure they met the criteria of substantive and procedural correctness, pursuant to the aforementioned reference provisions and the internal procedure adopted, and that they were in keeping with the Company's interest. With regard to this, please note that in 2021, Unipol did not approve, or carry out, directly or through subsidiaries, any related party transactions qualified as of "Major Significance", or which significantly influenced the financial position or results of the Company, pursuant to Art. 5, paragraph 8 of CONSOB Regulation.

The Board of Statutory Auditors also reviewed the transactions exempt from the application of the aforementioned internal procedure, verifying the correctness of the valuations made at this regard.

The Management Report and the Notes to the Financial Statements of the Company show the income statement and balance sheet effects of the transactions with related parties and provide a description of the most significant relations. Additional information is also provided in the Management Report and the Notes accompanying the Consolidated Financial Statements.

In regard to the provisions issued by IVASS with Regulation no. 30 of 26 October 2016, regarding inter-company transactions and risk concentrations, the Board verified that the Policy adopted by the Company on the matter ("**Inter-company Policy**") complies with these provisions, also taking into account its annual update and the Operating Guide for the application of the aforementioned Policy. The supervisory activity performed by the Control Board has also shown that the transactions with counterparties within the Group were carried out in compliance with the Policy on inter-company transactions and settled at market conditions. With regard to the overall context of inter-company transactions and/or transactions with related parties put in place during the 2021 financial year, please note that the Board of Statutory Auditors believes that the outsourcing agreements in place between Unipol and the subsidiary UnipolSai, as well as with other Group companies, comply with the applicable sector regulations.

In particular, taking into account that Unipol, in compliance with the organisational model selected for the Group, has outsourced most of its operating activities to the subsidiary UnipolSai, the Board verified the methods used to calculate the corresponding fees, set mainly on the basis of the allocation of the costs incurred, except those with regard to financing activities, which are remunerated by applying a commission on managed volumes. For certain additional services, annual fees are instead charged at a fixed rate. It should also be noted that Unipol and some subsidiaries second their staff to other Group companies to optimise the synergies in the management of Group resources.

In regard to the relations between Unipol and the Group companies, as well as other related parties, the Board of Statutory Auditors believes the disclosure provided in the Management Report and the Notes to the Financial Statements at 31 December 2021 to be adequate.

Lastly, it was verified that no atypical or unusual inter-company transactions and/or transactions with related parties were identified that might cast doubt on the accuracy and completeness of the information, the absence of conflicts of interest and the safeguard of corporate assets.

4. Organisational structure of the Company and of the Group

The Board of Statutory Auditors has acknowledged that:

- Unipol is the parent company of the Unipol Insurance Group and is classified as "ultimate Italian Parent Company" pursuant to the provisions of the Private Insurance Code ("**CAP**") and the corresponding implementing provisions.
- pursuant to sector regulations, in compliance with IVASS Regulation no. 38, 3 July 2018, and taking into account the qualitative and quantitative parameters indicated in the IVASS Letter to the market issued on 5 July 2018, the Company has adopted the "enhanced" corporate governance model. Furthermore, the Control and Risk Committee and the Remuneration Committee of Unipol perform their functions also on behalf of the Group's insurance companies which have adopted the "enhanced" corporate governance model (excluding UnipolSai). Only Unipol's Control and Risk Committee also for companies with the "ordinary" corporate governance model;
- in compliance with the provisions set forth in the Corporate Governance Code, Unipol is qualified as a "large company", as its capitalisation exceeded €1bn on the last trading day of each of the last three calendar years, without "concentrated ownership";
- under Art. 2497-bis of the Italian Civil Code, the Subsidiaries of Unipol have indicated the latter as the company exercising management and coordination on them.

Also noting that, as reported in the 2021 Annual report on corporate governance and ownership structures ("**Governance Report**"):

- Unipol has adopted a "traditional" administration and control system, which provides for the presence of a Board of Directors (operating with the support of Board Committees, having advisory, consulting, investigation and support functions) and a Board of Statutory Auditors (with control functions), both appointed by the Shareholders' Meeting;
- the independent audit has been assigned for the 2021-2029 nine-year period to EY by the Shareholders' Meeting of 18 April 2019;
- some internal company committees were created by the Administrative Board, or by the Chief Executive Officer and Group CEO, mainly consisting of the Top Management of Unipol, to provide support to the Chief Executive Officer and Group CEO in the implementation and supervision of the policies of direction, coordination and operational strategy specified by the Board of Director and articulated by the Top Management;
- the role and powers of these bodies are discussed in detail in the Governance Report,

the Board of Statutory Auditors acknowledged the organisational structure adopted and was informed of the changes that occurred from time to time in the internal structure of Unipol and its subsidiaries, monitoring its suitability, for matters within its competence.

