

INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2022

(Translation into English of the original Italian version)



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84
MILANO MONZA-BRIANZA LODI COMPANY REGISTER AND TAX CODE N. 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
REGISTERED OFFICE: 20121 MILANO, VIA CIOVASSINO, 1/A - TEL. 02.467501
OFFICES: 78280 GUYANCOURT (FRANCE), IMMEUBLE DE RENAISSANCE , AVENUE CLAUDE MONET, 1
SITO INTERNET: WWW.SOGEFIGROUP.COM

BOARD OF DIRECTORS' REPORT

ON OPERATIONS

AS AT SEPTEMBER 30, 2022

THE AUTOMOTIVE MARKET IN 2022

In the third quarter of 2022 world car production recorded growth of 27.5% compared to the same period of 2021 (+38.4% in Europe), after falling by 1.8% in the first half of 2022 because of difficulties in sourcing parts and raw materials, which had already begun in 2021, and the effects of the conflict between Russia and Ukraine.

Thanks to the recovery in the third quarter, world motor vehicle production was up by 7.5% in the first nine months of 2022 compared to the same period of 2021, with increases in all geographical areas: +2.8% in Europe, +10.6% in NAFTA, +10% in Mercosur, +11.1% in China and +23.7% in India.

Despite the recovery in the first nine months of 2022, world car productions is still lower than it was in 2019, -8.9%, with Europe at -26.3%.

The trend of the market remains uncertain; S&P Global (IHS), a source commonly used in the sector, is forecasting growth in world car production compared to 2021 of 2.2% for fourth quarter 2022 and 6% for the whole year 2022.

INFORMATION ON OPERATIONS

The Group's consolidated **revenues** grew by 17.7% compared to the first nine months of 2021: the rise in sales was due to the growth in production volumes (+3.4%), to the adjustment of selling prices to the increases in the cost of raw materials and to the evolution of exchange rates (at constant exchange rates the rise in revenues would be 11.7%).

The performance of the third quarter was particularly positive (+29.4%), even at constant exchange rates (+21%).

The **economic results** were positive and showed a distinct improvement:

- EBITDA¹ was higher at Euro 151.3 million, up from Euro 144.1 million in the first nine months of 2021;
- EBIT came in at Euro 62.3 million (5.3% of revenues), and was up by 26% from Euro 49.4 million in 2021 (5% of revenues);
- Net income came to Euro 33.0 million (in 2021 the net result was Euro 24.3 million for continuing operations and Euro -2.0 million including discontinued operations);
- Business generated a positive free cash flow of Euro 31.6 million (Euro 25.1 million in 2021);
- Net debt (before IFRS 16) declined to Euro 219.7 million at 30 September 2022 from Euro 258.2 million at 31 December 2021.

Significant Investments were made in **innovation** with progress throughout the period:

¹ EBITDA is calculated by adding to the item "Ebit" the item "Amortization" and the amount of the write-downs of tangible and intangible fixed assets included in the item "Other non-operating costs (revenues)", equal to Euro 0.9 million at 30 September 2022 (Euro 8.2 million in the corresponding period of the previous year).

- The SOGEFI cabin filter CabinHepa+, which uses HEPA media (High Efficiency Particulate Air) and filters mechanically capturing particles that are 50 times smaller than a conventional cabin filter, was nominated product of the year in France;
- At Marckolsheim in France the inauguration took place of the European E-Mobility Tech Center, which is equipped with the largest 3D printer in Europe and is devoted to the research and development of new products for E-mobility;
- In September the innovative cooling plates for EV platforms were presented at the Novi Michigan Battery Show and received a great deal of customer interest.

In the first nine months of the year **commercial activity** was buoyant, with important contracts obtained even in the EV sector:

- The Filtration division obtained contracts for the supply of air purification filters, oil and fuel module filters in Europe and India;
- The Suspensions division signed contracts in Europe for the supply of coil springs and stabilizer bars – the majority of which will be produced in Romania – and three new contracts for the supply of stabilizer bars for electric or plug-in hybrid vehicles. 43% of the total estimated value of the new contracts obtained in 2022 is for E-mobility platforms;
- The Air and Cooling division obtained important contracts in NAFTA, Europe and China for the supply of thermal management products and cooling plates for electric mobility. 54% of the total value of these new contracts is for E-mobility platforms.

