

**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AS AT 30 JUNE 2022**  
**(Translation into English of the original Italian version)**



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84  
COMPANY REGISTER OF MILAN MONZA-BRIANZA LODI AND TAX CODE 00607460201  
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.  
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## CORPORATE BODIES

Honorary Chairman CARLO DE BENEDETTI

### BOARD OF DIRECTORS

Chairman MONICA MONDARDINI (1)

Chief Executive Officer FRÉDÉRIC SIPAHI (1)

Directors PATRIZIA ARIENTI (3) - (4)  
MAHA DAOUDI (3)  
RODOLFO DE BENEDETTI  
MAURO MELIS (2) - (3) - (4) - (5)  
RAFFAELLA PALLAVICINI  
MASSIMILIANO PICARDI (2) - (4)  
CHRISTIAN STREIFF (2)

Secretary to the Board NICCOLO' MORESCHINI

### BOARD OF STATUTORY AUDITORS

Chairman DANIELA DELFRATE

Acting Auditors RITA ROLLI  
GIOVANNI BARBARA

Alternate Auditors LUCA DEL PICO  
ANNA MARIA ALLIEVI  
MARIA PIA MASPES

### INDEPENDENT AUDITORS

KPMG S.p.A.

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Disclosure under Consob Recommendation no. 97001574 of 20 February 1997:

- (1) Powers as per Corporate Governance.
- (2) Members of the Appointment and Remuneration Committee.
- (3) Members of the Control, Risk and Sustainability Committee.
- (4) Members of the Committee on Related Party Transactions.
- (5) Lead independent director.

## BOARD OF DIRECTORS' REPORT ON OPERATIONS OF THE SOGEFI GROUP IN THE FIRST HALF OF 2022

This Condensed Interim Consolidated Financial Statements as at 30 June 2022 contains the Group's consolidated financial statements and explanatory and supplementary notes prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and prepared in accordance with IAS 34 - Interim Financial Reporting applicable on interim financial reporting.

### THE AUTOMOTIVE MARKET IN 2022

The first half of 2022 saw the difficulty in sourcing specific components and raw materials continue (even causing the temporary closure of certain of the principal car manufacturers' production facilities worldwide) while commodity prices continued to rise. As from March 2022 the effects of the conflict between Russia and Ukraine and of the economic and financial sanctions imposed on Russia began to be felt, particularly the decline in world trade and further rises in the prices of energy and raw materials.

Against this backdrop, world car production fell by 1.8% in first half 2022 compared to the first half of 2021.

Europe reported the most critical performance: -7.6% compared to first half 2021; in China and Mercosur production in the first half was broadly in line with that of the first half of 2021 (+0.7% and -0.6% respectively), while NAFTA and India experienced a recovery (+4.7% and +16.4% respectively).

The trend of the market remains uncertain; S&P Global (IHS) expects to see growth in world production of 4.7% for the whole year compared to 2021, with +11.5% in the second half compared to second half 2021, after the -1.8% of the first half.

### KEY MANAGEMENT INFORMATION

The Group's consolidated **revenues** grew by 12.3% compared to the first half of 2021: production volumes were substantially in line with 2021 (a positive performance compared to the market's -1.8%) and the rise in revenues was due to the evolution of exchange rates and to the adjustment of selling prices to the higher costs of raw materials.

Worthy of note is the positive performance of the After Market segment, which gained market share thanks to its ability to respond adequately to client requirements, despite difficulties in the logistics chain.

The **economic results** were positive:

- net income came in at Euro 20.8 million (Euro 21.4 million in 2021),
- Free cash flow was positive at Euro 41.2 million (Euro 33.1 million in 2021),
- Net debt (pre IFRS16) declined to Euro 216.4 million at 30 June 2022, compared to Euro 258.2 million at 31 December 2021.

From the **product innovation** viewpoint, SOGEFI'S CabinHepa+ cabin filter, which uses HEPA (High Efficiency Particulate Air) media and filters the air mechanically, capturing particles 50 times smaller than a conventional cabin filter, was nominated product of the year 2022 in France. The inauguration took place of the new European E-Mobility Tech Center in Marckolsheim, Eastern France, which is devoted to the

research and development of new E-mobility products and is equipped with the largest 3D printer in Europe.

The first half was also positive for **commercial activity**:

- the Filtration division was awarded various contracts for the supply of oil filters and air purification filters;
- the Suspension division signed contracts in Europe for the supply of coil springs and stabiliser bars and also won a contract to supply stabiliser bars to an important Chinese company that is entering the electric vehicle market;
- the Air & Cooling division signed some important contracts in NAFTA and Europe for the supply of thermal management products and cooling plates for electric mobility and the most important contract ever obtained with a producer of electric commercial vehicles and buses for the production of cooling plates in aluminium soldered using laser technology to regulate the temperature of the battery, integrated cooling modules and regulation and vent valves for the battery.

Finally, with regard to critical market issues relating to procurement and raw material prices, Sogefi Group has always met the demand of its customers and sales prices have been adjusted to take into account increases in raw material costs. The Russia/Ukraine conflict has led to a further escalation and increased volatility of raw material prices, and Group's management is committed to seeking fair agreements with all customers, as was already the case in the first months of the year, in order to continue sustainable long-term business relations.

## **RESULTS FOR THE FIRST HALF OF 2022 <sup>1</sup>**

The **revenues** of first half 2022 came in at € 756.0 million and were up by 12.3% on those of the same period of 2021.

Production volumes were substantially in line with those of the first half of 2021 and the Group outperformed the market (which declined by 1.8% globally and by 7.6% in Europe).

The trend of exchange rates, particularly the weakness of the euro and the consequent strengthening of the US and Canadian dollars and the Chinese renminbi, led to a rise in consolidated revenues of 2.9 percentage points. The remaining increase in revenues reflects the adjustment of selling prices across the different product lines to factor in the evolution of the cost of raw materials and the components used.

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<sup>1</sup> The figures for the first half-year 2021 include the application of IFRS 5 (“Non-current Assets Held for Sale and Discontinued Operations”) to the subsidiary of the Filtration business unit in Argentina sold in August 2021.

## Sales revenues by geographic area

	H1 2022	H1 2021	reported change 2022 vs 2021	constant exchange rates 2022 vs 2021	reference market production
(in millions of Euro)	<i>Amount</i>	<i>Amount</i>	%	%	%
Europe	450.3	427.5	5.3	5.1	(7.6)
North America	162.5	136.0	19.5	9.2	4.7
South America	49.9	33.6	48.3	49.8	(0.6)
Asia	96.3	82.4	16.9	8.2	3.1
- of which China	47.9	46.4	3.2	(6.3)	0.7
Intercompany eliminations	(3.0)	(6.1)			
<b>TOTAL</b>	<b>756.0</b>	<b>673.4</b>	<b>12.3</b>	<b>9.1</b>	<b>(1.8)</b>

Revenues, even at constant exchange rates, rose in all geographic areas: +5.3% in Europe, +19.5% in North America (+9.2% at constant exchange rates), +48.3% in South America (+49.8% at constant exchange rates), +16.9% in Asia (+8.2% at constant exchange rates).

## Sales revenues by business sector

	H1 2022	H1 2021	reported change 2022 vs 2021	constant exchange rates 2022 vs 2021
(in millions of Euro)	<i>Amount</i>	<i>Amount</i>	%	%
Suspensions	268.8	235.5	14.1	13.2
Filtration	268.1	232.5	15.3	12.0
Air&Cooling	221.2	207.2	6.7	1.1
Intercompany eliminations	(2.1)	(1.8)		
<b>TOTAL</b>	<b>756.0</b>	<b>673.4</b>	<b>12.3</b>	<b>9.1</b>

The Suspensions business unit reported a rise in revenues of 14.1% (+13.2% at constant exchange rates), with significant growth rates particularly in South America.

The Filtration business unit reported a rise in revenues of 15.3% (+12% at constant exchange rates), thanks to the good performance of the After Market channel in Europe and of business in North America and India.

The Air and Cooling business unit reported a rise in revenues of 6.7% and of 1.1% at constant exchange rates due to the negative performance of the Chinese market and particularly to the lockdowns in some areas in April and May when the pandemic flared up again.

Sogefi Group is a supplier to all major manufacturers worldwide and the customer portfolio remains highly diversified: Stellantis is the number one customer with 21.1% (also as a result of the merger between the FCA Group and PSA Group), followed by Ford, Daimler, GM and Renault/Nissan, each with between 11% and 8%.

## Overview of consolidated income statement

(in millions of Euro)	Note(*)	1st half 2022		1st half 2021		Changes	
		Amount	%	Amount	%	Amount	%
Sales revenues		756.0	100.0	673.4	100.0	82.6	12.3
Variable cost of sales		543.7	71.9	462.8	68.7	80.9	17.5
CONTRIBUTION MARGIN		212.3	28.1	210.6	31.3	1.7	0.8
Fixed costs	(a)	112.3	14.9	110.4	16.4	1.9	1.7
Restructuring costs		4.1	0.5	1.3	0.2	2.8	212.5
Other expenses (income)	(b)	(3.9)	(0.5)	(9.4)	(1.4)	5.5	(58.3)
EBITDA	(c)	99.8	13.2	108.3	16.1	(8.5)	(7.8)
Depreciation and amortization	(d)	59.4	7.9	61.0	9.1	(1.6)	(2.6)
EBIT		40.4	5.3	47.3	7.0	(6.9)	(14.6)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		21.1	2.7	26.4	3.9	(5.3)	(20.3)
Net income (loss) from discontinued operations, net of tax effects		-	-	(3.5)	(0.5)	3.5	(100.0)
GROUP NET RESULT		20.8	2.7	21.4	3.2	(0.6)	3.2

(\*) The explanatory notes for the items in the table are detailed in the appendix at the end of this report.

**EBITDA<sup>2</sup>** came to Euro 99.8 million, compared to the first half 2021 (Euro 108.3 million); the percentage of EBITDA/Revenues ratio decreased to 13.2%, from 16.1% in the first half of 2021.

The contribution margin in absolute terms, on a like-for-like basis in terms of quantities sold, remained stable compared to the first half of 2021, due to the fact that higher costs for materials and energy were offset by increases in sales prices; the percentage contribution margin/revenues ratio, on the other hand, decreased to 28.1%, compared to 31.3% in the first half of 2021, due to the dilution caused by the parallel increase in sales prices and prices of raw materials used.

The ratio of fixed costs to revenue is decreasing from 16.4% in the same period of 2021 to 14.9% today.

The decrease in EBITDA compared to the first half of 2021 mainly reflects non-structural factors: i) higher restructuring costs (Euro 4.1 million compared to Euro 1.3 million) and ii) lower non-operating income compared to the first half of 2021 (Euro 3.9 million compared to Euro 9.4 million as at 30 June 2021).

**EBIT** came in at Euro 40.4 million versus Euro 47.3 million in 2021.

Net financial expenses of Euro 9.1 million were substantially in line with those of the first half of 2021 (Euro 9.3 million).

Tax expenses decreased to Euro 10.2 million (Euro 13.1 million in 2021).

There were no results from discontinued operations or operations held for sale, whereas in the same period of the previous year, a loss of Euro 3.5 million was recorded, corresponding to the expected capital loss on the prospective sale of the Argentine subsidiary of the Filter Division.

The Group reported a **net income** of Euro 20.8 million, in line with that of the first half of 2021, which was Euro 21.4 million.

<sup>2</sup> EBITDA is calculated by adding "EBIT", the item "Depreciation and amortization" and the amount of writedowns of tangible and intangible assets posted in "Other non-operating expenses (income)" for Euro 0.8 million at 30 June 2022 (Euro 3.2 million in the corresponding period last year).

**Free Cash Flow** was a positive € 41.2 million, compared to € 33.1 million in first half 2021, thanks to the positive results and to the management of working capital, the change in which was more favourable in this period compared to that of the first half of 2021, also due to greater use of factoring.

(in millions of Euro)	Note (*)	1st half 2022	1st half 2021	Year 2021
<b>SELF-FINANCING</b>	(e)	77.4	83.5	124.6
Change in net working capital		5.7	(5.2)	(13.0)
Other medium/long-term assets/liabilities	(f)	6.6	7.5	28.8
<b>CASH FLOW GENERATED BY OPERATIONS</b>		<b>89.7</b>	<b>85.8</b>	<b>140.4</b>
Net decrease from sales of fixed assets	(g)	0.2	3.9	21.1
<b>TOTAL SOURCES</b>		<b>89.9</b>	<b>89.7</b>	<b>161.5</b>
Increase in intangible assets		9.4	10.7	19.4
<b>TOTAL APPLICATION OF FUNDS</b>		<b>44.0</b>	<b>49.7</b>	<b>120.0</b>
Net financial position of subsidiaries purchased/sold during the period			(5.4)	(5.4)
Exchange differences on assets/liabilities and equity	(h)	(4.7)	(1.5)	(3.7)
<b>FREE CASH FLOW</b>		<b>41.2</b>	<b>33.1</b>	<b>32.4</b>
Dividends paid by subsidiaries to non-controlling interests		(2.1)	(3.0)	(3.0)
Change in fair value derivative instruments		3.3	0.5	1.1
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>		<b>1.2</b>	<b>(2.5)</b>	<b>(1.9)</b>
<b>Change in net financial position</b>	(i)	<b>42.4</b>	<b>30.6</b>	<b>30.5</b>
<b>Opening net financial position</b>	(i)	<b>(327.6)</b>	<b>(358.1)</b>	<b>(358.1)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	(i)	<b>(285.2)</b>	<b>(327.5)</b>	<b>(327.6)</b>

(\*) The explanatory notes for the items in the table are detailed in the appendix at the end of this report.

At 30 June 2022 **shareholders' equity**, excluding minority interests, stood at € 230.3 million, up from € 187.7 million at 31 December 2021. The increase of € 42.6 million was due mainly to the net income for the period (€ 20.8 million), to currency translation differences and to actuarial gains on the valuation of pension funds.

(in millions of Euro)	Note (*)	June 30, 2022		December 31, 2021		June 30, 2021	
		Amount	%	Amount	%	Amount	%
Short-term operating assets	(l)	344.9		287.8		291.4	
Short-term operating liabilities	(m)	(418.8)		(355.9)		(362.0)	
Net working capital		(73.9)	(13.9)	(68.1)	(12.8)	(70.6)	(13.8)
Equity investments	(n)	-	-	-	-	-	-
Intangible, tangible fixed assets and other medium and long-term assets	(o)	755.7	142.3	764.8	143.6	760.5	148.3
<b>CAPITAL INVESTED</b>		<b>681.8</b>	<b>128.4</b>	<b>696.7</b>	<b>130.8</b>	<b>689.9</b>	<b>134.5</b>
Deferred Taxes/Pension Funds /Provisions for risks	(p)	(85.0)	(16.0)	(98.3)	(18.5)	(113.3)	(22.1)
Other medium and long-term liabilities	(q)	(65.8)	(12.4)	(65.8)	(12.3)	(63.6)	(12.4)
<b>NET CAPITAL INVESTED</b>		<b>531.0</b>	<b>100.0</b>	<b>532.6</b>	<b>100.0</b>	<b>513.0</b>	<b>100.0</b>
Net financial indebtedness	(r)	285.2	53.7	327.6	61.6	327.5	63.9
Non - controlling interests		15.5	2.9	17.3	3.2	16.6	3.2
Consolidated equity of the		230.3	43.4	187.7	35.2	168.9	32.9
<b>TOTAL</b>		<b>531.0</b>	<b>100.0</b>	<b>532.6</b>	<b>100.0</b>	<b>513.0</b>	<b>100.0</b>

(\*) The explanatory notes for the items in the table are detailed in the appendix at the end of this report.

**Net debt** before IFRS 16 stood at € 216.4 million at 30 June 2022, lower than at the end of 2021 (€ 258.2 million) and at 30 June 2021 (€ 261.4 million).



Including the financial payables for rights of use as per IFRS 16, the net financial debt of the Group at 30 June 2022 amounted to € 285.2 million, down from € 327.6 million at 31 December 2021.

(in millions of Euro)	June 30, 2022	December 31, 2021	June 30, 2021
Cash, banks, financial receivables and securities held for trading	154.2	122.2	159.4
Medium/long-term financial receivables	6.4	4.0	2.4
Short-term financial debts (*)	(75.0)	(106.1)	(72.4)
Medium/long-term financial debts	(370.8)	(347.7)	(416.9)
<b>NET FINANCIAL POSITION</b>	<b>(285.2)</b>	<b>(327.6)</b>	<b>(327.5)</b>

(\*) including current portions of medium and long-term financial debts

As at 30 June 2022, the Group had committed credit lines in excess of its requirements for Euro 302 million.

The Sogefi Group had 5,484 **employees** as at 30 June 2022, compared to 5,684 at the end of June 2021 and 5,462 as at 31 December 2021.

	June 30, 2022		December 31, 2021		June 30, 2021 (*)	
	Number	%	Number	%	Number	%
Suspensions	2,248	41.0	2,267	41.5	2,286	40.2
Filtration	1,994	36.4	1,974	36.1	2,176	38.3
Air&Cooling	1,185	21.6	1,169	21.4	1,168	20.5
Others	57	1.0	52	1.0	54	1.0
<b>TOTAL</b>	<b>5,484</b>	<b>100.0</b>	<b>5,462</b>	<b>100.0</b>	<b>5,684</b>	<b>100.0</b>

(\*) excluding employees of the Argentinian subsidiary (149) of the filtration division sold in August 2021.

## PERFORMANCE BY BUSINESS DIVISION

### “Filtration” business unit

In the first half of 2022, the Filtration business unit achieved revenues of Euro 268.1 million, up 15.3% (+12.0% at constant exchange rates) compared to the same period of 2021. There was a very positive trend in the after-market channel thanks to the market and Group’s ability to respond adequately to client demands, despite the difficulties in the logistics chain, thus acquiring new market shares.

The EBITDA margin was 14.9% (15.5% if the diluting effect of the price increase is excluded), broadly in line with 16.0% in the first half of 2021.

EBIT was positive at EUR 24.4 million, up from Euro 19.2 million in the first half of 2021, with operating profitability increasing to 9.1% (9.5% excluding the diluted effect of price increases) compared to the same period last year (8.2%).

The business unit had 1,994 employees as at 30 June 2022 (1,974 as at 31 December 2021 and 2,176 as at 30 June 2021).

### “Suspension” business unit

In the first half of 2022, the Suspensions *business unit* realised revenues of Euro 268.8 million, with a growth of 14.1% at historical exchange rates and 13.2% at constant exchange rates, which mainly reflects the dynamics of the business in South America, North America and India and the adjustment of sales prices.

The EBITDA *margin* was 5.6%, down from 12.1% in the same period of 2021. The *business unit* was particularly significantly impacted by increases in steel and energy

costs (material costs rose from 46.5% to 52.0% of revenues) and the *ramp-up* costs of the new *plants* in Mexico and Romania.

EBIT was negative for Euro 4.0 million, compared to Euro +10.1 million in the first half of 2021.

The business unit had 2,248 employees as at 30 June 2022 (2,267 as at 31 December 2021 and 2,286 as at 30 June 2021).

### “Air & Cooling” business unit

In the first semester of 2022, the Air and Cooling business unit achieved revenues of Euro 221.2 million, up 6.7%, mainly due to the revaluation of the US and Canadian dollar against the Euro; at historical exchange rates, growth was 1.1%. There was a decline in revenue in Europe, due to market trends, and in China, where revenue had been particularly high in the first half of 2021 due to the launch of new programmes, and in the first half of 2022 there was a lock-down in some areas due to the resurgence of the pandemic.

The EBITDA margin was 18.0%, almost in line with the first half of 2021 (19.2%).

EBIT amounted to Euro 17.9 million, in line with Euro 18.0 million in the same period of the previous year, with a slight decrease in operating profitability to 8.1% compared to 8.7% in the first half of 2021.

The business unit had 1,185 employees as at 30 June 2022 (1,169 as at 31 December 2021 and 1,168 as at 30 June 2021).

## PERFORMANCE IN THE SECOND QUARTER OF 2022

The following table summarises the income statement for the second quarter compared to the corresponding quarter of the previous year.