In particular, based on the information acquired, the Control Board believes the size, structure and positioning of the Company's Key Functions to be appropriate to guarantee the effective operation of the internal control and risk management system as a whole.

The Board of Statutory Auditors also acknowledged the provisions issued by the Company to its subsidiaries, pursuant to Art. 114, Par. 2 of the Consolidated Law on Finance, to ensure the timeliness of the information needed to fulfil the communication obligations provided by the law and by Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, also through meetings with the heads of the relevant company functions and the Independent Auditors. No particular issues worth reporting were brought to light by these activities.

The Control Board exchanged information, also through specific meetings, with the Boards of Statutory Auditors of the subsidiaries, pursuant to Art. 151 of the Consolidated Law on Finance, being informed about the checks that were

6 Board of Statutory Auditors' Report

carried out by the same while exercising their supervisory activities. In this regard, no issues worth reporting were brought to light.

5. Internal control and risk management system, administrative/accounting system and financial disclosure process

5.1 Internal Control and Risk Management System

The internal control and risk management system is a key element in the overall system of governance. It consists of a set of rules, procedures and organisational structures for the purpose of actual, effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the companies. In particular, this system aims at ensuring:

- the effectiveness and efficiency of corporate processes;
- the identification, assessment, also forward-looking, management and appropriate control of risks, in line with the strategic guidelines and risk appetite of the company, also from a medium/long-term perspective;
- the prevention of the risk that the Company and the Group may be involved, even unintentionally, in illegal activities, in particular those related to money laundering, usury and terrorism financing;
- the prevention and correct management of the potential conflicts of interest with related parties and/or intra-group counterparties, as identified by the reference legal and regulatory provisions;
- the verification that corporate strategies and policies are implemented;
- safeguarding of company asset values, also in the medium to long term, and proper management of assets held on behalf of customers;
- reliability and integrity of information provided to corporate bodies and the market, with particular reference to accounting and operational information, and of IT procedures;
- adequacy and promptness of the corporate data reporting system;
- compliance of the Company and of the Group business activities, as well as transactions executed on behalf of customers, with the law, supervisory regulations, corporate governance regulations and the adopted internal measures.

The guidelines of the Internal control and risk management system are laid out in the Group Directives on the corporate governance system ("**Directives**"), approved by the Unipol Board of Directors, most recently on 11 November 2021, which govern, among other things, the role and responsibilities of the parties involved in this system. The Guidelines are completed by the Key Function Policies. The coordination procedures and information flows between the parties involved in the internal control and risk management system are described in the aforementioned Key Function Policies, as well as in the Regulations of the board committees. The Company has also set up internal regulations laying out policies and guidelines as well as specific operating procedures.

The principles of the risk management system as a whole and its relative processes are governed by, among others, the following Group policies: "Risk Management Policy", "Sustainability Policy", "Current and Forward-looking Internal Risk and Solvency Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy". The policies setting the principles and guidelines below are an integral part of the risk management system with regard to: (i) management of specific risk factors (e.g. "Group Investment Policy" with regard to market risk, and the "Credit Policy" for credit risk), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) risk measurement model management.

The risk management system provides an appropriate understanding of the nature and the significance of the risks to which the Group and its individual companies are exposed and are an integral part of business management.

The identification, evaluation and monitoring of the risks are carried out on ongoing basis to take into account the changes occurred both in the nature and size of the business and in the market context, and whether new risks arise or the existing ones change and are these processes are carried out according to procedures that allow an integrated approach at Group level.

Unipol ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company in the scope of Group supervision and their mutual interdependencies, with reference to the provisions laid out in Art. 210 and 210-ter, paragraphs 2 and 3 of the CAP. The principle of proportionality continues to apply, based on the nature, extent and complexity of the risks inherent in company activities carried out by the various Group companies.

For more details on the main characteristics of the internal control and risk management system adopted by the Company, please refer to the Governance Report.

In this context, the Board of Statutory Auditors constantly monitored the suitability of the internal control and risk management system and the administrative/accounting system, and the latter's ability to correctly represent operating events. To do so, it has relied on (i) the information collected from the heads of the respective functions, (ii) the review of company documents, (iii) the analysis of the audit plans and the results of the audits carried out by the independent auditors and the internal control bodies and functions.

