

**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AS AT 30 JUNE 2024**  
**(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 Chair CARLO DE BENEDETTI

### BOARD OF DIRECTORS

Chairman MONICA MONDARDINI (1)

Managing Director 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 AUDITORS

Chairman DANIELA DELFRATE

Acting Auditors GAETANO REBECCHINI  
RITA ROLLI

Alternate Auditors LUIGI BORRE'  
ANNA MARIA ALLIEVI  
FRANCO ALDO ABBATE

### 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

\* Frederic Sipahi resigned as CEO and General Manager on 23 July 2024. The market was informed of this in a press release issued on the same day.

# SOGEFI GROUP

## BOARD OF DIRECTORS' REPORT

### ON OPERATIONS IN THE FIRST HALF YEAR OF 2024

#### THE AUTOMOTIVE MARKET IN THE FIRST HALF YEAR 2024

In H1 2024, the world's automotive production saw a 0.2% decrease compared to H1 2023. Production increased in China (+5.2 %), India (+6.8 %) and NAFTA (+1.8 %), while it declined in Mercosur (-7.1 %) and Europe (-5.2 %), a geographical area that had been recovering strongly in 2023.

For the full year 2024, S&P Global (IHS), a commonly used source in the industry, expects that world production may drop by 2% compared to 2023, with a much smaller increase in China than in the first half of the year, a substantial steady trend in NAFTA, a 5.3% drop - in line with the first half year - in Europe, and a 2.1% drop in Mercosur.

#### KEY MANAGEMENT INFORMATION

In view of the agreement entered into on 23 February 2024 for the sale of the Filtration Business Unit, the figures for this business unit are reported in accordance with IFRS 5, i.e. by reporting only the net result of the business under the heading “income (loss) from discontinued operations or held for sale”. The operating data discussed below only refer to continued operating activities excluding Filtration; the net result and free cash flow will be reported for continued operations, discontinued operations, and in total.

As far as **continued operating activities** are concerned, results showed a significant improvement over the first half of 2023:

- sales revenues decreased by 2.7% compared to H1 2023 due to the European market trend;
- EBITDA<sup>1</sup>, equal to Euro 67 million, increased by 27.8% compared to the same period in 2023, with an EBITDA margin of 12.8%;
- EBIT, at Euro 27.8 million, grew compared to the H1 2023 (Euro 13.8 million), with an EBIT margin at 5.3% of sales, compared to 2.6% in H1 2023.
- Net result of continued operating activities amounted to Euro 10.8 million, compared to Euro 3.7 million in the first half of 2023;
- Free cash flow from operating activities was positive at Euro 20.7 million, vs 3.1 million in the first half of 2023.

Concerning **discontinued operations**:

- net result was at Euro 136.4 million, including capital gain, tax charges and costs arising from the disposal transaction;
- free cash flow amounted to Euro 321.8 million.

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<sup>1</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 zero at 30 June 2024 (a positive Euro 0.4 million in the corresponding period last year).

Overall, in the first half 2024, the **Group** had:

- a net profit of Euro 145.8 million
- a free cash flow of Euro 342.5 million
- with a net financial position as at 30 June 2024 of Euro 48.8 million, compared to a net indebtedness of Euro 266.1 million as at 31 December 2023, after paying a dividend of Euro 23.7 million to the shareholders of the Parent Company.

Following the resolution adopted by the Shareholders' Meeting held on 17 July 2024, an extraordinary dividend totalling approximately Euro 110 million will be paid out on 24 July 2024, thereby reducing the Group's net financial position by the same amount.

## RESULTS FOR THE FIRST HALF YEAR 2024

### Sales revenues

Revenues for the first half of 2024 amounted to Euro 524.1 million, down 2.7% compared to the first half of 2023.

#### Sales revenues by geographic area

	1st Half 2024	1st Half 2023	reported change 2024 vs 2023	constant exchange rates 2024 vs 2023	reference market production
(in millions of Euro)	<i>Amount</i>	<i>Amount</i>	%	%	%
Europe	298.3	318.3	(6.3)	(6.3)	(5.2)
North America	109.9	112.9	(2.6)	(2.1)	1.8
South America	54.1	52.7	2.6	(1.2)	(7.1)
India	9.4	8.1	16.2	17.6	6.8
China	54.0	49.0	10.3	14.9	5.2
Intercompany eliminations	(1.6)	(2.1)			
<b>TOTAL</b>	<b>524.1</b>	<b>538.9</b>	<b>(2.7)</b>	<b>(2.6)</b>	<b>(0.2)</b>

The decrease in revenues mainly reflected the less than positive performance recorded in Europe (-6.3%), due to the market downturn (-5.2%), and in North America (-2.6%), while in South America, China and India revenues grew by +2.6%, +16.2%, and +10.3% respectively, outperforming the market.

#### Sales revenues by business sector

	1st Half 2024	1st Half 2023	reported change 2024 vs 2023	constant exchange rates 2024 vs 2023
(in millions of Euro)	<i>Amount</i>	<i>Amount</i>	%	%
Suspensions	290.8	305.0	(4.7)	(5.0)
Air&Cooling	234.0	234.1	(0.0)	0.8
Intercompany eliminations	(0.7)	(0.2)	-	-
<b>TOTAL</b>	<b>524.1</b>	<b>538.9</b>	<b>(2.7)</b>	<b>(2.6)</b>

Suspension recorded a 4.7% drop in revenues, affected by the unfavourable trend in the European market; on the other hand, significant growth was recorded in China and India, respectively at +44.3% and +16.2%.

Air & Cooling reported revenues in line with H1 2023, with a good performance in Europe (+5.9%, better than the market), and a slight drop in the North American and Chinese markets.

## Income Statement

(in millions of Euro)	Note(*)	1st half 2024		1st half 2023		Changes	
		Amount	%	Amount	%	Amount	%
Sales revenues		524.1	100.0	538.9	100.0	(14.8)	(2.7)
Variable cost of sales		372.3	71.0	397.6	73.8	(25.3)	(6.4)
CONTRIBUTION MARGIN		151.8	29.0	141.3	26.2	10.5	7.4
Fixed costs	(a)	82.3	15.7	83.7	15.5	(1.4)	(1.7)
Restructuring costs		2.0	0.4	2.0	0.4	-	1.2
Other expenses (income)	(b)	0.5	0.1	3.2	0.6	(2.7)	(84.3)
EBITDA	(c)	67.0	12.8	52.4	9.7	14.6	27.8
Depreciation and amortization	(d)	39.2	7.5	38.6	7.2	0.6	1.6
EBIT		27.8	5.3	13.8	2.6	14.0	101.9
PROFIT (LOSS) FROM OPERATING ACTIVITIES		10.8	2.1	3.7	0.7	7.1	192.9
Net income (loss) from discontinued operations, net of tax effects		136.4	26.0	29.3	5.4	107.1	-
Loss (Income) attributable to non - controlling interests		(1.4)	(0.3)	(1.6)	(0.3)	0.2	(8.6)
GROUP NET RESULT		145.8	27.8	31.4	5.8	114.4	364.6

(\*) The notes explaining the items in the table are given in detail in the appendix at the end of this report.

**EBITDA** amounted to Euro 67 million, up by 27.8% compared to H1 2023 (Euro 52.4 million) despite the slight drop in volumes. EBITDA margin went from 9.7% in 2023 to 12.8% in the same period of 2024.

The contribution margin increased by 7.4% compared to H1 2023, accounting for 29% of sales revenue compared to 26.2% in the previous period, also due to lower raw material and energy costs.

The ratio of fixed costs to revenue was 15.7% for the first half of 2024, basically steady compared to 2023 (15.5%).

Other expenses, which include in particular exchange rate differences, made a negative contribution of Euro 0.5 million to EBITDA, compared to a negative contribution of Euro 3.2 million in the first half of 2023.

**EBIT** amounted to Euro 27.8 million, compared to Euro 13.8 million in H1 2023, and the ratio to sales revenue increased from 2.6% in the first half of 2023 to 5.3% in the same period of 2024. The increase mainly reflects the improved results recorded by the Suspension division.

Financial expenses, amounting to Euro 9.1 million, were higher than in the same period of 2023 (Euro 8.2 million) mainly due to one-off charges connected to the early repayment of some loans, following the proceeds from the sale of Filtration, which drastically reduced the Company's financing needs.

While the tax charges amounted to Euro 8 million (Euro 1.9 million in the first half of 2023) reflecting the higher pre-tax profit.

The **net operating result** was positive at Euro 10.8 million compared with Euro 3.7 million in the same period of the previous year.

The **net result of "discontinued operations"** refers to the Filtration division and amounted to Euro 136.4 million in the first half of 2024, compared to Euro 29.3

million in the first half of 2023. This value includes the net profit of the business up to the date of disposal on 31 May 2024, amounting to Euro 22.2 million, the capital gain realised from the sale of the Filtration business, amounting to Euro 124.5 million, the tax charges resulting from the transaction and the costs incurred to complete the transaction.

The Group recorded a **consolidated net profit of Euro 145.8 million**, compared to Euro 31.4 million in the first half of 2023.

### Consolidated operating cash flow

(in millions of Euro)	Note (*)	1st half 2024	1st half 2023
SELF-FINANCING	(e)	47.4	46.3
Change in net working capital		5.2	(7.2)
Other medium/long-term assets/liabilities	(f)	3.6	(1.6)
<b>CASH FLOW GENERATED BY OPERATIONS</b>		<b>56.2</b>	<b>37.5</b>
Net decrease from sales of fixed assets	(g)	0.4	1.1
<b>TOTAL SOURCES</b>		<b>56.6</b>	<b>38.6</b>
<b>TOTAL APPLICATION OF FUNDS</b>		<b>32.5</b>	<b>33.8</b>
Exchange differences on assets/liabilities and equity	(h)	(3.4)	(1.7)
<b>FREE CASH FLOW of operating activities</b>		<b>20.7</b>	<b>3.1</b>
<b>FREE CASH FLOW from discontinued operations</b>	(j)	<b>321.8</b>	<b>42.0</b>
<b>TOTAL FREE CASH FLOW</b>		<b>342.5</b>	<b>45.1</b>
Dividends paid by subsidiaries to non-controlling interests		(27.1)	(0.0)
Change in fair value derivative instruments		(0.5)	(0.8)
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>		<b>(27.6)</b>	<b>(0.8)</b>
<b>Change in net financial position</b>	(i)	<b>314.9</b>	<b>44.3</b>
<b>Opening net financial position</b>	(i)	<b>(266.1)</b>	<b>(294.9)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	(i)	<b>48.8</b>	<b>(250.6)</b>

(\*) See the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

**Free Cash Flow** was a positive Euro 342.5 million and includes a free cash flow of Euro 321.8 million from Filtration and Euro 20.7 million generated by continued operations (Euro 3.1 million in H1 2023).

The **Net Financial Position** at the end of June 2024, after the payment of dividends in the amount of Euro 27.1 million, was positive at Euro 48.8 million, compared to a net indebtedness at the end of 2023 of Euro 266.1 million. The Net Financial Position excluding payables for rights of use as at 30 June 2024 was positive at Euro 95.3 million, compared to Euro 200.7 million at 31 December 2023 Euro 185.3 million at 30 June 2023.

(in millions of Euro)	June 30, 2024	December 31, 2023	June 30, 2023
Cash, banks, financial receivables and securities held for trading	231.6	83.3	143.2
Medium/long-term financial receivables	5.7	9.5	8.6
Short-term financial debts (*)	(79.2)	(76.7)	(82.4)
Medium/long-term financial debts	(109.3)	(282.2)	(320.0)
<b>NET FINANCIAL POSITION</b>	<b>48.8</b>	<b>(266.1)</b>	<b>(250.6)</b>

(\*) Including current portions of medium/long-term financial debts

As at 30 June 2024, the Group had committed credit lines in excess of requirements

of Euro 309 million.

## Consolidated net invested capital

(in millions of Euro)	Note (*)	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
Short-term operating assets	(l)	226.0	-	350.0	-	386.4	-
Short-term operating liabilities	(m)	(240.7)	-	(383.0)	-	(449.7)	-
Net working capital		(14.7)	(4.0)	(33.0)	(6.0)	(63.3)	(12.1)
Equity investments	(n)	-	-	-	-	-	-
Intangible, tangible fixed assets and other medium and long-term assets	(o)	466.8	126.0	702.4	127.0	709.8	136.2
<b>CAPITAL INVESTED</b>		<b>452.1</b>	<b>122.0</b>	<b>669.4</b>	<b>121.0</b>	<b>646.5</b>	<b>124.1</b>
Deferred Taxes/Pension Funds							
/Provisions for risks	(p)	(41.1)	(11.1)	(59.6)	(10.8)	(64.6)	(12.3)
Other medium and long-term liabilities	(q)	(40.6)	(10.9)	(56.4)	(10.2)	(60.9)	(11.8)
<b>NET CAPITAL INVESTED</b>		<b>370.4</b>	<b>100.0</b>	<b>553.4</b>	<b>100.0</b>	<b>521.0</b>	<b>100.0</b>
Net financial indebtedness	(r)	(48.8)	(13.2)	266.1	48.1	250.6	48.1
Non - controlling interests		11.6	3.1	14.4	2.6	12.4	2.4
Consolidated equity of the Group		407.6	110.1	272.9	49.3	258.0	49.5
<b>TOTAL</b>		<b>370.4</b>	<b>100.0</b>	<b>553.4</b>	<b>100.0</b>	<b>521.0</b>	<b>100.0</b>

(\*) The notes explaining the items in the table are given in detail in the appendix at the end of this report.

As at 30 June 2024, **shareholders' equity**, excluding minority interests, amounted to Euro 407.6 million, compared to Euro 272.9 million as at 31 December 2023. The increase essentially reflects the net result for the period and the dividends paid to the shareholders of the Parent Company (Euro 23.7 million).

As at 30 June 2024, the Sogefi Group's **workforce** was 3,351, compared to 3,380 as at 30 June 2023 (excluding employees of the Filtration Division).

