



CEMBRE

INTERIM REPORT

2023 THIRD QUARTER

Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy
Share Capital: EUR 8,840,000 (fully paid-up).
Registration no: 00541390175 (Commercial Register of Brescia)

This document contains translations of the Interim Report drawn up in the Italian language

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Corporate Boards and Independent Auditors

Board of Directors

| | |
|-----------------------|--------------------------------|
| Giovanni Rosani | Chairman and Managing Director |
| Aldo Bottini Bongrani | Deputy Chairman |
| Anna Maria Onofri | Director |
| Sara Rosani | Director |
| Felice Albertazzi | Director |
| Franco Celli | Director |
| Paola Carrara | Independent Director |
| Elisabetta Ceretti | Independent Director |

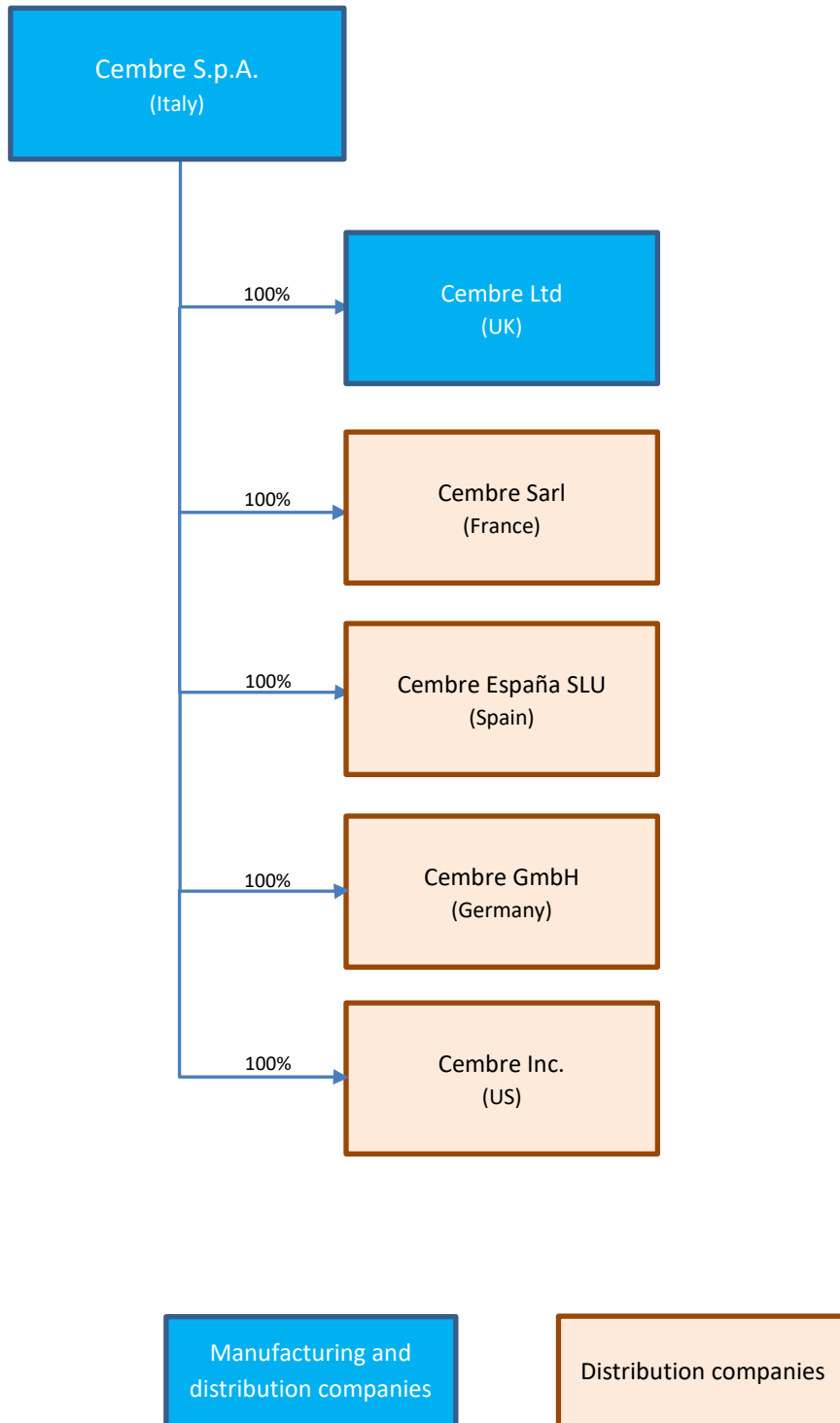
Board of Statutory Auditors

| | |
|------------------------|--------------------|
| Fabio Longhi | Chairman |
| Riccardo Astori | Auditor |
| Rosanna Angela Pilenga | Auditor |
| Maria Grazia Lizzini | Substitute Auditor |
| Alessandra Biggi | Substitute Auditor |

Independent Auditors

EY S.p.A.

Group Structure



Interim Report on Operations

Global economic growth slowed down in 2023, as highlighted by the International Monetary Fund. At this stage, markets are suffering from both long-term effects linked to the pandemic and the war in Ukraine, and contingent factors, such as the restrictive monetary policy implemented in order to limit inflation. Despite the unfavourable economic situation, the Cembre Group's operating performance in the first nine months of 2023 confirmed the positive results recorded at the end of the first half of the year, recording a 13.5% increase in turnover compared to the first nine months of 2022.

Consolidated sales by geographical area showed growth of 14.9% in the Italian market and amounted to €74.0 million; revenues in other European markets amounted to €77.7 million and rose by 12.0% compared to the first nine months of 2022; lastly, non-European sales amounted to €17.4 million, an increase of 14.4%. In the first nine months of 2023, 43.8% of Group sales were represented by Italy (as compared with 43.2% in the first nine months of 2022), 46.0% by the rest of Europe (46.6% in the first nine months of 2022), and 10.2% by the rest of the World (10.2% in the first nine months of 2022).