In addition, the activities performed by these company functions were reviewed to verify their suitability and to assess the effective operation of the overall internal control and risk management system. This was done by directly reviewing the activities carried out by the Key Functions and the Financial Reporting Officer and by taking part in the meetings of the Control and Risk Committee. Based on the audits carried out to fulfil its supervisory obligations, the Board of Statutory Auditors did not identify issues worth reporting in this regard. The Board also believes that the Key Functions and the Financial Reporting Officer are able to ensure a suitable control of the internal control and risk management system.

As part of its supervision of the internal control and risk management system, the Board of Statutory Auditors has, among other things, paid specific attention to Information Technology aspects, with special reference to the issues concerning cyber-security, reviewing the related risk aspects through meetings with the Chief Information Officer, carried out also at the time of the regular meetings of the Control and Risk Committee. In particular, following specific in-depth analysis regarding the future outlook for cyber-security risks, on the possible impact on security/operations of the Group companies and on the protection systems introduced at this regard, the Board of Statutory Auditors considers the risk related to all aspects of cyber-security to be adequately monitored.

The Board of Statutory Auditors also verified the activities carried out by the Company in the process of compliance with Regulation (EU) no. 2016/679 of 27 April 2016 regarding personal data protection by evaluating the compliance of the organisational controls introduced with the regulation governing personal data protection.

5.2 Administrative/accounting system and financial disclosure process

The Governance Report describes the main characteristics of the control model adopted to support the Financial Reporting Officer in the assessment of the suitability and effective application of the administrative procedures relating to accounting and financial reporting, based on a process inspired by the CoSo Framework, recognised as the reference standard for the implementation and assessment of internal control systems.

The risk management and internal control process in the context of financial disclosures implemented by Unipol, defined on the basis of specific guidelines identified in compliance to the above mentioned standard, is articulated over several phases, whose details are reported in the Report on the internal control system relative to accounting and financial disclosures in compliance to the "savings law" (the "**262 Report**"). This report reflects the characteristics of the control system implemented and the results of the data verification and monitoring activity carried out by the relevant corporate units, on the outcome of which the Chief Executive Officer and Group CEO, and the Financial Reporting Officer signed the statements required by Art. 154-bis of the Consolidated Law on Finance.

The Board of Statutory Auditors reviewed the contents of Report 262 and monitored, through meetings with the Financial Reporting Officer and the Independent Auditors, the process of preparation and dissemination of financial information. In particular, no significant shortcomings relating to the internal control system for financial and/or accounting disclosures were highlighted by the Supplementary Report (the "Supplementary Report") prepared by EY pursuant to Art. 11 of Regulation (EU) no. 537/2014 of the European Parliament and Council (the "Regulation (EU) no. 537/2014").

6 Board of Statutory Auditors' Report

The Board also monitored, for matters within its competence, compliance with legal provisions concerning the drafting of the Financial Statements and the contents of the Management Report, which are believed to be exhaustive. Taking into account that - pursuant to Art. 14 of Italian Legislative Decree no. 39, 27 January 2010, as amended by Italian Legislative Decree no. 135, 17 July 2016 ("**Italian Legislative Decree no. 39/2010**") - the Independent Auditors state in their report, among other things, that the Management Report is consistent with the Financial Statements and complies with legal provisions, the Board of Statutory Auditors verified that the report issued by EY has not brought to light findings in this respect.

5.3 Consolidated Non-Financial Statement

The Board of Statutory Auditors notes that the Company is required to prepare and publish a consolidated Non-Financial Statement ("**NFS**"), in compliance with the provisions of Italian Legislative Decree no. 254 of 30 December 2016 ("**Italian Legislative Decree no. 254/2016**") on communication of non-financial information and on diversity on the part of some large size companies and groups, and in the relative implementation Regulation issued by CONSOB with Resolution no. 20267 of 18 January 2018. Pursuant to art. 4 of Italian Legislative Decree no. 254/2016, this disclosure provides non-financial information on the Company and its subsidiaries "*to the extent necessary to ensure an understanding of Group activities, its performance, results and the impact generated by it.*"

The Board of Statutory Auditors acknowledged that the Company has included NFS in the Group Annual Integrated Report, reporting in this document information on environmental and social matters as well as topics relating to personnel, respect for human rights and the fight against corruption, and monitored, for matters within its competence, also through meetings with the Financial Reporting Officer and the Independent Auditors, the adequacy of the drafting process of the statement in question and its compliance with the relevant legal provisions. The Board of Statutory Auditors also carried out an appropriate in-depth analysis on the subject through discussions with the Sustainability Manager, examining the integrations progressively introduced in the corporate policies with particular reference to those subscribed by the Non-Life and Life businesses, the Investment Policy and the Outsourcing Policy and choice of suppliers, focusing on issues related to climate change and on the controls adopted within the Group to protect against the related risks, generated and suffered, which were the object of a special analysis in the Unipol Annual Integrated Report. The Board of Statutory Auditors has also checked, with the assistance of the Financial Reporting Manager and the Sustainability Manager, the approach adopted within the Group to meet the provisions of Regulation (EU) no. 2020/852 ("**Taxonomy Regulation**") and of Delegated Regulation (EU) no. 2021/2178 ("**Disclosure Delegated Act**") which provide, with reference to the sustainable economic activities of companies, specific obligations of reporting in the NFS, to be gradually implemented starting from the statement relating to 31 December 2021 up to the full implementation in the Financial Statements for the year 2023.