	June 30, 2024		December 31, 2023		June 30, 2023	
	Number	%	Number	%	Number	%
Suspensions	2,020	60.3	2,033	60.9	2,113	62.5
Air&Cooling	1,275	38.0	1,253	37.5	1,216	36.0
Others	56	1.7	52	1.6	51	1.5
<b>TOTAL</b>	<b>3,351</b>	<b>100.0</b>	<b>3,338</b>	<b>100.0</b>	<b>3,380</b>	<b>100.0</b>

## PERFORMANCE BY BUSINESS DIVISION

### Suspensions

In the first half of 2024, the business unit realised revenues of Euro 290.8 million, down by 4.7% (-5% at constant exchange rates). The decrease was mainly due to the negative trend in Europe (-10.9%), which was influenced by the market downturn (-5.2%). By contrast, revenue trends were very positive in China (+44.3% at current exchange rates and +50.3% at constant exchange rates) and India (+16.2% at current exchange rates and +17.6% at constant exchange rates).

Despite the decline in revenue, the contribution margin increased by 8.7% compared to H1 2023, with the contribution margin/sales revenue ratio improving from 24.7% in H1 2023 to 28.1% in H1 2024, due in part to lower energy and material costs.



The EBITDA amounted to Euro 25.7 million, compared to Euro 18.1 million in the first half of 2023, with an EBITDA margin at 8.9%, up from 5.9% of the first half of 2023.

EBIT was at Euro 9.3 million compared to Euro 0.6 million in the same period of 2023.

The improvement achieved in the first six months of 2024 reflects not only the favourable trend of production costs, but also the measures implemented in Europe, including in particular the concentration of production capacity by closing two plants over the last three years, as well as the gradual ramp-up of the new plant in Romania.

The employees were 2,020 as at 30 June 2024 (2,033 as at 31 December 2023, and 2,113 as at 30 June 2023).

During the first half of 2024, Suspension developed its contract portfolio for electric cars, acquiring new business in Europe, India and China. 57% of the value of new contracts entered into in the first half of 2024 by the Suspension division concerns parts for e-mobility platforms.

### ***Air & Cooling***

In the first half of 2024, revenues held up well, amounting to Euro 234.0 million, in line with the first half of 2023 at current exchange rates and slightly up at constant exchange rates (0.8%), thanks to the growth in sales in Europe (+5.9%), which bucked the market trend. In North America, revenues decreased by 2.4% at current exchange rates (-1.9% at constant exchange rates).

The contribution margin increased by 7.8% compared to H1 2023, with the contribution margin/sales revenue ratio % increasing from 28.0% to 30.2%, due to a lower impact of raw material costs.

The EBITDA amounted to Euro 43.7 million (Euro 39.1 million in the first half of 2023), with an EBITDA margin of 18.7% (16.7% in the first half of 2023).

The EBIT amounted to Euro 22.4 million, compared to Euro 19.6 million in the first six months of the previous year, and the EBIT/sales revenue ratio increased from 8.4% to 9.6%.

The employees were 1,275 as at 30 June 2024 (1,253 as at 31 December 2023, and 1,216 as at 30 June 2023).

The Division secured new orders from a premium German manufacturer to supply components for BEV (Battery Electric Vehicle) batteries and intake manifolds for hybrid engines. In China, the new contracts were all related to E-mobility platforms with a wide range of products: water pumps, pressure and suction filters, oil pipes. Finally, in Europe, renewals were signed for water pumps and cooling ducts for internal combustion engines. 73% of the value of new contracts entered into in the first half of 2024 by the Air & Cooling division concerns parts for E-mobility platforms.

## PERFORMANCE IN THE SECOND QUARTER OF 2024

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

(in millions of Euro)	Note(*)	Q2 2024		Q2 2023		Changes	
		Amount	%	Amount	%	Amount	%
Sales revenues		260.9	100.0	264.9	100.0	(4.0)	(1.5)
Variable cost of sales		183.8	70.5	194.3	73.3	(10.5)	(5.4)
CONTRIBUTION MARGIN		77.1	29.5	70.6	26.7	6.5	9.2
Fixed costs	(a)	41.9	16.0	41.5	15.8	0.4	1.0
Restructuring costs		1.4	0.5	1.7	0.6	(0.3)	(20.5)
Other expenses (income)	(b)	0.6	0.2	0.8	0.3	(0.2)	(22.9)
EBITDA	(c)	33.2	12.8	26.6	10.0	6.6	24.7
Depreciation and amortization	(d)	20.0	7.7	19.4	7.3	0.6	3.1
EBIT		13.2	5.1	7.2	2.7	6.0	83.2
PROFIT (LOSS) FROM OPERATING ACTIVITIES		5.2	2.0	2.8	1.1	2.4	83.2
Net income (loss) from discontinued operations, net of tax effects		126.0	48.3	16.1	6.1	109.9	-
Loss (Income) attributable to non - controlling interests		(0.4)	(0.2)	(0.7)	(0.3)	0.3	(42.5)
GROUP NET RESULT		130.8	50.1	18.2	6.9	112.6	-

(\*) See the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

In the second quarter of 2024, the Sogefi Group reported revenues of Euro 260.9 million, slightly down at both current (-1.5%) and constant (-2%) exchange rates. At constant exchange rates, revenue trend was positive in China (+14.9%) and India (+27.6%), while it was negative in Europe (-3.9%), South America (-3.6%) and North America (-4.6%).

Air & Cooling recorded a 1.6% growth at constant exchange rates, while Suspension recorded a -4.8% decrease at constant exchange rates.

**EBITDA** amounted to Euro 33.3 million compared to Euro 26.6 million in Q2 2023, thanks to the increase of the contribution margin from 26.7% of revenues in Q2 2023 to 29.5% in Q2 2024.

**EBIT** was positive at Euro 13.2 million (compared to Euro 7.2 million in the second quarter of 2023).

**Net result of operating activities** amounted to Euro 5.2 million, compared to Euro 2.8 million in Q2 2023.

The **consolidated net result** for the second quarter of 2024, including discontinued operations, amounted to Euro 130.8 million (Euro 18.2 million in the same period of the previous year), incorporating the Filtration results of April-May 2024 and the capital gain generated by the divestment.

## INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

Investments in the first half of 2024 amounted to Euro 32.5 million (Euro 33.8 million in the first half of last year), of which Euro 14.1 million for new products, and Euro 1 million for the ramp-up of the Suspension factory in Romania (Euro 3.2 million last year).

The table below provides details of the investments.

(in millions of Euro)	June 30, 2024	June 30, 2023
Increase in intangible assets	3.9	6.5
Purchase of tangible assets	12.6	14.6
Purchase of Tooling	11.4	9.7
Increase in intangible assets for right of use	4.7	0.8
Purchase of equity investments	-	2.2
<b>TOTAL INVESTMENTS</b>	<b>32.5</b>	<b>33.8</b>

## IMPACTS OF THE MACROECONOMIC ENVIRONMENT, THE RUSSIA-UKRAINE AND GAZA-ISRAEL CONFLICTS AND THE CLIMATE CHANGE ON OPERATIONS

### *Impact of the macroeconomic environment on operations*

With reference to the macroeconomic scenario, in 2024 a moderately positive evolution is expected in the economies of the main geographical areas in which Sogefi operates and a slight decline in global car production. Against this backdrop, in the first half of 2024, Sogefi reported revenues down by 2.7% at constant exchange rates.

As far as commodity and energy prices are concerned, the early months of 2024 confirm a certain stability, already seen in the second part of 2023, at lower levels than in the first half of 2023. However, prices remain exposed to volatility risks exacerbated by geo-political tensions. Inflationary pressures on labour costs also persist in some geographical areas.

Against this backdrop, the Group closely monitors production costs and maintains a constant dialogue with suppliers and customers to safeguard its margins.

### *Impacts of the Russia-Ukraine and Gaza-Israel conflicts on operations*

The direct impact of the Russia-Ukraine conflict on operations was not significant. In fact, Sogefi had a marginal business activity in Russia that was discontinued as of March 2022 and the Russian subsidiary was liquidated in 2023.

Sogefi, like the entire automotive sector, suffered the indirect impacts of the war, and in particular the increase in energy and raw material prices. The trend reversed in the course of 2023, with some stabilisation in recent months, as already mentioned.

The Gaza-Israel conflict is not expected to have a direct impact on the Group's business as Sogefi has no direct operations in the affected areas. The conflict could have impacts on the supply chain by generating delays in the delivery of materials being shipped via the Suez Canal. Sogefi closely monitors this risk by taking appropriate mitigation measures (creation of safety stocks, evaluation of alternative suppliers). At present, it is not possible to assess any further indirect impacts.

### Climate change and transition risks

Please refer to the Annual Financial Statements as at 31 December 2023 for an analysis of impacts related to climate change and transition risks.

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

The main risks to which the Sogefi Group is exposed are related to the business in which the Group operates and are substantially in line with 2023.

These risks, shared with the other players in the automotive sector, include the technological innovation and project management risks associated with the current transition to e-mobility of the industry.

In the current context of macroeconomic uncertainty, a drop in the market and a consequent reduction in sales volumes cannot be ruled out, in correlation with a potential economic recession or a downturn in the automotive industry.

In order to preserve its profitability, the Sogefi Group has set up a constant dialogue with its customers and suppliers in order to promptly capture any new market requirements.

## **TREASURY SHARES**

As of 30 June 2024, the Parent Company held 1,373,399 treasury shares in its portfolio, equal to 1.1434% of the share capital at an average unit price of Euro 2.28. In the first half of 2024, 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 2024.

## **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.

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 2024**

There are no significant events occurred after 30 June 2024 that could have an impact on the economic, equity and financial information represented, except the payment of the extraordinary dividend of Euro 0.923 per share, for a total of approximately Euro 110 million, resolved by the Shareholders' Meeting on 18 July 2024, with payment date on 22 July 2024, as already disclosed to the market.

The CEO and General Manager, Frederic Sipahi, has resigned, as per press release dated 23 July 2024.

## **OUTLOOK FOR OPERATIONS**

The visibility of the automotive market performance in 2024 remains reduced due to uncertainties related to macroeconomic and geopolitical developments. S&P Global (IHS) expects global car production to drop by 2% after the growth recorded in 2023, with Europe down 5.3% and the limited growth in China, NAFTA and India.

As far as commodity and energy prices are concerned, the first six months of 2024 confirm a certain stability, already seen in the second part of 2023, but they remain exposed to volatility risks exacerbated by geopolitical tensions. Inflationary pressures on labour costs also persist in some geographical areas. In this scenario, the Group constantly monitors trends in the various geographic areas, seeking fair agreements with all customers on sales prices.

Based on a more conservative forecast for the automotive market than S&P Global estimates, particularly in Europe, Sogefi expects its low single-digit revenues to decrease in 2024, while confirming its expectation that operating profitability, excluding non-recurring charges and extraordinary events that are not foreseeable at this time, will be higher than in 2023.

Milan, 23 July 2024

FOR THE BOARD OF  
DIRECTORS  
The Managing Director  
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 item mainly includes the sum of the Consolidated Statement of Cash Flow lines “Profit (loss) for the period (excluding Result from discontinued operations, net of tax effect)”, “Profit (loss) from the sale of discontinued operations, net of incidental expenses and tax effects”, “Minority interest”, “Depreciation, Amortization and Impairment losses”, “Provisions for share-based incentive plans”, “Provisions for risks and restructuring”, “Retirement benefits and other employee benefits” with the exception of the financial component relating to pension funds and deferred taxes included in “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;
- j) for the reconciliation of this headings with the Consolidated Financial Statement, see note 36 “Income (loss) from discontinued operations net of tax effects”;
- 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 item corresponds to the line “Other financial assets held for sale” included in the line “Other financial assets - non-current” 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”, “Other financial assets - non-current” (excluding the amount of “Other financial assets held for sale”), “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”, “Non-current bank liabilities”, “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”, “Other financial assets - non-current” (excluding the amount of “Other financial assets held for sale”), “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”, “Non-current bank liabilities”, “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 2024 there are no non-recurring charges as defined by Consob in its communication no. DEM/6064293 of 28 July 2006.

## SOGEFI GROUP CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 June 2024

### CONSOLIDATED FINANCIAL STATEMENTS

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

ASSETS	Note	June 30, 2024	December 31, 2023
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	94,842	78,185
Other financial assets	5	136,796	5,136
Inventories	6	82,711	138,231
Trade receivables	7	104,612	166,900
Other receivables	7	12,307	13,408
Tax receivables	7	21,247	28,101
Other assets	7	5,095	3,357
<b>ASSETS HELD FOR SALE</b>	14	-	-
<b>TOTAL CURRENT ASSETS</b>		457,610	433,318
<b>NON-CURRENT ASSETS</b>			
Land	8	3,719	9,755
Property, plant and equipment	8	266,138	358,887
Other tangible fixed assets	8	4,193	6,213
Right of use	8	43,451	59,692
Intangible assets	9	107,938	203,371
Investments in joint ventures	10	-	-
Other financial assets	11	5,657	6,818
Financial receivables	12	-	2,761
Other receivables	12	13,436	31,465
Deferred tax assets	13	27,928	33,009
<b>TOTAL NON-CURRENT ASSETS</b>		472,460	711,971
<b>TOTAL ASSETS</b>		930,070	1,145,289

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



LIABILITIES	Note	June 30, 2024	December 31, 2023
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short-term loans	15	380	659
Current portion of medium/long-term financial debts and other loans	15	69,153	63,280
Short-term financial debts for right of use	15	9,599	12,689
Other short-term liabilities for derivative financial instruments	15	69	2
Trade and other payables	16	205,864	334,037
Tax payables	16	8,414	10,675
Other current liabilities	17	26,451	38,272
Current provisions	18	7,293	12,383
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>	14	-	-
<b>TOTAL CURRENT LIABILITIES</b>		327,223	471,997
<b>NON-CURRENT LIABILITIES</b>			
Financial debts to bank	15	71,915	184,437
Non current portion of medium/long term financial debts and other loans	15	476	45,196
Medium/long-term financial debts for right of use	15	36,941	52,715
Other medium/long-term financial liabilities for derivative financial instruments	15	-	-
Non-current provisions	18	15,112	23,844
Other payables	18	40,576	56,449
Deferred tax liabilities	13	18,678	23,344
<b>TOTAL NON-CURRENT LIABILITIES</b>		183,698	385,985
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	19	62,461	62,461
Reserves and retained earnings (accumulated losses)	19	199,318	152,629
Group net result for the period	19	145,786	57,766
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>		407,565	272,856
Non-controlling interests	19	11,584	14,451
<b>TOTAL SHAREHOLDERS' EQUITY</b>		419,149	287,307
<b>TOTAL LIABILITIES AND EQUITY</b>		930,070	1,145,289