(in millions of Euro)	Note(*)	Q2 2022		Q2 2021		Changes	
		Amount	%	Amount	%	Amount	%
Sales revenues		374.9	100.0	320.6	100.0	54.3	16.9
Variable cost of sales		269.4	71.9	218.3	68.1	51.1	23.4
CONTRIBUTION MARGIN		105.5	28.1	102.3	31.9	3.2	3.2
Fixed costs	(a)	56.5	15.1	53.3	16.6	3.2	6.0
Restructuring costs		2.2	0.6	-	-	2.2	-
Other expenses (income)	(b)	(3.0)	(0.8)	(5.2)	(1.6)	2.2	(42.7)
EBITDA	(c)	49.8	13.3	54.2	16.9	(4.4)	(8.1)
Depreciation and amortization	(d)	30.5	8.2	32.2	10.1	(1.7)	(5.3)
EBIT		19.3	5.1	22.0	6.8	(2.7)	(12.2)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		10.2	2.8	12.8	4.0	(2.6)	(20.2)
Net income (loss) from discontinued operations, net of tax effects		-	-	(2.7)	(0.8)	2.7	(100.0)
GROUP NET RESULT		10.0	2.7	9.6	3.0	0.4	4.6

(\*) The explanatory notes for the items in the table are detailed in the appendix at the end of this report.

In the second quarter of 2022, Sogefi Group reported **revenues** of Euro 374.9 million, up 16.9% mainly due to the positive effect of exchange rates (+12.7% at constant exchange rates) and sales price adjustments. The revenue trend, also at constant exchange rates, was particularly positive for the activities in South America, India and North America, and also positive in Europe (+6.6%) with a trend in line with the market (+5.7%).

**EBITDA** amounted to Euro 49.8 million compared to Euro 54.2 million in the first half of 2021, and the decrease was due to higher restructuring charges (+Euro 2.2 million) and lower non-operating income (-Euro 2.2 million).

**EBIT** was a positive Euro 19.3 million (compared to Euro 22.0 million in the first half of 2021).

**Net income from operations** was Euro 10.2 million (Euro 12.8 million in the first half of 2021), after financial expenses of Euro 4.6 million compared to Euro 3.5 million in the same period of the previous year, which included non-recurring financial income of Euro 1.2 million.

Consolidated **net profit** for the second quarter of 2022 amounted to Euro 10.0 million, compared to Euro 9.6 million in the previous year, which was affected by losses from discontinued operations of Euro 2.7 million.

## INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

The investments totalled Euro 44 million in the first half year 2022 (Euro 49.7 million in the first half of the previous year).

The company decided to safeguard all investments for the development of new products (Euro 21.8 million) and those for the start-up of the new factory in Romania (Euro 2.8 million), essential for the growth and improvement of the profitability of the business.

The following table provides details of the investments by nature:

(in millions of Euro)	June 30, 2022	June 30, 2021	December 31, 2021
Increase in intangible assets	9.4	10.7	19.4
Purchase of tangible assets	17.5	22.0	56.5
Purchase of Tooling	14.8	13.8	33.9
Increase in intangible assets for right of use	2.3	3.2	10.2
<b>TOTAL INVESTMENTS</b>	<b>44.0</b>	<b>49.7</b>	<b>120.0</b>

## IMPACTS OF COVID-19 AND THE RUSSIA/UKRAINE CRISIS ON ACTIVITY

In 2022, despite the continuation of the pandemic crisis, the effects on the market in which the Group operates have been less severe than those recorded in previous years, as there has been no suspension of industrial or commercial activity except for the lockdowns in certain areas of China in April and May.

However, operational difficulties linked to personnel absences due to infection or contact have been continuing in spite of the fact that 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.

As for the direct impact on the Group of the conflict between Russia and Ukraine, until March 2022 had a commercial business in Russia and exported to Ukraine and Belarus; the total revenues from these activities were not significant as they accounted for 0.7% of the Group's revenues in 2021. The businesses in Russia, Ukraine and Belarus were discontinued as from March 2022 and the Russian branch is in the process of being wound up. As a result, in the first half of 2022, Sogefi Group reported losses in value of the assets held in Russia for an amount of Euro 1.3 million, of which Euro 0.7 million was recognised in "Other non-operating expenses

(income)” and Euro 0.6 million was recognised in “Income taxes”, while the direct impact on revenues and margins was minimal.

The Group, like all of the automotive sector, is feeling the indirect effects of the war and particularly the further hike in energy prices and commodities and the sourcing problems.

Lastly, as a combined effect of the pandemic crisis that is still ongoing 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 been weak

## **MANAGEMENT OF THE MAIN BUSINESS RISKS**

The main risk factors to which the Sogefi Group is exposed are substantially unchanged from 2021 and are linked to the business in which the Group operates and shared with all other operators in the automotive sector.

The current geopolitical crisis and related market speculation, however, have accentuated the risk of shortages of raw materials and energy and an increase in their prices. As is well known, some governments are preparing measures to curb energy consumption and direct the allocation of resources between households and companies, and major energy suppliers are raising awareness among users to limit their energy consumption in order to avoid imminent shortages. On the other hand, the announced scenario of an economic slowdown or even recession could mitigate the risk of shortages.

In this uncertain environment, in order to preserve its profitability, the Group entered into negotiations with suppliers to contain cost increases and with customers to pass on the impact of inflation to sales prices.

## **TREASURY SHARES**

As of 30 June 2022, the Parent Company held 1,973,943 treasury shares in its portfolio, equal to 1.643% of the share capital at an average unit price of Euro 2.28. In the first half of 2022, treasury shares in portfolio decreased following the allocation to beneficiaries of the Company's stock-based incentive plans. No treasury shares were purchased during the first half of 2022.

## **RELATED PARTY TRANSACTIONS**

The Company's Board of Directors has established a Related Party Transactions Committee and adopted the Procedure for Related Party Transactions (the "Procedure"), which establishes the principles of conduct and the rules adopted by Sogefi S.p.A. to ensure the transparency and substantive and procedural fairness of transactions with its related parties carried out by the Company directly or through its subsidiaries. The Procedure was last updated on 28 June 2021, subject to the favourable opinion of the Committee for Related Party Transactions, in order to incorporate the changes introduced by Consob Regulation no. 21624 of 10 December 2020 and has been in force since 1 July 2021.

The Procedure can be found on the Company's website at [www.sogefigroup.com](http://www.sogefigroup.com), under "Shareholders - Corporate Governance".

We point out that no transactions have been carried out with related parties or with entities or individuals other than related parties that, according to the definition used by Consob, are atypical or unusual, do not relate to the normal business activity or have a significant impact on the Group's results, balance and financial position.

During the year, Sogefi S.p.A. and its subsidiary Sogefi Filtration Italy S.p.A., subject to the favourable opinion of the Committee for Related Party Transactions, renewed their participation in the tax filing system of the CIR Group for the three-year period 2022-2024 (the subsidiaries Sogefi Suspensions Heavy Duty Italy S.p.A. and Sogefi Suspensions Passenger Car Italy S.p.A. are also included in this tax filing system for the three-year period 2020-2022, upon the expiration of which renewal will be evaluated).

Information on the most important economic transactions and balances with related parties is provided in the explanatory and supplementary notes to the consolidated financial statements, in the section entitled "Related Party Transactions".

Dealings between Group companies are conducted at arm's length, taking into account the quality and type of services rendered.

In accordance with Art. 2497 bis of Italian Civil Code, we point out that Sogefi S.p.A. is subject to policy guidance and coordination by its parent company CIR S.p.A.

## **DISCLOSURES PURSUANT TO ART. 70 AND 71 OF CONSOB RULES FOR ISSUERS**

Under a resolution of the Board of Directors of 23 October 2012, the Company adopted the simplified procedure provided for by art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation issued under Consob Resolution no. 11971 of 14 May 1999 as amended, and made use of the exemption from the obligation to publish the information documents required for significant transactions consisting in mergers, spin-offs, capital increases by means of the conferral of assets in kind, takeovers and transfers.

## **SIGNIFICANT SUBSEQUENT EVENTS AFTER 30 JUNE 2022**

After the end of the six-month period, there were no significant events that could have an impact on the economic, asset and financial information presented.

## **OUTLOOK FOR OPERATIONS**

Visibility as to the performance of the automotive market in the coming months of 2022 is limited because of the uncertainty about the macroeconomic scenario and how the public health situation will evolve, the conflict between Russia and Ukraine, the availability and prices of raw materials, and the logistics of transportation and sourcing from Asian markets.

However, for 2022 S&P Global (IHS) is continuing to forecast 4.7% growth in world car production compared to 2021, with Europe at +10.7%, Nafta at +12.7%, South America at +6.9% and China remaining substantially stable (+0.4%).

As for commodity prices, the first six months of 2022 saw further price rises and it is difficult to make forecasts for the second half of the year.

It should be noted that in the first half of 2022 Sogefi's selling prices were adjusted to take into account the rise in the cost of raw materials recorded in 2021 and at the beginning of 2022. Given the further commodity and energy price rises since the

start of the Russian-Ukrainian conflict, Group's management is committed to reaching fair agreements with all its customers, as it did in the first half of the year, in order to continue commercial relationships that are sustainable in the long term.

Assuming that there are no factors that could worsen the macroeconomic and production scenario (a significant tightening of the sanctions imposed on Russia, an extension of the conflict outside of Ukraine, 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 Group hereby confirms its objective of achieving an operating result for the whole year 2022, excluding non-recurring charges, that is substantially in line with the result of 2021.

Milan, 22 July 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 FINANCIAL STATEMENTS CONTAINED IN THE NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IAS/IFRS**

**Notes relating to the Condensed Interim Consolidated Financial Statements**

- a) The heading agrees with the sum of the line items “Manufacturing and R&D overheads”, “Distribution and sales fixed expenses” and “Administrative and general expenses” of the Consolidated Income Statement;
- b) the heading agrees with the sum of the line items “Losses (gains) on disposal”, “Exchange (gains) losses” and “Other non-operating expenses (income)”, with the exception of the amount relating to write-downs of tangible and intangible fixed assets of the Consolidated Income Statement;
- c) the heading agrees with the sum of the line items "EBIT", “Depreciation and Amortization” and the write-downs of tangible and intangible fixed assets included in the item “Other non-operating expenses (income)” of the Consolidated Income Statement;
- d) the heading agrees with the sum of the line items "Depreciation and amortization” and the write-downs of tangible and intangible fixed assets included in the item “Other non-operating expenses (income)” of the Consolidated Income Statement;
- e) the heading agrees with the sum of the line items “Net result”, “Non-controlling interests”, “Depreciation, amortization and writedowns”, “Accrued costs for stock-based incentive plans”, “Provisions for risks and restructuring” and “Post-retirement and other employee benefits” in the Consolidated Cash Flow Statement with the exception of the financial component relating to pension funds and the deferred taxes included in the item "Income taxes";
- f) the heading is included in line item “Other medium/long-term assets/liabilities” in the Consolidated Cash Flow Statement;
- g) the heading agrees with the sum of the line items “Losses/(gains) on disposal of fixed assets and non-current assets held for sale”, “Cash receipts from the sale of property, plant and equipment and disposal of non-current assets held for sale” and “Cash receipts from the sale of intangible assets” in the Consolidated Cash Flow Statement;
- h) the heading agrees with the line items “Exchange differences” in the Consolidated Cash Flow Statement, excluding exchange differences on medium/long-term financial receivables and payables;
- i) these headings differ from those shown in the Consolidated Cash Flow Statement as they refer to the total net financial position and not just to cash and cash equivalents;
- l) the heading agrees with the sum of the line items “Inventories”, “Trade receivables”, “Other receivables”, “Current tax assets”, “Other assets” and “Assets held for sale” in the Consolidated Statement Of Financial Position;
- m) the heading agrees with the sum of the line items “Trade and other payables”, “Current tax liabilities”, “Other current liabilities” and "Liabilities directly related to assets held for sale" in the Consolidated Statement Of Financial Position;
- n) the heading agrees with the line item "Other financial assets" in the Consolidated Statement Of Financial Position;
- o) the heading agrees with the sum of the line items “Land”, “Property, plant and equipment”, “Other tangible fixed assets”, “Rights of use”, “Intangible assets”, “Other receivables” and “Deferred tax assets” in the Consolidated Statement Of Financial Position;
- p) the heading agrees with the sum of the line items “Current provisions”, “Non-current provisions” and “Deferred tax liabilities” in the Consolidated Statement of Financial Position;
- q) the heading agrees with the line item "Other payables" in the Consolidated Statement Of Financial Position;
- r) the heading agrees with the sum of the line items “Cash and cash equivalents”, “Other financial assets - current”, “Financial receivables - non-current”, “Bank overdrafts and short-term loans”, “Current portion of medium/long-term financial debts and other loans”, “Current financial payables for rights of use”, “Other short-term liabilities for derivative financial instruments”, “Financial debts to bank”, “Non-current portion of medium/long-term financial debts and other loans”, “Medium/long-term financial payables for rights of use” and “Other medium/long-term liabilities for derivative financial instruments” in the Consolidated Statement Of Financial Position.

## DEFINITION OF THE PERFORMANCE INDICATORS

In accordance with recommendation CESR/05-178b published on 3 November 2005 and subsequent new ESMA guideline no. 1095/2010/EU of 15 October 2015, the criteria used for constructing the main performance indicators deemed by the management to be useful for the purpose of monitoring Group performance are provided below.

EBITDA: EBITDA is calculated as the sum of “EBIT”, “Depreciation and Amortization” and the impairment losses of tangible and intangible fixed assets included in the item “Other non-operating expenses (income)”.

“Other non-operating expenses (income)” include amounts that do not relate to ordinary business activities such as:

- writedowns of tangible and intangible fixed assets
- imputed cost of stock grant plans
- accruals to provisions for legal disputes with employees and third parties
- product warranty costs
- strategic consulting services

Normalised EBITDA (used to calculate covenants): it is calculated by summing “EBITDA” and the following expenses and revenues arising from non-ordinary operations: “Restructuring costs” and “Losses (gains) on disposal”.

“Restructuring costs” include voluntary redundancy incentives for all employee categories (managers, clerical staff, blue collar workers) and costs relating to the shutdown of a plant or the discontinuation of individual business lines (personnel costs and related costs associated with shutdown).

“Losses (gains) on disposal” include the difference between the net book value of sold assets and selling price.

“Net financial indebtedness” is calculated by adding up the following items from the Statement Of Financial Position: “Cash and cash equivalents”, “Other financial assets - current”, “Financial receivables - non-current”, “Bank overdrafts and short-term loans”, “Current portion of medium/long-term financial debts and other loans”, “Current financial payables for rights of use”, “Other short-term liabilities for derivative financial instruments”, “Financial debts to bank”, “Non-current portion of medium/long-term financial debts and other loans”, “Medium/long-term financial payables for rights of use”, “Other medium/long-term liabilities for derivative financial instruments”.

Please note that at 30 June 2022 there are no non-recurring charges as defined by Consob in its communication no. DEM/6064293 of 28 July 2006.



# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS 30 JUNE 2022 OF THE SOGEFI GROUP

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

ASSETS	Note	June 30, 2022	December 31, 2021
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	152,254	120,927
Other financial assets	5	1,965	1,268
Inventories	6	138,172	111,917
Trade receivables	7	163,637	136,736
Other receivables	7	13,243	10,861
Tax receivables	7	23,707	25,589
Other assets	7	6,123	2,693
<b>ASSETS HELD FOR SALE</b>	14	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>499,101</b>	<b>409,991</b>
<b>NON-CURRENT ASSETS</b>			
Land	8	12,195	12,209
Property, plant and equipment	8	370,755	368,599
Other tangible fixed assets	8	6,162	4,730
Right of use	8	65,417	67,449
Intangible assets	9	232,954	236,687
Investments in joint ventures	10	-	-
Other financial assets available for sale	11	46	46
Financial receivables	12	6,397	3,957
Other receivables	12	36,570	38,779
Deferred tax assets	13	31,729	36,276
<b>TOTAL NON-CURRENT ASSETS</b>		<b>762,225</b>	<b>768,732</b>
<b>TOTAL ASSETS</b>		<b>1,261,326</b>	<b>1,178,723</b>

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

LIABILITIES	Note	June 30, 2022	December 31, 2021
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short-term loans	15	3,481	1,998
Current portion of medium/long-term financial debts and other loans	15	52,342	86,874
Short-term financial debts for right of use	15	19,157	17,147
Other short-term liabilities for derivative financial instruments	15	67	45
Trade and other payables	16	373,672	317,630
Tax payables	16	6,630	4,783
Other current liabilities	17	38,497	33,447
Current provisions	18	14,241	16,727
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>	14	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>508,087</b>	<b>478,651</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial debts to bank	15	259,811	219,016
Non current portion of medium/long term financial debts and other loans	15	59,793	74,235
Medium/long-term financial debts for right of use	15	51,180	54,440
Other medium/long-term financial liabilities for derivative financial instruments	15	-	-
Non-current provisions	18	45,630	56,283
Other payables	18	65,812	65,826
Deferred tax liabilities	19	25,168	25,288
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>507,394</b>	<b>495,088</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	20	62,461	62,461
Reserves and retained earnings (accumulated losses)	20	147,084	123,275
Group net result for the period	20	20,760	1,951
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>		<b>230,305</b>	<b>187,687</b>
Non-controlling interests	20	15,540	17,297
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>245,845</b>	<b>204,984</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,261,326</b>	<b>1,178,723</b>

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	Note	1st half 2022		1st half 2021 (*)	
		Amount	%	Amount	%
Sales revenues	22	756,013	100.0	673,428	100.0
Variable cost of sales	24	543,746	71.9	462,855	68.7
<b>CONTRIBUTION MARGIN</b>		212,267	28.1	210,573	31.3
Manufacturing and R&D overheads	25	60,944	8.1	60,731	9.0
Depreciation and amortization	26	58,612	7.8	57,816	8.6
Distribution and sales fixed expenses	27	15,898	2.1	14,992	2.3
Administrative and general expenses	28	35,389	4.7	34,660	5.2
Restructuring costs	30	4,132	0.5	1,322	0.2
Losses (gains) on disposal	31	(7)	-	(28)	-
Exchange (gains) losses	32	(3,878)	(0.5)	(1,168)	(0.2)
Other non-operating expenses (income)	33	738	0.1	(5,099)	(0.8)
<b>EBIT</b>		40,439	5.3	47,347	7.0
Financial expenses	34	10,788	1.4	11,077	1.6
Financial (income)	34	(1,663)	(0.2)	(1,769)	(0.3)
Losses (gains) from equity investments	35	-	-	(1,502)	(0.2)
<b>RESULT BEFORE TAXES</b>		31,314	4.1	39,541	5.9
Income taxes	36	10,250	1.4	13,114	2.0
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>		21,064	2.7	26,427	3.9
Net income (loss) from discontinued operations, net of tax effects	37	-	-	(3,479)	(0.5)
<b>NET RESULT INCLUDING THIRD PARTY</b>		21,064	2.7	22,948	3.4
Loss (Income) attributable to non-controlling interests		(304)	-	(1,506)	(0.2)
<b>GROUP NET RESULT</b>		20,760	2.7	21,442	3.2
Earnings per share (EPS) (Euro):	39				
Basic		0.176		0.182	
Diluted		0.176		0.182	

(\*) The values for the first half of 2021, relating to “Assets held for sale”, have been reclassified following the application of IFRS 5 “Non-current assets held for sale and discontinued operations” to the line “Profit (loss) from discontinued operations, net of tax effects”.