The Control Board also acknowledged that, on 5 April 2022, the independent auditors issued their report on compliance, required by Art. 3, Par. 10 of Italian Legislative Decree no. 254/2016. In this report, EY certified that, based on the work performed, no issues have come to its attention suggesting that the CNFS was not drafted, in all significant aspects, in compliance with the requirements of Art. 3 and Art. 4 of Italian Legislative Decree no. 254/2016 and with the reporting standard used by the Group for the preparation of the NFS.

The Board of Statutory Auditors notes that, during the aforementioned controls, no issues have been brought to its attention indicating non-compliance of the NFS with the legal and regulatory provisions governing its preparation and dissemination.

6. Other activities carried out by the Board of Statutory Auditors

Taking into account the fact that the Company complies with the Corporate Governance Code, the Control Board has assessed, within the area of its competence, the content of the Report on corporate governance and has no remarks to make in this regard. Referencing the provisions of Art. 123-bis of the Consolidated Law on Finance on the consistency opinion that the independent auditors must provide on some information included in the aforementioned Report on corporate governance, the Board of Statutory Auditors verified that the Independent Auditors' Report accompanying the Financial Statements at 31 December 2021 ("**Independent Auditors' Report**") issued by EY contained no findings in this regard.

The Board of Statutory Auditors has acknowledged that the Administrative Board has proceeded with the annual assessment of its functioning, size and composition, as well as in relation to the board committees established (the "**Board Performance Evaluation**"), availing itself of the support of a leading consultancy company, and has also

checked the correct application of the criteria and procedures put in place by the same Board of Directors for the assessment of independence of non-executive Directors, in compliance with what is set out by the Corporate Governance Code¹¹ and pursuant to Art. 147-ter, paragraph 4, of the Consolidated Law on Finance.

The Board has also checked that the independence requirements of the members of the same Control Board were met, pursuant to the provisions of Art. 8 of the Corporate Governance Code, acknowledging the checks carried out by the Board of Directors pursuant to Art. 144-novies of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999 (the "**Issuers' Regulation**") in relation to the fulfilment of the independence requirements laid out in Art. 148, paragraph 3, of the Consolidated Law on Finance by the members of the Board of Statutory Auditors; In particular, in regard to the Statutory Auditor Mr Roberto Chiusoli, who, having held the office of Auditor of Unipol for a period exceeding nine of the last twelve years, has referred to the Board the assessment on his meeting the independence requirement, the Control Board has stated that it believes this Statutory Auditor to meet the independence requirement, pursuant to the Code of Conduct, believing his case not to be covered by the provisions of principle 3.C.1 of the Code where it includes the holding of office in this issuer for more than nine years in the last twelve among the situations in which a Director is not usually deemed independent, in the absence of other circumstances that may jeopardise or limit the independence of assessment and opinion of the Auditor, being understood that Mr Chiusoli does not have significant relations or business, financial, or professional relations, with Unipol or other companies of the Unipol Group.

The Board also verified, also by attending the meetings of the Remuneration Committee, the corporate processes that have led to the definition of the remuneration policies adopted, and has no remarks to make on the alignment of these policies with the recommendations of the Corporate Governance Code, or on their compliance with the current industry laws and regulations.

In addition to what is described above, the Board of Statutory Auditors, also by taking part in the proceedings of the Control and Risk Committee, carried out additional specific audits, pursuant to the legal and regulatory provisions in force regarding the business sectors in which the Company and the Group operate, paying special attention to the specific regular controls by the Chief Risk Officer requested by IVASS.

The Board of Statutory Auditors has also acknowledged the adoption by the Company, pursuant to the Corporate Governance Code, of a policy for the management of the dialogue with all Investors (as defined in the policy) which require a contact with the Administrative Body on matters relating to their specific competence (the "**Dialogue Policy**")¹². With regard to this the Board of Statutory Auditors has verified the compliance with legal provisions, also in terms of self-regulation, of the Dialogue Policy which identifies general rules, management procedures, the main contents and matters subject to dialogue, identifying the interlocutors, the timings and intervention channels between the Company and Investors, respecting equality of information treatment, also in compliance to the company principles and values expressed in the Charter of Values and the Ethical Code of the Unipol Group.

7. Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001

The Board of Statutory Auditors has acknowledge the inclusion of further cases of offences in the context of Italian Legislative Decree no. 231/2001, as well as the changes made to those already included in the same, and of the consequent launch on the part of the Company of the preparatory analysis and investigations to the possible adaptation of the Organisation, Management and Control Model, prepared pursuant to Art. 6, paragraph 1, letter a) of the same Decree.

The Board of Statutory Auditors also acquired the required information on the organisational and procedural activities carried out in compliance with Italian Legislative Decree no. 231/2001, by periodically meeting with the Supervisory Board in relation to the audit and control activities respectively performed. No facts and/or circumstances worth reporting were brought to light based on the information provided by the same Supervisory Board, including that provided in its Annual Report.

¹¹ The Corporate Governance Code provides for the recommendations reported therein to be applied from the first renewal of the administrative board (and, similarly, of the control board) after 31 December 2020.

¹² The Dialogue Policy is aimed at all "Investors", understood as current and/or potential Shareholders of Unipol, other holders of financial instruments of the Company as well as those who have an interest in the relationship of holding shares, other financial instruments and rights deriving from shares in the share capital, on their own behalf or on behalf of third parties, such as institutional investors and asset managers. The Dialogue Policy therefore pursues the objective of regulating communication and participation opportunities in addition to the Shareholders' Meeting, and the other forms of dialogue that fall among the standard processes performed by the competent managers based on specific company procedures, with a view to ensuring transparency of information, improve investor understanding of corporate strategies, the results achieved and every other financial or non-financial aspect of the Company regarding investment choices, even with regard to ESG factors, promoting the stability of the Shareholder's investments and the Sustainable Success of Unipol.

6 Board of Statutory Auditors' Report

8. Independent audit of the accounts

Pursuant to Art. 19 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors, acting as Internal Control and Audit Committee, is tasked with:

- informing the Board of Directors of the audited entity of the outcome of the independent audit and sending the Additional Report to this body pursuant to Art. 11 of Regulation (EU) no. 537/2014, together with any remarks;
- monitoring the financial reporting process and making recommendations or proposals aimed at guaranteeing its integrity;
- controlling the effectiveness of the internal quality control and corporate risk management systems and, if applicable, of the internal audit, as regards the financial reporting of the audited entity, without violating its independence;
- monitoring the independent audit of the Separate Financial Statements and Consolidated Financial Statements, taking also into account the results and conclusions of the quality controls performed by CONSOB pursuant to Art. 26, Par. 6, of Regulation (EU) no. 537/2014, where available;
- verifying and monitoring the independence of the independent auditors pursuant to Art. 10, Art. 10-bis, Art. 10-ter, Art. 10-querter and Art. 17 of Italian Legislative Decree no. 39/2010 and Art. 6 of Regulation (EU) no. 537/2014, in particular as regards the suitability of the provision of services other than auditing, in compliance with Art. 5 of this Regulation.

The Board of Statutory Auditors held regular meetings with representatives of EY, the independent auditors, pursuant to Art. 150, Par. 3 of the Consolidated Law on Finance and - in relation to the Financial Statements for the year ended 31 December 2021- no significant data or information worth reporting was brought to light.

The Board of Statutory Auditors was also informed by the Independent Auditors of the checks performed by the same on the regular keeping of the company accounts and the proper recognition of operating events in the accounting entries.

The Independent Auditors' Report, prepared according to the guidelines of Art. 10 of Regulation (EU) no. 537/2014 and Art. 14 of Italian Legislative Decree no. 39/2010 does not contain findings, nor requests for information. In addition, no significant errors were brought to light in regard to the Management Report relating to the Financial Statements at 31 December 2021, nor significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's ability to continue to operate as a going concern.

The Board reviewed, acting as Internal Control and Audit Committee, the Additional Report, which has not brought to light issues worth reporting.

The Control Board evaluated along with the Independent Auditors the proper and consistent use of accounting standards for the purpose of preparing the Consolidated Financial Statements.

Taking into account that - pursuant to Art. 14 of Italian Legislative Decree no. 39/2010 and Art. 41 of Italian Legislative Decree no. 127 of 9 April 1991 - the Independent Auditors' Report includes the opinion on the consistency of the Management Report with the Consolidated Financial Statements and on its compliance with legal provisions, the Board of Statutory Auditors - in performing its supervision - exchanged information with EY on the outcomes of the work performed in regard to the Consolidated Financial Statements; no anomalies worth mentioning in this Report were observed.