The summary table of consolidated sales by geographical area is reported below:

| (euro '000) | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
|-------------------|------------------------|------------------------|--------------|------------------------|------------------------|------------------------|
| Italy | 73,977 | 64,410 | 14.9% | 53,065 | 38,961 | 43,562 |
| Rest of Europe | 77,687 | 69,371 | 12.0% | 58,639 | 46,852 | 51,778 |
| Rest of the World | 17,384 | 15,197 | 14.4% | 12,581 | 12,842 | 14,966 |
| Total | 169,048 | 148,978 | 13.5% | 124,285 | 98,655 | 110,306 |

Sales and service revenues in the first nine months of 2023 are divided between the various companies (net of intragroup sales):

| (euro '000) | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
|---------------------|------------------------|------------------------|--------|------------------------|------------------------|------------------------|
| Parent Company | 91,937 | 83,029 | 10.7% | 68,764 | 51,752 | 57,616 |
| Cembre Ltd. (UK) | 19,443 | 18,132 | 7.2% | 16,443 | 11,943 | 14,594 |
| Cembre S.a.r.l. (F) | 10,686 | 8,634 | 23.8% | 8,393 | 6,517 | 8,036 |

| | | | | | | |
|--------------------------|----------------|----------------|--------------|----------------|---------------|----------------|
| Cembre España S.L.U. (E) | 16,108 | 12,751 | 26.3% | 9,554 | 8,401 | 8,960 |
| Cembre GmbH (D)* | 19,626 | 16,782 | 16.9% | 14,045 | 11,763 | 11,432 |
| Cembre Inc. (USA) | 11,248 | 9,650 | 16.6% | 7,086 | 8,279 | 9,668 |
| Total | 169,048 | 148,978 | 13.5% | 124,285 | 98,655 | 110,306 |

*In 2020, the German company IKUMA KG, acquired by Cembre GmbH in May 2018, was merged by incorporation in Cembre GmbH. For said reason, the tables show the 2019 data in consolidated form, considering the data of the German companies involved in the merger jointly.