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

## CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	Note	1st half 2024		1st half 2023(*)	
		Amount	%	Amount	%
Sales revenues	21	524,115	100.0	538,875	100.0
Variable cost of sales	23	372,306	71.0	397,588	73.8
<b>CONTRIBUTION MARGIN</b>		<b>151,809</b>	<b>29.0</b>	<b>141,287</b>	<b>26.2</b>
Manufacturing and R&D overheads	24	46,659	8.9	49,058	9.1
Depreciation and amortization	25	39,185	7.5	39,015	7.2
Distribution and sales fixed expenses	26	7,356	1.5	7,433	1.3
Administrative and general expenses	27	28,332	5.4	27,242	5.1
Restructuring costs	29	2,016	0.4	1,992	0.4
Losses (gains) on disposal	30	27	-	(72)	-
Exchange (gains) losses	31	(822)	(0.2)	2,410	0.4
Other non-operating expenses (income)	32	1,220	0.2	447	0.1
<b>EBIT</b>		<b>27,836</b>	<b>5.3</b>	<b>13,762</b>	<b>2.6</b>
Financial expenses	33	15,781	3.0	11,981	2.2
Financial (income)	33	(6,682)	(1.3)	(3,747)	(0.7)
Losses (gains) from equity investments	34	-	-	-	-
<b>RESULT BEFORE TAXES</b>		<b>18,737</b>	<b>3.6</b>	<b>5,528</b>	<b>1.0</b>
Income taxes	35	7,962	1.5	1,859	0.3
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>		<b>10,775</b>	<b>2.1</b>	<b>3,669</b>	<b>0.7</b>
Income (loss) from discontinued operations, net of tax effects	36	136,441	26.0	29,276	5.4
<b>NET RESULT INCLUDING THIRD PARTY</b>		<b>147,216</b>	<b>28.1</b>	<b>32,945</b>	<b>6.1</b>
Loss (Income) attributable to non-controlling interests		(1,430)	(0.3)	(1,564)	(0.3)
<b>GROUP NET RESULT</b>		<b>145,786</b>	<b>27.8</b>	<b>31,381</b>	<b>5.8</b>
Earnings per share (EPS) (Euro):	37				
Basic		1.229		0.265	
Diluted		1.229		0.265	

(\*) The first half of 2023 values related 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 "Income (loss) from discontinued operations, net of tax effects".

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these condensed interim consolidated financial statements.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)

	<i>Note</i>	<i>1st half 2024</i>	<i>1st half 2023</i>
Net result before non-controlling interests		147,216	32,945
<i>Other Comprehensive Income:</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>		-	-
- Actuarial gain (loss)	19	1,372	798
- Tax on items that will not be reclassified to profit or loss	19	(347)	(163)
<i>Total items that will not be reclassified to profit or loss</i>		1,025	635
<i>Items that may be reclassified to profit or loss</i>		-	-
- Profit (loss) booked to cash flow hedging reserve	19	(2,747)	(435)
- Tax on items that may be reclassified to profit or loss	19	659	104
- Profit (loss) booked to translation reserve	19	4,487	(7,712)
<i>Total items that may be reclassified to profit or loss</i>		2,399	(8,043)
<i>Other Comprehensive Income</i>		3,424	(7,408)
Total comprehensive result for the period		150,640	25,537
Attributable to:		-	-
- Shareholders of the Holding Company		149,182	23,982
- Non-controlling interests		1,458	1,555

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

## CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	<i>1st half 2024</i>	<i>1st half 2023</i>
<b>Cash flows from operating activities</b>		
Net result	145,786	31,381
Adjustments:	-	-
- non-controlling interests	1,430	1,564
- depreciation, amortization and writedowns	39,227	40,019
- expenses recognised for share-based incentive plans	268	253
- capital gain disposal filtration	(114,262)	-
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	8	(72)
- provisions for risks, restructuring and deferred taxes	(3,564)	(1,557)
- post-retirement and other employee benefits	1,399	378
- net financial expenses	10,945	8,234
- income taxes	7,962	1,834
- change in net working capital	3,477	(3,828)
- other medium/long-term assets/liabilities	3,839	(1,213)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>96,515</b>	<b>76,993</b>
Interests paid	(9,815)	(7,781)
Income tax paid	(4,961)	(4,809)
Cash flow from discontinued operating activities	(37,601)	19,401
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>44,138</b>	<b>83,803</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	3,270	2,244
Net financial position of entities acquired/sold during the period	-	1,131
Price paid for business combination	(2,153)	(1,300)
Purchase of property, plant and equipment	(24,000)	(24,306)
Purchase of intangible assets	(3,856)	(6,462)
Net change in other securities	-	146
Sale of property, plant, equipment and businesses held for sale	409	1,233
Cash flow from investment activities from discontinued operating activities	(9,196)	(4,046)
Amount received for business transfers	325,544	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>290,018</b>	<b>(31,360)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to Holding Company shareholders and non-controlling interests	(27,134)	(3)
New (repayment of) bonds	-	(15,403)
New (repayment of) long-term loans	(134,542)	(1,415)
Change in financial assets	(132,067)	(1,543)
New (repayment of) finance leases	-	-
New (repayment of) leases	(4,854)	(4,163)
Cash flow from financing activities from discontinued operating activities	(14,980)	(6,405)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(313,577)</b>	<b>(28,932)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,579</b>	<b>23,511</b>
Balance at the beginning of the period	77,526	116,594
(Decrease) increase in cash and cash equivalents	20,579	23,511
Exchange differences	(3,643)	(1,421)
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>94,462</b>	<b>138,684</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 values for “Assets available for sale and discontinued operating activities” are shown separately on the appropriate lines.

The “Explanatory and supplementary notes to the consolidated financial statements” 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
<b>Balance at December 31, 2022</b>	62,461	19,445	4,444	(4,444)	12,640	978	(51,369)	5,267	(27,364)	9,661	12,201	157,184	29,562	230,666	16,822	247,488
Paid share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of 2022 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,303)	(6,303)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	29,562	(29,562)	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	253	-	-	-	-	-	-	-	253	-	253
Other changes	-	309	(309)	309	-	(141)	-	-	-	-	-	2,894	-	3,062	384	3,446
<b>Comprehensive result for the period</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value cash flow hedging instruments	-	-	-	-	-	-	-	(435)	-	-	-	-	-	(435)	-	(435)
Actuarial gain (loss)	-	-	-	-	-	-	-	-	798	-	-	-	-	798	-	798
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(59)	-	-	-	(59)	-	(59)
Currency translation differences	-	-	-	-	-	-	(7,703)	-	-	-	-	-	-	(7,703)	(9)	(7,712)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	31,381	31,381	1,564	32,945
<b>Total comprehensive result for the period</b>	-	-	-	-	-	-	(7,703)	(435)	798	(59)	-	-	31,381	23,982	1,555	25,537
<b>Balance at June 30, 2023</b>	62,461	19,754	4,135	(4,135)	12,640	1,090	(59,072)	4,832	(26,566)	9,602	12,201	189,640	31,381	257,963	12,458	270,421
<b>Balance at December 31, 2023</b>	62,461	20,376	3,513	(3,513)	12,640	944	(67,436)	2,747	(28,310)	8,050	12,201	191,417	57,766	272,856	14,451	287,307
Paid share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of 2023 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(23,730)	-	(23,730)	(3,404)	(27,134)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	57,766	(57,766)	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	268	-	-	-	-	-	-	-	268	-	268
Other changes	-	372	(372)	372	-	(165)	-	-	-	-	-	8,782	-	8,989	(921)	8,068
<b>Comprehensive result for the period</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value cash flow hedging instruments	-	-	-	-	-	-	-	(2,747)	-	-	-	-	-	(2,747)	-	(2,747)
Actuarial gain (loss)	-	-	-	-	-	-	-	-	1,372	-	-	-	-	1,372	-	1,372
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	312	-	-	-	312	-	312
Currency translation differences	-	-	-	-	-	-	4,459	-	-	-	-	-	-	4,459	28	4,487
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	145,786	145,786	1,430	147,216
<b>Total comprehensive result for the period</b>	-	-	-	-	-	-	4,459	(2,747)	1,372	312	-	-	145,786	149,182	1,458	150,640
<b>Balance at June 30, 2024</b>	62,461	20,748	3,141	(3,141)	12,640	1,047	(62,977)	-	(26,938)	8,362	12,201	234,235	145,786	407,565	11,584	419,149

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these condensed interim consolidated financial statements.

EXPLANATORY AND SUPPLEMENTARY NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
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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 2024 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 2023 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 condensed interim consolidated financial statements.

The condensed interim consolidated financial statements as at 30 June 2024 should be read in conjunction with the annual financial statements as at 31 December 2023.

It is clarified that the values of the Consolidated Income Statement and the Consolidated Financial Statement for the six-month period ended 30 June 2023 have been reclassified as a result of the application of IFRS 5 “Non-current assets held for sale and discontinued operations” to the subsidiaries of the Filtration Business Unit, sold in May 2024.

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 2024 were approved and authorised for publication by the Board of Directors on 23 July 2024.

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

The financial statements as at 30 June 2024 are consistent with those used for the annual report as at 31 December 2023.

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 condensed interim consolidated financial statements***

The condensed interim consolidated financial statements for the six-month period ending 30 June 2024 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.

During the period the following changes occurred in the scope of consolidation and events relating to interests in subsidiaries:

- sale of the Filtration division in May 2024. The effects of this disposal are described in Note 36 “Profit (loss) from discontinued operations, net of tax effects”;
- In the first half of 2024, the subsidiary Sogefi Air & Cooling S.A.S. acquired the remaining 49% of the share capital of the French company ATN Molds & Parts S.A.S.. As at 31 December 2023 Sogefi had already negotiated the deferred purchase of 29% (at a price per share equal to that defined for the purchase of the 51% stake) and had subjected the remaining 20% stake to a put option. The 29% share subject to the deferred purchase had been considered as already acquired by the company; therefore, for the purpose of representing equity at 31 December 2023, this share had been represented in the Group's equity. The 20% share subject to the put option had been considered as attributable to minority interests as of 31 December 2023. This portion, amounting to Euro 894 thousand, was reclassified from non-controlling interests to equity attributable to the Group at 30 June 2024 following the exercise of the option and the acquisition of the remaining 20% of the subsidiary's share capital for a consideration of Euro 878 thousand.



### 1.3 Group composition

As required by IFRS 12, Group composition as at 30 June 2024 and 31 December 2023 was as follows:

<i>Business Unit</i>	<i>Region</i>	<i>Wholly-owned consolidated subsidiaries</i>	
		June 30, 2024	December 31, 2023
Air&Cooling	Canada	1	1
	France	2	1
	Mexico	1	1
	Romania	1	1
	China (*)	2	2
	USA	1	1
Filtration (***)	Italy	-	1
	France	-	1
	Great Britain	-	1
	Spain	-	1
	Slovenia	-	1
	USA (**)	-	1
	India	-	1
	Morocco	-	1
Suspensions	France	2	2
	Italy	2	2
	Great Britain	2	2
	Germany	1	1
	The Netherlands	1	1
	Romania	1	1
	Brazil	1	1
	Argentina	1	1
Sogefi Gestion S.A.S.	France	1	1
<b>TOTAL</b>		<b>20</b>	<b>27</b>

(\*) This subsidiary works also for Suspensions business unit.

(\*\*) This subsidiary worked also for Air and Cooling business units in 2023.

(\*\*\*) These subsidiaries of the filtration business unit left the consolidation perimeter on May 2024.

<i>Business Unit</i>	<i>Region</i>	<i>Non-wholly-owned consolidated subsidiaries</i>	
		June 30, 2024	December 31, 2023
Suspensions	France	1	1
	Spain	1	1
	India	1	1
Air&Cooling	France (****)	-	1
<b>TOTAL</b>		<b>3</b>	<b>4</b>

(\*\*\*\*) This subsidiary (ATN Molds & Parts S.A.S.) was acquired 100% during the first half of 2024.

## 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 2024 are consistent with those used for the annual financial statements as of 31 December 2023 to which the reader should refer.

### **Business combinations**

Business combinations are recognised under the acquisition method. According to this method, the consideration transferred to a business combination is measured at fair value calculated as the aggregate of the acquisition-date fair value of the assets transferred and liabilities assumed by the Group and of the equity instruments issued in exchange for the control of the acquired entity. Incidental transaction costs are generally recognised in the income statement when they are incurred.

On the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair value; the following items represent exception to the above and are valued according to their reference principle:

- deferred tax assets and liabilities;
- assets and liabilities relating to employee benefits;
- liabilities or equity instruments relating to share-based payments of the acquired entity or share-based payments relating to the Group, issued as a replacement of contracts of the acquired entity;
- assets held for sale and discontinued assets and liabilities.

Goodwill is measured as the surplus between the sum of the consideration transferred to the business combination, the value of non-controlling interests and the fair value of previously-held equity interest in the acquiree with respect to the fair value of the net assets transferred and liabilities assumed as at the acquisition-date. If the fair value of the net assets transferred and liabilities assumed as at the acquisition-date exceeds the sum of the consideration transferred, the value of non-controlling interests and the fair value of the previously-held equity interest in the acquiree, said surplus is immediately booked to the Income Statement as gain resulting from said transaction.

The share of non-controlling interests as at the acquisition-date may be measured at fair value or as a proportion of the value of net assets in the acquiree. The measurement method adopted is decided on a transaction-by-transaction basis.

### **Assets held for sale and discontinued operations**

Non-current assets, current and non-current assets and liabilities included within disposal groups, whose carrying amount will be recovered principally through a sale transaction rather than through their continuing use, are classified as held for sale. This condition is considered met when the sale is highly probable, and the asset or disposal group is available for immediate sale in its current condition. When the sale of a subsidiary is planned and this will lead to loss of control, all of its assets and liabilities are classified as held for sale. This applies whether or not an interest is retained in the former subsidiary after the sale.