The Independent Auditors' Report issued by EY on the Consolidated Financial Statements for the year ended 31 December 2021 does not contain findings or requests for information. In addition, no significant errors were brought to light in regard to the Management Report, nor significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's ability to continue to operate as a going concern.

On the basis of the provisions included in Art. 19, paragraph 1, of Italian Legislative Decree no. 39/2010 and what is indicated in Art. 5, paragraph 4, of Regulation (EU) no. 537/2014, in its role of Internal Control and Accounting Audit Committee, the Board has checked and monitored the independence of the Independent Auditors.

In particular, the Control Board examined the proposals for assignment of further consultancy tasks and professional services to EY submitted to it during the financial year, checking both the compatibility of such tasks with the bans pursuant to the above mentioned Art. 5 of Regulation (EU) no. 537/2014, and the absence of potential risks for the independence of the independent auditors deriving from the performance of the same services in the light of the provisions in Italian Legislative Decree no. 39/2010 (Art. 10 et seq.) and in the Issuers' Regulation (Art. 149-bis et seq.). Further to the outcome of these investigations, the Board of Statutory Auditors considered that the tasks examined did not represent a risk for the independence of the Independent Auditors and approved the assignment of the same to EY. The fees agreed for the services in question are reported in detail in the Notes to the Financial Statements, to which reference is made.

The Control Board then attests that, based on a review of the annual statement of independence provided by EY and a detailed analysis carried out with the support of the relevant corporate units and the same Independent Auditors, taking into account the nature of the engagements conferred to the latter and/or to companies in its network, no evidence or situations were observed suggesting that there is any risk for the independence of said firm or grounds for incompatibility pursuant to the applicable laws and regulations in force.

9. Opinions issued by the Board of Statutory Auditors during the year

During the year, the Board of Statutory Auditors issued the opinions, observations and/or statements required by the laws and regulations in force as well as by internal procedures.

10. Complaints pursuant to Art. 2408 of the Italian Civil Code. Omissions, censurable events or irregularities identified, if any

During the 2021 financial year, the Board of Statutory Auditors received two complaints from the same Shareholder, Mr. Tommaso Marino, pursuant to Art. 2408 of the Italian Civil Code, of which one for alleged errors on the part of the Company with regard to the payment of the dividend relating to the 2020 financial year, and the other for lack of response to questions submitted before the 2021 Shareholders' Meeting. Having made the necessary investigations, the Board of Statutory Auditors considered both complaints submitted by Mr. Marino to be unfounded, not identifying any "reprehensible events" on the part of the Company in the first case, and that no evidence of non-compliance could be identified with regard to the operations of the same in the second case.

Conversely, the Board of Statutory Auditors did not receive any statements from third parties.

Furthermore, as part of the supervisory activity performed by the Board of Statutory Auditors and based on the information obtained from the Independent Auditors, no omissions and/or censurable events and/or irregularities were observed or, in any case, significant events worth mentioning in this Report.

11. Obligation to draft the Consolidated Financial Statements and report of the Board of Statutory Auditors

The Board of Statutory Auditors - noting that Unipol, an issuer of financial instruments listed on regulated markets and Parent Company of the Unipol insurance group, draws up, pursuant to Art. 154-ter of the Consolidated Law on Finance and IVASS Regulation no. 7, 13 July 2007 ("IVASS Regulation 7/2007"), as amended, the Consolidated Financial Statements - informs that it has verified that the obligation to draft the Consolidated Financial Statements was fulfilled by the Board of Directors on 24 March 2022.

The Consolidated Financial Statements - composed of: statement of financial position; income statement and statement of comprehensive income; statement of changes in shareholders' equity; statement of cash flows; additional notes to the financial statements, as well as annexes to the additional notes to the financial statements - conform to the international accounting standards (IAS/IFRS) issued by the IASB and endorsed by the European Union, with the relevant interpretations issued by IFRIC, according to the provisions of EU Regulation no. 1606/2002, in force at the reporting date. The layout conforms to the provisions of IVASS Regulation no. 7/2007, Part III, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies required to adopt international accounting standards. The information requested by CONSOB Communications no. DEM/6064293 of 28 July 2006 and no. DEM/11070007 of 5 August 2011 is also provided.

As previously highlighted, the Consolidated Financial Statements at 31 December 2021 of Unipol were prepared and published, in compliance with the ESEF Regulation, in the XHTML (Extensible Hypertext Markup Language) format,

6 Board of Statutory Auditors' Report

also marking some economic information with XBRL (Extensible Business Reporting Language) language specifications.