In the first nine months of 2023, Group companies reported the following pre-consolidation sales revenues and results:

| (euro '000) | Sales revenues (pre-consolidation) | | | | | |
|--------------------------|------------------------------------|------------------------|--------|------------------------|------------------------|------------------------|
| | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
| Cembre S.p.A. | 132,452 | 113,028 | 17.2% | 95,080 | 72,198 | 81,454 |
| Cembre Ltd. (UK) | 21,339 | 19,830 | 7.6% | 17,721 | 12,911 | 16,223 |
| Cembre S.a.r.l. (F) | 10,767 | 8,870 | 21.4% | 8,601 | 6,647 | 8,124 |
| Cembre España S.L.U. (E) | 16,143 | 12,760 | 26.5% | 9,575 | 8,405 | 8,973 |
| Cembre GmbH (D)* | 19,823 | 16,871 | 17.5% | 14,123 | 11,818 | 11,514 |
| Cembre Inc. (USA) | 11,340 | 9,699 | 16.9% | 7,096 | 8,321 | 9,703 |

| (euro '000) | Pre-tax result (pre-consolidation) | | | | | |
|--------------------------|------------------------------------|------------------------|--------|------------------------|------------------------|------------------------|
| | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
| Cembre S.p.A. | 41,384 | 31,415 | 31.7% | 25,841 | 14,243 | 21,187 |
| Cembre Ltd. (UK) | 1,130 | 1,902 | -40.6% | 2,009 | 1,009 | 1,951 |
| Cembre S.a.r.l. (F) | 599 | 411 | 45.7% | 35 | 257 | 718 |
| Cembre España S.L.U. (E) | 2,236 | 1,624 | 37.7% | 750 | 459 | 604 |
| Cembre GmbH (D)* | 1,744 | 1,518 | 14.9% | 1,058 | 350 | 784 |
| Cembre Inc. (USA) | 157 | 495 | -68.3% | 370 | 472 | 850 |

For a more direct evaluation of the effect of foreign exchange translations, we include below sales figures and pre-tax result figures of the companies operating outside the euro area in the respective currency.

| | Currency | Sales revenues (pre-consolidation) | | | | | |
|-------------------|----------|------------------------------------|------------------------|--------|------------------------|------------------------|------------------------|
| | | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
| (euro '000) | | | | | | | |
| Cembre Ltd. (UK) | Gbp | 18,581 | 16,800 | 10.6% | 15,305 | 11,427 | 14,332 |
| Cembre Inc. (USA) | US\$ | 12,284 | 10,318 | 19.1% | 8,488 | 9,361 | 10,903 |

| | Currency | Pre-tax result (pre-consolidation) | | | | | |
|-------------------|----------|------------------------------------|------------------------|--------|------------------------|------------------------|------------------------|
| | | First nine months 2023 | First nine months 2022 | Change | First nine months 2021 | First nine months 2020 | First nine months 2019 |
| (euro '000) | | | | | | | |
| Cembre Ltd. (UK) | Gbp | 984 | 1,611 | -38.9% | 1,735 | 893 | 1,724 |
| Cembre Inc. (USA) | US\$ | 170 | 526 | -67.7% | 443 | 531 | 955 |

To provide a better understanding of the Company's financial performance for the first nine months of 2023, a Comparative Consolidated Income Statement for the same period and the corresponding period in 2022 showing percentage changes is enclosed as Attachment 1.

Consolidated gross operating profit for the first nine months of 2023 amounted to €52,691 thousand, corresponding to a 31.2% margin on sales, up 26.3% on €41,723 thousand reported in the first nine months of 2022 (28.0% of sales). The incidence of the cost of goods sold declined during the period, while the weight of the cost for services rose slightly during the period, especially following the increase in the costs of energy, travelling expenses and maintenance costs. Personnel costs in absolute terms in the first nine months of 2023 increased by 10.7% compared to the same period of the previous year, mainly as a result of the increase in the average number of Group workers from 818 in the first nine months of 2022 to 865 in the first nine months of 2023. However, despite this increase in absolute value, personnel costs as a percentage of turnover decreased from 25.4% to 24.7%.

Consolidated operating profit for the first nine months of 2023 amounted to €43,263 thousand, corresponding to a 25.6% margin on sales, up 31.8% on €32,823 thousand reported in the first nine months of 2022 (22.0% of sales).