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
(in thousands of Euro)

	Note	1st half 2022	1st half 2021
Net result before non-controlling interests		21,064	22,948
<i>Other Comprehensive Income:</i>			
<i>Items that will not be reclassified to profit or loss</i>			
- Actuarial gain (loss)	20	11,290	11,196
- Tax on items that will not be reclassified to profit or loss	20	(2,291)	(3,530)
<i>Total items that will not be reclassified to profit or loss</i>		8,999	7,666
<i>Items that may be reclassified to profit or loss</i>			
- Profit (loss) booked to cash flow hedging reserve	20	3,637	836
- Tax on items that may be reclassified to profit or loss	20	(873)	(200)
- Profit (loss) booked to translation reserve	20	6,529	2,923
<i>Total items that may be reclassified to profit or loss</i>		9,293	3,559
<i>Other Comprehensive Income</i>		18,292	11,225
Total comprehensive result for the period		39,356	34,173
Attributable to:			
- Shareholders of the Holding Company		39,038	32,624
- Non-controlling interests		318	1,549

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	<i>1st half 2022</i>	<i>1st half 2021</i>
Cash flows from operating activities		
Net result	20,760	21,442
Adjustments:		
- non-controlling interests	304	1,506
- depreciation, amortization and writedowns	59,385	61,103
- expenses recognised for share-based incentive plans	94	32
- exchange rate differences on private placement	1,311	872
- provision in income statement of fair value derivatives in cash flow hedge	(1,311)	(872)
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	(7)	(28)
- provisions for risks, restructuring and deferred taxes	(2,606)	(1,809)
- post-retirement and other employee benefits	(1,858)	(1,751)
- net financial expenses	9,125	10,588
- income taxes	10,250	13,512
- change in net working capital	5,182	(11,161)
- other medium/long-term assets/liabilities	5,383	7,309
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>106,012</b>	<b>100,743</b>
Interests paid	(7,109)	(8,025)
Income tax paid	(8,667)	(4,865)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>90,236</b>	<b>87,853</b>
INVESTING ACTIVITIES		
Interest received	1,570	1,076
Net financial position of entities acquired/sold during the period	-	(4,444)
Purchase of property, plant and equipment	(32,288)	(35,880)
Purchase of intangible assets	(9,365)	(10,728)
Sale of property, plant, equipment and businesses held for sale	208	3,941
Sale of intangible assets	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(39,875)</b>	<b>(46,035)</b>
FINANCING ACTIVITIES		
Capital increase in subsidiaries from third parties	-	-
Net change in capital	-	-
Dividends paid to Holding Company shareholders and non-controlling interests	(2,067)	(3,012)
New (repayment of) bonds	(14,505)	(113,388)
New (repayment of) long-term loans	5,484	31,193
New (repayment of) leases	(7,037)	(6,970)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(18,125)</b>	<b>(92,177)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>32,236</b>	<b>(50,359)</b>
Balance at the beginning of the period	118,929	206,443
(Decrease) increase in cash and cash equivalents	32,236	(50,359)
Exchange differences	(2,392)	390
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>148,773</b>	<b>156,474</b>

Note: this table shows the elements that bring about the change in cash and cash equivalents, as expressly required by IAS 7. The cash flow statement included in the Report of the board of directors on operations shows the various operational components of cash flow, thereby explaining all of the changes in the overall net financial position.

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(in thousands of Euro)

	Attributable to the shareholders of the parent company													Third	Total	
	Share capital	Share premium reserve	Reserve for treasury shares	Treasury shares	Legal reserve	Stock-based incentive plans reserve	Translation reserve	Cash flow hedging reserve	Actuarial gain (loss) reserve	Tax on items booked in Other Comprehensive Income	Other reserves	Retained earnings	Net result for the period			Total
<i>Balance at December 31, 2020</i>	62,461	19,042	4,847	(4,847)	12,640	1,097	(74,708)	(2,762)	(56,001)	15,440	12,201	179,562	(35,131)	133,841	16,413	150,254
Paid share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of 2020 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	(35,131)	35,131	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	32	-	-	-	-	-	-	-	32	-	32
Other changes	-	106	(106)	106	-	(161)	-	-	-	-	-	3,295	-	3,240	(1,347)	1,893
<i>Comprehensive result for the period</i>																
Fair value cash flow hedging instruments	-	-	-	-	-	-	-	836	-	-	-	-	-	836	-	836
Actuarial gain (loss)	-	-	-	-	-	-	-	-	11,196	-	-	-	-	11,196	-	11,196
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(3,730)	-	-	-	(3,730)	-	(3,730)
Currency translation differences	-	-	-	-	-	-	2,880	-	-	-	-	-	-	2,880	43	2,923
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	21,442	21,442	1,506	22,948
<i>Total comprehensive result for the period</i>	-	-	-	-	-	-	2,880	836	11,196	(3,730)	-	-	21,442	32,624	1,549	34,173
<i>Balance at June 30, 2021</i>	62,461	19,148	4,741	(4,741)	12,640	968	(71,828)	(1,926)	(44,805)	11,710	12,201	147,726	21,442	169,737	16,603	186,340
<i>Balance at December 31, 2021</i>	62,461	19,289	4,600	(4,600)	12,640	813	(45,765)	(933)	(36,952)	12,933	12,201	149,049	1,951	187,687	17,297	204,984
Paid share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of 2021 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,067)	(2,067)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	1,951	(1,951)	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	94	-	-	-	-	-	-	-	94	-	94
Other changes	-	92	(92)	92	-	(82)	-	-	-	-	-	3,476	-	3,486	(8)	3,478
<i>Comprehensive result for the period</i>																
Fair value cash flow hedging instruments	-	-	-	-	-	-	-	3,637	-	-	-	-	-	3,637	-	3,637
Actuarial gain (loss)	-	-	-	-	-	-	-	-	11,290	-	-	-	-	11,290	-	11,290
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(3,164)	-	-	-	(3,164)	-	(3,164)
Currency translation differences	-	-	-	-	-	-	6,515	-	-	-	-	-	-	6,515	14	6,529
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	20,760	20,760	304	21,064
<i>Total comprehensive result for the period</i>	-	-	-	-	-	-	6,515	3,637	11,290	(3,164)	-	-	20,760	39,038	318	39,356
<i>Balance at June 30, 2022</i>	62,461	19,381	4,508	(4,508)	12,640	825	(39,250)	2,704	(25,662)	9,769	12,201	154,476	20,760	230,305	15,540	245,845

The “Explanatory and supplementary notes on the consolidated financial statement” are an integral part of these condensed interim consolidated financial statements.

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## A) GENERAL ASPECTS

### 1. CONTENT AND FORMAT OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements for the period 1 January - 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union and have been prepared according to IAS 34 – “Interim Financial Reporting”, applying the same accounting policies used in the preparation of the Consolidated Financial Statements at 31 December 2021 except as provided by note no. 2 “Consolidation principles and accounting policies”. “IFRS” also means the International Accounting Standards (“IAS”) currently in force, as well as all of the interpretation documents issued by the International Financial Reporting Standards Interpretations Committee (“IFRS IC”, formerly “IFRIC”) previously called the Standing Interpretations Committee (“SIC”). To this end, the figures of the financial statements of the consolidated subsidiaries have been appropriately reclassified and adjusted.

As a partial exception to IAS 34 provisions, these condensed interim consolidated financial statements provide detailed as opposed to condensed statements in order to provide a better and clearer overview of the changes that have taken place in the Company’s assets and liabilities, financial position and results during the half-year. They also contain the disclosures required by IAS 34 with the explanatory and supplementary information considered useful for a clearer understanding of these half-year consolidated financial statements.

The condensed interim consolidated financial statements as at 30 June 2022 should be read in conjunction with the annual financial statements as at 31 December 2021. It should be noted that the values for first half of 2021 have been restated for the application of IFRS 5 (“Non-current assets held for sale and discontinued operations”) to the Argentinian subsidiary of the Filtration business unit, which was sold in August 2021.

With reference to IAS 1, the Board Directors confirm that, considering the economic forecasts, the capitalisation and the financial position of the Group, the same operates as a going concern.

The condensed interim consolidated financial statements as at 30 June 2022 were approved by the Board of Directors on 22 July 2022.

#### ***1.1 Format of the consolidated financial statements***

The financial statements as at 30 June 2022 are consistent with those used for the annual report as at 31 December 2021.

The Income Statement also provides the following intermediate results in order to give a clearer understanding of the typical results of normal manufacturing activities, the financial side of the business and the impact of taxation:

- Contribution margin;
- EBIT (earnings before interest and tax);
- Result before taxes;
- Profit (loss) from operations;
- Net result before non-controlling interests;
- Profit (loss) of the Group.



## ***1.2 Content of the half-year condensed consolidated financial statements***

The condensed interim consolidated financial statements for the six-month period ending 30 June 2022 include the Parent Company Sogefi S.p.A. and its controlled subsidiaries.

Section H of these notes gives a list of the companies included in the scope of consolidation and the percentages held.

These financial statements are presented in Euro and all figures are rounded up or down to the nearest thousand Euro, unless otherwise indicated.

Group companies prepare their financial statements in the local functional currency of the country concerned.

The functional currency of the Parent Company is the Euro and this is the presentation currency in which the condensed interim consolidated financial statements are prepared and published.

The condensed interim consolidated financial statements have been prepared according to the consolidation method on a line-by-line basis of the statements of Sogefi S.p.A., the Parent Company, and those of all Italian and foreign companies under its control.

No changes were made to the scope of consolidation during the period.

### 1.3 Group composition

As required by IFRS 12, Group composition as at 30 June 2022 and 31 December 2021 was as follows:

<i>Business Unit</i>	<i>Region</i>	<i>Wholly-owned subsidiaries</i>	
		June 30, 2022	December 31, 2021
<i>Air&amp;Cooling</i>	Canada	1	1
	France	1	1
	Mexico (*)	1	1
	Romania	1	1
	China (*)	2	2
	USA	1	1
<i>Filtration</i>	Italy	1	1
	France	1	1
	Great Britain	1	1
	Spain	1	1
	Slovenia	1	1
	USA (**)	1	1
	India	1	1
	Russia	1	1
	Morocco	1	1
	<i>Suspensions</i>	France	2
Italy		2	2
Great Britain		2	2
Germany		2	2
The Netherlands		1	1
Romania		1	1
Brazil		1	1
Argentina		1	1
<i>Sogefi Gestion S.A.S.</i>	France	1	1
<b>TOTAL</b>		<b>29</b>	<b>29</b>

(\*) These subsidiaries work also for Suspensions business unit.

(\*\*) These subsidiaries work also for Air and Cooling business units.

<i>Business Unit</i>	<i>Region</i>	<i>Non-wholly-owned subsidiaries</i>	
		June 30, 2022	December 31, 2021
<i>Suspensions</i>	France	1	1
	Spain	1	1
	India	1	1
<b>TOTAL</b>		<b>3</b>	<b>3</b>

## 2. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

The consolidation and accounting policies applied in preparing the condensed consolidated financial statements for the six-month period ended 30 June 2022 are consistent with those used for the annual financial statements as of 31 December 2021 to which the reader should refer.

### Critical estimates and assumptions

The preparation of condensed interim consolidated financial statements requires Directors to make estimates and assumptions, which affect the values of revenues, costs, assets and liabilities and the information regarding potential assets and liabilities as at the date of the interim condensed financial statements. If in the future said estimates and assumptions, which are based on the best estimates of the Directors, should change due to actual circumstances, they will be adjusted accordingly in the period in which said circumstances change.

It should also be noted that some measurement processes, in particular the more complex ones, such as the calculation of any impairment of non-current assets, are generally fully made only when the annual financial statements are prepared, when all of the information that may be required is available, with the exception of the cases in which there are impairment indicators that require the performance of an impairment test.

The main items subjected to such assessments are as follows:

- goodwill (Euro 126,639 thousand as at 30 June 2022): Sogefi Group considered that the reduction in the listing price of its shares with respect to 31 December 2021 and, consequently, the group capitalisation value being lower than the book value of its equity was an indicator (external trigger event) of a possible impairment of the non-financial assets of the Group as a whole. In addition, with reference to the C.G.U. car suspension, the indirect effects of the conflict between Russia and Ukraine (such as the increase in the price of commodities, the increase in interest rates and the inflation rate, the effects on the supply chain and/or on supply disruptions or on the competitive scenario) had a significant impact on the profitability reported by the C.G.U. at 30 June 2022, which was lower than the budget for the financial year 2022. Finally, the Group has no significant assets subject to a direct impact of the conflict between Russia and Ukraine. In accordance with IAS 36, impairment tests were therefore carried out on the C.G.U.s. “air and cooling”, “filtration” and “car suspension”, which represent almost all of the Group’s net assets. In the absence of a 2023-2025 strategic plan updated to 30 June 2022, which will only be prepared in the second half of 2022 by the Management, the impairment tests were carried out based on the following assumptions:
  - the Discounted Cash Flow Unlevered method was used; the criteria used were approved by the Board of Directors on 22 July 2022 and are similar to those used for the financial statements as at 31 December 2021;
  - the 2022 Budget was replaced with the updated 2022 forecast (six months actual and six months forecasted);
  - for the C.G.U.s. “air and cooling” and “filtration”, which at 30 June 2022 had a better economic performance than the Budget, the forecasts included in the 2023-2025 strategic plan, approved by the Sogefi Board of Directors

on 21 January 2022, are still considered representative of the estimate of expected future cash flows (and have therefore not been updated);

- with reference to the C.G.U. “car suspension”, on the other hand, Management has prepared projections of expected cash flows for 2023-2025, prudentially dragging onto the original Plans (described above) the difference between the economic performance achieved as at 30 June 2022 and the expected one;
- again with reference to the estimate of expected future cash flows, Sogefi Group finally prepared a rolling estimate for the year 2026 on an inertial basis, starting from the 2025 projection for all CGUs;
- a discount rate of 8.69%, which reflects the weighted average cost of capital, was used after taxation. The same discount rate is used for all three CGUs. As a matter of fact, the three CGUs operate in the same sector and deal with the same kind of customers, and it is estimated that they are exposed to the same risks;
- the terminal value was calculated using the “perpetual annuity” approach, assuming a growth rate (“g-rate”) of 2.21% (based on long-term inflation estimates for the reference countries weighted by revenues) as detailed here below.

The impairment tests did not reveal the need for any impairment to be recognised as at 30 June 2022;

- recoverability of deferred tax assets for tax losses (Euro 3,532 thousand as at 30 June 2022): as at 30 June 2022 recognised deferred tax assets for tax losses incurred during previous years (referred to subsidiaries Sogefi Suspensions S.A., Sogefi PC Suspensions Germany GmbH and the Parent Company Sogefi S.p.A.) to the extent that the availability of future taxable income is considered probable, over the time horizon of the plan, against which the tax losses can be used for the subsidiaries. Such probability is determined based on the fact that losses have originated under extraordinary circumstances that are unlikely to occur again, such as restructuring plans currently under way or occurred in the past. With reference to the Parent Company Sogefi S.p.A., taxes are recognised in the income statement in the item "Current tax" within the limit of the actual offsetting of the loss with the taxable income generated in the context of the tax filing system of the CIR Group. Any tax losses carried forward in excess of the offset amount will be recognised as deferred tax assets as they are likely to be recovered taking into account that the Parent Company has joined the CIR Group tax filing system permanently. Any ability to recover such tax will be based on expected future taxable income according to the forecasts involving the companies participating in the CIR Group tax filing system;
- pension plans (Euro 26,377 thousand as at 30 June 2022, of which 34,218 thousand recognised to “Non-current provisions” under liabilities and Euro 7,841 thousand to “Other non-current receivables” under assets): actuarial consultants who offer their consulting services to the Group use different statistic assumptions in order to anticipate future events for the purpose of estimating pension plan expenses, liabilities and assets. Such assumptions concern discount rate, expected return on pension plan assets (this particular assumption concerns nearly exclusively British pension funds), future wage inflation rates, mortality and turnover rates;

- derivatives (Euro 6,418 thousand for assets and Euro 67 thousand for liabilities as at 30 June 2022): the estimate of derivatives fair value and the efficacy test on derivatives held for “hedge accounting” were performed with the aid of external consultants based on valuation models commonly used in the industry.

### **IFRS accounting standards, amendments and interpretations applicable since 1 January 2022**

The following IFRS accounting standards, amendments and interpretations were first adopted by the Group as from 1 January 2022:

- Amendment to IFRS 4 “*Insurance Contracts*” – deferral of effective date of IFRS 9 (issued on 25 June 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “*Interest Rate Benchmark Reform*” (phase 2 - issued on 27 August 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- Amendments to IFRS 16 “*Leases Covid -19-Related Rent Concessions*” (issued on 31 March 2021). By extending the application period of one year, the document provides lessees with the option to account for lease reductions related to Covid-19 without having to assess, through contract analysis, whether the definition of lease modification under IFRS 16 is met. This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- *Annual improvements to IFRS (Cycle 2018–2020) (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)* (issued on 14 May 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- *Onerous contracts—Cost of fulfilling a contract (Amendments to IAS 37)* (issued on 14 May 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- *Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)* (issued on 14 May 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.
- *Reference to the Conceptual Framework (Amendments to IFRS 3)* (issued on 14 May 2020). This amendment as at 30 June 2022 did not have any impact on the Sogefi Group’s condensed interim consolidated financial statements.

### **IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet mandatory applicable and not early adopted by the Group as at 30 June 2022**

The Group has not adopted the following new and amended standards that have been issued but are not yet applicable:

- IFRS 17 “*Insurance Contracts*” and its amendments (issued respectively on 18 May 2017 and on 25 June 2020). These amendments are to be applied for financial periods beginning on 1 January 2023.
- Amendments to IAS 1 “*Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*” and “*Deferral effective date*” (issued on 23 January 2020 and 15 July 2020, respectively). These amendments are to be applied for financial periods beginning on 1 January 2023.
- Amendments to IAS 8 “*Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate*” (issued on 12 February 2021). These amendments are to be applied for financial periods beginning on 1 January 2023.

### **IFRS and IFRIC accounting standards, amendments and interpretations not yet endorsed by the European Union**

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these Financial Statements. The Directors are evaluating the possible effects of applying these amendments to the Group’s Consolidated Financial Statements:

- Amendments to IAS 1 “*Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*” (issued on 12 February 2021). These amendments are to be applied for financial periods beginning on 1 January 2023.
- Amendments to IAS 12 “*Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*” (issued on 7 May 2021). These amendments are to be applied for financial periods beginning on 1 January 2023.
- Amendment to IFRS 17 “*Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*” (issued on 9 December 2021). These amendments are to be applied for financial periods beginning on 1 January 2023.

## Exchange rates

The following exchange rates have been used for translation purposes:

	<i>1st half 2022</i>		<i>1st half 2021</i>		<i>2021</i>
	<i>Average</i>	<i>06.30</i>	<i>Average</i>	<i>06.30</i>	<i>12.31</i>
US dollar	1.0940	1.0387	1.2057	1.1884	1.1326
Pound sterling	0.8422	0.8582	0.8684	0.8580	0.8403
Brazilian real	5.5577	5.4229	6.4918	5.9050	6.3101
Argentine peso	129.8984	129.8984	113.6435	113.6435	116.3622
Chinese renminbi	7.0827	6.9624	7.7979	7.6742	7.1947
Indian rupee	83.3333	82.1130	88.4173	88.3240	84.2292
New romanian Leu	4.9456	4.9464	4.9015	4.9280	4.9490
Canadian dollar	1.3905	1.3425	1.5040	1.4722	1.4393
Mexican peso	22.1729	20.9641	24.3191	23.5784	23.1438
Moroccan dirham	10.6033	10.5420	10.7504	10.5910	10.4830

## B) SEGMENT INFORMATION

### 3. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (business segments).

The operating segments and performance indicators have been determined on the basis of the reports used by corporate management to take strategic decisions.

#### Business segments

With regard to the business segments, disclosures concerning the three business units are as follows: Suspensions, Filtration, and Air and Cooling. Figures for the Parent Company Sogefi S.p.A. and the subsidiary Sogefi Gestion S.A.S. are also provided for the purpose of reconciliation with consolidated values. For further details, please refer to note 40 “Related party transactions”.