Non-current assets held for sale, current and non-current assets included within disposal groups and liabilities directly associated with them are recognized in the statement of financial position separately from the entity's other assets and liabilities. Immediately prior to classification as being held for sale, the non-current assets

and/or assets and liabilities included within a disposal group are measured according to the accounting standards applicable to them. Subsequently, non-current assets held for sale are not depreciated and are measured at the lower of the fair value less costs to sell and their carrying amount. Any difference between the carrying amount of non-current assets and the fair value less costs to sell is taken to the income statement as an impairment loss; any subsequent reversal is recognized up to the previous impairment losses, including those recognized prior to qualification of the asset as held for sale. Non-current assets classified as held for sale and disposal groups constitute a discontinued operation if, either: (i) they represent a significant stand-alone line of business or a significant geographic area of operations; (ii) they are part of a plan to dispose of a significant stand-alone line of business or a significant geographic area of operations; or (iii) they are a subsidiary acquired exclusively for the purpose of selling it. Profit or loss of discontinued operations, as well as any gains or losses on their disposal are reported separately in the income statement, net of any tax effects. The results of discontinued operations are also restated in the comparative figures for prior years. When events occur that make it impossible to classify non-current assets or disposal groups as held for sale, they are reclassified to the respective items of the statement of financial position and recognized at the lower between: (i) the carrying amount at the date of classification as held for sale, adjusted for depreciation, impairment losses and reversals of impairment loss that would have been recognized had the assets or disposal group not been classified as held for sale; and (ii) the recoverable amount at the date of reclassification. Likewise, in case of interruption of the plan of sale, recalculation of the values from the time of classification as held for sale/discontinued operations also involves the equity investments, or their shares, previously classified as held for sale/discontinued operations.

### **Critical estimates and assumptions**

The preparation of the 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 47,046 thousand as at 30 June 2024): at 30 June 2024, the Group conducted an analysis to verify the presence of any impairment indicators, taking into consideration the outcome of the analysis conducted at 31 December 2023. The trend of the business units' operating results in the first half of 2024 does not show any significant deviations from the trends forecast in the 2024 budget, the 2024-2027 strategic plan and the 2024-2027 projections for the Suspension CGU, approved by the Board of Directors on

15 December 2023 and 23 February 2024, which currently represent the best estimate of cash generation expectations for the CGUs.

Market capitalisation as at 30 June 2024, up from 31 December 2023, was however lower than the book equity.

Taking into account:

- the differences existing between the value in use and the book value of the CGUs as at 31 December 2023,
- the market rate trend as at 30 June 2024,
- the results for the first half of 2024 and unchanged long-term growth forecasts,
- the absence of other impairment indicators,

the results of the impairment tests performed with reference to the consolidated financial statements as at 31 December 2023, to which reference is made, can be reasonably confirmed for the condensed interim consolidated financial statements as at 30 June 2024;

- recoverability of deferred tax assets on tax losses (Euro 10,040 thousand as at 30 June 2024), recognised to “Deferred tax assets”: as at 30 June 2024, deferred tax assets on tax losses incurred during the current and previous years (mainly referred to the subsidiaries Sogefi HD Suspensions Germany GmbH, Sogefi Engine Systems Mexico S. de R.L. de C.V., Sogefi Suspensions Passenger Car Italy S.p.A., Sogefi Suspension Argentina and the Parent Company Sogefi S.p.A.) were accounted for to the extent that it is probable that taxable income will be available in the future against which they can be utilised. Such probability is also determined based on the fact that such losses have originated mainly under extraordinary circumstances that are unlikely to occur again in the future and that the same could be recovered throughout an unlimited or long-term time frame.

With reference to the Parent Company Sogefi S.p.A., taxes are recognised in the income statement under "Current taxes" to the extent that the loss is actually offset against taxable income generated within the CIR Group tax filing system. 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 11,768 thousand as at 30 June 2024): actuaries 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 10 thousand for assets and Euro 69 thousand for liabilities as at 30 June 2024): 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 2024**

The following IFRS accounting standards, amendments and interpretations were first adopted by the Group as from 1 January 2024:

- Amendments to IAS 7: “*Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*” (issued on 25 May 2023). These amendments are to be applied for financial periods beginning on 1 January 2024. This amendment as at 30 June 2024 did not have any impact on the Sogefi Group's condensed interim consolidated financial statement.
- Amendments to IFRS 16 “*Leases: Lease Liability in a Sale and Leaseback*” (issued on 22 September 2022). These amendments are to be applied for financial periods beginning on 1 January 2024. This amendment as at 30 June 2024 did not have any impact on the Sogefi Group's condensed interim consolidated financial statement.
- Amendments to IAS 1: “*Presentation of Financial Statements: Classification of liabilities as current or non-current*”, “*Classification of Liabilities as Current or Non-current - Deferral of Effective Date*” and “*Non-current Liabilities with Covenants*” (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively). These amendments are to be applied for financial periods beginning on 1 January 2024. This amendment as at 30 June 2024 did not have any impact on the Sogefi Group's condensed interim consolidated financial statement. For more details, please refer to section “20. Analysis of the net financial position”.

## **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 2024**

As at the date of this financial report, there were no new and amended standards issued but not yet in force.

## **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 condensed interim consolidated financial statement:

- Lack of Exchangeability (Amendments to IAS 21) (published on 15 August 2023). IASB provides that these amendments are to be applied for financial periods beginning on 1 January 2025.
- *Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)* (published on 30 May 2024). IASB provides that these amendments are to be applied for financial periods beginning on 1 January 2026.

- *IFRS 18 Presentation and disclosure in financial statements* (published on 9 April 2024). IASB provides that these amendments are to be applied for financial periods beginning on 1 January 2027.
- *IFRS 19 Subsidiaries without public accountability: disclosures* (published on 9 May 2024). IASB provides that these amendments are to be applied for financial periods beginning on 1 January 2027.

## Exchange rates

The following exchange rates have been used for translation purposes:

	<i>1st half 2024</i>		<i>1st half 2023</i>		<i>2023</i>
	<i>Average</i>	<i>06.30</i>	<i>Average</i>	<i>06.30</i>	<i>12.31</i>
US dollar	1.0812	1.0705	1.0811	1.0866	1.1050
Pound sterling	0.8545	0.8464	0.8766	0.8583	0.8691
Brazilian real	5.4945	5.8915	5.4834	5.2788	5.3618
Argentine peso	975.3883	975.3883	278.5022	278.5022	892.9239
Chinese renminbi	7.8009	7.7748	7.4895	7.8983	7.8509
Indian rupee	90.0090	89.2495	88.8889	89.2065	91.9045
New romanian Leu	4.9741	4.9773	4.9339	4.9635	4.9756
Canadian dollar	1.4685	1.4670	1.4569	1.4415	1.4642
Mexican peso	18.5185	19.5654	19.6541	18.5614	18.7231
Moroccan dirham	10.8319	10.6550	11.0241	10.7560	10.9280

## 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 two business units are as follows: Suspensions, 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 39 “Related party transactions”.

The tables below provide the income statement and statement of financial position figures of the Group for the first half of 2023 and 2024:

(in thousands of Euro)	June 30, 2023					
	Air & Cooling	Suspensions	Filtration	Sogefi SpA / Sogefi Gestion S.A.S.	Adjustments	Sogefi Group consolidation
TOTAL REVENUES	234,090	305,002	-	12,542	(12,759)	538,875
<b>RESULTS</b>						
EBIT	19,615	618	0	(3,269)	(3,202)	13,762
Financial expenses, net						(8,234)
Income from equity investments						-
Losses from equity investments						-
Result before taxes						5,528
Income taxes						(1,859)
NET INCOME (LOSS) OF OPERATING ACTIVITIES						3,669
Net income (loss) from discontinued operations						29,276
NET RESULT INCLUDED THIRD PARTY SHARE						32,945
Profit (loss) from third parties						(1,564)
GROUP NET RESULT						31,381
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
Segment assets	468,730	544,755	438,745	753,130	(1,086,135)	1,119,225
Unallocated assets	-	-	-	-	128,815	128,815
TOTAL ASSETS	468,730	544,755	438,745	753,130	(957,320)	1,248,040
<b>LIABILITIES</b>						
Segment liabilities	256,604	512,563	349,671	537,403	(678,622)	977,619
TOTAL LIABILITIES	256,604	512,563	349,671	537,403	(678,622)	977,619
<b>OTHER INFORMATION</b>						
Increase in tangible and intangible fixed assets	15,958	14,508	7,111	356	(54)	37,879
Depreciation, amortization and writedowns	19,391	18,401	16,239	1,564	663	56,258



(in thousands of Euro)	<i>June 30, 2024</i>					
	Air & Cooling	Suspensions	Filtration	Sogefi SpA / Sogefi Gestion S.A.S.	Adjustments	Sogefi Group consolidation
<b>TOTAL REVENUES</b>	233,989	290,752	-	9,781	(10,407)	524,115
<b>RESULTS</b>						
<b>EBIT</b>	22,413	9,294	(0)	(4,256)	385	27,836
Financial expenses, net						(9,099)
Income from equity investments						-
Losses from equity investments						-
Result before taxes						18,737
Income taxes						(7,962)
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>						10,775
Net income (loss) from discontinued operations						136,441
<b>NET RESULT INCLUDED THIRD PARTY SHARE</b>						147,216
Profit (loss) from third parties						(1,430)
<b>GROUP NET RESULT</b>						145,786
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
Segment assets	432,290	449,884	-	615,114	(618,312)	878,976
Unallocated assets	-	-	-	-	51,094	51,094
<b>TOTAL ASSETS</b>	432,290	449,884	-	615,114	(567,218)	930,070
<b>LIABILITIES</b>						
Segment liabilities	222,631	397,993	(0)	252,050	(361,753)	510,921
<b>TOTAL LIABILITIES</b>	222,631	397,993	(0)	252,050	(361,753)	510,921
<b>OTHER INFORMATION</b>						
Increase in tangible and intangible fixed assets	16,370	12,745	11,404	434	(1,692)	39,261
Depreciation, amortization and writedowns	21,241	16,451	12,940	2,833	644	54,108

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 39 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 Systemes Moteurs Group and the company ATN Molds & Parts S.A.S..

“Depreciation, amortization and writedowns” include revaluation of tangible and intangible fixed assets of Euro 34 thousand.

### Information on the main customers

Revenues from sales to third parties as of 30 June 2024 accounting for over 10% of Group revenues are shown in the following table:

(in thousands of Euro)	<i>June 30, 2024</i>			
	Group		BU Air & Cooling	BU Suspensions
	<i>Amount</i>	<i>%</i>		
Stellantis	95,970	18.3	46,976	48,994
Daimler	66,529	12.7	6,540	59,989
GM	65,174	12.4	58,280	6,894
Ford	59,523	11.4	46,343	13,180

### Information on geographic areas

The breakdown of revenues by geographical area is analysed in note 21 “Sales Revenues”.

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

(in thousands of Euro)	<i>June 30, 2023</i>					
	Europe	South America	North America	Asia	Adjustments	Sogefi Group consolidation
TOTAL ASSETS	1,699,558	58,429	187,324	165,755	(863,026)	1,248,040

  

(in thousands of Euro)	<i>June 30, 2024</i>					
	Europe	South America	North America	Asia	Adjustments	Sogefi Group consolidation
TOTAL ASSETS	1,138,932	61,072	120,851	124,565	(515,351)	930,070

## 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 94,842 thousand compared to Euro 78,185 thousand as of 31 December 2023 and break down as follows:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Short-term cash investments	94,842	78,185
Cash on hand	-	-
<b>TOTAL</b>	<b>94,842</b>	<b>78,185</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 20.

As of 30 June 2024, the Group has unused lines of credit for the amount of Euro 268,587 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:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Other current financial assets valued at amortized costs	1,550	1,161
Financial receivables	135,236	3,966
Assets for derivative financial instruments	10	9
<b>TOTAL</b>	<b>136,796</b>	<b>5,136</b>

The item “Other current financial assets valued at amortized cost” amounted to Euro 1,550 thousand and refers to investments made by the Argentine subsidiary Sogefi Suspension Argentina S.A. in dollar-linked bond instruments to mitigate the effects of the devaluation of the local currency.

Financial receivables refer, for Euro 130,000 million, to interest-bearing deposits of the Parent Company Sogefi S.p.A. with a leading bank, maturing on 10 July 2024 and December 2024. The item also includes 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” amount to Euro 10 thousand and refer to the fair value of forward foreign currency contracts.

## 6. INVENTORIES

The breakdown of inventories is as follows:

(in thousands of Euro)	June 30, 2024			December 31, 2023		
	Gross	Write-downs	Net	Gross	Write-downs	Net
Raw, ancillary and consumable materials	52,067	3,190	48,877	76,991	4,793	72,198
Work in progress and semi-finished products	15,443	596	14,847	19,896	936	18,960
Finished goods and goods for resale	21,958	2,971	18,987	52,500	5,427	47,073
<b>TOTAL</b>	<b>89,468</b>	<b>6,757</b>	<b>82,711</b>	<b>149,387</b>	<b>11,156</b>	<b>138,231</b>

The net value of inventories decreased by Euro 55,520 thousand compared to 31 December 2023; this decrease is mainly attributable to the sale of the Filtration business unit, whose net value of inventories at 31 December 2023 was Euro 55,382 thousand.

## 7. TRADE AND OTHER RECEIVABLES

Current receivables break down as follows:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Trade receivables	104,612	166,900
of which:	-	-
Due to Parent Company	1,318	3,623
<i>Trade receivables</i>	<i>105,039</i>	<i>167,426</i>
<i>Less: Allowance for bad debts</i>	<i>(1,745)</i>	<i>(4,149)</i>
Trade receivables, net	103,294	163,277
Tax receivables	21,247	28,101
Other receivables	12,307	13,408
Other assets	5,095	3,357
<b>TOTAL</b>	<b>143,261</b>	<b>211,766</b>

“Trade and other receivables” amounted to Euro 143,261 thousand at 30 June 2024 compared to Euro 211,766 thousand at 31 December 2023 (of which Euro 83,140 thousand related to the Filtration business unit).