In their Report on the Consolidated Financial Statements, the Independent Auditors have expressed an opinion of conformity of the same to the previously mentioned Regulations. The Board of Statutory Auditors, in turn, verified the fulfilment of the quoted obligations in the context of the tasks pertaining to it in relation to compliance with the pro-tempore applicable laws.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the rules of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions of their legal form.

The consolidation scope at 31 December 2021 is constituted by the combination of the Unipol data with that of 55 subsidiaries, direct and indirect (pursuant to the IFRS 10 international accounting standard). Subsidiaries deemed to be too small to be of relevance are excluded from line-by-line consolidation. Associates and subsidiaries considered immaterial are measured using the equity method (in compliance with the IAS 28 international accounting standard) or stated at book value. The Consolidated Financial Statements report changes in the consolidation scope during the year. The Consolidated Financial Statements contain exhaustive and detailed information on the operating performance of the Company and the consolidated companies, on the main business sectors of Unipol and its subsidiaries (Life and Non-Life business, real estate and other businesses), the asset and financial management, the pending disputes, the significant events after the end of the financial year and the business outlook.

12. Conclusions and indications of any proposal to be presented to the Shareholders' Meeting

Based on the information acquired through its supervision during the financial year, the Board of Statutory Auditors did not become aware of transactions that were not in compliance with proper administration rules, decided and implemented in conflict with laws and/or by-laws, that did not fulfil the interests of the Company, in conflict with the resolutions taken by the Shareholders' Meeting, manifestly imprudent or risky, lacking the necessary information in the case of interests of Directors or able to jeopardise the integrity of the company assets.

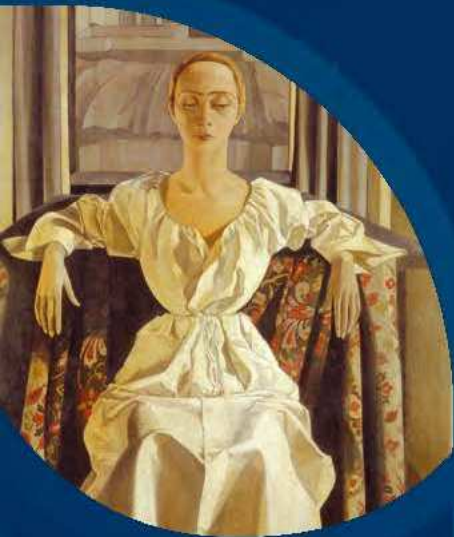
In view of the above, acknowledging the content of the Independent Auditors' Reports and the statements issued by the Chief Executive Officer and Group CEOs and the Financial Reporting Officer, the Board of Statutory Auditors does not note any impediments, as far as it is aware, to the approval of the financial statements for the year ended 31 December 2021, as presented by the Board of Directors.

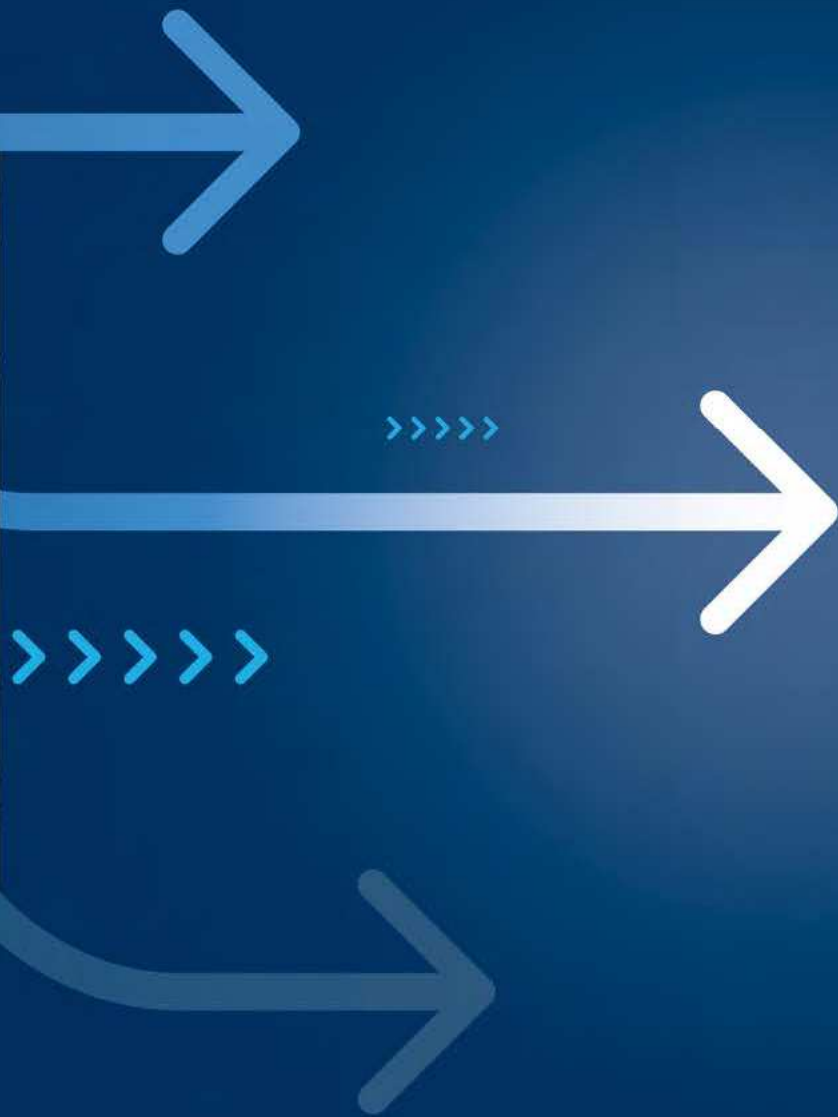
Furthermore, the Board of Statutory Auditors does not consider it necessary to express observations with regard to the proposals for the allocation of the profit for the year and the distribution of a dividend of €0.30 per share, as formulated by the Board of Directors in the meeting of 24 March 2022 and outlined in the Report to the ordinary Shareholders' Meeting convened for 28 April 2022.