Moreover, in line with ESG strategies for reducing energy from non-renewable sources, Sogefi has installed photovoltaic panels at its plants in Nules (Spain) and Pune (India) with the aim of mitigating its impact on climate change. These solar panels will make it possible to cover approximately 20% of the energy requirements of the plants involved.

Finally, with regard to market criticalities relating to the procurement and prices of raw materials and energy, Sogefi has always satisfied the demand of its customers and the sales prices have been adjusted to take into account the increases in the cost of raw materials. Since these critical issues have not yet been resolved, Sogefi management remains committed to always seeking solutions to serve its customers, reaching fair agreements with all customers to cope with the increases, as already happened in the first months of the year, in order to continue long-term sustainable business relationships.

RESULTS FOR THE FIRST NINE MONTHS OF 2022

Revenues for the first nine months of 2022 came in at Euro 1,165.6 million, posting growth of 17.7% compared to the same period of 2021.

The increase at constant exchange rates was 11.7%: sales volumes were up by 3.4% on those of the first nine months of 2021 and the remaining part of the increase reflects the adjustment of the selling prices of the various product lines to the evolution of the costs of raw materials and of the components used.

Revenues by geographical area

(in millions of Euro)	9M 2022	9M 2021	reported change 2022 vs 2021	constant exchange rates 2022 vs 2021	reference market production
	<i>Amount</i>	<i>Amount</i>	%	%	%
Europe	668.6	622.3	7.4	7.2	2.8
North America	254.8	195.1	30.6	17.4	10.6
South America	85.2	54.1	57.4	19.8	10.0
Asia	161.9	126.7	27.9	17.6	13.0
- of which China	84.6	71.2	18.9	7.8	11.1
Intercompany eliminations	(4.9)	(8.2)			
TOTAL	1,165.6	990.0	17.7	11.7	7.5

All geographical areas reported growth: +7.4% in Europa, +30.6% in North America (+17.4% at constant exchange rates), +57.4% in South America (+19.8% at constant exchange rates, net of inflation in Argentina), +27.9% in Asia (+17.6% at constant exchange rates).

Revenues by Business Unit

(in millions of Euro)	9M 2022	9M 2021	reported change 2022 vs 2021	constant exchange rates 2022 vs 2021
	<i>Amount</i>	<i>Amount</i>	%	%
Suspensions	419.6	338.2	24.1	16.7
Filtration	403.0	345.0	16.8	12.8
Air&Cooling	345.9	309.2	11.9	4.8
Intercompany eliminations	(2.9)	(2.4)	0.6	
TOTAL	1,165.6	990.0	17.7	11.7

Suspensions reported an increase in revenues of 24.1% (+16.7% at constant exchange rates), with significant growth rates particularly in South America, North America and India.

Filtration reported an increase in revenues of 16.8% (+12.8% at constant exchange rates), thanks to the good performance of the after-market channel in Europe and of business activity in North America and India.

Air and Cooling reported an increase in revenues of 11.9% (+4.8% at constant exchange rates), negatively affected by a decline in Europe, which in 2021 had realized a non-recurring gain on the sale of a special project.