The tables below provide the income statement and statement of financial position figures of the Group for the first half of 2021 and 2022:

(in thousands of Euro)	<i>June 30, 2021</i>					
	Air & Cooling	Suspensions	Filtration	Sogefi SpA / Sogefi Gestion S.A.S.	Adjustments	Sogefi Group consolidation
<b>REVENUES</b>						
Sales to third parties	206,621	234,316	232,491	-	-	673,428
Intersegment sales	597	1,187	(17)	10,661	(12,428)	(0)
<b>TOTAL REVENUES</b>	<b>207,218</b>	<b>235,503</b>	<b>232,474</b>	<b>10,661</b>	<b>(12,428)</b>	<b>673,428</b>
<b>RESULTS</b>						
EBIT	18,007	10,143	19,171	344	(318)	47,347
Financial expenses, net						(9,308)
Income from equity investments						1,502
Losses from equity investments						-
Result before taxes						39,541
Income taxes						(13,114)
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>						<b>26,427</b>
Net income (loss) from discontinued operations						(3,479)
<b>NET RESULT INCLUDED</b>						<b>22,948</b>
THIRD PARTY SHARE Profit (loss) from third parties						(1,506)
<b>GROUP NET RESULT</b>						<b>21,442</b>
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
Segment assets	402,168	519,899	363,414	722,166	(929,454)	1,078,193
Unallocated assets	-	-	-	-	135,549	135,549
<b>TOTAL ASSETS</b>	<b>402,168</b>	<b>519,899</b>	<b>363,414</b>	<b>722,166</b>	<b>(793,905)</b>	<b>1,213,742</b>
<b>LIABILITIES</b>						
Segment liabilities	225,278	442,652	336,473	528,900	(512,021)	1,021,282
<b>TOTAL LIABILITIES</b>	<b>225,278</b>	<b>442,652</b>	<b>336,473</b>	<b>528,900</b>	<b>(512,021)</b>	<b>1,021,282</b>
<b>OTHER INFORMATION</b>						
Increase in tangible and intangible fixed assets	17,763	18,359	10,565	65	(144)	46,608
Depreciation, amortization and writedowns	20,225	18,361	19,651	2,242	624	61,103



(in thousands of Euro)	June 30, 2022					
	Air & Cooling	Suspensions	Filtration	Sogefi SpA / Sogefi Gestion S.A.S.	Adjustments	Sogefi Group consolidation
<b>REVENUES</b>						
Sales to third parties	220,902	267,432	267,679	-	-	756,013
Intersegment sales	281	1,330	393	11,270	(13,274)	0
<b>TOTAL REVENUES</b>	<b>221,183</b>	<b>268,762</b>	<b>268,072</b>	<b>11,270</b>	<b>(13,274)</b>	<b>756,013</b>
<b>RESULTS</b>						
EBIT	17,904	(4,007)	24,356	2,749	(563)	40,439
Financial expenses, net						(9,125)
Income from equity investments						-
Losses from equity investments						-
Result before taxes						31,314
Income taxes						(10,250)
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>						<b>21,064</b>
Net income (loss) from discontinued operations						-
<b>NET RESULT INCLUDED</b>						<b>21,064</b>
THIRD PARTY SHARE Profit (loss) from third parties						(304)
<b>GROUP NET RESULT</b>						<b>20,760</b>
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
Segment assets	438,791	525,189	400,786	786,370	(1,025,318)	1,125,818
Unallocated assets	-	-	-	-	135,508	135,508
<b>TOTAL ASSETS</b>	<b>438,791</b>	<b>525,189</b>	<b>400,786</b>	<b>786,370</b>	<b>(889,810)</b>	<b>1,261,326</b>
<b>LIABILITIES</b>						
Segment liabilities	245,594	468,827	343,090	496,125	(538,156)	1,015,480
<b>TOTAL LIABILITIES</b>	<b>245,594</b>	<b>468,827</b>	<b>343,090</b>	<b>496,125</b>	<b>(538,156)</b>	<b>1,015,480</b>
<b>OTHER INFORMATION</b>						
Increase in tangible and intangible fixed assets	17,206	13,349	10,860	278	(40)	41,653
Depreciation, amortization and writedowns	20,320	19,021	17,149	2,284	611	59,385

Please note that the Air and Cooling Business Unit figures include the net book value of the Systèmes Moteurs Group (company name is now Sogefi Air & Cooling S.A.S.), deriving from local accounts – in other words, not including the fair value adjustment of net assets after the Purchase Price Allocation of 2011 – and only the adjustments arising from the Purchase Price Allocation and relating to the change in product warranty provisions (contingent liabilities booked upon PPA); the remaining adjustments arising from the Purchase Price Allocation are posted in column “Adjustments”.

Adjustments to “Intersegment sales” mainly refer to services provided by the Parent Company Sogefi S.p.A. and by subsidiary Sogefi Gestion S.A.S. to other Group companies (see note 40 for further details on the nature of the services provided). This item also includes intersegment sales between the business units. Intersegment transactions are conducted according to the Group’s transfer pricing policy.

The adjustments to “EBIT” mainly refer to depreciation and amortization linked to the revaluation of assets resulting from the acquisition of the Systèmes Moteurs Group in 2011.

In the Statement of Financial Position, the adjustments to the item “Segment assets” refer to the consolidation entry of investments in subsidiaries and intercompany receivables.

Adjustments to “Unallocated assets” mainly include the goodwill and the fixed assets revaluations resulting from the acquisitions of: the Allevard Ressorts Automobile Group, Sogefi Rejna S.p.A., the Filtrauto Group, 60% of Sogefi M.N.R. Filtration India Private Ltd (now merged into Sogefi Engine Systems India Pvt Ltd) and Systèmes Moteurs Group.

“Depreciation, amortization and writedowns” include writedowns of tangible and intangible fixed assets of Euro 773 thousand.

These assets were written down based on the recoverable amount of assets at the end of the first half of 2022.

### Information on the main customers

Revenues from sales to third parties as of 30 June 2022 accounting for over 10% of Group revenues are shown in the following table:

(in thousands of Euro)	June 30, 2022				
	Group		BU Filtration	BU Air & Cooling	BU Suspensions
	Amount	%			
Stellantis	159,320	21.1	67,191	43,603	48,526
Ford	85,561	11.3	31,018	41,950	12,593

### Information on geographic areas

The breakdown of revenues by geographical area is analysed in note 22 “Sales Revenues”.

The following table shows a breakdown of total assets by geographical area:

(in thousands of Euro)	June 30, 2021					
	Europe	South America	North America	Asia	Adjustments	Sogefi Group consolidation
TOTAL ASSETS	1,691,071	54,504	160,810	68,480	(761,123)	1,213,742

(in thousands of Euro)	June 30, 2022					
	Europe	South America	North America	Asia	Adjustments	Sogefi Group consolidation
TOTAL ASSETS	1,635,272	55,401	183,796	208,943	(822,086)	1,261,326

*C) NOTES ON THE MAIN INCOME STATEMENT ITEMS: STATEMENT OF FINANCIAL POSITION*

***C 1) ASSETS***

***4. CASH AND CASH EQUIVALENTS***

Cash and cash equivalents amount to Euro 152,254 thousand compared to Euro 120,927 thousand as of 31 December 2021 and break down as follows:

<i>(in thousands of Euro)</i>	<i>June 30, 2022</i>	<i>December 31, 2021</i>
Short-term cash investments	152,225	120,902
Cash on hand	29	25
<b>TOTAL</b>	<b>152,254</b>	<b>120,927</b>

Bank deposits earn interest at a floating rate.

For further details on changes in the various components of the net financial position, please see note 21.

As of 30 June 2022, the Group has unused lines of credit for the amount of Euro 262,891 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

***5. OTHER FINANCIAL ASSETS***

“Other financial assets” can be broken down as follows:

<i>(in thousands of Euro)</i>	<i>June 30, 2022</i>	<i>December 31, 2021</i>
Financial receivables	1,944	1,243
Assets for derivative financial instruments	21	25
<b>TOTAL</b>	<b>1,965</b>	<b>1,268</b>

Financial receivables mainly refer to financial instruments issued by leading Chinese banks, at the request of some customers, as payment for supplies made by the Chinese subsidiaries.

“Assets for derivative financial instruments” refer to the fair value of forward foreign currency contracts not designated in hedge accounting.

***6. INVENTORIES***

The breakdown of inventories is as follows:

<i>(in thousands of Euro)</i>	<i>June 30, 2022</i>			<i>December 31, 2021</i>		
	<i>Gross</i>	<i>Write-downs</i>	<i>Net</i>	<i>Gross</i>	<i>Write-downs</i>	<i>Net</i>
Raw, ancillary and consumable materials	80,101	6,427	73,674	66,810	6,355	60,455
Work in progress and semi-finished products	20,276	703	19,573	16,534	566	15,968
Finished goods and goods for resale	51,537	6,612	44,925	42,041	6,547	35,494
<b>TOTAL</b>	<b>151,914</b>	<b>13,742</b>	<b>138,172</b>	<b>125,385</b>	<b>13,468</b>	<b>111,917</b>

The net value of inventories increased by Euro 26,255 thousand (of which Euro 1,800 thousand referred to exchange rate effect) compared to 31 December 2021; the increase is mainly referred to the European subsidiaries.

## 7. TRADE AND OTHER RECEIVABLES

Current receivables break down as follows:

(in thousands of Euro)	<i>June 30, 2022</i>	<i>December 31, 2021</i>
Trade receivables	163,637	136,736
of which:		
Due to Parent Company	1,146	1,321
<i>Trade receivables</i>	<i>167,235</i>	<i>139,433</i>
<i>Less: Allowance for bad debts</i>	<i>(4,744)</i>	<i>(4,018)</i>
Trade receivables, net	162,491	135,415
Tax receivables	23,707	25,589
Other receivables	13,243	10,861
Other assets	6,123	2,693
<b>TOTAL</b>	<b>206,710</b>	<b>175,879</b>

“Trade receivables” are non-interest bearing and have an average due date of 31 days.

It should be noted that as at 30 June 2022, the Group factored trade receivables for Euro 112,180 thousand (Euro 89,416 thousand as at 31 December 2021), including an amount of Euro 91,857 thousand which was not notified (Euro 74,772 thousand as at 31 December 2021) and for which the Group continues to manage collection services. The risks and benefits related to these receivables have been transferred to the factor; therefore these receivables have been derecognised in the Statement of Financial Position debiting the consideration received from the factoring company.

Excluding the factoring transactions (Euro 112,180 thousand as at 30 June 2022 and Euro 89,416 thousand as at 31 December 2021) and the positive effect of exchange rates equal to Euro 2,678 thousand, net trade receivables show an increase of Euro 47,162 thousand mainly as a result of the higher revenues from sales in the second quarter of 2022 with respect to the fourth quarter 2021.

“Due to Parent Company” includes net receivables resulting from the participation in the Group tax filing system, due to Italian companies from the Parent Company CIR S.p.A.. Outstanding receivables as at 31 December 2021 collected in the first half-year 2022 amounted to Euro 622 thousand. For further details, please refer to note 40.

“Tax receivables” includes tax credits due to Group companies by the tax authorities of various countries for direct and indirect taxation.

It does not include deferred tax assets which are treated separately.

"Other receivables" breaks down as in the following table:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Amounts due from social security institutions	128	114
Amounts due from employees	160	98
Advances to suppliers	4,483	3,646
Due from others	8,472	7,003
<b>TOTAL</b>	<b>13,243</b>	<b>10,861</b>

Receivables from others include the current portion, equal to Euro 3,015 thousand, of the consideration for the sale (in 2020 and 2021) of the subsidiaries Sogefi Filtration do Brasil Ltda and Sogefi Filtration Argentina S.A.U. and other receivables.

“Other assets” mainly consist of accrued income and prepayments on insurance premiums and indirect taxes on buildings.

The increase in this item is seasonal and it is mainly due to the prepaid insurance policies, the indirect taxes on buildings, and the IT maintenance fees paid in the first few months of the year but relative to the year as a whole.

#### 8. LAND, PROPERTY, PLANT AND EQUIPMENT, OTHER TANGIBLE FIXED ASSETS AND RIGHTS OF USE

The net carrying amount of tangible fixed assets as of 30 June 2022 amounted to Euro 454,529 thousand versus Euro 452,987 thousand at the end of the previous year and breaks down as follows:

(in thousands of Euro)	Property, plant and equipment							TOTAL
	Land	Buildings, plant and machinery, commercial and industrial equipment	Assets under construction and payments on account	Tooling	Tooling under construction	Other tangible fixed assets	Right of use / finance leases IAS 17	
<i>2021</i>								
Historical cost	12,653	918,113	52,000	197,378	44,832	31,976	114,273	1,371,225
Accumulated depreciation	444	695,646	651	147,336	91	27,246	46,824	918,238
Net value	12,209	222,467	51,349	50,042	44,741	4,730	67,449	452,987
Additions of the period	-	568	16,505	2,935	11,855	425	2,295	34,583
Disposals/reductions during the period	-	(74)	-	-	-	(33)	(94)	(201)
Exchange differences	(14)	4,337	768	1,592	1,056	(34)	1,723	9,428
Depreciation for the period (Writedowns)/revaluations during the period	-	(22,001)	-	(14,309)	-	(850)	(5,891)	(43,051)
Other changes	-	18,466	(19,000)	16,100	(16,368)	1,924	(65)	1,057
<b>Balance at June 30, 2022</b>	<b>12,195</b>	<b>223,489</b>	<b>49,622</b>	<b>56,360</b>	<b>41,284</b>	<b>6,162</b>	<b>65,417</b>	<b>454,529</b>
Historical cost	12,639	949,370	50,273	218,933	41,383	34,557	117,442	1,424,597
Accumulated depreciation	444	725,881	651	162,573	99	28,395	52,025	970,068
Net value	12,195	223,489	49,622	56,360	41,284	6,162	65,417	454,529

Investments during the period amounted to Euro 34,583 thousand and mainly refer to “Assets under construction and payments on account” and “Tooling under construction”.

Major investments in the “Assets under construction and payments on account” category reflect investments in the European and North American subsidiaries to develop new products and technologies, and to improve production processes.

Major investments in the “Tooling under construction” category concerned specifically the European and North American subsidiaries.

During the first half year 2022, no relevant disposals were made.

“Depreciation for the period” has been recorded in the appropriate item in the Income Statement.

Impairment losses less reversals are booked to “Other non-operating expenses (income)”.

“Other changes” mainly refer to the completion of projects that were under way at the end of the previous year and their reclassification under the pertinent items.

The item also includes the revaluation of the tangible fixed assets of the Argentinian subsidiary Sogefi Suspension Argentina S.A. as a result of the application of IAS 29.

#### *Guarantees*

As of 30 June 2022, tangible fixed assets are encumbered by mortgages or liens to guarantee loans from financial institutions, which refer in particular for Euro 14,943 thousand to the subsidiary Sogefi Suspensions Eastern Europe S.R.L. (Euro 14,998 thousand as at 31 December 2021), for Euro 3.935 thousand to the subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd. (Euro 3,910 thousand as at 31 December 2021) and for Euro 477 thousand to the Indian subsidiary Sogefi ADM Suspensions Private Limited (Euro 455 thousand as at 31 December 2021).

#### *Purchase commitments*

As at 30 June 2022, there are binding commitments to buy tangible fixed assets for the amount of Euro 1,872 thousand (Euro 801 thousand as at 31 December 2021). Said commitments will be settled for the most part within 12 months.

#### *Rights of use*

The net carrying amount of rights of use as of 30 June 2022 amounted to Euro 65,417 thousand versus Euro 67,449 thousand at 31 December 2021 and breaks down as follows:

(in thousands of Euro)	<i>Industrial Buildings</i>	<i>Other buildings</i>	<i>Plant and machinery</i>	<i>Commercial and industrial equipment</i>	<i>Other assets</i>	<i>TOTAL</i>
<i>Balance at December 31, 2021</i>						
Historical cost	84,748	10,837	9,165	801	8,722	114,273
Accumulated depreciation	29,740	4,884	7,258	375	4,567	46,824
Net value	55,008	5,953	1,907	426	4,155	67,449
Additions of the period	319	832	154	2	988	2,295
Disposals during the period	-	-	-	-	(94)	(94)
Exchange differences	1,610	86	53	-	(26)	1,723
Depreciation for the period	(3,672)	(739)	(276)	(88)	(1,116)	(5,891)
Other changes	224	-	(1,053)	-	764	(65)
<i>Balance at June 30, 2022</i>	53,489	6,132	785	340	4,671	65,417
Historical cost	86,828	11,617	8,793	806	9,398	117,442
Accumulated depreciation	33,339	5,485	8,008	466	4,727	52,025
Net value	53,489	6,132	785	340	4,671	65,417

Increases for the period amounted to Euro 2,295 thousand.

“Depreciation for the period” has been recorded in the appropriate item in the Income Statement.

## 9. INTANGIBLE ASSETS

At 30 June 2022 intangible assets amount to Euro 232,954 thousand against Euro 236,687 thousand at the end of the previous year and break down as follows:

(in thousands of Euro)	Develop- ment costs	Industrial patents and intellectual property rights, concessions licences and trademarks	Other, assets under constructi- on and payments on account	Customer Relationship	Trade name Systemes Moteurs	Goodwill	TOTAL
<i>Balance at December 31, 2021</i>							
Historical cost	240,625	67,772	17,621	19,214	8,437	149,537	503,206
Accumulated amortization	176,153	47,746	4,888	10,308	4,526	22,898	266,519
Net value	64,472	20,026	12,733	8,906	3,911	126,639	236,687
Additions of the period	4,791	28	4,546	-	-	-	9,365
Exchange differences	2,112	54	216	-	-	-	2,382
Amortization for the period	(12,747)	(1,990)	(112)	(495)	(217)	-	(15,561)
(Writedowns) / revaluations during the period	(396)	-	(103)	-	-	-	(499)
Other changes	6,459	93	(5,971)	-	(1)	-	580
<i>Balance at June 30, 2022</i>	64,691	18,211	11,309	8,411	3,693	126,639	232,954
Historical cost	254,311	68,119	16,449	19,214	8,437	149,537	516,067
Accumulated amortization	189,620	49,908	5,140	10,803	4,744	22,898	283,113
Net value	64,691	18,211	11,309	8,411	3,693	126,639	232,954

Investments in the half year amounted to Euro 9,365 thousand.

The increases in “Development costs” amount to Euro 4,791 thousand and refer to the capitalisation of costs incurred by Group companies to develop new products in collaboration with leading motor vehicle manufacturers. The most significant investments refer to the subsidiaries Sogefi Air & Cooling Canada Corp., Sogefi (Suzhou) Auto Parts Co., Ltd, Sogefi Filtration S.A. and Sogefi Suspension S.A..

Increases in “Other, assets under construction and payments on account”, for the amount of Euro 4,546 thousand, refer mainly to a large number of investments in the development and implementation of the new products not yet flowed into production. The most significant among them were recorded in subsidiaries Sogefi Air & Cooling S.A.S., S.C. Sogefi Air & Cooling S.r.l., Sogefi U.S.A., Inc., Sogefi Engine Systems India Pvt Ltd, Sogefi Filtration d.o.o. and Sogefi Suspensions Heavy Duty Italy S.p.A.

“(Writedowns)/revaluations during the period” totalled Euro 499 thousand and relates to value adjustments of research and development projects.

There are no intangible assets with an indefinite useful life except for goodwill.

### ***Goodwill and impairment test***

Goodwill is not amortised, but subjected each year to impairment test. The Company identified five Cash Generating Units (C.G.U.s.):

- filtration
- air & cooling
- car suspension
- industrial vehicle suspension
- precision springs

For the moment, it is possible to identify goodwill deriving from external acquisitions in three CGUs: Filtration, Air & Cooling and Car Suspension.

The specific goodwill of C.G.U. “filtration” amounts to Euro 77,030 thousand; the goodwill of CGU “Air & Cooling” amounts to Euro 32,560 thousand; and the goodwill of C.G.U. “Car Suspension” amounts to Euro 17,049 thousand.

As indicated in the section “Critical estimates and assumptions”, as at 30 June 2022, impairment tests have been carried out in accordance with the procedure laid down in IAS 36 to check whether there have been any losses in the value of this goodwill, by comparing the book value of the individual C.G.U.s. with their value in use, given by the present value of estimated future cash flows that are expected to result from the continuing use of the asset being tested for impairment.

The Discounted Cash Flow Unlevered method was used; the criteria used were approved by the Board of Directors on 22 July 2022. In the absence of a 2023-2025 strategic plan updated to 30 June 2022, which will only be prepared in the second half of 2022 by the Management, the impairment tests were carried out based on the assumptions described in “Critical estimates and assumptions”.

It should be noted that the Company has appointed a leading consultancy firm to carry out a Fairness Opinion on the correctness of the assessments carried out by Management in compliance with IAS 36 as regards the methodologies and the main valuation parameters used in the exercise of impairment test.

A discount rate of 8.69%, which reflects the weighted average cost of capital, was used after taxation. The same discount rate is used for all three C.G.U.s. As a matter of fact, the three C.G.U.s. operate in the same sector and deal with the same kind of customers, and it is estimated that they are exposed to the same risks.

The terminal value was calculated using the “perpetual annuity” approach, assuming a growth rate (“g-rate”) of 2.21% (based on long-term inflation estimates for the reference countries weighted by revenues) and considering an operating cash flow based on the last year of the forecast (the year 2026), adjusted to project a stable situation “in perpetuity”, based on the following main assumptions:

- consider a level of investment necessary to “maintain” the business (for the purposes of balancing investment and depreciation/amortisation);
- change in working capital equal to zero.

As regards the average cost of capital, we calculated a weighted average of the cost of debt (taking into consideration the benchmark interest rates plus a spread) and the Company's own cost of capital, based on parameters for a group of firms operating in



the European car components sector which are considered by the leading industry analysts to be Sogefi's peers.