Consolidated profit before taxes for the first nine months of 2023 amounted to €43,147 thousand, representing a 25.5% margin on sales, up 31.0% on the profit before taxes reported in the first nine months of 2022, amounting to €32,938 thousand and corresponding to a 22.1% margin on sales.

Consolidated net profit for the period rose by 32.0% compared to 2022 from €24,325 thousand, representing 16.3% of sales, to €32,103 thousand, representing 19.0% of sales.

The net financial position as at September 30, 2023 is composed as follows:

| | (euro '000) | 09/30/2023 | 12/31/2022 | 09/30/2022 |
|----------|---|----------------|-----------------|-----------------|
| A | Cash | 9 | 10 | 10 |
| B | Bank deposits | 14,319 | 15,018 | 26,095 |
| C | Other financial assets | 2,000 | 15,000 | - |
| D | Cash and cash equivalents (A+B+C) | 16,328 | 30,028 | 26,105 |
| E | Current bank payables | (17) | (10,359) | (10,000) |
| F | Current financial leasing liabilities | (1,861) | (1,708) | (1,678) |
| G | Current financial indebtedness (D+E+F) | (1,878) | (12,067) | (11,678) |
| H | Current net financial position (D+G) | 14,450 | 17,961 | 14,427 |
| I | Non-current bank payables | - | - | - |
| J | Non-current financial leasing liabilities | (5,127) | (3,365) | (3,414) |
| K | Non-current financial indebtedness (I+J) | (5,127) | (3,365) | (3,414) |
| L | Net financial position (H+K) | 9,323 | 14,596 | 11,013 |

The net financial position as at September 30, 2023, amounting to a positive €9.3 million, was down compared to December 31, 2022, when it amounted to €14.6 million, also as a result of the payment of dividends of €23.5 million by the Parent Company and capital expenditure in fixed assets of €10.9 million.

The net financial position at September 30, 2022 was a positive €11.0 million.

Investments made by the Group in the first nine months of the current year totalled €10.0 million in property, plant and equipment (€7.8 million in the first nine months of 2022) and €0.9 million in intangible fixed assets (€0.5 million in the first nine months of 2022).

Subsequent events

On October 7, a terrorist attack on Israeli territory reignited tensions in the Middle East, raising the risk of attacks in the West to high levels. Many European nations reacted by tightening border controls and temporarily suspending the free movement of people established by the Schengen pact. At the moment Cembre Group does not estimate any relevant direct negative effects from this crisis, but rather indirect effects, such as potential increases in the price of gas and electricity. However, the situation is still uncertain and evolving, and it will be possible to clarify any negative indirect effects on the Group's business in the coming months.

Outlook

It is extremely complicated to make reliable forecasts: tensions in the Middle East and the resulting increased risk of acts of terrorism, the uncertainty of the conflict in Ukraine as well as still high inflation make it extremely complex to estimate the possible evolution of markets and demand. In spite of this, given the positive performance in the first nine months of the year, the Cembre Group is expected to close the year 2023 with growth in consolidated turnover and a positive consolidated economic result.