P&L Highlights

(in millions of Euro)	Note (*)	9M 2022		9M 2021		Change	
		Amount	%	Amount	%	Amount	%
Sales revenues		1165.6	100.0	990.0	100.0	175.6	17.7
Variable cost of sales		842.8	72.3	679.2	68.6	163.6	24.1
CONTRIBUTION MARGIN		322.8	27.7	310.8	31.4	12.0	3.8
Fixed Costs	(a)	168.9	14.5	162.2	16.4	6.7	4.1
Restructuring costs		8.0	0.7	2.3	0.2	5.7	243.6
Other expenses (income)	(b)	(5.4)	(0.5)	2.2	0.2	(7.6)	(352.1)
EBITDA	(c)	151.3	13.0	144.1	14.6	7.2	5.0
Depreciation and amortization/Write-downs	(d)	89.0	7.7	94.7	9.6	(5.7)	(6.1)
EBIT		62.3	5.3	49.4	5.0	12.9	26.0
NET INCOME (LOSS) OF OPERATING ACTIVITIES		34.2	2.9	24.3	2.5	9.9	40.6
Net income (loss) from discontinued operations, net of tax effects		-	-	(24.7)	(2.5)	24.7	100.0
Loss (Income) attributable to non-controlling interests		(1.2)	(0.1)	(1.6)	(0.2)	0.4	28.0
GROUP NET RESULT		33.0	2.8	(2.0)	(0.2)	35.0	-

(*) The notes in the table are explained in detail in the annex at the end of this report

EBITDA, amounting to Euro 151.3 million, rose by 5% from Euro 144.1 million in the first nine months of 2021; the EBITDA/Revenues ratio declined to 13% from 14.6% in the first nine months of 2021.

In order to understand the evolution of profitability, it is necessary to consider that the higher costs for materials and energy have been offset by the rise in selling prices; however, the increase by the same amount in revenues and in the cost of materials used has caused a dilution of the profitability index.

The contribution margin has risen by 3.8% compared to the first nine months of 2021, in line with the increase in volumes sold, and the ratio of the contribution margin/revenues % has declined to 27.7% from 31.4% for the first nine months of 2021 as a result of the dilution effect described above.

The impact of fixed costs on revenues has declined from 16.4% in the same period of 2021 to the current 14.5%.

EBIT came to Euro 62.3 million (5.3% of revenues) and was up by 26% from Euro 49.4 million in 2021 (5% of revenues).

Financial expense, totalling Euro 13.6 million, was in line with the figure for the first nine months of 2021 (Euro 13.4 million).

Tax expense increased to Euro 14.5 million (Euro 13.2 million in 2021).

Income from operating activity came in at Euro 34.2 million, up from Euro 24.3 million in the first nine months of 2021.

No results were reported for discontinued operations or operations held for sale, while in the same period of last year the sale of the Filtration branches in Brazil and Argentina gave a negative accounting result of Euro 24.7 million.

The group reported **net income** of Euro 33.0 million (Euro -2.0 million in the first nine months of 2021).

Free Cash Flow was a positive Euro 31.6 million, up from Euro 25.1 million in the first nine months of 2021. The increase reflects the positive evolution of results and the change in working capital in the period, which was less unfavourable than the first nine months of 2021 because there was greater use of factoring.

At 30 September 2022 **shareholders' equity**, excluding minority interests, amounted

to Euro 248.5 million versus Euro 187.7 million at 31 December 2021.

The rise reflects the net result for the period, positive currency translation differences, actuarial gains, the fair value of cash flow hedging instruments, and other changes.

Net financial debt before IFRS 16 stood at Euro 219.7 million at 30 September 2022, lower than at the close of 2021 (Euro 258.2 million) and at 30 September 2021 (Euro 267.4 million). Including financial payables for rights of use, as per IFRS 16, net debt at 30 September 2022 totalled Euro 292.7 million, down from Euro 327.6 million at 31 December 2021.

At 30 September 2022 the Group had committed credit lines in excess of its requirements for Euro 294 million.

The **employees** of Sogefi Group as of September 30, 2022 were 5,465, compared to 5,610 as of September 31, 2021 and 5,462 as of December 31, 2021.

PERFORMANCE OF BUSINESS UNITS

Filtration Business Unit

In the first nine months of 2022, the business unit achieved revenues of Euro 403 million, up by 16.8% (+ 12.8% at constant exchange rates) compared to the same period of 2021, thanks to the good performance of the channel After Market in Europe, which has acquired new market share, and activities in North America and India.