The values used to calculate the average cost of capital (extrapolated from the main financial sources) are as follows:

- financial structure of the industry: 24.2%
- levered beta of the industry: 1.14
- risk-free rate: 3.27% (6 months average of risk-free rates of 10 year sovereign debt of the key markets in which the Group operates, weighted by revenues)
- risk premium: 5.6% (risk associated with AAA-rated countries calculated by an independent source)
- specific risk: 1.22% additional premium, calculated by an independent source, for the risk connected with small caps
- debt cost spread for the industry: 1.2%

As far as the sensitivity analysis goes, it should be noted that:

- the impairment test reached the break-even point at the following discounting rates (growth rate of terminal value remaining unchanged at 2.21% and all other plan assumptions being equal): 19.8% for C.G.U. Filtration; 19.4% for C.G.U. Air &Cooling; and 8.8% for CGU Car Suspension;
- the impairment test reached break-even point with a significant reduction in EBIT during the explicit period covered by the plan that was also applied to terminal value (all other plan assumptions being equal): -64% in C.G.U. Filtration; -63.1% in C.G.U. Air &Cooling; and -2.8% in CGU Car Suspension;
- the impairment test reached break-even point at the following growth rates ("g-rate") of the terminal value (all other plan assumptions being equal): -21.4% in C.G.U. Filtration; -17.8% in C.G.U. Air &Cooling; and +2% in C.G.U. Car Suspension.

In addition, the Company has developed combined sensitivity analyses on the main parameters of the impairment test calculation (discount rate and "g-rate"); no impairment has emerged from said sensitivity analyses for C.G.U. filtration and for C.G.U. air and cooling.

For the C.G.U. car suspension alone, potential impairment loss situations arise for changes in the discount rate of +0.5%, or in the event of a combined deterioration of the two variables.

The test based on the present value of the estimated future cash flows turns out a value in use of the C.G.U.s. that exceeds their carrying value, so no writedown has been posted.

## *10. INVESTMENTS IN JOINT VENTURES*

This item amounts to zero.

## *11. OTHER FINANCIAL ASSETS*

As at 30 June 2022, this item amounts to Euro 46 thousand, unchanged compared to the previous fiscal year.

## 12. FINANCIAL RECEIVABLES AND OTHER NON-CURRENT RECEIVABLES

Financial receivables total Euro 6,397 thousand (Euro 3,957 thousand as of 31 December 2021) and refer to the fair value of Cross Currency Swap (CCS) hedging contracts. For further details, please refer to note 47.

“Other non-current receivables” break down as follows:

(in thousands of Euro)	June 30, 2022	December 31,
Surplus pension funds	7,841	5,208
Other receivables	28,729	33,571
<b>TOTAL</b>	<b>36,570</b>	<b>38,779</b>

The pension fund surplus relates to the subsidiary Sogefi Filtration Ltd. For further details, please refer to note “Current provisions, Non-current provisions and Other payables”.

The item “Other receivables”, amounting to Euro 28,729 thousand (Euro 33,571 thousand as at 31 December 2021), includes tax receivables for the research and development activities of the French subsidiaries, other tax receivables, the non-current portion amounting to Euro 5,285 thousand of the consideration for the sale of the subsidiaries Sogefi Filtration do Brasil Ltda and Sogefi Filtration Argentina S.A.U. (occurred in 2020 and 2021) and non-interest-bearing security deposits paid for leased properties. These receivables will be collected over the coming years.

## 13. DEFERRED TAX ASSETS

As at 30 June 2022, this item amounts to Euro 31,729 thousand compared to Euro 36,276 thousand as of 31 December 2021.

This amount mainly relates to the expected benefits on deductible temporary differences, booked to the extent that it is likely to be recovered.

This item also includes deferred tax assets for tax losses of Euro 3,532 thousand (Euro 5,032 thousand as at 31 December 2021).

Taxation fully refers to tax losses incurred in previous years and relates to the Parent Company Sogefi S.p.A. (Euro 704 thousand; same amount as at 31 December 2021) and the subsidiaries: Sogefi Suspensions S.A. (Euro 2,377 thousand; Euro 3,510 thousand as at 31 December 2021) and Sogefi PC Suspensions Germany GmbH (Euro 451 thousand; unchanged compared to 31 December 2021).

With reference to the Parent Company Sogefi S.p.A., these tax amounts were recognised as they are likely to be recovered taking into account that the Company has joined the CIR Group tax filing system permanently.

With regard to the above mentioned subsidiaries, these taxes were recognised because it is believed to be probable that taxable income will be available in the future - within the time frame of the 2022-2025 business plan - against which such tax losses can be utilised. Such probability is determined based on the fact that losses have originated under extraordinary circumstances that are unlikely to occur again, such as restructuring plans currently under way or occurred in the past.

The losses of the French subsidiaries can be carried forward indefinitely but there is a limit for the amount that can be utilised each year, making recovery time longer.

Losses of the German subsidiary can be carried forward indefinitely to cover possible future profits, there is no limitation on the use of losses carried forward of less than Euro 1 million, while there is a limit of 60% of income for losses above this threshold.

*14. ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE*

As at 30 June 2022, this item amounts to zero.

## **C 2) LIABILITIES**

### **15. FINANCIAL DEBTS TO BANKS, OTHER FINANCIAL DEBTS AND OTHER FINANCIAL LIABILITIES FOR DERIVATIVE FINANCIAL INSTRUMENTS**

These break down as follows:

#### *Current portion*

(in thousands of Euro)	June 30, 2022	December 31, 2021
Bank overdrafts and short-term loans	3,481	1,998
Current portion of medium/long-term financial debts and other loans	52,342	86,874
Short-term financial debts for right of use	19,157	17,147
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>74,980</b>	<b>106,019</b>
Other short-term liabilities for derivative financial instruments	67	45
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>75,047</b>	<b>106,064</b>

#### *Non-current portion*

(in thousands of Euro)	June 30, 2022	December 31, 2021
Financial debts to banks	259,811	219,016
Non current portion of medium/long-term financial debts and other loans	59,793	74,235
Medium/long-term financial debts for right of use	51,180	54,440
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>370,784</b>	<b>347,691</b>
Other medium/long-term liabilities for derivative financial instruments	-	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>370,784</b>	<b>347,691</b>

#### **Bank overdrafts and short-term loans**

Further details can be found in the Analysis of the net financial position contained in note 21.

## Current and non-current portions of medium/long-term financial debts

Details are as follows (in thousands of Euro):

Balance at 30 June 2022:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Current portion	Non-current portion	Total amount	Real Guarantees
Sogefi S.p.A.	Banca Nazionale del Lavoro S.p.A.	Apr - 2022	Apr - 2027	80,000	Euribor 3m. + 190 bps	-	79,791	79,791	N/A
Sogefi S.p.A.	Mediobanca S.p.A.	Mar -2022	Mar- 2026	25,000	Euribor 6m. + 200 bps	-	24,932	24,932	N/A
Sogefi S.p.A.	Unicredit S.p.A. (guaranteed by Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,946	19,946	N/A
Sogefi S.p.A.	Intesa SanPaolo S.p.A. (guaranteed by Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,946	19,946	N/A
Sogefi S.p.A.	Mediobanca S.p.A. (guaranteed by Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,946	19,946	N/A
Sogefi S.p.A.	ING Bank N.V. (guaranteed by Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,946	19,946	N/A
Sogefi Suspensions Eastern Europe S.r.l.	ING Bank	Jul- 2021	Mar - 2026	20,000	Euribor 3m. + 225 bps	3,077	16,923	20,000	YES
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115,000	Fixed coupon 600 bps	15,756	-	15,756	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Nov - 2021	Jul - 2026	10,000	Euribor 6m. + 210 bps	-	9,952	9,952	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor 6m. + 200 bps	-	9,956	9,956	N/A
Sogefi S.p.A.	Private placement	Nov - 2019	Nov - 2025	75,000	Fixed coupon 3% year	7,500	(*)	7,500	N/A
Sogefi Filtration S.A.	CIC S.A.	Oct - 2020	Oct - 2026	10,000	Euribor 3m. + 275 bps	2,000	7,000	9,000	N/A
Sogefi Air&Cooling S.A.S	CIC S.A.	Oct - 2020	Oct - 2026	7,000	Euribor 3m. + 275 bps	1,400	4,900	6,300	N/A
Sogefi Suspensions S.A.	CIC S.A.	Oct- 2020	Ott - 2026	3,000	Euribor 3m. + 275 bps	600	2,100	2,700	N/A
Sogefi Air&Cooling S.A.S	LCL PGE	Oct - 2020	Oct- 2026	9,500	0,75 % fixed	1,900	6,650	8,550	N/A
Sogefi Filtration S.A.	LCL PGE	Oct - 2020	Oct - 2026	3,500	0,75 % fixed	700	2,450	3,150	N/A
Sogefi Suspensions S.A.	LCL PGE	Oct - 2020	Oct - 2026	2,000	0,75 % fixed	400	1,400	1,800	N/A
Sogefi Air&Cooling S.A.S	BNP PGE	Oct - 2020	Oct - 2026	9,000	0,75 % fixed	1,800	6,300	8,100	N/A
Sogefi Filtration S.A.	BNP PGE	Oct - 2020	Oct - 2026	6,500	0,75 % fixed	1,300	4,550	5,850	N/A
Sogefi Suspensions S.A.	BNP PGE	Oct - 2020	Oct - 2026	4,000	0,75 % fixed	800	2,800	3,600	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Intesa SanPaolo S.p.A.	Feb - 2022	Dec- 2022	3,619	3,80 % fixed	3,619	-	3,619	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ICBC Bank	Sept - 2021	Nov- 2022	6,463	4,08 % fixed	6,463	-	6,463	YES
S.C. Sogefi Air & Cooling S.r.l.	ING Bank	Sept - 2019	Mar - 2024	2,426	ROBOR 3m. + 190 bps	607	455	1,061	N/A
Other loans/ deferrals of up front fees						4,420	(131)	4,289	
<b>Total</b>						<b>52,342</b>	<b>259,811</b>	<b>312,153</b>	

(\*) The medium/long-term portion of the bonds of the Parent company Sogefi S.p.A. is detailed in the following paragraph “Other medium/long-term financial debts”.

The line “Other medium/long-term financial debts” includes other minor loans.

## Balance at 31 December 2021:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Current portion	Non-current portion	Total amount	Real Guarantees
Sogefi S.p.A.	Banca Nazionale del Lavoro S.p.A.	Dec -2018	Dec -2023	80,000	Euribor 3m. + 145 bps	40,000	39,975	79,975	N/A
Sogefi S.p.A.	Mediobanca S.p.A.	Aug - 2019	Aug - 2023	25,000	Euribor 3m. + 170 bps	-	24,969	24,969	N/A
Sogefi S.p.A.	Unicredit S.p.A. (guaranteed Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,939	19,939	N/A
Sogefi S.p.A.	Intesa SanPaolo S.p.A. (guaranteed Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,939	19,939	N/A
Sogefi S.p.A.	Mediobanca S.p.A. (guaranteed Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,939	19,939	N/A
Sogefi S.p.A.	ING Bank N.V. (guaranteed Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m. + 190 bps	-	19,939	19,939	N/A
Sogefi Suspensions Eastern Europe S.r.l.	ING Bank	Jul - 2021	Mar - 2026	20,000	Euribor 3m. + 225 bps	-	20,000	20,000	YES
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor 6m. + 200 bps	-	9,951	9,951	N/A
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115,000	Fixed coupon 600 bps	14,452	(*)	14,452	N/A
Sogefi S.p.A.	Private placement	Nov - 2019	Nov - 2025	75,000	Fixed coupon 3% year	7,500	(*)	7,500	N/A
Sogefi Filtration S.A.	CIC S.A.	Oct - 2020	Oct - 2026	10,000	Euribor 3m. + 250 bps	2,000	8,000	10,000	N/A
Sogefi Air&Cooling S.A.S	CIC S.A.	Oct - 2020	Oct - 2026	7,000	Euribor 3m. + 250 bps	1,400	5,600	7,000	N/A
Sogefi Suspensions S.A.	CIC S.A.	Oct - 2020	Oct - 2026	3,000	Euribor 3m. + 250 bps	600	2,400	3,000	N/A
Sogefi Air&Cooling S.A.S	LCL PGE	Oct - 2020	Oct - 2026	9,500	0,75 % Fixed	1,900	7,600	9,500	N/A
Sogefi Filtration S.A.	LCL PGE	Oct - 2020	Oct - 2026	3,500	0,75 % Fixed	700	2,800	3,500	N/A
Sogefi Suspensions S.A.	LCL PGE	Oct - 2020	Oct - 2026	2,000	0,75 % Fixed	400	1,600	2,000	N/A
Sogefi Air&Cooling S.A.S	BNP PGE	Oct - 2020	Oct - 2026	9,000	0,75 % Fixed	1,800	7,200	9,000	N/A
Sogefi Filtration S.A.	BNP PGE	Oct - 2020	Oct - 2026	6,500	0,75 % Fixed	1,300	5,200	6,500	N/A
Sogefi Suspensions S.A.	BNP PGE	Oct - 2020	Oct - 2026	4,000	0,75 % Fixed	800	3,200	4,000	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Intesa SanPaolo S.p.A.	Feb - 2021	May - 2022	5,560	4,15 % Fixed	5,560	-	5,560	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ICBC Bank	Jun - 2021	Sept - 2022	5,529	4,13 % fisso	5,529	-	5,529	YES
S.C. Sogefi Air & Cooling S.r.l.	ING Bank	Sep - 2019	Mar - 2024	2,465	ROBOR 3m. + 190 bps	606	758	1,364	N/A
Other loans/ deferrals of up front fees						2,327	7	2,334	
<b>Total</b>						<b>86,874</b>	<b>219,016</b>	<b>305,890</b>	

(\*) The medium/long-term portion of the bonds of the Parent company Sogefi S.p.A. is detailed in the following paragraph "Other medium/long-term financial debts".

### ***Other short-term liabilities for derivative financial instruments***

The item includes the short-term portion of the fair value of exchange risk hedging contracts and interest risk hedging contracts.

Please refer to chapter G "47. Financial Instruments" for a further discussion of this matter.

### ***Other medium/long-term financial debts***

Details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Total amount at June 30, 2022 (in thousands of Euro)	Real guarantees
Sogefi S.p.A.	Private placement	Nov - 2019	Nov - 2025	EUR 75,000	Fixed coupon 3% year	59,793	N/A
<b>TOTAL</b>						<b>59,793</b>	

Please note that an amount of Euro 15,756 thousand relating to the bond issue, whose original amount was USD 115,000 thousand, was classified under “Current portion of medium/long-term financial debts” as it will get to maturity in May 2023. As at 31 December 2021, details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Total amount at December 31, 2021 (in thousands)	Real guarantees
Sogefi S.p.A.	Private placement	Nov - 2019	Nov - 2025	EUR 75,000	Fixed coupon 3% year	59,739	N/A
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115,000	Fixed coupon 600 bps	14,496	N/A
Total						74,235	

During the first half of 2022, the Parent Company Sogefi S.p.A. carried out the following transactions:

- early repayment of the Euro 80 million loan with BNL/BNP Paribas and, at the same time, entering into a new loan for the same amount, expiring in April 2027, agreeing to a floating rate linked to Euribor plus a spread of 190 basis points;
- refinancing of the loan with Intesa Sanpaolo S.p.A. for Euro 50 million, extending its expiration to May 2026 and agreeing to a floating rate linked to Euribor plus a spread of 205 basis points. As at 30 June 2022, this loan was not in use;
- refinancing of the loan with Mediobanca S.p.A. for Euro 25 million, extending its expiration in march 2026 and agreeing to a variable rate linked to Euribor plus a spread of 200 basis points.

With reference to the bond loan originally for USD 115 million expiring in May 2023, as per the relative contract the Parent Company Sogefi S.p.A. paid the sixth instalment in June, for a total amount of USD 16.4 million.

The existing loans are not secured by the Company’s assets.

### ***Other medium/long-term financial liabilities for derivative financial instruments***

Please refer to chapter G for a further discussion of this matter.

### ***Financial payables for rights of use***

Details are as follows:

<i>(in thousands of Euro)</i>	<i>June 30, 2022</i>	<i>December 31, 2021</i>
Short-term financial debts for right of use	19,157	17,147
Medium / long-term financial debts for rights of use	51,180	54,440
<b>TOTAL</b>	<b>70,337</b>	<b>71,587</b>

The item includes payables for Rights of Use recorded following the application of the accounting standard IFRS 16 “Leases”.

This item mainly refers to the residual debt of property rental agreements. The main property rental agreements refer to the subsidiaries Sogefi Suspensions Eastern Europe S.r.l. (Euro 16.9 million), Sogefi Engine Systems Mexico S. de R.L. de C.V. (Euro 12.3 million), Sogefi (Suzhou) Auto Parts Co., Ltd (Euro 6.7 million), Filter Systems Maroc S.a.r.l. (Euro 5.8 million), Sogefi Filtration S.A. (Euro 4.2 million) and Sogefi Air & Cooling Canada Corp. (Euro 3.7 million).

It should also be noted that the item includes Euro 1,511 thousand (recognised to current financial payables) relating to financial leases already in place as at 1 January 2019, already accounted for in accordance with the provisions of IAS 17.



## 16. TRADE, TAX AND OTHER PAYABLES

The amounts shown in the financial statements can be broken down into the following categories:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Trade and other payables	373,670	317,630
Tax payables	6,630	4,783
<b>TOTAL</b>	<b>380,300</b>	<b>322,413</b>

Details of trade and other payables are as follows:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Due to suppliers	278,060	210,932
Due to the parent company	911	1,876
Due to tax authorities for indirect and other taxes	9,633	7,220
Due to social and security institutions	14,624	15,517
Due to employees	29,779	32,557
Other commercial payables to customers	30,377	36,654
Other payables	10,288	12,874
<b>TOTAL</b>	<b>373,672</b>	<b>317,630</b>

"Trade payables" increased by Euro 67,128 thousand compared to 31 December 2021 (of which Euro 3,234 thousand related to the effect of exchange rates), mainly due to higher business in second quarter 2022 compared to fourth quarter 2021.

Amounts "Due to Parent company" refer to the debt amounting to Euro 18 thousand due to the Parent Company CIR S.p.A. for services rendered in the first half of 2022; Euro 319 thousand reflect the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system; the amount of Euro 476 thousand reflects the tax liabilities in connection with the CIR Group tax filing system; the amount of Euro 24 thousand refers to compensations to be liquidated to the directors to be paid to the Parent Company CIR S.p.A. and the amount of Euro 74 thousand refers to insurance for the third-party liability of directors, statutory auditors and managers. For further details, please refer to note 40.

The item "Other commercial payables to customers" includes credit notes to be issued to customers for price reductions and discounts granted to Aftermarket customers upon reaching certain levels of turnover.

## 17. OTHER CURRENT LIABILITIES

"Other current liabilities" mainly includes liabilities recognised for the adoption of IFRS 15. These liabilities represent the amounts received from customers for the sale of tooling and prototypes that will be recognised in the income statement over the life of the product.

This item also includes adjustments to costs and revenues for the period so as to ensure compliance with the accruals based principle (accrued expenses and deferred income) and advances received from customers for orders still to be delivered.

## 18. CURRENT PROVISIONS, NON-CURRENT PROVISIONS AND OTHER PAYABLES

### *Current provisions and non-current provisions*

These are made up as follows:

(in thousands of Euro)	June 30, 2022		
	Current	Non-current	Total
Pension funds	-	34,218	34,218
Employment termination indemnities	-	2,680	2,680
Provision for restructuring	8,754	1,765	10,519
Provision for product warranties	2,896	911	3,807
Provision for rights of use restoration	-	4,811	4,811
Provision for disputes in progress and other risks	2,591	1,245	3,836
<b>TOTAL</b>	<b>14,241</b>	<b>45,630</b>	<b>59,871</b>

(in thousands of Euro)	December 31, 2021		
	Current	Non-current	Total
Pension funds	-	44,335	44,335
Employment termination indemnities	-	3,008	3,008
Provision for restructuring	10,097	1,860	11,957
Provision for product warranties	3,033	506	3,539
Provision for rights of use restoration	47	4,695	4,742
Provision for disputes in progress and other risks	3,550	1,879	5,429
<b>TOTAL</b>	<b>16,727</b>	<b>56,283</b>	<b>73,010</b>

Details of the main items are given below.