Attachment 1 to the Interim Report on Operations

Comparative Consolidated Income Statement

| | First nine months 2023 | % | First nine months 2022 | % | Change | 3rd Qtr. 2023 | % | 3rd Qtr. 2022 | % | Change |
|---|------------------------|---------------|------------------------|---------------|--------------|-----------------|---------------|-----------------|---------------|--------------|
| <i>(euro '000)</i> | | | | | | | | | | |
| Revenues from contracts with customers | 169,048 | 100.0% | 148,978 | 100.0% | 13.5% | 51,406 | 100.0% | 44,619 | 100.0% | 15.2% |
| Other revenues and income | 635 | | 759 | | -16.3% | 175 | | 443 | | -60.5% |
| Total Revenues and Income | 169,683 | | 149,737 | | 13.3% | 51,581 | | 45,062 | | 14.5% |
| Cost of goods and merchandise | (55,231) | -32.7% | (65,085) | -43.7% | -15.1% | (17,780) | -34.6% | (20,907) | -46.9% | -15.0% |
| Change in inventories | 1,558 | 0.9% | 13,000 | 8.7% | -88.0% | 320 | 0.6% | 5,483 | 12.3% | -94.2% |
| Cost of sales | (53,673) | -31.8% | (52,085) | -35.0% | 3.0% | (17,460) | -34.0% | (15,424) | -34.6% | 13.2% |
| Cost for services | (20,860) | -12.3% | (17,973) | -12.1% | 16.1% | (6,477) | -12.6% | (6,167) | -13.8% | 5.0% |
| Lease and rental costs | (254) | -0.2% | (171) | -0.1% | 48.5% | (99) | -0.2% | (63) | -0.1% | 57.1% |
| Personnel costs | (41,832) | -24.7% | (37,773) | -25.4% | 10.7% | (13,378) | -26.0% | (12,141) | -27.2% | 10.2% |
| Other operating costs | (1,288) | -0.8% | (1,202) | -0.8% | 7.2% | (364) | -0.7% | (374) | -0.8% | -2.7% |
| Increases in fixed assets for internal work | 1,155 | 0.7% | 1,329 | 0.9% | -13.1% | 304 | 0.6% | 303 | 0.7% | 0.3% |
| Write-down of receivables | (216) | -0.1% | (116) | -0.1% | 86.2% | (59) | -0.1% | 29 | 0.1% | -303.4% |
| Accruals to provisions for risks and charges | (24) | 0.0% | (23) | 0.0% | 4.3% | (6) | 0.0% | (7) | 0.0% | -14.3% |
| Gross operating profit | 52,691 | 31.2% | 41,723 | 28.0% | 26.3% | 14,042 | 27.3% | 11,218 | 25.1% | 25.2% |
| Depreciation of property, plant and equipment | (7,055) | -4.2% | (6,879) | -4.6% | 2.6% | (2,397) | -4.7% | (2,363) | -5.3% | 1.4% |
| Amortisation of intangible fixed assets | (793) | -0.5% | (602) | -0.4% | 31.7% | (275) | -0.5% | (202) | -0.5% | 36.1% |
| Depreciation of lease assets | (1,580) | -0.9% | (1,419) | -1.0% | 11.3% | (535) | -1.0% | (478) | -1.1% | 11.9% |
| Operating profit | 43,263 | 25.6% | 32,823 | 22.0% | 31.8% | 10,835 | 21.1% | 8,175 | 18.3% | 32.5% |
| Financial income | 142 | 0.1% | 5 | 0.0% | | 36 | 0.1% | 4 | 0.0% | 800.0% |
| Financial charges | (237) | -0.1% | (63) | 0.0% | 276.2% | (104) | -0.2% | (20) | 0.0% | 420.0% |
| Foreign exchange gains (losses) | (21) | 0.0% | 173 | 0.1% | -112.1% | (70) | -0.1% | 107 | 0.2% | -165.4% |
| Pre-tax result | 43,147 | 25.5% | 32,938 | 22.1% | 31.0% | 10,697 | 20.8% | 8,266 | 18.5% | 29.4% |
| Income taxes | (11,044) | -6.5% | (8,613) | -5.8% | 28.2% | (2,474) | -4.8% | (2,133) | -4.8% | 16.0% |
| Net profit for the period | 32,103 | 19.0% | 24,325 | 16.3% | 32.0% | 8,223 | 16.0% | 6,133 | 13.7% | 34.1% |

Consolidated Financial Statements at September 30, 2023

Consolidated Statement of Comprehensive Income

| | First nine months 2023 | First nine months 2022 |
|---|---------------------------|---------------------------|
| (euro '000) | | |
| Revenue from contracts with customers | 169,048 | 148,978 |
| Other revenues and income | 635 | 759 |
| Total Revenues and Income | 169,683 | 149,737 |
| Cost of goods and merchandise | (55,231) | (65,085) |
| Change in inventories | 1,558 | 13,000 |
| Cost for services | (20,860) | (17,973) |
| Lease and rental costs | (254) | (171) |
| Personnel costs | (41,832) | (37,773) |
| Other operating costs | (1,288) | (1,202) |
| Increases in fixed assets for internal work | 1,155 | 1,329 |
| Write-down of receivables | (216) | (116) |
| Accruals to provisions for risks and charges | (24) | (23) |
| Gross operating profit | 52,691 | 41,723 |
| Depreciation of property, plant and equipment | (7,055) | (6,879) |
| Amortisation of intangible fixed assets | (793) | (602) |
| Depreciation of lease assets | (1,580) | (1,419) |
| Operating profit | 43,263 | 32,823 |
| Financial income | 142 | 5 |
| Financial charges | (237) | (63) |
| Foreign exchange gains (losses) | (21) | 173 |
| Pre-tax result | 43,147 | 32,938 |
| Income taxes | (11,044) | (8,613) |
| Net profit for the period | 32,103 | 24,325 |
| Elements that could be charged to the income statement | | |
| Conversion difference reserves | 491 | 518 |
| Comprehensive income | 32,594 | 24,843 |