As at 30 June 2024, the Group factored trade receivables for Euro 54,474 thousand (Euro 91,165 thousand as at 31 December 2023, of which Euro 35,390 thousand referred to the Filtration business unit), including an amount of Euro 46,417 thousand which was not notified (Euro 66,519 thousand as at 31 December 2023) 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.

“Trade receivables, net” decreased by Euro 59,983 thousand compared to 31 December 2023, of which Euro 76,423 thousand related to the removal of the Filtration business unit from the consolidation scope.

“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 2023 collected in the first half-year 2024 amounted to Euro 2,573 thousand. For further details, please refer to note 39.

“Current tax assets” include 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” break down as in the following table:

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Amounts due from social security institutions	83	117
Amounts due from employees	63	124
Advances to suppliers	4,682	4,286
Due from others	7,479	8,881
<b>TOTAL</b>	<b>12,307</b>	<b>13,408</b>

Receivables due from others include the current portion, equal to Euro 1,246 thousand, of the consideration for the sale of the Suspension business in Mexico, as already described in the annual financial statement as 31 December 2023, and other receivables. This item decreased compared to 31 December 2023 mainly due to the sale of the Filtration business unit, whose value as of 31 December 2023 was Euro 2,729 thousand.

“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 2024 amounted to Euro 317,501 thousand versus Euro 434,547 thousand at the end of the previous year and breaks down as follows:

(in thousands of Euro)								
	Land	Property, plant and equipment					Right of use / finance leases IAS 17	TOTAL
		Buildings, plant and machinery, commercial and industrial equipment	Assets under construction and payments on account	Other tangible fixed assets	Tooling	Tooling under construction		
<i>Balance at December 31, 2023</i>								
Historical cost	10,199	951,918	39,604	33,203	215,715	36,499	115,762	1,402,900
Accumulated depreciation	444	720,776	651	26,990	163,065	357	56,070	968,353
Net value	9,755	231,142	38,953	6,213	52,650	36,142	59,692	434,547
Additions of the period	-	3,517	15,082	410	1,819	11,672	6,060	38,560
Disposals/reductions during the period	-	(230)	-	-	(185)	-	(845)	(1,260)
Exchange differences	34	377	(33)	(36)	299	51	527	1,219
Depreciation for the period (Writedowns)/revaluations during the period	-	(21,653)	-	(1,028)	(13,724)	-	(5,193)	(41,598)
Change in the scope of consolidation	(6,070)	(45,130)	(23,727)	(1,980)	(6,700)	(16,816)	(17,137)	(117,560)
Other changes	-	2,776	(1,069)	626	925	25	347	3,630
<i>Balance at June 30, 2024</i>	3,719	170,774	29,206	4,193	35,084	31,074	43,451	317,501
Historical cost	4,163	643,481	29,512	22,323	154,967	31,338	89,847	975,631
Accumulated depreciation	444	472,707	306	18,130	119,883	264	46,396	658,130
Net value	3,719	170,774	29,206	4,193	35,084	31,074	43,451	317,501

Investments during the period amounted to Euro 38,560 thousand; of which Euro 13,491 thousand related to tooling, Euro 6,060 thousand related to rights of use, Euro 6,382 thousand related to the Filtration business unit, and Euro 12,627 thousand related to other investments.

Other investments include Euro 954 thousand for the new plant in Romania, Euro 2,900 thousand for the development of new products, including products for electric vehicles, Euro 1,500 thousand for the improvement of production efficiency, and Euro 7,273 thousand for miscellaneous investments, including investments to increase production capacity, replace machinery, and investments in health and safety.

Disinvestments for the period amounted to Euro 1,260 thousand and for Euro 845 thousand refer to the category “Rights of use” for the early termination of lease agreements, related to other properties of subsidiary Sogefi Filtration S.A..

Depreciation for the period amounted to Euro 41,598 thousand: of these, Euro 30,544 thousand are recorded in the specific item of the Income Statement and Euro 11,054 thousand in the item “Income (loss) from discontinued operations, net of tax effects” (please refer to Note 36 for further details).

Impairment losses, net of reversals, were recorded among the “Other non-operating expenses (income)” in the negative amount of Euro 55 thousand and in the item “Income (loss) from discontinued operations, net of tax effects” for a positive amount of Euro 18 thousand.

“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 Argentine subsidiary Sogefi Suspension Argentina S.A. as a result of the application of IAS 29.

“Change in the scope of consolidation” refers to the exit, in May 2024, from the scope of consolidation of the companies of the Filtration business unit.

#### *Guarantees*

For information on the guarantees, see note 40 “Guarantees given”.

#### *Purchase commitments*

For information on commitments, please refer to note 40 “Guarantees given”.

#### *Rights of use*

The net carrying amount of rights of use as of 30 June 2024 amounted to Euro 43,451 thousand versus Euro 59,692 thousand at 31 December 2023 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, 2023</i>						
Historical cost	86,974	8,911	8,245	901	10,731	115,762
Accumulated depreciation	38,508	3,777	8,113	551	5,121	56,070
Net value	48,466	5,134	132	350	5,610	59,692
Additions of the period	3,303	797	165	-	1,795	6,060
Disposals during the period	-	(820)	-	-	(25)	(845)
Exchange differences	536	18	-	-	(27)	527
Depreciation for the period	(3,509)	(494)	(32)	(66)	(1,092)	(5,193)
Change in the scope of consolidation	(12,696)	(2,620)	(93)	(63)	(1,665)	(17,137)
Other changes	-	-	-	-	347	347
<i>Balance at June 30, 2024</i>	36,100	2,015	172	221	4,943	43,451
Historical cost	67,046	4,637	8,333	718	9,113	89,847
Accumulated depreciation	30,946	2,622	8,161	497	4,170	46,396
Net value	36,100	2,015	172	221	4,943	43,451

Increases for the period amounted to Euro 6,060 thousand and are largely attributable to the subsidiary Sogefi Suspension Argentina.

Depreciation and amortisation for the period amounted to Euro 5,193 thousand: of these, Euro 3,536 thousand are recorded in the specific item of the Income Statement and Euro 1,657 thousand in the item “Income (loss) from discontinued operations, net of tax effects” (please refer to Note 36 for further details).

“Change in the scope of consolidation” refers to the exit, in May 2024, from the scope of consolidation of the companies of the Filtration business unit.

## 9. INTANGIBLE ASSETS

At 30 June 2024 intangible assets amount to Euro 107,938 thousand against Euro 203,371 thousand at the end of the previous year and break down as follows:

(in thousands of Euro)	Development costs	Industrial patents and intellectual property rights, concessions	Other, assets under construction and payments on account	Customer Relationship	Trade name Systemes Moteurs	Goodwill	TOTAL
<i>Balance at December 31, 2023</i>							
Historical cost	219,195	67,758	12,332	20,488	8,438	152,016	480,227
Accumulated amortization	169,909	55,864	5,461	12,288	5,395	27,939	276,856
Net value	49,286	11,894	6,871	8,200	3,043	124,077	203,371
Additions of the period	4,097	191	2,473	-	-	-	6,761
Disposals during the period, net	-	-	-	-	-	-	-
Exchange differences	228	11	(24)	-	-	-	215
Amortization for the period	(9,460)	(543)	(122)	(495)	(217)	-	(10,837)
(Writedowns) / revaluations during the period	501	(2,127)	(11)	-	-	-	(1,636)
Change in the scope of consolidation	(7,000)	1,297	(8,320)	-	-	(77,031)	(91,054)
Other changes	1,570	7	(459)	-	-	-	1,118
<i>Balance at June 30, 2024</i>	39,222	10,731	408	7,705	2,826	47,046	107,938
Historical cost	152,127	60,862	4,604	20,487	8,439	61,404	307,923
Accumulated amortization	112,905	50,131	4,196	12,782	5,613	14,358	199,985
Net value	39,222	10,731	408	7,705	2,826	47,046	107,938

Investments in the half year amounted to Euro 6,761 thousand.

The increases in “Development costs” for the amount of Euro 4,097 thousand refer to the capitalisation of costs incurred by Group companies to develop new products in collaboration with leading motor vehicle manufacturers (after obtaining the nomination letter from the customer). The most significant investments refer to the subsidiaries Sogefi Air & Cooling Canada Corp. and Sogefi (Suzhou) Auto Parts Co., Ltd.

Increases in “Other, assets under construction and payments on account”, for the amount of Euro 2,473 thousand, refer mainly to a large number of investments in the development and implementation of the new products not yet flowed into production, as well as to investments in development costs. Of these, the most significant ones were recognised for the subsidiaries Sogefi Air & Cooling S.A.S., Inc., Sogefi Suspension S.A. and Sogefi Suspensions Passenger Car Italy S.p.A.

The reduction in Goodwill, in the amount of Euro 77,031 thousand, refers to the Goodwill of the Filtration division, already allocated to the same division in previous year, which was sold in the first half of 2024.

Depreciation and amortisation for the period amounted to Euro 10,837 thousand: of these, Euro 8,641 thousand are recorded in the specific item of the Income Statement and Euro 2,196 thousand in the item “Income (loss) from discontinued operations, net of tax effects” (please refer to Note 36 for further details).

The line “(Writedowns)/revaluations during the period” amounts to Euro 1,636 thousand and refers mainly to the impairment loss of the parent company Sogefi S.p.A. due to the disposal of assets (group ERP) allocated to the companies of the

Filtration business unit. The amount was recorded among the “Other non-operating expenses (income)” in the positive amount (revaluation) of Euro 89 thousand and in the item “Income (loss) from discontinued operations, net of tax effects” for a negative amount of Euro 1,725 thousand.

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

The goodwill of CGU “air and cooling”, which also includes the goodwill provisionally determined with reference to the acquisition of ATN Molds and Parts S.A.S., amounts to Euro 35,309 thousand and the goodwill of CGU “Car Suspension” amounts to Euro 12,007 thousand.

As at 30 June 2024, the Group conducted an analysis to verify the presence of any impairment indicators, taking into consideration the outcome of the analysis conducted at 31 December 2023. The trend of the business units operating results in the first half of 2024 does not show any significant deviations from the trends forecast in the 2024 budget, the 2024-2027 strategic plan and the 2024-2027 projections for the Suspension CGU, approved by the Board of Directors on 15 December 2023 and 23 February 2024, which currently represent the best estimate of cash generation expectations for the CGUs.

The market capitalization as at 30 June 2024, has increased compared to December 31, 2023, but it remains lower than the net book value.

Considering the following factors:

- Existing differentials between the fair value and the book value of the CGUs as of 31 December 2023,
- Market rate trend as of 30 June 2024,
- Results of the first half of 2024 and unchanged long-term growth forecasts,
- Absence of other impairment indicators,

The results of the impairment tests performed with reference to the consolidated financial statements as at 31 December 2023, to which we refer, can reasonably be confirmed for the condensed interim consolidated financial statements as at 30 June 2024.

## 10. INVESTMENTS IN JOINT VENTURES

As at 30 June 2024, this item amounts to zero.

## 11. OTHER FINANCIAL ASSETS

As at 30 June 2024, they amounted to Euro 5,657 thousand, compared with Euro 6,818 thousand at 31 December 2023.

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Other financial assets available for sale	3	47
Other financial assets valued at amortized cost	5,654	6,771
<b>TOTAL</b>	<b>5,657</b>	<b>6,818</b>

The item “Other financial assets valued at amortized cost” amounted to Euro 5,654 thousand and refers to investments made by the Argentine subsidiary Sogefi



Suspension Argentina S.A. in dollar-linked bond instruments to mitigate the effects of the devaluation of the local currency.

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

Non-current financial receivables amounted to Euro 0 thousand compared to Euro 2,761 thousand at the end of the previous year. At 31 December 2023, the item included the fair value of the interest rate swap hedging contracts, which were early terminated in June 2024 following the early repayment of the underlying loan, as described in note 46.

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

(in thousands of Euro)	June 30, 2024	December 31, 2023
Surplus pension funds	-	6,694
Other receivables	13,436	24,771
<b>TOTAL</b>	<b>13,436</b>	<b>31,465</b>

The pension fund surplus as at 31 December 2023 relates to the subsidiary Sogefi Filtration Ltd, sold in May 2024. For further details, please refer to note “Current provisions, Non-current provisions and Other payables”.

The item “Other receivables” amounted to Euro 13,436 thousand (Euro 24,771 thousand as at 31 December 2023 of which Euro 5,002 thousand related to the Filtration business unit) and includes tax credits relating to the research and development activities of the French subsidiaries, other tax credits and non-interest bearing guarantee deposits for leased properties. These receivables will be collected over the coming years.

## 13. DEFERRED TAX ASSETS AND LIABILITIES

The net balance of deferred tax assets and deferred tax liabilities as at 30 June 2024 can be broken down as follows:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Deferred tax assets	27,928	33,009
Deferred tax liabilities	(18,678)	(23,344)
<b>TOTAL</b>	<b>9,250</b>	<b>9,665</b>

Deferred tax assets amounted to Euro 27,928 thousand at 30 June 2024 compared to Euro 33,009 thousand at 31 December 2023 (of which Euro 5,301 thousand related to the Filtration business unit).

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

Deferred tax assets pertaining to tax losses amounted to Euro 10,040 thousand as at 30 June 2024 (Euro 9,788 thousand as at 31 December 2023) and mainly related to the subsidiaries Sogefi HD Suspensions Germany GmbH, Sogefi Engine Systems Mexico S. de R.L. de C.V., Sogefi Suspensions Passenger Car Italy S.p.A., Sogefi Suspension Argentina and the Parent Company Sogefi S.p.A. These taxes were recognised because it is believed to be probable that taxable income will be available

in the future 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.

With reference to the Parent Company Sogefi S.p.A., taxes are recognised in the income statement under “Current taxes” to the extent that the loss is actually offset against taxable income generated within the CIR Group tax filing system. 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.

Moreover, please note that 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.

Deferred tax liabilities amounted to Euro 18,678 thousand at 30 June 2024 compared to Euro 23,344 thousand at 31 December 2023 (of which Euro 3,897 thousand related to the Filtration business unit).

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

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

As at 30 June 2024, this item amounts to zero. For more details, see note 36 regarding the sale of Filtration business unit.