### *Pension funds*

Changes in this item over the period are shown below:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Opening balance	39,127	61,589
Cost of benefits charged to income statement	1,074	1,368
Amounts recognised in "Other Comprehensive Income"	(11,290)	(19,095)
Contributions paid	(2,340)	(6,918)
Exchange differences	(194)	2,183
<b>TOTAL</b>	<b>26,377</b>	<b>39,127</b>
<i>of which booked to Liabilities</i>	<i>34,218</i>	<i>44,335</i>
<i>of which booked to Assets</i>	<i>7,841</i>	<i>5,208</i>

The following table shows the balances of pension funds by geographical area of the relevant subsidiaries:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Great Britain	8,269	18,475
France	14,738	17,204
Other	3,370	3,448
<b>TOTAL</b>	<b>26,377</b>	<b>39,127</b>

### ***Employment termination indemnities***

Changes in this item over the period are shown below:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Opening balance	3,008	3,190
Accruals for the period	23	31
Amounts recognised in "Other Comprehensive Income"	-	46
Contributions paid	(351)	(259)
<b>TOTAL</b>	<b>2,680</b>	<b>3,008</b>

### ***Provision for restructuring***

These are amounts set aside for restructuring operations that have been officially announced and communicated to those concerned, as required by IAS/IFRS.

The provision changed as follows during the period:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Opening balance	11,957	19,482
Accruals for the period	1,085	2,998
Utilizations	(2,485)	(5,936)
Provisions not used during the period	-	(3,956)
Other changes	-	(669)
Exchange differences	(38)	38
<b>TOTAL</b>	<b>10,519</b>	<b>11,957</b>

The “Accruals for the period” (Euro 1,085 thousand) and “Utilizations” (recorded as a reduction of the provisions previously allocated), Euro 2,485 thousand, mainly refer to the European subsidiaries.

“Accruals for the period” net of the “Provisions not used during the period” (amounts set aside during previous years in excess of amounts actually paid); this figure is booked to the Income Statement under “Restructuring costs”.

“Other changes” essentially include the reclassification of liabilities that have become certain to accounts payable.

### ***Provision for product warranties***

The provision changed as follows during the period:

(in thousands of Euro)	June 30, 2022	December 31, 2021
Opening balance	3,539	3,960
Accruals for the period	1,398	2,101
Utilizations	(247)	(110)
Provisions not used during the period	(945)	(2,475)
Other changes	-	28
Exchange differences	62	35
<b>TOTAL</b>	<b>3,807</b>	<b>3,539</b>

The item includes provisions for risks concerning the cost of replacing products under warranty made by Group companies.

The provision of Euro 1,398 thousand mainly refers to the European subsidiaries.

Provisions not used, amounting to Euro 945 thousand, mainly relating to European subsidiaries, refer to the release of funds that are no longer required.

“Other changes” essentially include the reclassification of liabilities that have become certain to accounts payable.

### ***Provision for restoration of rights of use***

This item, for the amount of Euro 4,811 thousand, includes an estimate of the costs that the lessees of leased assets will have to incur in order to dismantle and remove the asset and restore the site or asset to the condition provided for in the lease terms.

### ***Provision for lawsuits and other risks***

The provision changed as follows during the period:

<u>(in thousands of Euro)</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Opening balance	5,429	4,333
Accruals for the period	84	3,075
Utilizations	(101)	(1,224)
Provisions not used during the period	(1,397)	(668)
Variation of consolidation perimeter	-	(66)
Other changes	(158)	(48)
Exchange differences	(21)	27
<b>Total</b>	<b>3,836</b>	<b>5,429</b>

The provision includes liabilities toward employees and other individuals or entities. Amounts stated in the financial statements represent the best possible estimates of liabilities at the reporting date.

The provision at 30 June 2022 mainly refers to liabilities for risks connected with the European subsidiaries.

“Other changes” essentially include the reclassification of liabilities that have become certain to accounts payable.

### **Other payables**

The item "Other payables" mainly reflects the non-current portion of liabilities recorded in connection with the adoption of IFRS 15. These liabilities represent the amounts received from customers for the sale of tooling and prototypes that will be recognised in the income statement over the life of the product.

### ***19. DEFERRED TAX LIABILITIES***

As at 30 June 2022, this item amounts to Euro 25,168 thousand compared to Euro 25,288 thousand as of 31 December 2021.

This amount relates to the expected taxation on taxable temporary differences.

## 20. SHARE CAPITAL AND RESERVES

### *Share capital*

The share capital of the Parent Company Sogefi S.p.A. is fully paid in and amounts to Euro 62,461 thousand as of 30 June 2022 (not changed compared to 31 December 2021), split into 120,117,992 ordinary shares with a par value of Euro 0.52 each.

As at 30 June 2022, the Company has 1,973,943 treasury shares (2,014,013 as at 31 December 2021) in its portfolio, corresponding to 1.64% of share capital (1.68% as at 31 December 2021), at an average price of Euro 2.28 each.

### *Share premium reserve*

It amounts to Euro 19,381 thousand compared to Euro 19,289 thousand in the previous year.

In the first half year 2022, the Parent Company Sogefi S.p.A. credited Euro 92 thousand to the Share premium reserve after the free grant of 40,070 treasury shares to Stock Grant beneficiaries.

### *Treasury shares*

Item “Treasury shares” reflects the purchase price of treasury shares. Movements during the year amount to Euro 92 thousand and reflect the free grant of 40,070 treasury shares as reported in the note to “Stock-based incentive plans reserve”.

### *Translation reserve*

This reserve is used to record the exchange differences arising from the translation of foreign subsidiaries' financial statements.

### *Reserve for actuarial gains/losses*

The reserve includes actuarial gains (losses) recognised in Other Comprehensive Income, as required by IAS 19 "Employee Benefits".

### *Cash flow hedging reserve*

This reserve has changed as a result of accounting for the cash flows deriving from instruments that for IAS 39 purposes are designated as “cash flow hedging instruments”. Changes during the period show an increase of Euro 3,637 thousand, that can be broken down as follows:

- Euro 364 thousand reflecting the portion of the negative reserve relating to contracts no longer in hedge accounting that will be recognised to the Income Statement over the same period of time as the differentials relating to the underlying hedged item;
- Euro 3,273 thousand as a consequence of the change in the fair value of the IRS contracts in hedge accounting.

### *Stock-based incentive plans reserve*

The reserve refers to credit to equity for stock-based incentive plans, assigned to Directors and employees.

In the first half of 2022, further to Stock Grant Plan beneficiaries exercising their rights and due to the corresponding free grant of 40,070 treasury shares, the amount of Euro 82 thousand, corresponding to the fair value at right (Unit) allocation date, was reclassified from “Stock- based incentive plans reserve” to “Share premium

reserve” (increased of Euro 92 thousand) and “Retained earnings reserve” (decreased of Euro 10 thousand).

While the increase by Euro 94 thousand refers to the cost of accruing plans.

#### *Other reserves*

This item amounts to Euro 12,201 thousand (unchanged compared to 31 December 2021).

#### *Retained earnings*

These totalled Euro 154,475 thousand and include amounts of profit that have not been distributed.

The increase of Euro 3,476 thousand refers to the following events:

- reclassification from the above mentioned "Stock-based incentive plans reserve" as outlined above (decrease of Euro 10 thousand);
- the effect of the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the Argentine subsidiaries (increase of Euro 3,497 thousand);
- other decreases for the amount of Euro 11 thousand.

#### *Tax on items booked in Other Comprehensive Income*

The table below shows the amount of income taxes relating to each item of Other Comprehensive Income:

(in thousands of Euro)	1st half 2022			1st half 2021		
	Gross Amount	Tax effect	Net Amount	Gross Amount	Tax effect	Net Amount
- Profit (loss) booked to cash flow hedge reserve	3,637	(873)	2,764	836	(200)	636
- Actuarial profit (loss)	11,290	(2,291)	8,999	11,196	(3,530)	7,666
- Profit (loss) booked to translation reserve	6,529	-	6,529	2,923	-	2,923
Total Profit (loss) booked in Other Comprehensive Income	21,456	(3,164)	18,292	14,955	(3,730)	11,225

#### *NON-CONTROLLING INTERESTS*

The balance amounts to Euro 15,540 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.

Details of non-controlling interests are given below:

(in thousands of Euro)	Region	% owned by third parties			Loss (profit) attributable to non-controlling interests		Shareholders' equity attributable to non-controlling interests	
		06.30.2022	12.31.2021	06.30.2021	06.30.2022	06.30.2021	06.30.2022	12.31.2021
S.ARA Composite S.A.S.	France	4.21%	4.21%	4.21%	(1)	46	19	20
Iberica de Suspensiones S.L. (ISSA)	Spain	50.00%	50.00%	50.00%	199	1,487	14,969	16,843
Shanghai Alleward Spring Co., Ltd	China	0.00%	0.00%	0.00%	-	(3)	-	-
Sogefi ADM Suspensions Private Limited	India	25.77%	25.77%	25.77%	106	(26)	501	381
Sogefi Filtration Italy S.p.A.	Italy	0.12%	0.12%	0.12%	-	-	28	28
Sogefi Suspensions Passenger Car Italy S.p.A.	Italy	0.12%	0.12%	0.12%	-	-	12	12
Sogefi Suspensions Heavy Duty Italy S.p.A.	Italy	0.12%	0.12%	0.12%	-	2	11	13
TOTAL					304	1,506	15,540	17,297

Specifically, 50% owned company Iberica de Suspensiones S.L. (ISSA) is treated as a subsidiary because the Group controls the majority of votes of the Board of Directors, which is the corporate body tasked with deciding on the entity's relevant activities.

## 21. ANALYSIS OF THE NET FINANCIAL POSITION

The following table provides details of the net financial position as required by Consob in its communication no. DEM/6064293 of 28 July 2006 referred to by ESMA in Communication no. ESMA32-382-1138 dated 4 March 2021:

(in thousands of Euro)	June 30, 2022	December 31, 2021
A. Cash	152,254	120,927
B. Cash equivalent	-	-
C. Other current financial assets	4,968	5,112
<b>D. Liquidity (A) + (B) + (C)</b>	<b>157,222</b>	<b>126,039</b>
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	13,630	2,043
F. Current portion of non-current financial debt	61,417	104,021
<b>G. Current financial indebtedness (E) + (F)</b>	<b>75,047</b>	<b>106,064</b>
<b>H. Net current financial indebtedness (G) - (D)</b>	<b>(82,175)</b>	<b>(19,975)</b>
I. Non-current financial debt (excluding the current portion and debt instruments)	307,597	273,343
J. Debt instruments	59,793	74,235
K. Non-current trade and other payables	-	-
<b>L. Non-current financial indebtedness (I) + (J) + (K)</b>	<b>367,390</b>	<b>347,578</b>
<b>M. Net indebtedness (H) + (L)</b>	<b>285,215</b>	<b>327,603</b>

It should be noted that item “F. Current portion of non-current financial debt” includes short-term liabilities related to lease agreements for Euro 19,157 thousand (Euro 17,147 thousand as at 31 December 2021) and item “I. Non-current financial debt (excluding the current portion and debt instruments)” includes long-term liabilities for Euro 51,180 thousand (Euro 54,440 thousand as at 31 December 2021).

Furthermore, with reference to derivative contracts, it should be noted that item “C. Other current financial assets” includes the positive fair value of derivatives not in cash flow hedge and item “E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)” includes the negative fair value of derivatives not in cash flow hedge. Item “I. Non-current financial debt (excluding the current portion and debt instruments)” includes the fair value of derivatives in cash flow hedge.

Details of the covenants applying to loans outstanding at the end of first half 2022 are as follows (please read note 15 “Financial debts to banks and other financing creditors” above for further details on loans):

- loan of Euro 25,000 thousand from Mediobanca S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 50,000 thousand from Unicredit S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;

- loan of Euro 80,000 thousand from Banca Nazionale del Lavoro S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 20,000 thousand from ING Bank N.V.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3.
- loan of Euro 50,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 25,000 thousand from Banco do Brasil S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- bond issue of USD 115,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of Euro 75,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 80,000 thousand guaranteed by SACE: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 10,000 thousand from Cassa depositi e prestiti S.p.A. (taken out in June 2021): the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 10,000 thousand from Cassa depositi e prestiti S.p.A. (taken out in November 2021): the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3.

It should also be noted that Sogefi S.p.A. has provided a guarantee to Ing Bank N.V. for the loan of Euro 20,000 thousand obtained by the subsidiary Sogefi Suspensions Eastern Europe S.r.l., to which the following covenants apply: ratio of consolidated net financial position to consolidated normalised EBITDA less than or equal to 4; ratio of consolidated normalised EBITDA to consolidated net financial expenses not less than 3.

As at 30 June 2022, the Company was in compliance with these covenants.



## D) NOTES ON THE MAIN INCOME STATEMENT ITEMS: INCOME STATEMENT

### 22. SALES REVENUES

#### Revenues from sales and services

In the first half of 2022, Sogefi Group's revenues amounted to Euro 756 million, up by 12.3% compared to the corresponding period in 2021 at historical exchange rates and 9.1% at constant exchange rates (8.0% in Q1 and 16.9% in Q2).

Revenues by business sector and geographic area break down as follows:

By business sector:

(in thousands of Euro)	1st half 2022		1st half 2021	
	Amount	%	Amount	%
Suspensions	268,762	35.5	235,502	35.0
Filtration	268,073	35.5	232,474	34.5
Air&Cooling	221,183	29.3	207,218	30.8
Intercompany eliminations	(2,005)	(0.3)	(1,766)	(0.3)
TOTAL	756,013	100.0	673,428	100.0

The Suspensions business unit reported a rise in revenues of 14.1% (+13.2% at constant exchange rates), with significant growth rates particularly in South America.

The Filtration business unit reported a rise in revenues of 15.3% (+12% at constant exchange rates), thanks to the good performance of the After Market channel in Europe and of business in North America and India.

The Air and Cooling business unit reported a rise in revenues of 6.7% and of 1.1% at constant exchange rates due to the negative performance of the Chinese market and particularly to the lockdowns in some areas in April and May when the pandemic flared up again.

By geographic area:

(in thousands of Euro)	1st half 2022		1st half 2021	
	Amount	%	Amount	%
Europe	450,333	59.6	427,501	63.5
North America	162,479	21.5	136,019	20.2
South America	49,881	6.6	33,638	5.0
Asia	96,325	12.7	82,426	12.2
Intercompany eliminations	(3,005)	(0.4)	(6,156)	(0.9)
TOTAL	756,013	100.0	673,428	100.0

Revenues, even at constant exchange rates, rose in all geographic areas: +5.3% in Europe, +19.5% in North America (+9.2% at constant exchange rates), +48.3% in South America (+49.8% at constant exchange rates), +16.9% in Asia (+8.2% at constant exchange rates).

### 23. SEASONAL NATURE OF SALES

The type of products sold by the company and the sectors in which the Group operates mean that revenues record a reasonably linear trend over the course of the year and are not subject to particular cyclical phenomena when considered on a like-for-like basis.

Sales by half-year period for the past two years are shown below:

(in thousands of Euro)	1st half	2nd half	Total year
FY 2021	673,428	647,209	1,320,637
FY 2020	500,121	690,112	1,190,233

### 24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	1st half 2022	1st half 2021
Materials	420,651	353,125
Direct labour cost	54,116	51,365
Energy costs	22,775	15,630
Sub-contracted work	21,343	20,136
Ancillary materials	8,898	8,254
Variable sales and distribution costs	15,519	13,567
Royalties paid to third parties on sales	1,476	1,793
Other variable costs	(1,032)	(1,015)
TOTAL	543,746	462,855

The impact of “Variable cost of sales” on revenues stands at 71.9%, up from 68.7% in the first six months of last year due to the dilution caused by the parallel increase in sales prices and raw material prices.

“Other variable costs” represent the portion of direct labour cost and fixed cost included in the increase in the inventory of finished goods and semi-finished products. Please note that the portion of change in inventory relating to raw materials is included in the row “materials”.

### 25. MANUFACTURING AND R&D OVERHEADS

Details are as follows:

(in thousands of Euro)	1st half 2022	1st half 2021
Labour cost	44,648	46,557
Materials, maintenance and repairs	12,965	11,910
Rental and hire charges	991	869
Personnel services	3,319	2,869
Technical consulting	2,760	3,363
Sub-contracted work	395	673
Insurance	1,251	1,065
Utilities	658	722
Capitalization of internal construction costs	(7,882)	(8,830)
Other	1,839	1,533
TOTAL	60,944	60,731

“Manufacturing and R&D overheads” are in line with the first half year 2021. At constant exchange rates, there would be a negative change that would be Euro 1,053 thousand.

“Labour cost”, in particular, decreased by Euro 1,909 thousand compared to the first half of 2021, mainly due to the reduction in the average number of employees.

The increase of Euro 1,055 thousand in “Materials, maintenance and repairs” refers to more maintenance operations.

Total costs for Research and Development (not reported in the table but included mainly under the headings “Labour cost”, “Materials, maintenance and repairs” and “Technical consulting”) amount to Euro 13,827 thousand compared to Euro 16,524 thousand as of 30 June 2021.

Item “Capitalisations of internal construction costs” decreased by Euro 948 thousand as a result of the lower capitalisation of research and development expenses.

## 26. DEPRECIATION AND AMORTIZATION

Details are as follows:

(in thousands of Euro)	1st half 2022	1st half 2021
Depreciation of tangible fixed assets	37,160	35,057
Depreciation of Right of Use/finance leases IAS 17	5,891	5,929
Amortization of intangible assets	15,561	16,830
<b>TOTAL</b>	<b>58,612</b>	<b>57,816</b>

Item “Depreciation and amortization” amounts to Euro 58,612 thousand compared with Euro 57,816 thousand in the first half year 2021.

At constant exchange rates, this item would decrease by Euro 1,081 thousand.

## 27. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	1st half 2022	1st half 2021
Labour cost	11,120	10,746
Sub-contracted work	2,132	2,152
Advertising, publicity and promotion	721	861
Personnel services	472	311
Rental and hire charges	337	312
Consulting	535	120
Other	581	490
<b>TOTAL</b>	<b>15,898</b>	<b>14,992</b>

“Distribution and sales fixed expenses” increased by Euro 906 thousand. At constant exchange rates, this item would have increased by Euro 575 thousand.

## 28. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	1st half 2022	1st half 2021
Labour cost	16,105	16,561
Personnel services	1,245	1,112
Maintenance and repairs	1,679	1,450
Cleaning and security	942	946
Consulting	2,642	2,869
Utilities	1,148	1,057
Rental and hire charges	875	1,032
Insurance	1,359	871
<i>Participation des salaries</i>	1,027	394
Administrative, financial and tax-related services provided by Parent Company	165	140
Audit fees and related expenses	923	816
Directors' and statutory auditors' remuneration	511	404
Sub-contracted work	257	193
Capitalization of internal construction costs	(65)	(63)
Indirect taxes	2,868	2,705
Other fiscal charges	782	1,127
Other	2,926	3,046
<b>TOTAL</b>	<b>35,389</b>	<b>34,660</b>

In the first half of 2022, “Administrative and general expenses” increased by Euro 729 thousand compared to the previous year. At constant exchange rates this item would have increased by Euro 59 thousand.

The line “Administrative, financial and tax-related services provided by Parent Company” remained in line with the previous year. For further details, please refer to note 40 “Related party transactions”.

The increase of item “*Participation des salaries*” is traced back to the better results obtained by the French subsidiaries.

“Indirect taxes” include tax charges such as property tax, taxes on sales revenues (*taxe organique* of the French companies), non-deductible VAT and taxes on professional training.

“Other fiscal charges” consist of the *cotisation économique territoriale* (previously called *taxe professionnelle*) relating to the French companies, which is calculated on the value of fixed assets and on added value.

## 29. PERSONNEL COSTS

### **Personnel**

Personnel costs can be broken down as follows:

(in thousands of Euro)	1st half 2022	1st half 2021
Wages, salaries and contributions	124,318	123,419
Pension costs: defined benefit plans	776	930
Pension costs: defined contribution plans	896	879
<i>Participation des salaires</i>	1,027	394
Imputed cost of stock option and stock grant plans	94	32
Other costs	5	14
<b>TOTAL</b>	<b>127,116</b>	<b>125,668</b>

“Personnel costs” increased by Euro 1,448 thousand (+1.2%) compared with the first half of the previous year; at constant exchange rates “Personnel costs” would decrease by Euro 1,171 thousand.

The impact of “Personnel costs” on sales revenues has decreased to 16.8% from 18.7% as at 30 June 2021.

“Wages, salaries and contributions”, “Pension costs: defined benefit plans” and “Pension costs: defined contribution plans” are posted in the tables provided above at line “Labour cost”.

“Other costs” is included in “Administrative and general expenses”.

“Imputed cost of Stock Grant plans” is included in “Other non-operating expenses (income)”. The following paragraph “Personnel benefits” provides details of the Stock Option and Stock Grant plans.