Consolidated Statement of Financial Position – Assets

| ASSETS | 09.30.2023 | 12.31.2022 |
|---|----------------|----------------|
| (euro '000) | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 89,560 | 86,567 |
| Investment property | 739 | 770 |
| Intangible fixed assets | 4,519 | 4,394 |
| Goodwill | 4,608 | 4,608 |
| Lease assets | 6,900 | 5,038 |
| Other investments | 5 | 5 |
| Other non-current assets | 78 | 79 |
| Deferred tax assets | 3,904 | 3,358 |
| TOTAL NON-CURRENT ASSETS | 110,313 | 104,819 |
| CURRENT ASSETS | | |
| Inventories | 72,933 | 71,571 |
| Trade receivables | 42,879 | 31,656 |
| Other financial assets | 2,000 | 15,000 |
| Tax receivables | 1,610 | 2,169 |
| Other receivables | 1,237 | 1,080 |
| Cash and cash equivalents | 14,328 | 15,028 |
| TOTAL CURRENT ASSETS | 134,987 | 136,504 |
| NON-CURRENT ASSETS HELD FOR DISPOSAL | - | - |
| TOTAL ASSETS | 245,300 | 241,323 |

Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

| LIABILITIES AND SHAREHOLDERS' EQUITY | 09.30.2023 | 12.31.2022 |
|---|----------------|----------------|
| (euro '000) | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 8,840 | 8,840 |
| Reserves | 156,485 | 147,337 |
| Net profit for the period | 32,103 | 31,918 |
| TOTAL SHAREHOLDERS' EQUITY | 197,428 | 188,095 |
| NON-CURRENT LIABILITIES | | |
| Non-current financial liabilities | 5,127 | 3,365 |
| Employee Termination Indemnity and other personnel benefits | 1,783 | 1,682 |
| Provisions for risks and charges | 724 | 653 |
| Deferred tax liabilities | 3,933 | 3,608 |
| TOTAL NON-CURRENT LIABILITIES | 11,567 | 9,308 |
| CURRENT LIABILITIES | | |
| Current financial liabilities | 1,878 | 12,067 |
| Trade payables | 13,067 | 19,203 |
| Tax payables | 7,171 | 2,292 |
| Other payables | 14,189 | 10,358 |
| TOTAL CURRENT LIABILITIES | 36,305 | 43,920 |
| LIABILITIES ON ASSETS HELD FOR DISPOSAL | - | - |
| TOTAL LIABILITIES | 47,872 | 53,228 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 245,300 | 241,323 |