Finally, we would like to remind you that the mandate of the Board of Statutory Auditors currently in office will expire at the aforementioned Ordinary Shareholders' Meeting, having reached the end of its three-year period.

Bologna, 5 April 2022

*On behalf of the Board of
Statutory Auditors*
The Chairman
Dott. Mario Civetta





7

INDEPENDENT
AUDITORS' REPORT



Building a better
working world

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
Unipol Gruppo S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unipol Gruppo S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2021, the income statement, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

EY S.p.A.
Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited



We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p>Valuation of investments in subsidiaries</p> <p>Investments in subsidiaries, classified among financial fixed assets, are recorded in the financial statements at 31 December 2021 for an amount of Eur 7.014.366 thousand, representing around 75% of total assets. These investments are recognized at purchase or subscription cost or at a value below cost if, on the basis of the financial position of the companies invested in, the investments show evidence of impairment.</p> <p>At least annually, Management evaluates the presence of any indicators of impairment losses for each investment in subsidiaries, and in case of occurrence, an impairment test is carried out determining its recoverable amount.</p> <p>The processes and valuation methods for determining the recoverable amount of each investment require the use of methodologies, sometimes complex, which imply, by their nature, the use of judgment by management when choosing the assumptions and the parameters to be applied.</p> <p>For these reasons, we considered this aspect a key audit matter.</p> <p>The financial statement information relating to investments in subsidiaries, classified among financial fixed assets, is reported in the notes to the financial statements in section "Measurement criteria" and in paragraph "B) III Financial fixed assets" in the section dedicated to the information on the statement of the financial position - Assets.</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • an understanding of management process regarding investments in subsidiaries designed by the Company and of the related key controls, as well as the testing of these controls, in particular with reference to the process used to identify impairment losses; • the performance of test of details on movements related to these investments which occurred during the financial year; • the evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to determine the recoverable amounts and the verification of the related results. <p>We also involved valuation specialists to assist us in performing our audit procedures. Finally, we assessed the adequacy of the disclosures provided in the notes to the financial statements.</p>

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements, that give a true and fair view in accordance with Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated 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 have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all 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 have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/2014

The shareholders of Unipol Gruppo S.p.A., in the general meeting held on April 18, 2019, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2021 to December 31, 2029.

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

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) n. 815/2019

The Directors of Unipol Gruppo S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) n. 815/2019 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Unipol Gruppo S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Unipol Gruppo S.p.A. as at December 31, 2021, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Unipol Gruppo S.p.A. as at December 31, 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.



In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Unipol Gruppo S.p.A. as at December 31, 2021 and comply with the applicable laws and regulations. With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 5th April 2022

EY S.p.A.
Signed by: Paolo Ancona, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Unipol Gruppo S.p.A.

Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)
unipol@pec.unipol.it
Tel. +39 051 5076111
Fax +39 051 5076666

Share capital
€3,365,292,408.03 fully paid-up
Bologna Register of Companies
Tax No. 00284160371
VAT No. 03740811207
R.E.A. No.160304

Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

unipol.it



unipol.it

Unipol Gruppo S.p.A.
Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)