The average number of employees broken down by category is as follows:

(Number of employees)	1st half 2022	1st half 2021
Managers	60	73
Clerical staff	1,497	1,613
Blue collar workers	3,927	4,023
<b>TOTAL</b>	<b>5,484</b>	<b>5,709</b>

### **Personnel benefits**

Sogefi S.p.A. implements stock-based incentive plans for the employees of the Company and of its subsidiaries that hold important positions of responsibility within the Group. The purpose is to foster greater loyalty to the Group and to provide an incentive that will raise their commitment to improving business performance and generating value in the long term.

The stock-based incentive plans of Sogefi S.p.A. are first approved by the Shareholders’ Meeting.

Except as outlined at the following paragraphs “*Stock Grant plans*”, the Group has not carried out any other transaction that involves the purchase of goods or services with payments based on shares or any other kind of instrument representing portions of equity. As a result, it is not necessary to disclose the fair value of such goods or services.

The Group has issued plans from 2011 to 2022 of which the main details are provided below.

### *Stock Grant plans*

The stock grant plans provide for the free assignment of conditional rights (called units) that cannot be transferred to third parties or other beneficiaries; each of them entitles to the free assignment of one Sogefi S.p.A. share.

Until 2019, the plans provided for two categories of units:

- Time-based Units, the vesting of which is subject to the passing of the established time periods;
- Performance Units type A, whose vesting is subject to the passing of the time periods and the achievement of the targets based on the market value of the share, as set out in the regulation.

Starting with the 2020 Stock Grant Plan, an additional category of units was added:

- Performance Units type B, whose vesting is subject to the passing of the time periods and the achievement of the Economic-Financial Targets set out in the regulation.

In this regard, it should be noted that with the issuance of the 2022 Stock Grant Plan, the Type B Performance Units will also be subject to the achievement of the Non-Financial Targets, measured on the basis of the comparison between the Non-Financial Results and the Non-Financial Targets set forth in the regulation.

The regulation provides for a minimum holding period during which the shares held for the plan can not be disposed of.

All shares assigned under these plans will be treasury shares held by Sogefi S.p.A. According to the regulation, a pre-condition for assigning the shares is a continued employer-employee relationship or the continued appointment as a director/executive of the Company or one of its subsidiaries throughout the vesting period of the rights.

On 22 April 2022, the Board of Directors executed the 2022 stock grant plan (approved by the Shareholders’ Meeting held on the same day to assign a maximum of 1,000,000 conditional rights), restricted to employees of the Company and its subsidiaries, who were assigned a total of 995,000 Units (294,166 of which were Time-based Units, 350,417 Performance Units type A and 350,417 Performance Units type B).

Time-based Units will vest in tranches on a three-monthly basis, accounting for 8.33% of their respective total, starting on 30 April 2024 and ending on 31 January 2027.

Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, starting on 31 July 2024, at the following vesting dates and under the following conditions:

- 1) the first portion, with effect from 31 July 2024, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2023, in accordance with the Regulation;
- 2) the second portion, with effect from 31 July 2025, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2024, in accordance with the Regulation;
- 3) the third portion, with effect from 31 July 2026, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2025, in accordance with the Regulation.

The fair value of the units granted during 2022 was determined at the time of granting, with the help of an external consultant, and was calculated on the basis of the binomial model for the valuation of American options known as the Cox, Ross and Rubinstein (CRR) model for Time-based units and Performance Units type B, and on the basis of the model called 'Monte Carlo simulation' for Performance Units type A. The overall fair value amounts to a total of Euro 889 thousand.

Input data used for measuring the fair value of the 2022 stock grant plan are provided below:

- curves of EUR/SEK/CHF-riskless interest rates as at 22 April 2022;
- price of the Sogefi S.p.A. share as at 22 April 2022 (equal to Euro 0.942), and of the securities included in the benchmark basket, again as at 22 April 2022;
- standard values of Sogefi S.p.A. share and of the securities included in the benchmark basket, calculated as an average of the prices during the period starting on 21 March 2022 and ending on 21 April 2022 for the determination of the limit for Stock Grant Performance Units type A;
- 260-day historical volatility values observed at 22 April 2022 for stocks and foreign exchange rates;
- Dividend yield equal to zero;
- historical series of the logarithmic returns of involved securities and EUR/SEK and EUR/CHF exchange rates to calculate the correlation among securities and among the 2 non-EUR denominated securities and associated exchange rates (to adjust for estimated trends), calculated for the period starting on 22 April 2021 and ending on 22 April 2022.

The main characteristics of the stock grant plans approved during previous years and still under way are outlined below:

- 2012 stock grant plan to assign a maximum of 1,600,000 conditional rights, restricted to the Director who filled the post of Managing Director of the Parent Company at the date of issue of the relevant plan and to employees of the Company and its subsidiaries, who were assigned a total of 1,152,436 Units (480,011 of which were Time-based Units and 672,425 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 20 April 2014 and ending on 31 January 2016.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 82,374 Time-based Units and 596,630 Performance Units expired as per regulation. While 397,637 Time-based Units and 75,795 Performance Units had been exercised.

- 2013 stock grant plan to assign a maximum of 1,700,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 1,041,358 Units (432,434 of which were Time-based Units and 608,924 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 20 April 2015 and ending on 31 January 2017.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 256,954 Time-based Units and 608,924 Performance Units expired as per regulation. While 171,280 Time-based Units had been exercised.

- 2014 stock grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 378,567 Units (159,371 of which were Time-based Units and 219,196 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 20 April 2016 and ending on 20 January 2018.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 109,543 Time-based Units and 219,196 Performance Units expired as per regulation. While 50,216 Time-based Units had been exercised.

- 2015 stock grant plan to assign a maximum of 1,500,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 441,004 Units (190,335 of which were Time-based Units and 250,669 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 20 October 2017 and ending on 20 July 2019.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 56,911 Time-based Units and 179,805 Performance Units expired as per regulation. While 125,084 Time-based Units and 67,943 Performance Units had been exercised.

- 2016 stock grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 500,095 Units (217,036 of which were Time-based Units and 283,059 Performance Units).



The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 27 July 2018 and ending on 27 April 2020.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 77,399 Time-based Units and 100,948 Performance Units expired as per regulation. While 139,638 Time-based Units and 182,111 Performance Units had been exercised.

- 2017 stock grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 287,144 Units (117,295 of which were Time-based Units and 169,849 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 26 July 2019 and ending on 26 April 2021.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 36,703 Time-based Units and 169,849 Performance Units expired as per regulation. While 79,236 Time-based Units had been exercised.

- 2018 stock grant plan to assign a maximum of 500,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 415,000 Units (171,580 of which were Time-based Units and 243,420 Performance Units).

The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 23 July 2020 and ending on 23 April 2022.

The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.

On 30 June 2022, 95,446 Time-based Units and 243,420 Performance Units expired as per regulation. While 70,662 Time-based Units had been exercised.

- 2019 stock grant plan to assign a maximum of 500,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 469,577 Units (213,866 of which were Time-based Units and 255,711 Performance Units).

Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 22 October 2021 and ending on 22 July 2023.

Performance Units will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

On 30 June 2022, 109,121 Time-based Units and 132,033 Performance Units expired as per regulation. While 36,409 Time-based Units and 14,762 Performance Units had been exercised.

- 2020 stock grant plan to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 790,000 Units (235,000 of which were Time-based Units and 277,500 Performance Units type A and 277,500 Performance Units type B).

Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 31 January 2023 and ending on 31 October 2024.

Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, starting on 31 January 2023 until 31 July 2024.

On 30 June 2022, 78,750 Time-based Units and 179,375 Performance Units type A and 228,438 Performance Units type B expired as per regulation.

- 2021 stock grant plan to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 897,500 Units (292,084 of which were Time-based Units and 302,708 Performance Units type A and 302,708 Performance Units type B).

Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 30 April 2023 and ending on 31 January 2026.

Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

Performance Units type B will vest in three annual tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, starting on 31 July 2023 until 31 July 2025.

On 30 June 2022, 60,834 Time-based Units and 69,583 Performance Units type A and 69,583 Performance Units type B expired as per regulation.

The imputed cost for the first half year 2022 for existing stock grant plans is Euro 94 thousand, booked to the Income Statement under “Other non-operating expenses (income)”.

The following table shows the total number of existing rights with reference to the 2011-2022 plans:

	<i>June 30, 2022</i>	<i>December 31, 2021</i>
Not exercised/not exercisable at the start of the year	1,578,599	1,482,261
Granted during the period	995,000	897,500
Cancelled during the period	(254,155)	(692,946)
Exercised during the period	(39,555)	(108,216)
Not exercised/not exercisable at the end of the period	2,279,889	1,578,599
Exercisable at the end of the period	29,452	25,069

The line “Not exercised/not exercisable at the end of the period” refers to the total number of options, net of those exercised or cancelled during the current and previous periods.

The line “Exercisable at the end of the period” refers to the total amount of options matured at the end of the period and not yet subscribed.

### 30. RESTRUCTURING COSTS

The “Restructuring costs” amount to Euro 4,132 thousand (Euro 1,322 thousand in the first half year of the previous year).

“Restructuring costs” mainly include personnel costs and are made up of the accruals to the “Provision for restructuring” (Euro 1,085 thousand, net of provisions made during the previous years and not utilised), mainly concerning European subsidiaries, and Euro 3,047 thousand of costs incurred and paid in the first half of 2022.

### 31. LOSSES (GAINS) ON DISPOSAL

Net gains on disposal amounted to Euro 7 thousand compared to Euro 28 thousand net gains in the first six months of the previous year.

### 32. EXCHANGE (GAINS) LOSSES

Net exchange gains as at 30 June 2022 amount to Euro 3,878 thousand compared to Euro 1,168 thousand in the first half of 2021.

### 33. OTHER NON-OPERATING EXPENSES (INCOME)

Net non-operating costs amounted to Euro 738 thousand (compared to net non-operating income of Euro 5,099 thousand in the first six months of the previous year).

The following table shows the main elements:

(in thousands of Euro)	1st half 2022	1st half 2021
Write-downs of tangible and intangible fixed assets	773	3,152
Product warranty costs	424	985
Cost of stock options and stock grant plans	94	32
Litigations	(959)	(201)
Pension funds litigation refund	-	(2,401)
Actuarial losses (gains)	-	(41)
Insurance refunds	-	(1,842)
Indirect tax recovery	-	(3,862)
Other ordinary (income) expenses	406	(921)
<b>TOTAL</b>	<b>738</b>	<b>(5,099)</b>

The item “Write-downs of tangible and intangible fixed assets”, amounting to Euro 773 thousand, includes Euro 499 thousand of write-downs of intangible fixed assets relating mainly to research and development projects capitalised in previous years for which the requirements for capitalisation no longer apply; the item also includes write-downs of tangible fixed assets for Euro 274 thousand.

The item “Litigations” mainly refers to risks connected with existing or probable disputes mainly relating to the European subsidiaries.

#### 34. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

<i>(in thousands of Euro)</i>	<i>1st half 2022</i>	<i>1st half 2021</i>
Interests on bonds	1,910	4,872
Interest on amounts due to banks	2,721	2,365
Financial charges under lease contracts	1,616	1,423
Financial component of pension funds and termination indemnities	291	339
Financial expenses from IRS in cash flow hedge	131	137
Net financial expenses from fair value of derivatives no more in cash flow hedge	595	237
Financial component IAS 29	899	297
Other interest and commissions	2,625	1,407
<b>TOTAL FINANCIAL EXPENSES</b>	<b>10,788</b>	<b>11,077</b>

Financial income is detailed as follows:

<i>(in thousands of Euro)</i>	<i>1st half 2022</i>	<i>1st half 2021</i>
Gain on Cross currency swap no more in cash flow hedge	(87)	(84)
Net gain from fair value of derivatives in cash flow hedge	(8)	(12)
Interest on amounts given to banks	(1,435)	(508)
Other interest and commissions	(133)	(1,165)
<b>TOTAL FINANCIAL INCOME</b>	<b>(1,663)</b>	<b>(1,769)</b>
<b>TOTAL FINANCIAL EXPENSES (INCOME), NET</b>	<b>9,125</b>	<b>9,308</b>

Net financial expense was substantially stable compared to the first half of 2021.

It should be noted that as at 30 June 2022, the impact of the change in fair value of Cross currency swap contracts no longer designated in hedge accounting is negative by an amount of Euro 595 thousand (negative by Euro 237 thousand as at 30 June 2021), and is comprised of:

- a financial expense of Euro 364 thousand reflecting the portion of the reserve previously booked to “Other Comprehensive Income” that will be reclassified to Income Statement over the same period of time expected for the differentials relating to the former underlying hedged item;
- a net financial expense of Euro 231 thousand reflecting the change in their fair value compared to 31 December 2021.

#### 35. LOSSES (GAINS) FROM EQUITY INVESTMENTS

The item is equal to zero (Euro 1,502 thousand as at 30 June 2021).

### 36. INCOME TAXES

The detail is given below:

(in thousands of Euro)	1st half 2022	1st half 2021
Current taxes	8,939	9,901
Deferred tax liabilities (assets)	1,013	2,824
(Gain) loss from participation to fiscal consolidation	298	389
<b>TOTAL</b>	<b>10,250</b>	<b>13,114</b>

The average tax rate at 30 June 2022 is 32.7% (33.1% as at 30 June 2021).

### 37. INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX EFFECTS

As at 30 June 2022, this item amounts to zero.

The following table shows the Result of discontinued operations (sold or held for sale) at 30 June 2021.

(in thousands of Euro)	1st half 2021			Total
	Sogefi Filtration Spain S.A.U.	Sogefi Filtration do Brasil Ltda	Sogefi Filtration Argentina S.A.U.	
Sales revenues	219	-	9,031	9,250
Costs	(345)	-	(7,520)	(7,865)
<b>Operating income</b>	<b>(126)</b>	<b>-</b>	<b>1,511</b>	<b>1,385</b>
Financial expenses (income), net	-	-	(1,280)	(1,280)
Income taxes	60	-	(398)	(338)
<b>Net Operating income, net of tax effects</b>	<b>(66)</b>	<b>-</b>	<b>(167)</b>	<b>(233)</b>
Result of held for sale/discontinued activities	(287)	-	(2,755)	(3,042)
Price Adjustment	-	(204)	-	(204)
<b>Net income (loss) of held for sale activities, net of tax effects</b>	<b>(353)</b>	<b>(204)</b>	<b>(2,922)</b>	<b>(3,479)</b>
Earnings per share (EPS), without discounted operations (Euro):				
Basic				0.211
Diluted				0.211

### 38. DIVIDENDS PAID

No dividends were paid to the Parent Company shareholders during the first half year 2022, the situation has not changed compared to the first half year of 2021.

### 39. EARNINGS PER SHARE (EPS)

#### *Basic EPS*

	<i>June 30, 2022</i>	<i>June 30, 2021</i>
Net result attributable to the ordinary shareholders (in thousands of Euro)	20,760	21,442
Weighted average number of shares outstanding during the period (thousands)	118,144	118,042
<i>Basic EPS (Euro)</i>	<i>0.176</i>	<i>0.182</i>

#### *Diluted EPS*

The Company has no categories of ordinary shares with a potentially dilutive effect. The diluted earnings are therefore equal to the basic earnings.

#### *E) 40. RELATED PARTY TRANSACTIONS*

See IAS 24 and the related communications from Consob for the definition of related party transactions.

The Group is controlled by the Parent Company CIR S.p.A. (which in turn is controlled by the ultimate Parent Company Fratelli De Benedetti S.p.A.), which as at 30 June 2022 held 55.63 % of the share capital (56.58 % of outstanding shares, excluding treasury shares). The shares of Sogefi S.p.A. are listed on the Euronext Star Milan Market.

The Group's condensed interim consolidated financial statements include the financial statements of the consolidated companies, listed in chapter H "Group Companies" along with the stake held in the same by the Group.

Dealings between Group companies are conducted at arm's length, taking into account the quality and type of services rendered.

The Parent Company Sogefi S.p.A., because of its role of Holding company, provides administrative, financial and management services directly to the three French sub-holding operative companies (Sogefi Filtration S.A., Sogefi Suspensions S.A. and Sogefi Air & Cooling S.A.S.) which, in turn, beside dealing with the services provided by the Parent Company to the companies operating in the relevant business units, provide directly to the latter support services as well as operating and business services. The Parent Company also debits and credits interest at a market spread to those subsidiaries that have joined the Group's cash pooling system. The Parent Company is also charging royalties fees on the Group "SAP" information system to those subsidiaries at which implementation has been completed.

The subsidiary Sogefi Gestion S.A.S. carries out centralised functions and charges Group companies for administrative, financial, legal, industrial and IT services as well as royalties for the use of Group-wide IT applications.

As part of its activity, the Parent Company Sogefi S.p.A. makes use of the services provided by CIR S.p.A., its Parent Company, in areas such as strategic development and of an administrative, financial, fiscal and corporate nature. This relationship is regulated by contracts at arm's-length conditions and the cost is commensurate to the effective value of such services to the Sogefi Group in terms of the resources devoted to them and the specific economic advantages obtained as a result. It should be noted that Sogefi Group's interest in the provision of services by the parent company is considered to be preferable to services provided by third parties because of, among other things, its extensive knowledge acquired over time in its specific business and market environment.

Services provided to Sogefi S.p.A. by the Parent Company CIR S.p.A. as at 30 June 2022 amount to Euro 88 thousand, in line compared to the amount as at 30 June 2021. At 30 June 2022, amounts payable to the Parent Company CIR S.p.A. by Sogefi S.p.A. totalled Euro 18 thousand.

The Parent Company Sogefi S.p.A. had entered into a rental contract with the holding company CIR S.p.A. on the offices located in Milan, via Ciovassino 1/A where Sogefi has its registered offices and administration.

During the year, Sogefi S.p.A. and its subsidiary Sogefi Filtration Italy S.p.A., subject to the favourable opinion of the Committee for Related Party Transactions, renewed their participation in the tax filing system of the CIR Group for the three-year period 2022-2024 (the subsidiaries Sogefi Suspensions Heavy Duty Italy S.p.A. and Sogefi Suspensions Passenger Car Italy S.p.A. are also included in this tax filing system for the three-year period 2020-2022, upon the expiration of which renewal will be evaluated).

The Italian companies of the Sogefi Group had receivables for the amount of Euro 1,125 thousand owed by CIR S.p.A. in connection with their participation in the group tax filing system, and payables for the amount of Euro 476 thousand. Outstanding receivables as at 31 December 2021 collected in the first half-year 2022 amounted to Euro 622 thousand.

At the end of the first half of 2022, the Italian subsidiaries recorded an income of Euro 21 thousand following the transfer of fiscal surplus to companies that have joined the CIR Group tax filing system in order to have an interest cost deduction; the amount receivable as at 30 June 2022 of the Italian subsidiaries from the Parent Company CIR S.p.A. is equal to Euro 21 thousand.

At 30 June 2022, the Parent Company Sogefi S.p.A. records a liability amounting to Euro 319 thousand (Euro 538 thousand as at 30 June 2021) reflecting the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system. The amount payable by Sogefi S.p.A. to Parent Company CIR S.p.A. for such consideration as at 30 June 2022 is Euro 319 thousand.

As regards economic transactions with the Board of Directors, Statutory Auditors, the Chief Executive Officer and the Managers with strategic responsibility, please refer to the attached table for remuneration paid in the first half of 2022.

Apart from those mentioned above and shown in the tables below, at the date of these interim financial statements, we are not aware of any other related party transactions.



The following tables summarise related party transactions:

(in thousands of Euro)	June 30, 2022	December 31, 2021
<b>Receivables</b>		
- for the Group tax filing to CIR S.p.A.	1,125	1,216
- for income following the transfer of fiscal surplus to the CIR Group	21	105
<b>Payables</b>		
- for Director's remuneration	24	14
- for cost reversal from CIR S.p.A.	74	9
- for services received from CIR S.p.A.	18	18
- for the cost of transferring tax surpluses from the CIR Group	319	617
- for the Group tax filing to CIR S.p.A.	476	1,218
<b>Right of use (*)</b>		
- for rental property	56	112
<b>Financial debts for right of use (*)</b>		
- for rental property	60	115

(in thousands of Euro)	1st half 2022	1st half 2021
<b>Costs</b>		
- for services received from CIR S.p.A.	88	88
- for rental contract from CIR S.p.A.	3	3
- for reversal cost from the CIR S.p.A.	74	49
- amortization of right of use (*)	56	56
- for the cost of transferring tax surpluses from the CIR Group	319	538
<b>Revenues</b>		
- for income following the transfer of fiscal surplus to the CIR Group	21	149
<b>Compensation of directors and statutory auditors</b>		
- directors	388	282
- directors charged back to the parent company	10	10
- statutory auditors	47	47
- contribution charges on compensation to directors and statutory auditors	24	26
<b>Compensation and related contributions to the General Manager (**)</b>	546	287
<b>Compensation and related contributions to Manager with strategic responsibilities ex Consob resolution no. 17221/2010 (***)</b>	264	237

(\*) Presented here are the components relating to the rental contract of the Milan office, via Ciovassino 1/A; it should be noted that the rents accrued as at June 30, 2022 amounted to Euro 56 thousand;

(\*\*) The item includes the imputed cost of Stock Grant plans for Euro 67 thousand (Euro 22 thousand in the first half 2021) recognised in item "Other non-operating expenses (income)"

(\*\*\*) The item also includes the net imputed cost of Stock Grant plans for Euro 24 thousand (Euro 22 thousand in first half 2021) recognised in item "Other non-operating expenses (income)".