Consolidated Cash Flow Statement

| | First nine months 2023 | First nine months 2022 |
|---|---------------------------|---------------------------|
| (euro '000) | | |
| A) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 15,028 | 46,636 |
| B) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit (loss) for the period | 32,103 | 24,325 |
| Income taxes | 11,044 | 8,613 |
| Interest expense/(interest income) | 95 | 58 |
| (Gains)/Losses on disposal of assets | (50) | (27) |
| Amortisation/depreciation and write-downs | 9,428 | 8,900 |
| Net change in Employee Termination Indemnity | 101 | 73 |
| Net change in provisions for risks and charges | 71 | 150 |
| Valuation of stock option plan - IFRS2 | 84 | 123 |
| Operating profit (loss) before changes in working capital | 52,876 | 42,215 |
| (Increase) Decrease in trade receivables | (11,223) | (2,789) |
| (Increase) Decrease in inventories | (1,362) | (13,259) |
| Increase (Decrease) in trade payables | (6,136) | (526) |
| (Increase) Decrease in working capital | (18,721) | (16,574) |
| Other adjustments | 3,453 | 999 |
| Interest received/(Interest paid) | (95) | (58) |
| (Income taxes paid) | (5,606) | (7,975) |
| NET CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES | 31,907 | 18,607 |
| C) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investment in fixed assets: | | |
| - intangible | (918) | (554) |
| - tangible | (9,989) | (7,759) |
| - financial | - | (4) |
| Proceeds from disposal of tangible, intangible, available-for-sale fixed assets | | |
| - tangible | 148 | 65 |
| - financial | 1 | - |
| NET CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES | (10,758) | (8,252) |
| D) CASH FLOW FROM FINANCING ACTIVITIES | | |
| (Increase) Decrease in other financial assets | 13,000 | - |
| (Increase) Decrease in bank debts | (10,342) | (10,000) |
| Payment of principal portion for lease payables | (1,527) | (1,427) |
| Change in reserves | (175) | - |
| Sale (purchase) of own shares | 325 | - |
| Distribution of dividends | (23,495) | (20,116) |
| NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES | (22,214) | (31,543) |
| E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D) | (1,065) | (21,188) |
| F) Foreign exchange conversion differences | 365 | 657 |
| G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+E+F) | 14,328 | 26,105 |
| Of which: assets held for disposal | - | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 14,328 | 26,105 |

(continued)

(continued from previous page)

| | | |
|---|---------------|---------------|
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 14,328 | 26,105 |
| Other financial assets | 2,000 | - |
| Current financial liabilities | (1,878) | (11,678) |
| Non-current financial liabilities | (5,127) | (3,414) |
| NET CONSOLIDATED FINANCIAL POSITION | 9,323 | 11,013 |

| | | |
|--|---------------|---------------|
| BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | |
| Cash | 9 | 10 |
| Bank deposits | 14,319 | 26,095 |
| | 14,328 | 26,105 |

Statement of Changes in the Consolidated Shareholders' Equity

| (euro '000) | Balance at December 31, 2022 | Allocation of profits to reserves | Allocation of profits - dividends | Valuation of stock option plan - IFRS2 | Assignment of shares under stock option plan | Comprehensive Income for the period | Balance at September 30, 2023 |
|---|------------------------------|-----------------------------------|-----------------------------------|--|--|-------------------------------------|-------------------------------|
| Share capital | 8,840 | | | | | | 8,840 |
| Share premium reserve | 12,245 | | | | | | 12,245 |
| Legal reserve | 1,768 | | | | | | 1,768 |
| Reserve for Treasury Shares | (4,129) | | | | 325 | | (3,804) |
| Suspended-tax reserves | 585 | | | | | | 585 |
| Other suspended-tax reserves | 68 | | | | | | 68 |
| Other reserves | 27,726 | 2,802 | | | | | 30,528 |
| Conversion differences | (1,440) | | | | | 491 | (949) |
| Extraordinary reserve | 101,722 | 5,621 | | (24) | (3) | | 107,316 |
| First time application of IAS/IFRS reserve | 3,715 | | | | | | 3,715 |
| Discounting of employee termination indemnities | 347 | | | | | | 347 |
| Merger differences | 4,397 | | | | | | 4,397 |
| Stock options reserve | 333 | | | 108 | (172) | | 269 |
| Net profit | 31,918 | (8,423) | (23,495) | | | 32,103 | 32,103 |
| Total Shareholders' Equity | 188,095 | - | (23,495) | 84 | 150 | 32,594 | 197,428 |