## **C 2) LIABILITIES**

### **15. FINANCIAL DEBTS TO BANKS, OTHER FINANCING CREDITORS AND OTHER FINANCIAL LIABILITIES FOR DERIVATIVES**

These break down as follows:

#### *Current portion*

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Bank overdrafts and short-term loans	380	659
Current portion of medium/long-term financial debts and other loans	69,153	63,280
Short-term financial debts for right of use	9,599	12,689
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>79,132</b>	<b>76,628</b>
Other short-term liabilities for derivative financial instruments	69	2
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>79,201</b>	<b>76,630</b>

#### *Non-current portion*

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Financial debts to banks	71,915	184,437
Non current portion of medium/long-term financial debts and other loans	476	45,196
Medium/long-term financial debts for right of use	36,941	52,715
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>109,332</b>	<b>282,348</b>
Other medium/long-term liabilities for derivative financial instruments	-	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>109,332</b>	<b>282,348</b>

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

Further details can be found in the Analysis of the net financial position contained in note 20.

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

Details are as follows (in thousands of Euro):

Balance at 30 June 2024:

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	-	59,888	59,888	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Nov - 2021	Jul - 2026	10,000	Euribor 6m. + 200 bps	2,857	4,261	7,118	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor 6m. + 200 bps	2,857	2,835	5,692	N/A
Sogefi S.p.A.	Prestito Obbligazionario	Nov - 2019	Nov - 2025	75,000	Fixed coupon 3% year	52,340	(*)	52,340	N/A
Sogefi Suspensions Eastern Europe S.r.l.	ING Bank	Jul - 2021	Mar - 2026	20,000	Euribor 3m + 225 bps	6,154	4,615	10,769	YES
Sogefi (Suzhou) Auto Parts Co., Ltd	ICBC Bank	Jan - 2024	Mar - 2025	1,931	3,10 % Fixed	1,929	-	1,929	YES
Other loans/ deferrals of up front fees						3,016	316	3,332	
<b>Total</b>						<b>69,153</b>	<b>71,915</b>	<b>141,068</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 2023:

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	-	79,868	79,868	N/A
Sogefi S.p.A.	Unicredit S.p.A. (garantito Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m + 190 bps	6,667	9,966	16,633	N/A
Sogefi S.p.A.	Intesa SanPaolo S.p.A. (garantito Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m + 190 bps	6,667	9,966	16,633	N/A
Sogefi S.p.A.	Mediobanca S.p.A. (garantito Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m + 190 bps	6,667	9,966	16,633	N/A
Sogefi S.p.A.	ING Bank N.V. (garantito Sace)	Oct - 2020	Jun - 2026	20,000	Euribor 3m + 190 bps	6,667	9,966	16,633	N/A
Sogefi S.p.A.	Banco do Brasil AG	Mar - 2020	Mar - 2025	25,000	Euribor 3m + 180 bps	-	24,962	24,962	N/A
Sogefi Suspensions Eastern Europe S.r.l.	ING Bank	Jul - 2021	Mar - 2026	20,000	Euribor 3m + 225 bps	6,154	7,692	13,846	YES
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Nov - 2021	Jul - 2026	10,000	Euribor 6m + 210 bps	2,857	5,684	8,541	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor 6m + 200 bps	2,857	4,259	7,116	N/A
Sogefi S.p.A.	Prestito Obbligazionario	Nov - 2019	Nov - 2025	75,000	3 % Fixed	7,500	(*)	7,500	N/A
Sogefi Filtration S.A.	CIC S.A.	Oct - 2020	Oct - 2026	10,000	Euribor 3m + 400 bps	2,000	4,000	6,000	N/A
Sogefi Air&Cooling S.A.S	CIC S.A.	Oct - 2020	Oct - 2026	7,000	Euribor 3m + 400 bps	1,400	2,800	4,200	N/A
Sogefi Suspensions S.A.	CIC S.A.	Oct - 2020	Oct - 2026	3,000	Euribor 3m + 400 bps	600	1,200	1,800	N/A
Sogefi Air&Cooling S.A.S	LCL PGE	Oct - 2020	Oct - 2026	9,500	0.75 % Fixed	1,900	3,800	5,700	N/A
Sogefi Filtration S.A.	LCL PGE	Oct - 2020	Oct - 2026	3,500	0.75 % Fixed	700	1,400	2,100	N/A
Sogefi Suspensions S.A.	LCL PGE	Oct - 2020	Oct - 2026	2,000	0.75 % Fixed	400	800	1,200	N/A
Sogefi Air&Cooling S.A.S	BNP PGE	Oct - 2020	Oct - 2026	9,000	0.75 % Fixed	1,800	3,600	5,400	N/A
Sogefi Filtration S.A.	BNP PGE	Oct - 2020	Oct - 2026	6,500	0.75 % Fixed	1,300	2,600	3,900	N/A
Sogefi Suspensions S.A.	BNP PGE	Oct - 2020	Oct - 2026	4,000	0.75 % Fixed	800	1,600	2,400	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ICBC Bank	Mar - 2023	Mar - 2024	6,795	3 % Fixed	1,274	-	1,274	YES
Other loans/ deferrals of up front fees						5,070	308	5,378	
TOTAL						63,280	184,437	247,717	

(\*) 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".

During the first half of 2024, the Parent Company Sogefi S.p.A. carried out the following transactions:

- repayment in January of the current portion (Euro 1,429 thousand) of the loan from Cassa Depositi e Prestiti S.p.A., expiring in July 2026 and taken out in November 2021;

- repayment in June of the current portion (Euro 1,429 thousand) of the loan from Cassa Depositi e Prestiti S.p.A., expiring in June 2026 and taken out in June 2021;

- repayment in March of Euro 6,667 thousand and in May, as an early payment, the remaining portion (Euro 60,000 thousand) of the loan guaranteed by SACE S.p.A. for an original amount of Euro 80 million, expiring in June 2026 and taken out in October 2020;

- repayment in June the drawdown portion of the revolving loan from Banco do Brasil, in the amount of Euro 25,000 thousand, expiring in March 2025 and taken out in March 2020;

- repayment in June of a partial amount of the loan from Banca Nazionale del Lavoro S.p.A., for Euro 20,000 thousand, expiring in May 2025 and taken out in April 2022

for an original amount of Euro 80 million, thereby reducing the existing facility to Euro 60 million.

The existing loans of the Parent Company Sogefi S.p.A. are not secured by the Company's assets. Furthermore, note that, contractually, the spreads relating to some of the loans of the Parent Company are reviewed every six months on the basis of the computation of the consolidated NFP/normalised consolidated EBITDA ratio. For an analysis of the covenants relating to loans outstanding at the end of the period, please refer to the note 20 below entitled "Analysis of the financial position".

#### ***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.

Reference should be made to chapter G "46. Financial Instruments" for a further discussion of this matter.

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

As at 30 June 2024, details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands)	Interest rate	Total Medium/ Long term amount at December 31, 2023 (in thousands of Euro)	Real Guarantees
Sogefi S.p.A.	Private placement	Nov - 2019	Nov - 2025	EUR 75,000	Fixed coupon 3% year	63	N/A
Other financial debts						413	
<b>TOTAL</b>						<b>476</b>	

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

As at 31 December 2023, details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands)	Interest rate	Total Medium/ Long term amount at December 31, 2023 (in thousands of Euro)	Real Guarantees
Sogefi S.p.A.	Private Placement	Nov - 2019	Nov - 2025	Euro 75,000	Fixed coupon 3% year	44,870	N/A
Other financial debt						326	
<b>TOTAL</b>						<b>45,196</b>	

It should be noted that the bond loan of original Euro 75 million due in November 2025 was repaid in advance on 15 July 2024, in the amount of Euro 52,430 thousand, Euro 44,870 thousand in Other medium/long-term financial debts and Euro 7,500 thousand in short-term bank debts as 31 December 2023.

#### ***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:

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Short-term financial debts for right of use	9,599	12,689
Medium / long-term financial debts for rights of use	36,941	52,715
<b>TOTAL</b>	<b>46,540</b>	<b>65,404</b>

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

It should be noted that as of 31 December 2023, financial payables for rights of use related to the Filtration Business unit, which was sold in May 2024, amounted to Euro 19,796 thousand.

As at 30 June 2024, the 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 17.1 million), Sogefi Engine Systems Mexico S. de R.L. de C.V. (Euro 9.9 million), Sogefi (Suzhou) Auto Parts Co., Ltd (Euro 6.1 million), S.C. Sogefi Air & Cooling Srl (Romania) (Euro 2.1 million) and Sogefi Air & Cooling Canada Corp. (Euro 1.7 million).

## 16. TRADE PAYABLES, OTHER PAYABLES AND TAX PAYABLES

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

(in thousands of Euro)	June 30, 2024	December 31, 2023
Trade and other payables	205,864	334,037
Tax payables	8,414	10,675
<b>TOTAL</b>	<b>214,278</b>	<b>344,712</b>

Details of trade and other payables are as follows:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Due to suppliers	153,794	218,569
Due to the parent company	3,090	1,523
Due to tax authorities for indirect and other taxes	6,704	9,544
Due to social and security institutions	11,312	16,262
Due to employees	22,143	32,265
Other commercial payables to customers	5,720	42,199
Other payables	3,101	13,675
<b>TOTAL</b>	<b>205,864</b>	<b>334,037</b>

As at 30 June 2024, Trade payables amounted to Euro 153,794 thousand compared to Euro 218,569 thousand as at 31 December 2023. The decrease of Euro 64,775 thousand is mainly due to the sale of the Filtration business unit, whose value as of 31 December 2023 was Euro 75,039 thousand.

Amounts “Due to Parent company” refer to the debt amounting to Euro 17 thousand due to the Parent Company CIR S.p.A. for services rendered in the first half of 2024; Euro 2,993 thousand reflect the tax liabilities in connection with the CIR Group tax filing system; the amount of Euro 4 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 76 thousand refers to insurance for the third-party liability of directors, statutory auditors and managers. For further details, please refer to note 39.

Other trade payable items decreased, compared to 31 December 2023, mainly due to the exclusion of the Filtration business unit from the scope of consolidation, whose balances at 31 December 2023 were respectively as follows: Euro 2,600 thousand for “Due to tax authorities for indirect and other taxes”, Euro 5,083 thousand for “Due to social and security institutions”, Euro 9,597 thousand for “Due to employees”, Euro 34,080 thousand for “Other commercial payables to customers” and Euro 11,655 thousand for “Other payables”.

“Current tax liabilities” amounted to Euro 8,414 thousand at 30 June 2024 compared to Euro 10,675 thousand at 31 December 2023 (of which Euro 1,958 thousand related to the Filtration business unit).



## 17. OTHER CURRENT LIABILITIES

The item amounted to Euro 26,451 thousand at 30 June 2024 compared to Euro 38,272 thousand at 31 December 2023 (of which Euro 9,359 thousand related to the Filtration business unit).

“Other current liabilities” mainly includes liabilities recognised for contracts with customers. 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, 2024		
	Current	Non-current	Total
Pension funds	-	11,768	11,768
Employment termination indemnities	-	1,002	1,002
Provision for restructuring	1,700	97	1,797
Provision for product warranties	3,431	-	3,431
Provision for rights of use restoration	-	1,911	1,911
Provision for disputes in progress and other risks	2,162	334	2,496
<b>TOTAL</b>	<b>7,293</b>	<b>15,112</b>	<b>22,405</b>

(in thousands of Euro)	December 31, 2023		
	Current	Non-current	Total
Pension funds	-	17,167	17,167
Employment termination indemnities	-	2,194	2,194
Provision for restructuring	3,030	70	3,100
Provision for product warranties	7,111	-	7,111
Provision for rights of use restoration	-	3,374	3,374
Provision for disputes in progress and other risks	2,242	1,039	3,281
<b>TOTAL</b>	<b>12,383</b>	<b>23,844</b>	<b>36,227</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, 2024	December 31, 2023
Opening balance	10,473	20,556
Cost of benefits charged to income statement	558	1,639
Amounts recognised in "Other Comprehensive Income"	(1,365)	992
Contributions paid	(1,252)	(13,282)
Change in the scope of consolidation	3,530	78
Other changes	-	405
Exchange differences	(176)	85
<b>TOTAL</b>	<b>11,768</b>	<b>10,473</b>
<i>of which booked to Liabilities</i>	<i>11,768</i>	<i>17,167</i>
<i>of which booked to Assets</i>	<i>-</i>	<i>6,694</i>

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

(in thousands of Euro)	June 30, 2024	December 31, 2023
Great Britain	-	(6,333)
France	9,577	13,633
Other	2,191	3,173
<b>TOTAL</b>	<b>11,768</b>	<b>10,473</b>

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

Changes in this item over the period are shown below:

(in thousands of Euro)	June 30, 2024	December 31, 2023
Opening balance	2,194	2,335
Accruals for the period	41	106
Amounts recognised in "Other Comprehensive Income"	(7)	(47)
Change in the scope of consolidation	(1,121)	-
Contributions paid	(105)	(200)
<b>TOTAL</b>	<b>1,002</b>	<b>2,194</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, 2024	December 31, 2023
Opening balance	3,100	3,560
Accruals for the period	100	2,126
Utilizations	(1,346)	(2,254)
Provisions not used during the period	-	(409)
Other changes	-	28
Change in the scope of consolidation	(81)	-
Exchange differences	24	49
<b>TOTAL</b>	<b>1,797</b>	<b>3,100</b>

The “Accruals for the period” (Euro 100 thousand) and “Utilizations” (recorded as a reduction of the provisions previously allocated, Euro 1,346 thousand) mainly refer to the European subsidiaries.

As at 30 June 2024, “Accruals for the period”, net of “Provisions not used during the period” (amounts set aside in previous years which then turned out to be in excess of what was actually disbursed), are recorded in the Income Statement under “Restructuring costs” in the amount of Euro 27 thousand and under “Income (loss) from discontinued operations, net of tax effects” in the amount of Euro 73 thousand.

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

“Change in the scope of consolidation” of Euro 81 thousand refers to the exit from the consolidation perimeter of the Filtration business unit sold in May 2024.

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

The provision changed as follows during the period:

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Opening balance	7,111	3,819
Accruals for the period	2,546	4,388
Utilizations	(2,908)	(313)
Provisions not used during the period	(636)	(789)
Change in the scope of consolidation	(2,693)	-
Exchange differences	11	6
<b>TOTAL</b>	<b>3,431</b>	<b>7,111</b>

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

The provision of Euro 2,546 thousand refers to the European, North American, and Indian subsidiaries.