## F) COMMITMENTS AND RISKS

### 41. INVESTMENT COMMITMENTS

At 30 June 2022, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 1,872 thousand (Euro 801 thousand at 31 December 2021), as already disclosed in the explanatory notes regarding tangible fixed assets.

### 42. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	June 30, 2022	December 31, 2021
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	1,393	1,346
b) Other personal guarantees in favour of third parties	3,485	3,301
<b>TOTAL PERSONAL GUARANTEES GIVEN</b>	<b>4,878</b>	<b>4,647</b>
REAL GUARANTEES GIVEN		
a) Against liabilities shown in the financial statement	19,355	19,363
<b>TOTAL REAL GUARANTEES GIVEN</b>	<b>19,355</b>	<b>19,363</b>

The guarantees given in favour of third parties relate to guarantees given to certain customers by subsidiary Sogefi Suspensions Heavy Duty Italy S.p.A., and to guarantees given to tax authorities by subsidiary Sogefi Filtration Ltd; guarantees are shown at a value equal to the outstanding commitment at the end of the reporting period. These accounts indicate risks, commitments and guarantees provided by Group companies to third parties.

The "Other personal guarantees in favour of third parties" relate to the commitment of the subsidiary Sogefi HD Suspensions Germany GmbH to the employee pension fund for the two business lines at the time it was acquired in 1996; this commitment is covered by the contractual obligations of the seller, who is a leading German operator.

"Real guarantees given" refer to subsidiaries Sogefi Suspensions Eastern Europe S.R.L., Sogefi (Suzhou) Auto Parts Co., Ltd and Sogefi ADM Suspensions Private Limited, which pledged tangible fixed assets and trade receivables as real guarantees to secure loans obtained from financial institutions.

### 43. OTHER RISKS

As at 30 June 2022, the Group had third-party goods and materials held at Group companies worth Euro 17,218 thousand (Euro 17,471 thousand as at 31 December 2021).

#### 44. CONTINGENT ASSETS/LIABILITIES

##### *Potential liabilities*

Sogefi Group is managing environmental issues in some production plants. No relevant costs are expected.

In October 2016, the Parent Company Sogefi S.p.A. received four notices of assessment relating to fiscal periods 2011 and 2012, as a result of a tax audit carried out during the first half year 2016, with two irregularities: i) undue deduction of Euro 0.6 million of VAT paid on purchases of goods and services, ii) non-deductibility from IRES tax (and relating non-deductibility for VAT of Euro 0.2 million) of the expense for services performed by parent company CIR S.p.A., for the overall taxable amount of Euro 1.3 million, not including interest and fines. The notices were challenged by the Company before the Province Tax Commission of Mantua, which on 14 July 2017 filed judgement no. 119/02/2017, ruling in favour of the Company on all claims. The Italian Tax Agency filed an appeal against parts of the judgement, requesting that only the notices of VAT assessment be sustained, and finally waiving the notices of IRES assessment (Italian Corporate Income Tax).

The Company has filed its rebuttal arguments against this partial appeal. On 19 November 2019, a hearing was held at the Lombardy Regional Tax Committee, which accepted the Authority's argument.

The judgement of the Regional Tax Committee of Lombardy, Brescia local unit, was challenged by the Company before the Cassation on 30 September 2020. The Authority, through the *Avvocatura Generale dello Stato* (office of State lawyers), filed a defence. The Company is waiting for the hearing to be held.

On 31 December 2020, the Company paid the amount ordered under Regional Tax Committee judgement no. 1/26/2020. This amount of Euro 1.3 million is included in the item "Tax receivables".

Based on the tax advisor's opinion, Directors believe the risk of losing to be possible but not likely.

The subsidiary Sogefi Filtration Italy S.p.A. has a pending dispute with the tax authorities for tax year 2004. The purpose of the proceedings, which were initiated in 2009, is to challenge the elusion/abuse of the merger by incorporation through the cancellation of shares of the "old" Sogefi Filtration S.p.A. into Filtrauto Italia S.r.l., which led to the derecognition of the cancellation deficit (generated by the merger), which was partly booked under goodwill and partly to the revaluation of a property, in addition to interest on the loan granted by Sogefi S.p.A. to Filtrauto S.r.l. as part of the transaction.

The Company challenged the notices of assessment and defended the full legitimacy of its actions. In 2012, the Milan Provincial Tax Committee voided the notices of assessment for the part concerning the assessment of elusion/abuse. The Authority challenged the above judgements before the Regional Tax Committee of Milan. On 21 March 2014, the Regional Tax Committee of Milan filed the judgement confirming the annulment of the orders already filed at first instance. On 16 June 2014, the Tax Agency filed an appeal before the Court of Cassation through the Legal Council of State. The Company lodged a defence. On 5 December 2019, the Supreme Court upheld one of the grounds of appeal raised by the Legal Council of State and, as a result, overruled the judgement passed by the court of second instance. In July 2020, the Company filed again the complaint with the Regional Tax

Committee of Lombardy. The hearing before the Regional Tax Committee of Lombardy was held on 10 December 2021. On 9 February 2022, with judgement no. 395/2022, the Regional Tax Committee of Lombardy confirmed, also on remand, the previous judgement on the merits in favour of the Company rendered in 2014. The deadline for the Agency's possible (further) appeal to be filed at the Court of cassation will expire on 9 September 2022.

The judgement of 9 February 2022 reinforces the conclusion that the Company's position is supported by valid reasons. Hence, based on the opinion offered by the tax advisor who has been following the litigation, as well as on legal theory, that supports the arguments on circumvention of law and abuse of rights put forward by the Company almost without exception, also considering that first and second instance judgements as well as the decision to remand agree with such arguments, the Company believes the risk of losing pending disputes concerning disputed taxes amounting to nearly Euro 3 million, penalties in the same amount as disputed taxes and interest estimated at around Euro 2 million – totalling an estimated Euro 8 million approximately – to be still theoretically possible but not likely as at 30 June 2022.

Consequently, the Company did not accrue any amount for tax risks to contingent liabilities in financial statements as at 30 June 2022.

#### *45. ATYPICAL OR UNUSUAL TRANSACTIONS*

Pursuant to Consob Communication dated 28 July 2006, it is specified that the Group did not implement any atypical and/or unusual transactions during the first half-year 2022.

#### *46. SUBSEQUENT EVENTS*

No significant events occurred after 30 June 2022.

## G) 47. FINANCIAL INSTRUMENTS

### A) Exchange risk – not designated in hedge accounting

As at 30 June 2022 the following forward purchase/sale contracts were maintained to hedge the exchange risk on intercompany financial positions and on commercial positions:

Company	Forward purchase/ Forward sale	Date opened	Currency exchange	Spot price	Date closed	Forward price	Fair value at 06.30.2022 (*)
Sogefi Suspension Brasil Ltda	S USD 200.000	05/11/2022	BRL/value	5.1390	07/20/2022	5.2206	(1)
Sogefi Suspension Brasil Ltda	S USD 250.000	05/27/2022	BRL/value	4.7967	08/04/2022	4.8170	(21)
Sogefi Suspension Brasil Ltda	S USD 250.000	05/27/2022	BRL/value	4.7967	08/18/2022	4.8400	(21)
Sogefi Suspension Brasil Ltda	S USD 250.000	06/23/2022	BRL/value	5.1509	09/15/2022	5.3272	-
Sogefi Suspension Brasil Ltda	P EUR 150.000	06/23/2022	BRL/value	5.4507	07/20/2022	5.5365	(1)
Sogefi Suspension Argentina S.A.	P USD 300.000	05/23/2022	ARS/value	119.0500	07/29/2022	134.5000	(6)
Sogefi Suspension Argentina S.A.	P USD 300.000	06/14/2022	ARS/value	122.6000	08/31/2022	141.5000	(3)

\* Fair values have been recognised under “Other short-term assets for derivative financial instruments” and “Other short-term liabilities for derivative financial instruments”.

### B) Exchange risk (Cross currency swap) no longer in hedge accounting

During 2013 the parent company Sogefi S.p.A. entered into three cross currency swap (CCS) contracts maturing in June 2023, initially designated in hedge accounting, in order to hedge interest and exchange rate risks relating to the private placement currently of USD 16.4 million bonds. Under these contracts, a fixed interest receivable of 600 basis points on subscribed notional USD amount is collected by the Company on a quarterly basis against payment of a fixed interest payable on a notional amount in EUR corresponding to the USD notional amount converted at the fixed exchange rate of 1.3055 (totalling Euro 12,584 thousand). Based on the tests carried out on 31 December 2017, these contracts have become ineffective so that the hedging relationship was discontinued and the derivative contracts were reclassified as fair value through profit or loss instruments. The change in fair value (exclusively for the interest rate risk) compared to 31 December 2017 was recognised in the income statement, whereas the reserve booked to “Other Comprehensive Income” is reclassified in the income statement over the same period of time as the differentials relating to the underlying hedged item.

Details of these contracts are as follows:

Description of CCSwap	Date opened	Contract maturity	Notional (in thousands of USD)	Fixed rate	Fair value at 06.30.2022 (in thousands of Euro)	Fair value at 12.31.2021 (in thousands of Euro)
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	7,857	6,0% USD receivable 5,6775% Euro payables	1,439	1,843
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	5,714	6,0% USD receivable 5,74% Euro payables	1,043	1,335
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	2,857	6,0% USD receivable 5,78% Euro payables	521	666
<b>TOTAL</b>			16,428		3,003	3,844

The discontinuation of hedge accounting, for the interest rate risk, had the following impact on the financial statements as at 30 June 2022:

- a financial expense of Euro 231 thousand reflecting the change in fair value compared to 31 December 2021 was immediately recognised in the income statement;
- a financial expense of Euro 364 thousand was recognised in the income statement; this amount reflects the portion of the reserve previously booked to “Other Comprehensive Income” that is recognised in the income statement over the same period of time as the differentials relating to the former underlying hedged item. As at 30 June 2022, an amount of Euro 667 thousand remains to be recycled to the income statement.

### *C) Interest rate risk in hedge accounting*

On 23 December 2020, the Parent Company Sogefi S.p.A. entered into four Interest Rate Swap contracts that began to exchange their flows as from 31 December 2020, for a total notional amount of Euro 80 million that will be extinguished in June 2026. These contracts were designated to hedge the four loans guaranteed by SACE for a total amount of Euro 80 million.

Details of these contracts are as follows:

Description of IRS	Date opened	Contract maturity	Notional (in thousands of Euro)	Fixed rate	Fair value at 06.30.2022	Fair value at 12.31.2021
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	20,000	-0.196%	848.5	28.3
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	20,000	-0.196%	848.5	28.3
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	20,000	-0.196%	848.5	28.2
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	20,000	-0.196%	848.5	28.2
<b>TOTAL</b>			<b>80,000</b>		<b>3,394.0</b>	<b>113.0</b>

These financial instruments envisage payment by the Group of an agreed fixed rate (-0.196%) and payment by the counterparty of the floating rate (Euribor) that is the basis of the underlying loan.

The change in fair value compared to 31 December 2021, amounting to Euro 3,281 thousand, was recognised in the amount of Euro 3,273 thousand under “Other comprehensive income” and Euro 8 thousand under financial income.

#### D) Fair value of derivatives in hedge accounting and no longer in hedge accounting

The fair value of all derivatives was calculated using the forward curves of exchange and interest rates as at 30 June 2022, also taking into account a credit valuation adjustment/debit valuation adjustment. The fair value amounts of derivatives are classified as Level 2 in fair value hierarchy, based on the significance of the inputs used in fair value measurements.

## H) GROUP COMPANIES

### 48. LIST OF GROUP COMPANIES AS AT 30 JUNE 2022

#### SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SOGEFI FILTRATION S.A. Guyancourt (France)	Euro	120,596,780	6,029,838	99.99998	20	120,596,760
SOGEFI SUSPENSIONS S.A. Guyancourt (France)	Euro	73,868,383	4,345,198	99.999	17	73,868,366
SOGEFI U.S.A., Inc. Prichard (U.S.A.)	USD	20,055,000	191	100	(2)	20,055,000
SOGEFI GESTION S.A.S. Guyancourt (France)	Euro	100,000	10,000	100	10	100,000
SHANGHAI SOGEFI AUTO PARTS Co., Ltd Shanghai (China)	USD	13,000,000	(1)	100	(2)	13,000,000
SOGEFI AIR & COOLING S.A.S. Guyancourt (France)	Euro	54,938,125	36,025	100	1,525	54,938,125
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd Wujiang (China)	USD	37,400,000	(1)	100	(2)	37,400,000

(1) The share capital is not divided in shares or quotas.

(2) There is no unit nominal value.



Indirect equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
<b>FILTRATION BUSINESS UNIT</b>						
SOGEFI FILTRATION Ltd Tredegar (Great Britain) held by Sogefi Filtration S.A.	GBP	5,126,737	5,126,737	100	1	5,126,737
SOGEFI AFTERMARKET SPAIN S.L.U. Cerdanyola (Spain) held by Sogefi Filtration S.A.	Euro	3,000	3,000	100	1	3,000
SOGEFI FILTRATION d.o.o. Medvode (Slovenia) held by Sogefi Filtration S.A.	Euro	10,291,798	1	100	10,291,798	10,291,798
FILTER SYSTEMS MAROC SARL Tanger (Morocco) held by Sogefi Filtration S.A.	MAD	215,548,000	215,548	100	1,000	215,548,000
SOGEFI FILTRATION RUSSIA LLC Russia held by Sogefi Filtration S.A.	RUB	10,800,000	1	100	10,800,000	10,800,000
SOGEFI ENGINE SYSTEMS INDIA Pvt Ltd Bangalore (India) 64.29% held by Sogefi Filtration S.A. 35.71% held by Sogefi Air & Cooling S.A.S.	INR	21,254,640	2,125,464	100	10	21,254,640
SOGEFI FILTRATION ITALY S.p.A. Sant'Antonino di Susa (Italy) held by Sogefi Filtration S.A.	Euro	8,000,000	7,990,043	99.88	1	7,990,043

Indirect equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
<b>AIR&amp;COOLING BUSINESS UNIT</b>						
SOGEFI AIR & COOLING CANADA CORP. Nova Scotia (Canada) held by Sogefi Air & Cooling S.A.S.	CAD	9,393,000	2,283	100	(2)	9,393,000
SOGEFI AIR & COOLING USA, Inc. Wilmington (U.S.A.) held by Sogefi Air & Cooling S.A.S.	USD	100	1,000	100	0.10	100
S.C. SOGEFI AIR & COOLING S.r.l. Titesti (Romania) held by Sogefi Air & Cooling S.A.S.	RON	7,087,610	708,761	100	10	7,087,610
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V. Apodaca (Mexico) 0.0000007921% held by Sogefi Air & Cooling S.A.S. 99.9999992079% held by Sogefi Air & Cooling Canada Corp.	MXN	126,246,760	1 1	100	1 126,246,759	126,246,760

(2) There is no unit nominal value.

Indirect equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
<b>SUSPENSIONS BUSINESS UNIT</b>						
ALLEVARD SPRINGS Ltd Clydach (Great Britain) held by Sogefi Suspensions S.A.	GBP	4,000,002	4,000,002	100	1	4,000,002
SOGEFI PC SUSPENSIONS GERMANY GmbH Völklingen (Germany) held by Sogefi Suspensions S.A.	Euro	50,000	1	100	50,000	50,000
SOGEFI SUSPENSION ARGENTINA S.A. Buenos Aires (Argentina) 99.99 % held by Sogefi Suspensions S.A. 9.9918% held by Sogefi Suspension Brasil Ltda	ARP	61,356,535	61,351,555	99.99	1	61,351,555
IBERICA DE SUSPENSIONES S.L. (ISSA) Alsasua (Spain) held by Sogefi Suspensions S.A.	Euro	10,529,668	5,264,834	50	1	5,264,834
SOGEFI SUSPENSION BRASIL Ltda São Paulo (Brazil) held by Sogefi Suspensions S.A.	BRL	37,161,683	37,161,683	100	1	37,161,683
UNITED SPRINGS Limited Rochdale (Great Britain) held by Sogefi Suspensions S.A.	GBP	4,500,000	4,500,000	100	1	4,500,000
UNITED SPRINGS B.V. Hengelo (Holland) held by Sogefi Suspensions S.A.	Euro	254,979	254,979	100	1	254,979
UNITED SPRINGS S.A.S. Guyancourt (France) held by Sogefi Suspensions S.A.	Euro	5,109,000	2,043,600	100	2.5	5,109,000
S.ARA COMPOSITE S.A.S. Guyancourt (France) held by Sogefi Suspensions S.A.	Euro	13,000,000	25,000,000	96.15	0.5	12,500,000
SOGEFI ADM SUSPENSIONS Private Limited Pune (India) held by Sogefi Suspensions S.A.	INR	432,000,000	32,066,926	74.23	10	320,669,260
SOGEFI HD SUSPENSIONS GERMANY GmbH Hagen (Germany) held by Sogefi PC Suspensions Germany GmbH	Euro	50,000	(1)	100.00	50,000	50,000
SOGEFI SUSPENSIONS HEAVY DUTY ITALY S.P.A. Puegnago sul Garda (Italy) held by Sogefi Suspensions S.A.	Euro	6,000,000	5,992,531	99.88	1	5,992,531
SOGEFI SUSPENSIONS PASSENGER CAR ITALY S.P.A. Settimo Torinese (Italy) held by Sogefi Suspensions S.A.	Euro	8,000,000	7,990,043	99.88	1	7,990,043
SOGEFI SUSPENSIONS EASTERN EUROPE S.R.L. Oradea (Romania) held by Sogefi Suspensions S.A.	RON	31,395,890	3,139,589	100	10	31,395,890

(1) The share capital is not divided in shares or quotas.

## EQUITY INVESTMENTS IN OTHER COMPANIES CARRIED AT COST

<b>Indirect equity investments</b>	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
AFICO FILTERS S.A.E. Cairo (Egypt) Held by Sogefi Filtration Italy S.p.A.	EGP	14,000,000	24,880	17.77	100	2,488,000

**CERTIFICATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS**

**1. We, the undersigned:**

Frédéric Sipahi – Managing Director and General Manager of Sogefi S.p.A.

Ms. Maria Beatrice De Minicis – Manager responsible for preparing corporate accounting documents of Sogefi S.p.A.

certify, also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- the actual application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements, during the first half of 2022.

**2. In this regard, there were no significant aspects to report.**

**3. It is also certified that:**

**3.1 the condensed interim consolidated financial statements as at 30 June 2022:**

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the entries of the accounting books and records;
- give a true and fair view of the financial position, results of operations and cash flows of the issuer and of all the companies included in the scope of consolidation.

3.2 the interim report on operations includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed interim consolidated financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of information on material transactions with related parties.

Milan, 22 July 2022

The Managing Director  
and General Manager

Frédéric Sipahi

The Manager responsible for  
preparing corporate accounting  
documents

Maria Beatrice De Minicis



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(Translation from the Italian original which remains the definitive version)

## Report on review of condensed interim consolidated financial statements

*To the shareholders of  
Sogefi S.p.A.*

### **Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of the Sogefi Group comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of other comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and explanatory and supplementary notes thereto, as at and for the six-month period ended 30 June 2022. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.



**Sogefi Group**

*Report on review of condensed interim consolidated financial statements  
30 June 2022*

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Sogefi Group as at and for the six-month period ended 30 June 2022 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 29 July 2022

KPMG S.p.A.

(signed on the original)

Elisabetta C. Forni  
Director of Audit