| (euro '000) | Balance at December 31, 2021 | Allocation of profits to reserves | Allocation of profits - dividends | Valuation of stock option plan - IFRS2 | Assignment of shares under stock option plan | Comprehensive Income for the period | Balance at September 30, 2022 |
|---|------------------------------|-----------------------------------|-----------------------------------|--|--|-------------------------------------|-------------------------------|
| Share capital | 8,840 | | | | | | 8,840 |
| Share premium reserve | 12,245 | | | | | | 12,245 |
| Legal reserve | 1,768 | | | | | | 1,768 |
| Reserve for Treasury Shares | (4,489) | | | | | | (4,489) |
| Suspended-tax reserves | 585 | | | | | | 585 |
| Other suspended-tax reserves | 68 | | | | | | 68 |
| Other reserves | 25,894 | 1,832 | | | | | 27,726 |
| Conversion differences | (988) | | | | | 518 | (470) |
| Extraordinary reserve | 98,342 | 3,373 | | | | | 101,715 |
| First time application of IAS/IFRS reserve | 3,715 | | | | | | 3,715 |
| Discounting of employee termination indemnities | 99 | | | | | | 99 |
| Merger differences | 4,397 | | | | | | 4,397 |
| Stock options reserve | 361 | | | 123 | | | 484 |
| Net profit | 25,321 | (5,205) | (20,116) | | | 24,304 | 24,304 |
| Total Shareholders' Equity | 176,158 | - | (20,116) | 123 | - | 24,822 | 180,987 |

Notes to the accounts

Accounting principles, form and content of the Financial Statements, estimates

The Interim Report on Operations of the Cembre Group at September 30, 2023 was prepared in compliance with article 2.2.3, paragraph 3 of the “Rules for Markets organised and managed by Borsa Italiana S.p.A.” and aims to provide a general description of the financial position and the economic performance of the Company and its subsidiaries in the period, in addition to reporting important events occurred and operations carried out and their effect on the financial position of the Company and its subsidiaries.

All the information required by IAS 34 is not provided in this document.

The consolidation principles and measurement criteria adopted conform to the international accounting standards (IAS/IFRS) and are consistent with those adopted to draft the financial statements of the Group for the year ended as at December 31, 2022.

The Group’s financial statements include those as at September 30, 2023 of Cembre S.p.A. (Parent Company) and the following companies:

| | Share owned by the Group as at September 30, 2023 | Share owned by the Group as at September 30, 2022 |
|------------------------------|---|---|
| Cembre Ltd. (UK) | 100% | 100% |
| Cembre S.a.r.l. (France) | 100% | 100% |
| Cembre España S.L.U. (Spain) | 100% | 100% |
| Cembre GmbH (Germany) | 100% | 100% |
| Cembre Inc. (USA) | 100% | 100% |

The Parent Company has control of the above companies pursuant to Article 2359 of the Italian Civil Code.

The criteria used in the preparation of the financial statements were applied consistently within the Group. Where necessary, financial data were adjusted and reclassified. In compliance with IAS 1, in the financial statements costs were classified by nature.

Amounts are expressed in thousands of Euro.

The Interim Report was prepared according to the “separation of periods method”, based on which the reference period is considered an autonomous financial year. The income statement for the quarter thus reflects the income components relating to the period based on the accrual method.

Bonuses recognised to customers at the end of the period were estimated based on past sales and their expected future performance.

Translation of financial statements expressed in currencies other than the euro

The functional and reporting currency of the Group is the euro.

Exchange rates applied in the translation of financial statements of subsidiaries are shown in the table below (expressed in currency/€).

| Currency | Exchange rate at September 30, 2023 | Average exchange rate 2023 |
|-----------------|--|-----------------------------------|
| British pound | 0.8646 | 0.8707 |
| US Dollar | 1.0594 | 1.0833 |

Brescia, November 14, 2023

**FOR THE BOARD OF DIRECTORS
OF THE PARENT COMPANY CEMBRE S.P.A.**
The Chairman and Managing Director
Giovanni Rosani

**CEMBRE**

DECLARATION

pursuant to art 154-bis, Paragraph 2 of Legislative Decree 58 dated Feb. 24, 1998 “Consolidated Law on financial intermediation regulations” and subsequent integrations and updates

Re: 2023 Third Quarter Interim Report

The undersigned,

Claudio Bornati, Manager responsible for preparing the Cembre S.p.A. financial reports

DECLARES

pursuant to Paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the financial disclosure contained in the 2023 third Quarter Interim Report corresponds to the document results, books and accounting records.

Brescia, November 14, 2023

Signed by: Claudio Bornati
Manager in charge of drafting
the accounts of Cembre S.p.A.



CEMBRE SpA

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