EBITDA amounted to Euro 60.8 million, an increase compared to Euro 53.3 million in the corresponding period of 2021, and the EBITDA margin was 15.1%, substantially in line with 15.5% for the first nine months of 2021.

EBIT was positive for Euro 37.9 million, an increase compared to the 26.2 million of the first nine months of 2021, with an operating profit up to 9.4% compared to the same period of the previous year (7.6 %).

The employees of the business unit as of September 30, 2022 were 1,971 (1,974 as of December 31, 2021 and 2,106 as of September 30, 2021).

Suspension Business Unit

In the first nine months of 2022, the business unit generated revenues of Euro 419.6 million, with growth of 24.1% at historical exchange rates and 16.7% at constant exchange rates, which reflects the dynamics of the activity in South America. North America and India and the adjustment of sales prices.

EBITDA was equal to Euro 23.5 million, down from Euro 29.9 million in 2021, and the EBITDA margin fell to 5.6% from 8.8% in the same period of 2021; EBIT was negative for Euro 5.4 million, compared to Euro +1.6 million in the first nine months of 2021. This evolution compared to 2021 is due to the recording in 2021 of non-recurring income, without which the results of the two periods would be almost aligned. The profitability of the division remains insufficient and structural interventions are underway aimed at recovering efficiency and profitability.

The employees of the business unit as of September 30, 2022 were 2,233 (2,267 as of December 31, 2021 and 2,296 as of September 30, 2021).

Air & Cooling Business Unit

In the first nine months of 2022, the business unit achieved revenues of Euro 345.9 million, up 11.9% and 4.8% at constant exchange rates, with NAFTA and China growing, in line with the performance of the respective markets. As for Europe, the turnover is lower than in 2021 mainly due to non-recurring revenues of Euro 14.4 million recorded in 2021 for the sale of a special project.

EBITDA was Euro 58.3 million, higher than in the same period of the previous year (Euro 57.4 million); the EBITDA margin was 16.9%, down slightly from 18.5% in the first nine months of 2021, mainly reflecting the dilution due to the increase in prices to offset the increase in costs for raw materials.

EBIT amounted to Euro 25.4 million, an increase compared to Euro 22.4 million in the same period of the previous year.

The employees of the business unit as at 30 September 2022 were 1,203 (1,169 as of 31 December 2021 and 1,152 as of 30 September 2021).

PERFORMANCE IN THE THIRD QUARTER OF 2022

The following table provides comparative figures of the income statement for the second quarter compared with the corresponding quarter of the previous year.

(in millions of Euro)	Note (*)	Q3 2022		Q3 2021		Change	
		Amount	%	Amount	%	Amount	%
Sales revenues		409.6	100.0	316.6	100.0	93.0	29.4
Variable cost of sales		299.1	73.0	216.3	68.3	82.8	38.3
CONTRIBUTION MARGIN		110.5	27.0	100.3	31.7	10.2	10.2
Fixed Costs	(a)	56.7	13.9	51.9	16.4	4.8	9.2
Restructuring costs		3.8	0.9	1.0	0.3	2.8	285.0
Other expenses (income)	(b)	(1.5)	(0.4)	11.6	3.7	(13.1)	(113.0)
EBITDA	(c)	51.5	12.6	35.8	11.3	15.7	44.0
Depreciation and amortization/Write-downs	(d)	29.7	7.3	33.7	10.6	(4.0)	(12.0)
EBIT		21.8	5.3	2.1	0.7	19.7	945.2
NET INCOME (LOSS) OF OPERATING ACTIVITIES		13.1	3.2	(2.1)	(0.6)	15.2	(732.0)
Net income (loss) from discontinued operations, net of tax effects		-	-	(21.2)	(6.8)	21.2	100.0
Loss (Income) attributable to non-controlling interests		(0.9)	(0.2)	(0.1)	-	(0.8)	607.8
GROUP NET RESULT		12.2	3.0	(23.4)	(7.4)	35.6	152.1

(*) The notes in the table are explained in detail in the annex at the end of this report.