Provisions not used, amounting to Euro 636 thousand, mainly relating to European subsidiaries, refer to the release of funds that are no longer required.

“Change in the scope of consolidation” of Euro 2,693 thousand refers to the exit from the consolidation perimeter of the Filtration Business Unit sold in May 2024.

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

This item amounted to Euro 1,911 thousand, compared to Euro 3,374 thousand as at 31 December 2023 (of which Euro 1,458 thousand related to the Filtration business unit). It 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:

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Opening balance	3,281	3,784
Accruals for the period	1,246	612
Utilizations	(176)	(684)
Provisions not used during the period	(865)	(321)
Change in the scope of consolidation	(975)	-
Exchange differences	(15)	(110)
<b>Total</b>	<b>2,496</b>	<b>3,281</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 of Euro 1,246 thousand mainly refers to the European subsidiaries.

The provision at 30 June 2024 mainly refers to liabilities for risks connected with the European subsidiaries.

Provisions not used, amounting to Euro 865 thousand, mainly relating to European subsidiaries, refer to the release of funds that are no longer required.

“Change in the scope of consolidation” of Euro 975 thousand refers to the exit from the consolidation perimeter of the Filtration division sold in May 2024.

### **Other payables**

As at 30 June 2024, the item “Other payables” amounts to Euro 40,576 thousand (Euro 56,449 thousand as at 31 December 2023), and mainly reflects the non-current portion of the liabilities recorded for contracts with customers. 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. The decrease of this item compared to 31 December 2023 is mainly due to the sale of the Filtration business unit, whose value as at 31 December 2023 was Euro 13,905 thousand.

## ***19. 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 2024 (not changed compared to 31 December 2023), split into 120,117,992 ordinary shares with a par value of Euro 0.52 each.

As at 30 June 2024, the Company has 1,373,399 treasury shares (1,537,156 as at 31 December 2023) in its portfolio, corresponding to 1.14% of share capital (1.28% as at 31 December 2023), at an average price of Euro 2.28 each.

#### *Share premium reserve*

It amounts to Euro 20,748 thousand compared to Euro 20,376 thousand in the previous year.

In the first half year 2024, the Parent Company Sogefi S.p.A. credited Euro 372 thousand to the Share premium reserve after the free grant of 163,757 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 372 thousand and reflect the free grant of 163,757 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. The movements of the period show an increase of Euro 4,459 thousand due to Euro +5,843 thousand to the reclassification from equity to profit (loss) of exchange rate differences related to the Filtration business unit and for Euro -1,384 thousand mainly to the depreciation of the Brazilian Real and the Argentine Peso.

#### *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 a decrease of Euro 2,747 thousand, which breaks down as follows:

- Negative change of Euro 493 thousand corresponding to the change in the fair value of the IRS contracts in hedge accounting;
- Negative change of Euro 2,254, thousand related to the early termination of IRS contracts in hedge accounting (as a result of the early repayment of the underlying loans) and the consequent reclassification of the related cash flow hedge reserve to the income statement.

#### *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 2024, further to Stock Grant Plan beneficiaries exercising their rights and due to the corresponding free grant of 163,757 treasury shares, the amount of Euro 165 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 372 thousand) and “Retained earnings reserve” (decreased of Euro 207 thousand).

While the increase by Euro 268 thousand refers to the cost of accruing plans.

#### *Other reserves*

This item amounts to Euro 12,201 thousand (unchanged compared to 31 December 2023).

### Retained earnings

These totalled Euro 234,235 thousand and include amounts of profit that have not been distributed.

The increase of Euro 8,782 thousand refers to the following events:

- reclassification from the above mentioned "Stock-based incentive plans reserve" as outlined above (decrease of Euro 207 thousand);
- the effect of the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the Argentine subsidiaries (increase of Euro 8,068 thousand);
- reclassification of the equity held by third parties to the Group's equity held in the 20% stake in ATN Molds & Parts S.A.S., subject to put option as at 31 December 2023, as of result of the exercise of the option and the acquisition of the remaining 20% of the subsidiary's share capital for amount of Euro 878 thousand;
- other changes of Euro 27 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 2024			1st half 2023		
	Gross Amount	Tax effect	Net Amount	Gross Amount	Tax effect	Net Amount
- Profit (loss) booked to cash flow hedge reserve	(2,747)	659	(2,088)	(435)	104	(331)
- Actuarial profit (loss)	1,372	(347)	1,025	798	(163)	635
- Profit (loss) booked to translation reserve	4,487	-	4,487	(7,712)	-	(7,712)
Total Profit (loss) booked in Other Comprehensive Income	3,112	312	3,424	(7,349)	(59)	(7,408)

### NON-CONTROLLING INTERESTS

The balance amounts to Euro 11,584 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	
		06.30.2024	12.31.2023	06.30.2023	06.30.2024	06.30.2023	06.30.2024	12.31.2023
S.ARA Composite S.A.S.	France	4.21%	4.21%	4.21%	(3)	(1)	15	18
Iberica de Suspensiones S.L. (ISSA)	Spain	50.00%	50.00%	50.00%	1,621	1,342	10,734	12,514
Sogefi ADM Suspensions Private Limited	India	25.77%	25.77%	25.77%	(191)	121	808	969
Sogefi Filtration Italy S.p.A.	Italy	0.00%	0.12%	0.12%	-	-	-	30
Sogefi Suspensions Passenger Car Italy S.p.A.	Italy	0.12%	0.12%	0.12%	-	-	13	13
Sogefi Suspensions Heavy Duty Italy S.p.A.	Italy	0.12%	0.12%	0.12%	3	3	14	13
ATN Molds & Parts S.A.S	Italy	0.00%	20.00%	49.00%	-	99	-	894
TOTAL					1,430	1,564	11,584	14,451

With reference to the above table, please note that:

- the company Iberica de Suspensiones S.L. (ISSA) – which is 50% owned – 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. The reduction in the subsidiary's equity compared to December 31, 2023 is due to dividend distributions of Euro 3,400 thousand in the first half of 2024.

## 20. 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, 2024	December 31, 2023
A. Cash	94,842	78,185
B. Cash equivalent	-	-
C. Other current financial assets	136,796	5,136
<b>D. Liquidity (A) + (B) + (C)</b>	<b>231,638</b>	<b>83,321</b>
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	2,378	1,934
F. Current portion of non-current financial debt	76,823	72,543
<b>G. Current financial indebtedness (E) + (F)</b>	<b>79,201</b>	<b>74,477</b>
<b>H. Net current financial indebtedness (G) - (D)</b>	<b>(152,437)</b>	<b>(8,844)</b>
I. Non-current financial debt (excluding the current portion and debt instruments)	109,270	234,717
J. Debt instruments	63	47,023
K. Non-current trade and other payables	-	-
<b>L. Non-current financial indebtedness (I) + (J) + (K)</b>	<b>109,333</b>	<b>281,740</b>
<b>M. Net indebtedness (H) + (L)</b>	<b>(43,105)</b>	<b>272,896</b>
Other non-current financial assets	5,654	6,771
Other current liabilities	-	-
<b>Net Indebtedness (as per the "Net financial position" included in the Report on Operations)</b>	<b>(48,759)</b>	<b>266,125</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 9,599 thousand (Euro 12,689 thousand as at 31 December 2023) and item "I. Non-current financial debt (excluding the current portion and debt instruments)" includes long-term liabilities relating to leases for Euro 36,941 thousand (Euro 52,715 thousand as at 31 December 2023).

Details of the covenants applying to loans outstanding at year end 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 60,000 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 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 50,000 thousand from Intesa Sanpaolo 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 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 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 10,000 thousand from Cassa depositi e prestiti S.p.A. (entered into in June 2021): 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 10,000 thousand from Cassa depositi e prestiti S.p.A. (entered into in November 2021): 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.

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.

The Group met these covenants at the end of the first half of 2024. Therefore, the related loans were classified as current or non-current liabilities at 30 June 2024 on the basis of their respective contractual maturities.

The Group expects to comply with the half-yearly covenants for at least 12 months after the end of the current period.



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

### 21. SALES REVENUES

#### Revenues from sales and services

Revenues for the first half of 2024 amounted to Euro 524,115 thousand, down 2.7% compared to the first half of 2023.

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

By business sector:

(in thousands of Euro)	1st half 2024		1st half 2023	
	Amount	%	Amount	%
Suspensions	290,752	55.5	305,001	56.6
Air&Cooling	233,989	44.6	234,090	43.4
Intercompany eliminations	(626)	(0.1)	(216)	-
<b>TOTAL</b>	<b>524,115</b>	<b>100.0</b>	<b>538,875</b>	<b>100.0</b>

Suspension recorded a 4.7% drop in revenues, affected by the unfavourable trend in the European market; on the other hand, significant growth was recorded in China and India, respectively at +44.3% and +16.2%.

Air & Cooling reported revenues in line with H1 2023, with a good performance in Europe (+5.9%, better than the market), and a slight drop in the North American and Chinese markets.

By geographic area:

(in thousands of Euro)	1st half 2024		1st half 2023	
	Amount	%	Amount	%
Europe	298,309	56.9	318,323	59.1
North America	109,920	21.0	112,866	20.9
South America	54,052	10.3	52,688	9.8
India	9,384	1.8	8,079	1.5
Cina	54,044	10.3	48,994	9.1
Intercompany eliminations	(1,594)	(0.3)	(2,075)	(0.4)
<b>TOTAL</b>	<b>524,115</b>	<b>100.0</b>	<b>538,875</b>	<b>100.0</b>

The decrease in revenues mainly reflected the less than positive performance recorded in Europe (-6.3%), due to the market downturn (-5.2%), and in North America (-2.6%), while in South America, China and India revenues grew by +2.6%, +16.2%, and +10.3% respectively, outperforming the market.

### 22. 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 year are shown below:

(in thousands of Euro)	<i>1st half</i>	<i>2nd half</i>	<i>Total year</i>
FY 2023	538,875	500,809	1,039,684

It should be noted that the values for the six-month period ended 30 June 2023 were reclassified following the application of IFRS 5 “Non-current assets held for sale and discontinued operations” to the subsidiaries of the Filtration Business Unit, sold in May 2024.

### 23. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	<i>1st half 2024</i>	<i>1st half 2023</i>
Materials	287,297	306,141
Direct labour cost	38,518	38,241
Energy costs	16,774	20,058
Sub-contracted work	13,114	16,990
Ancillary materials	8,194	9,167
Variable sales and distribution costs	7,703	8,584
Royalties paid to third parties on sales	27	10
Other variable costs	679	(1,603)
<b>TOTAL</b>	<b>372,306</b>	<b>397,588</b>

The impact of “Variable cost of sales” on revenues stands at 71%, down from 73.8% in the same period of the previous year.

“Other variable costs” represent the portion of direct labour cost and fixed cost included in the change 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 line “materials”.

### 24. MANUFACTURING AND R&D OVERHEADS

Details are as follows:

(in thousands of Euro)	<i>1st half 2024</i>	<i>1st half 2023</i>
Labour cost	33,537	34,017
Materials, maintenance and repairs	12,092	12,851
Rental and hire charges	495	407
Personnel services	2,495	2,052
Technical consulting	2,905	1,935
Sub-contracted work	223	122
Insurance	809	858
Utilities	979	1,513
Capitalization of internal construction costs	(7,898)	(6,185)
Other	1,022	1,488
<b>TOTAL</b>	<b>46,659</b>	<b>49,058</b>

“Manufacturing and R&D overheads” show a decrease of Euro 2,399 thousand compared with the first half year 2023. At constant exchange rates and excluding the inflationary impact of Argentina, the decrease would be Euro 2,477 thousand.

“Labour cost”, in particular, decreased by Euro 480 thousand compared to the first half of 2023, due to the reduction in the average number of employees of the category being analysed.

The heading “Materials, maintenance and repairs” decreased by Euro 759 thousand compared to the first half of 2023, linked to less maintenance work.

“Technical consulting” increased by Euro 970 thousand compared to the previous year as a consequence of a more extensive use of external consultants related to research and development activities, especially in the French subsidiaries Sogefi Suspensions S.A. and Sogefi Air&Cooling S.A.S. and in the US subsidiary Sogefi Air & Cooling USA Inc..

It should be noted that the item “Rents and hires” includes costs relating to variable payments and ancillary costs due for leases not included in the valuation of lease liabilities, short-term leases and leases of small value assets.

“Capitalization of internal construction costs” mainly reflects capitalised product development costs.

The item “Other” includes other services in support of industrial and research and development activities, as well as contributions for research and development of the French subsidiaries.

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 10,592 thousand compared to Euro 10,899 thousand as of 30 June 2023.

## 25. DEPRECIATION AND AMORTIZATION

Details are as follows:

(in thousands of Euro)	1st half 2024	1st half 2023
Depreciation of tangible fixed assets	27,008	25,629
Depreciation of Right of Use/asset under finance leases IAS 17	3,536	3,366
Amortization of intangible assets	8,641	10,020
<b>TOTAL</b>	<b>39,185</b>	<b>39,015</b>

Item “Depreciation and amortization” amounts to Euro 39,185 thousand compared with Euro 39,015 thousand in the first half year 2023.

At constant exchange rates and excluding the inflationary impact of Argentina, the item would overall increase by Euro 456 thousand.

## 26. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	1st half 2024	1st half 2023
Labour cost	5,943	5,883
Sub-contracted work	265	356
Advertising, publicity and promotion	163	88
Personnel services	300	300
Rental and hire charges	277	232
Consulting	62	80
Other	346	494
<b>TOTAL</b>	<b>7,356</b>	<b>7,433</b>

“Distribution and sales fixed expenses” are substantially in line with the first half year 2023, even at constant exchange rates.