In the third quarter of 2022, Sogefi reported **revenues** of Euro 409.6 million, posting an increase of 29.4% (+21% at constant exchange rates), thanks to the market recovery, the adjustment of selling prices and the positive effect of exchange rates. The dynamics of revenues, even at constant exchange rates, was particularly positive and outperformed the market in Asia and North America.

EBITDA came in at Euro 51.5 million, 12.6% of revenues, versus Euro 35.8 million in the third quarter of 2021 (11.3% of revenues).

EBIT was a positive Euro 21.8 million (Euro 2.1 million in third quarter 2021).

Net income from operating activities was Euro 13.1 million (Euro -2.1 million in third quarter 2021).

The consolidated **net result** was Euro 12.2 million compared to Euro -23.4 million in the third quarter of 2021, which suffered a negative accounting charge of Euro 21.2 million on the sale of the filtration business in Argentina.

IMPACT OF COVID-19 AND THE RUSSIAN-UKRAINE CONFLICT ON THE BUSINESS

In 2022, despite the continuing pandemic, there has been no suspension of industrial or commercial activity except for the lockdowns in certain areas of China. The Sogefi Group has maintained all the rules for health and safety in the workplace aimed at reducing the risk of contagion: social distancing, the use of individual protection and measures aimed at limiting the presence of personnel in the workplace by having staff work from home. Despite this, staff absences due to contagion or to contact with the virus have continued, causing operating difficulties.

As for the consequences of the conflict between Russia and Ukraine, it should be noted that in March 2022 the Group ceased its commercial activity in Russia and exports to Ukraine and Belarus; the total revenues of the above activities were not significant (in 2021 they accounted for 0.7% of the Group's revenues) and thus the loss of revenues has been irrelevant. However, discontinuing business in Russia meant recognizing losses in the value of assets held in that country of Euro 0.9 million.

In more general terms, the Group, like all of the automotive sector, is feeling the indirect effects of the war particularly the further hikes in the prices of energy and raw materials and the sourcing difficulties.

Lastly, as a combined effect of the pandemic crisis that is still not over and of the Russian-Ukrainian conflict, with a significant impact on important European customers for whom the Russian market was important, demand in Europe has not recovered as expected.

SIGNIFICANT SUBSEQUENT EVENTS AFTER 30 SEPTEMBER 2022

Since the close of the period, there have been no significant events that could have an impact on the economic, patrimonial or financial information contained in this press release.

OUTLOOK FOR THE YEAR

Visibility as to the performance of the automotive market in the fourth quarter of 2022 remains limited because of the uncertainty linked to the conflict between Russia and Ukraine, the macroeconomic scenario, the availability and prices of raw materials and energy, and the logistics of transportation and sourcing from Asian markets.

For 2022, S&P Global (IHS) expects higher volumes to continue in the fourth quarter too and is forecasting growth in world car production of 6% for the whole year compared to 2021 with Europe at +5.4%, NAFTA at +10.9%, South America at +6.7% and China at +6.4%.

As for the prices of raw materials, as from April the rising trend of steel prices came to an end while the prices of other materials such as resin and energy prices continue to rise.

It should be noted that in the first nine months of 2022 the selling prices of Sogefi's products were adjusted to factor in the higher costs of raw materials recorded in 2021 and at the beginning of 2022. Given the further rises in the cost of certain raw materials and energy, Sogefi's management is continuing in its commitment to reaching fair

agreements with all its customers with the aim of continuing commercial relationships that are sustainable in the long term.

Assuming that there are no other factors that could seriously worsen the macroeconomic and production scenario (a significant tightening of the sanctions imposed on Russia, a deterioration of the Russian-Ukrainian conflict, further shortages and higher prices of energy and raw materials than current ones, such that could compromise the sustainability of the supply chain, further lockdowns), Sogefi expects to achieve an operating result for the whole year 2022, excluding non-recurring charges, that is at least in line with the result for 2021.

Milan, 21 October 2022

For THE BOARD OF DIRECTORS

The Chief Executive Officer

Frédéric Sipahi

ANNEX: NOTES RECONCILING THE FINANCIAL STATEMENTS SHOWN IN
THE REPORT ON OPERATIONS AND THE CONSOLIDATED FINANCIAL
STATEMENTS AT 30 SEPTEMBER, 2022

- (a) The item corresponds to the sum of the lines “Manufacturing and R&D overheads”, “Distribution and sales fixed expenses” and “Administrative and general expenses”;
- (b) The item corresponds to the sum of the lines “Losses (gains) on disposal”, “Exchange (gains) losses” and “Other non-operating expenses (income)”, with the exception of the amount relating to the write-downs of tangible and intangible fixed assets;
- (c) The item corresponds to the sum of the lines “EBIT”, “Depreciation and amortization” and the amount of the write-downs of tangible and intangible fixed assets included in the item “Other non-operating expenses (income)”;
- (d) The item corresponds to the sum of the lines “Depreciation and amortization” and the amount of the write-downs of tangible and intangible fixed assets included in the item “Other non-operating expenses (income)”.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	09.30.2022	12.31.2021
CURRENT ASSETS		
Cash and cash equivalents	140.0	120.9
Other financial assets	1.7	1.3
Inventories	133.3	111.9
Trade receivables	186.9	136.7
Other receivables	14.0	10.9
Tax receivables	29.2	25.6
Other assets	5.0	2.7
ASSETS HELD FOR SALE	-	-
TOTAL CURRENT ASSETS	510.1	410.0
NON-CURRENT ASSETS		
Land	12.2	12.2
Property, plant and equipment	375.2	368.6
Other tangible fixed assets	6.5	4.7
Rights of use	69.1	67.4
Intangible assets	230.6	236.7
Other financial assets	1.1	-
Financial receivables	9.4	4.0
Other receivables	36.5	38.8
Deferred tax assets	31.7	36.3
TOTAL NON-CURRENT ASSETS	772.3	768.7
TOTAL ASSETS	1,282.4	1,178.7

LIABILITIES	09.30.2022	12.31.2021
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	1.2	2.0
Current portion of medium/long-term financial debts and other loans	56.0	86.9
Short-term financial debts for rights of use	19.4	17.1
Other short-term liabilities for derivative financial instruments	-	-
Trade and other payables	372.1	317.6
Tax payables	9.8	4.8
Other current liabilities	38.8	33.5
Current provisions	12.8	16.7
LIABILITIES RELATED TO ASSETS HELD FOR SALE	-	-
TOTAL CURRENT LIABILITIES	510.1	478.6
NON-CURRENT LIABILITIES		
Financial debts to bank	253.9	219.0
Non current portion of medium/long-term financial debts and other loans	59.8	74.2
Medium/long-term financial debts for right of use	54.6	54.4
Other medium/long-term financial liabilities for derivative financial instruments	-	-
Non-current provisions	45.4	56.3
Other payables	68.3	65.9
Deferred tax liabilities	25.4	25.3
TOTAL NON-CURRENT LIABILITIES	507.4	495.1
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	153.0	123.2
Group net result for the period	33.0	2.0
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	248.5	187.7
Non-controlling interests	16.4	17.3
TOTAL SHAREHOLDERS' EQUITY	264.9	205.0
TOTAL LIABILITIES AND EQUITY	1,282.4	1,178.7

SHAREHOLDERS' EQUITY

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2021	187.7	17.3	205.0
Dividends	-	(2.1)	(2.1)
Currency translation differences	8.5	-	8.5
Actuarial gain (loss)	9.0	-	9.0
Fair value cash flow hedging instruments	4.4	-	4.4
Other changes	5.9	-	5.9
Net result for the period	33.0	1.2	34.2
Balance at September 30, 2022	248.5	16.4	264.9

CONSOLIDATED INCOME STATEMENT

(in millions of Euro)	Period		Period		Change	
	01.01 – 09.30.2022		01.01 – 09.30.2021			
	Amount	%	Amount	%	Amount	%
Sales revenues	1165.6	100.0	990.0	100.0	175.6	17.7
Variable cost of sales	842.8	72.3	679.2	68.6	163.6	24.1
CONTRIBUTION MARGIN	322.8	27.7	310.8	31.4	12.0	3.8
Manufacturing and R&D overheads	91.7	7.9	88.5	8.9	3.2	3.6
Depreciation and amortization	88.1	7.6	86.5	8.7	1.6	1.9
Distribution and sales fixed expenses	23.7	2.0	22.2	2.2	1.5	6.7
Administrative and general expenses	53.5	4.6	51.5	5.3	2.0	3.8
Restructuring costs	8.0	0.7	2.3	0.2	5.7	243.6
Losses (gains) on disposal	0.1	0.0	0.0	0.0	0.1	-
Exchange (gains) losses	(5.2)	(0.4)	(2.1)	(0.2)	(3.1)	(142.4)
Other non-operating expenses (income)	0.6	(0.0)	12.5	1.3	(11.9)	(95.2)
EBIT	62.3	5.3	49.4	5.0	12.9	26.0
Financial expenses	16.6	1.4	15.6	1.6	1.0	6.3
Financial (income)	(3.0)	(0.3)	(2.2)	(0.2)	(0.8)	36.3
Losses (gains) from equity investments	-	-	(1.5)	(0.2)	1.5	100.0
RESULT BEFORE TAXES	48.7	4.2	37.5	3.8	11.2	29.6
Income taxes	14.5	1.3	13.2	1.3	1.3	10.2
NET INCOME (LOSS) OF OPERATING ACTIVITIES	34.2	2.9	24.3	2.5	9.9	40.6
Net income (loss) from discontinued operations, net of tax effects	-	-	(24.7)	(2.5)	24.7	100.0
NET RESULT INCLUDING THIRD PARTY	34.2	2.9	(0.4)	0.0	34.6	-
Loss (Income) attributable to non-controlling interests	(1.2)	(0.1)	(1.6)	(0.2)	0.4	28.0
GROUP NET RESULT	33.0	2.8	(2.0)	(0.2)	35.0	-

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER 2022

(in millions of Euro)	Period		Period		Change	
	07.01 – 09.30.2022		07.01 – 09.30.2021			
	Amount	%	Amount	%	Amount	%
Sales revenues	409.6	100.0	316.6	100.0	93.0	29.4
Variable cost of sales	299.1	73.0	216.3	68.3	82.8	38.3
CONTRIBUTION MARGIN	110.5	27.0	100.3	31.7	10.2	10.2
Manufacturing and R&D overheads	30.8	7.6	27.9	8.8	2.9	10.7
Depreciation and amortization	29.5	7.2	28.7	9.0	0.8	3.0
Distribution and sales fixed expenses	7.8	1.9	7.2	2.3	0.6	8.0
Administrative and general expenses	18.1	4.4	16.8	5.3	1.3	7.3
Restructuring costs	3.8	0.9	1.0	0.3	2.8	285.0
Losses (gains) on disposal	0.1	0.0	0.0	0.0	0.1	0.0
Exchange (gains) losses	(1.3)	(0.3)	(1.0)	(0.3)	(0.3)	(34.9)
Other non-operating expenses (income)	(0.1)	-	17.6	5.6	(17.7)	(100.6)
EBIT	21.8	5.3	2.1	0.7	19.7	945.2
Financial expenses	4.8	1.2	4.6	1.5	0.2	5.2
Financial (income)	(0.4)	(0.1)	(0.5)	(0.2)	0.1	(19.7)
Losses (gains) from equity investments	-	-	0.0	0.0	0.0	-
RESULT BEFORE TAXES	17.4	4.2	(2.0)	(0.6)	19.4	985.4
Income taxes	4.3	1.0	0.1	0.0	4.2	0.0
NET INCOME (LOSS) OF OPERATING ACTIVITIES	13.1	3.2	(2.1)	(0.6)	15.2	(732.0)
Net income (loss) from discontinued operations, net of tax effects	-	-	(21.2)	(6.8)	21.2	100.0
PARTY	13.1	3.2	(23.3)	(7.4)	36.4	156.1
Loss (Income) attributable to non-controlling interests	(0.9)	(0.2)	(0.1)	-	(0.8)	607.8
GROUP NET RESULT	12.2	3.0	(23.4)	(7.4)	35.6	152.1

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)	09.30.2022	12.31.2021	09.30.2021
A. Cash	140.0	120.9	126.9
B. Cash equivalent	-	-	-
C. Other current financial assets	11.1	5.1	5.3
D. Liquidity (A) + (B) + (C)	151.1	126.0	132.2
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	1.2	2.0	0.9
F. Current portion of non-current financial debt	75.4	104.1	68.1
G. Current financial indebtedness (E) + (F)	76.6	106.1	69.0
H. Net current financial indebtedness (G) - (D)	(74.5)	(19.9)	(63.2)
I. Non-current financial debt (excluding the current portion and debt instruments)	308.5	273.3	318.2
J. Debt instruments	59.8	74.2	80.5
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I) + (J) + (K)	368.3	347.5	398.7
M. Total financial indebtedness (H) + (L)	293.8	327.6	335.5
Other non current financial assets	(1.1)	-	-
Financial indebtedness net, including other non current financial receivables (as Net Financial Position reported in Consolidated Cash Flow Statement)	292.7	327.6	335.5

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	09.30.2022	12.31.2021	09.30.2021
SELF-FINANCING	118.8	124.6	93.5
Change in net working capital	(16.0)	(13.0)	(23.6)
Other medium/long-term assets/liabilities	10.0	28.8	23.1
CASH FLOW GENERATED BY OPERATIONS	112.8	140.4	93.0
Net decrease from sale of fixed assets	0.4	21.1	15.8
TOTAL SOURCES	113.2	161.5	108.8
TOTAL APPLICATION OF FUNDS	73.8	120.0	75.2
Net financial position of subsidiaries purchased/sold during the period	-	(5.4)	(5.5)
Exchange differences on assets/liabilities and equity	(7.8)	(3.7)	(3.0)
FREE CASH FLOW	31.6	32.4	25.1
Dividends paid by subsidiaries to non-controlling interests	(2.1)	(3.0)	(3.0)
Change in fair value derivative instruments	5.4	1.1	0.5
CHANGES IN SHAREHOLDERS' EQUITY	3.3	(1.9)	(2.5)
Change in net financial position	34.9	30.5	22.6
Opening net financial position	(327.6)	(358.1)	(358.1)
CLOSING NET FINANCIAL POSITION	(292.7)	(327.6)	(335.5)

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

The consolidated Interim financial report as at September 30, 2022, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated companies have been duly reclassified and adjusted.

The interim financial report has been drawn up in accordance with the provisions of art. 154-ter, paragraph 5 of Legislative Decree no. 58 of 2/24/98 (Consolidated Law on Finance) and subsequent amendments. Therefore, the provisions of the international accounting standard regarding interim financial information (IAS 34 “Interim financial reporting”) have not been adopted.

2. Consolidation principles

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used as at December 31, 2021.

3. Accounting Standards applied

The accounting standards applied in the preparation of the financial statements as at September 30, 2022 are the same as those applied to the financial statements as at December 31, 2021.

This financial information has been prepared on a going concern basis.

**DECLARATION PURSUANT TO ART. 154-BIS, PARAGRAPH 2,
LEGISLATIVE DECREE NO. 58/1998**

Subject: Interim financial report as at September 30, 2022

The undersigned, Mrs Maria Beatrice De Minicis - Manager responsible for preparing the Company's financial reports-

declares

pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the document results, books and accounting records.

Milan, October 21, 2022

SOGEFI S.p.A
(Maria Beatrice De Minicis)