## 27. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	1st half 2024	1st half 2023
Labour cost	13,616	13,095
Personnel services	1,256	1,384
Maintenance and repairs	1,995	1,889
Cleaning and security	712	664
Consulting	2,950	2,551
Utilities	618	744
Rental and hire charges	591	565
Insurance	1,139	969
<i>Participation des salaries</i>	989	680
Administrative, financial and tax-related services provided by Parent Company	173	231
Audit fees and related expenses	665	719
Directors' and statutory auditors' remuneration	511	497
Sub-contracted work	307	282
Capitalization of internal construction costs	(216)	(147)
Indirect taxes	1,804	1,840
Other fiscal charges	433	461
Other	789	818
<b>TOTAL</b>	<b>28,332</b>	<b>27,242</b>

In the first half of 2024, “Administrative and general expenses” increased by Euro 1,090 thousand compared to the previous year. At constant exchange rates and excluding the inflationary impact of Argentina, the increase would be Euro 1,150 thousand.

“Labour cost”, in particular, increased by Euro 521 thousand compared to the first half of 2023, being affected by ongoing inflationary effects.

The decrease in item “Personnel services” for the amount of Euro 128 thousand mainly reflects lower travel expenses and less staff services in European subsidiaries.

“Maintenance and repairs” increased by Euro 106 thousand, mainly due to higher maintenance costs incurred in IT departments.

“Consulting” increased by Euro 399 thousand mainly because of increased IT consulting for the subsidiary Sogefi Gestion S.A.S. and increased legal, tax and administrative advice for European subsidiaries.

The increase of item “*Participation des salaires*” of Euro 309 thousand is traced back to the better tax results obtained by the French subsidiaries, which are the basis for calculating this cost item.

With reference to the header “Administrative, financial and tax-related services provided by Parent Company”, please refer to Note 39 “Related party transactions” for more details.

“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.

## 28. PERSONNEL COSTS

### *Personnel*

Personnel costs can be broken down as follows:

(in thousands of Euro)	<i>1st half 2024</i>	<i>1st half 2023</i>
Wages, salaries and contributions	91,046	90,480
Pension costs: defined benefit plans	252	240
Pension costs: defined contribution plans	316	516
<i>Participation des salaires</i>	989	680
Imputed cost of stock option and stock grant plans	268	253
Other costs	3	6
<b>TOTAL</b>	<b>92,874</b>	<b>92,175</b>

“Personnel costs” of Euro 92,874 thousand increased by Euro 699 thousand compared to the first half of 2023. At constant exchange rates and excluding the inflationary impact of Argentina, the item “Personnel costs” would increase by Euro 751 thousand.

The impact of “Personnel costs” on revenues has increased to 17.7% from 17.1% as at 30 June 2023.

“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 2024	1st half 2023
Managers	35	37
Clerical staff	842	892
Blue collar workers	2,457	2,444
<b>TOTAL</b>	<b>3,334</b>	<b>3,373</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 2015 to 2023 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.

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

- 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 2024, 56,397 Time-based Units and 179,805 Performance Units expired as per regulation. While 126,948 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 2024, 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 2024, 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 2024, 95,446 Time-based Units and 243,420 Performance Units expired as per regulation. While 73,245 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).

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 22 October 2021 and ending on 22 July 2023.

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 2024, 112,416 Time-based Units and 140,424 Performance Units expired as per regulation. While 98,165 Time-based Units and 111,773 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 annual tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 31 January 2023 to 31 July 2024, depending on the achievement of the Economic-Financial Targets set out in the regulation.

On 30 June 2024, 91,500 Time-based Units, 185,750 Performance Units type A and no. 201,729 Performance Units type B expired as per regulation. While 105,001



Time-based Units, 67,504 Performance Units type A and no. 45,313 Performance Units type B had been exercised.

- 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 8.33% 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, from 31 July 2023 to 31 July 2025, depending on the achievement of the Economic-Financial Targets set out in the regulation.

On 30 June 2024, 118,543 Time-based Units, 112,395 Performance Units type A and no. 149,687 Performance Units type B expired as per regulation. While 71,562 Time-based Units, 80,887 Performance Units type A and no. 33,022 Performance Units type B had been exercised.

- 2022 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 995,000 Units (294,166 of which were Time-based Units and 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, from 31 July 2024 to 31 July 2026, depending on the achievement of the Economic-Financial Targets set out in the regulation.

On 30 June 2024, 73,681 Time-based Units, 77,118 Performance Units type A and no. 79,583 Performance Units type B expired as per regulation. While 15,212 Time-based Units, 19,901 Performance Units type A had been exercised.

- 2023 Stock Grant plan to assign a maximum of 1,250,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 980,000 Units (277,500 of which were Time-based Units and 351,250 Performance Units type A and 351,250 Performance Units type B).

The Time-Based Units will vest in twelve instalments, each equal to 8.33% of the total number of Time-Based Units granted, on a quarterly basis commencing on 22 December 2025, with final vesting on 22 September 2028.

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, from 22 December 2025 to 22 December 2027, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets set out in the regulation.

On 30 June 2024, 25,834 Time-based Units and 32,083 Performance Units type A and 32,083 Performance Units type B expired as per regulation.

It should be noted that the 2014 Stock Grant Plan ended in April 2024 as per regulation.

The imputed cost for the first half year 2024 for existing Stock Grant plans is Euro 268 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 2015-2024 plans:

	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Not exercised/not exercisable at the start of the year	2,503,788	2,200,191
Granted during the period	-	980,000
Cancelled during the period	(274,408)	(268,427)
Exercised during the period	(163,757)	(407,976)
Not exercised/not exercisable at the end of the period	2,065,623	2,503,788
Exercisable at the end of the period	60,470	54,712

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.

### 29. RESTRUCTURING COSTS

The “Restructuring costs” amount to Euro 2,016 thousand (Euro 1,992 thousand in the first half year of the previous year).

The item “Restructuring costs” mainly includes personnel costs and is comprised of costs incurred and paid in the first half of 2024 in the amount of Euro 1,989 thousand and use of allocations of the previous years net of the new provisions made to “Provision for restructuring” in the amount of Euro 27 thousand.

### 30. LOSSES (GAINS) ON DISPOSAL

Net losses on disposal amounted to Euro 27 thousand compared to Euro 72 thousand net gains in the first six months of the previous year.

### 31. EXCHANGE (GAINS) LOSSES

Net exchange gains as at 30 June 2024 amount to Euro 822 thousand compared to net exchange losses of Euro 2,410 thousand in the first half of 2023.

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

Net non-operating costs amounted to Euro 1,220 thousand, compared to net non-operating costs of Euro 447 thousand in the first six months of the previous year.

The following table shows the main elements:

(in thousands of Euro)	1st half 2024	1st half 2023
Write-downs of tangible and intangible fixed assets/ (revaluation during the period)	(34)	(394)
Product warranty costs	445	456
Cost of stock options and stock grant plans	268	253
Litigations	544	(59)
Actuarial losses (gains)	-	119
Other ordinary (income) expenses	(3)	72
<b>TOTAL</b>	<b>1,220</b>	<b>447</b>

The item “Writedowns of tangible and intangible fixed assets /(revaluation during the period)”, positive for Euro 34 thousand, includes impairment reversals of tangible fixed assets, and of intangible fixed assets written down in previous years for which the writedown requirements no longer exist.

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

Financial expenses are detailed as follows:

(in thousands of Euro)	1st half 2024	1st half 2023
Interests on bonds	820	1,268
Interest on amounts due to banks	6,474	5,564
Financial charges under lease contracts	1,054	1,131
Financial component of pension funds and termination indemnities	103	198
Net financial expenses from fair value of derivatives no more in cash flow hedge	-	303
Financial component IAS 29	1,886	894
Other interest and commissions	5,444	2,623
<b>TOTAL FINANCIAL EXPENSES</b>	<b>15,781</b>	<b>11,981</b>

Financial income is detailed as follows:

(in thousands of Euro)	1st half 2024	1st half 2023
Gain on Cross currency swap no more in cash flow hedge	-	(40)
Net gain from fair value of derivatives no more in cash flow hedge	(2,254)	-
Financial income from IRS in cash flow hedge	(1,124)	(1,128)
Interest on amounts given to banks	(1,900)	(822)
Other interest and commissions	(1,404)	(1,758)
<b>TOTAL FINANCIAL INCOME</b>	<b>(6,682)</b>	<b>(3,748)</b>
<b>TOTAL FINANCIAL EXPENSES (INCOME), NET</b>	<b>9,099</b>	<b>8,233</b>

Net financial expenses amounted to Euro 9,099 thousand, up by Euro 866 thousand compared to the first half of 2023 mainly due to one-off charges connected to the early repayment of some loans, following the proceeds from the sale of Filtration, which drastically reduced the Company's financing needs.

It should be noted that as at 30 June the “Financial income from IRS in cash flow hedge” amounting to Euro 2,254 thousand refers to the early termination of IRS contracts in hedge accounting (following the early repayment of the underlying loans) and the consequent reclassification of the related cash flow hedge reserve to the income statement.

It should be noted that the item “Other interest and commissions - financial income” includes Euro 1,284 thousand (Euro 1,536 thousand as at 30 June 2023) related to dollar-linked bond instruments, measured at amortised cost, held to mitigate the effects of the devaluation of the Argentine Peso (ARS).

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

This item amounts to zero (unchanged compared to 30 June 2023).

#### 35. INCOME TAXES

The detail is given below:

(in thousands of Euro)	1st half 2024	1st half 2023
Current taxes	8,970	916
Deferred tax liabilities (assets)	(921)	745
(Gain) loss from participation to fiscal consolidation	(87)	198
<b>TOTAL</b>	<b>7,962</b>	<b>1,859</b>

The average tax rate at 30 June 2024 is 42.5% (33.7% as at 30 June 2023). The tax rate reflects the mixed results in the various territories, with some gaining significant profits and others for which it was decided not to recognise any deferred tax assets, in view of the losses linked to the start-up of the business or restructuring processes or other factors. I

Please be reminded that, as at 30 June 2023, taxes benefited from a non-recurring income of Euro 1,894 thousand.

The Pillar 2/GloBE rules came into force in Italy as of 1 January 2024 by means of Italian Legislative Decree no. 209/2023 implementing Directive No. 2523/2022/EU and are applicable to Sogefi S.p.A., providing that the entities that are part of the group (wherever they are located) are subject to an effective income tax rate of at least 15%, to be determined on the basis of a detailed calculation based on the accounting and tax data of such entities. Where the level of taxation is lower than the minimum level, this results in the application of a minimum tax (so-called “Top-Up Tax”) up to that value of 15%.

From a regulatory point of view, it should be noted that during 2024, several Italian Ministerial Decrees were released implementing the provisions of the aforementioned Italian Legislative Decree no. 209/2023, while some Ministerial Decrees are still in the process of being released.

The Sogefi group made an estimate of the impact of the entry into force of the Pillar 2 rules, with the support of an external consultant, in order to identify the scope of application and the potential impact of this new legislation on the jurisdictions of its consolidation scope, also making use of the so-called transitional safe harbours applicable in the three-year period 2024-2026 (the so-called transition period) as provided for by the OECD guidelines. These rules, considered for the entire fiscal year, provide that no supplementary tax is due if one of the following tests is passed (to be performed with respect to each jurisdiction):

- *De minimis* test: positive if the revenues in the jurisdiction are less than Euro 10 million and the aggregate pre-tax profit is less than Euro 1 million;
- Simplified effective tax rate test: positive if the effective tax rate level is at least 15% (for 2024), as determined on the basis of the ratio between the aggregate values of pre-tax profit/loss (denominator) and income tax (numerator). In this regard, the numerator figure represents the value of current and deferred income taxes (with some specific adjustments) recognised in the reporting packages of subsidiaries in a given jurisdiction;
- Routine profit test: positive if the aggregate value of the “Substance-based income exclusion” (“SBIE”) under the Pillar 2 rules is higher than the aggregate amount of the pre-tax profit/loss. As stipulated in the OECD Guidelines, in the event that a pre-tax loss is present for a jurisdiction, the test result is considered to be positive.

Where none of the tests are passed for a specific jurisdiction, the group is required to calculate the effective tax rate on the basis of the full set of Pillar 2 rules, i.e. by making specific “adjustments” to the accounting and tax data of the entities located in that jurisdiction, including for the purpose of determining the minimum tax liability, if the effective tax rate is less than 15%, through the whole financial year. Based on current data - for Sogefi S.p.A. and its subsidiaries - Fratelli De Benedetti S.p.A. assumes the role of “Ultimate Parent Entity” and Sogefi S.p.A. assumes the role of “Partially-Owned Parent Entity” (“POPE”). In addition, for the purposes of Pillar 2 regulations, Sogefi S.p.A. has the status of “Minority-Owned Constituent Entity” (“MOCE”) and, in relation to its subsidiaries, of “Minority-Owned Parent Entity” (“MOCE”).

In accordance with the OECD guidelines, the transitional safe harbours tests have been prepared using - from a forward-looking perspective - the information available in the “Country-by-Country Report” of the Ultimate Parent Entity for the year 2023 with an approach that considers the “aggregated” data of the entities that are part of the group in a single jurisdiction where the group operates (“jurisdictional approach”). Based on this activity, transitional safe harbours were positively found for the following jurisdictions: Netherlands, Sweden, France, Spain, India, Canada, USA, Argentina, Brazil, Italy, Germany, Romania, UK, Mexico. In these jurisdictions for the first half of 2024, there were no changes in the business structure, local legislation, which would suggest a change in the conclusions of the test performed.

The jurisdictions that did not pass any of the applicable tests during the transitional period (based on the 2023 FY data, i.e. the Group's Country-by-Country data, supplemented by the additional data as at 31 December 2023 required for the purposes of the transitional safe harbours, which are the latest available Pillar 2 data) and which, therefore, could result in the application of the supplementary tax are Slovenia, China and Morocco. It is specified that - from a long-term perspective

adopted for the purposes of this disclosure considering the entry into force of the Pillar 2 rules as of 1 January 2024 - the results described above are in line with the analyses carried out for the purposes of the application of the transitional safe harbours for the financial years 2021 and 2022. Based on the data available for the year 2023 (reporting packages prepared by the subsidiaries for the purpose of preparing the consolidated financial statements of the group and data of the CbCR), prospectively, considering the “adjustments” that could have an impact on the level of effective taxation in 2024, for the entities of the group located in Slovenia, China and Morocco the estimated supplementary tax would amount to a total of approximately Euro 227 thousand. As at 30 June 2024, a commitment equal to (Euro 114 thousand) was accrued in the Consolidated Income Statement.

This estimated value - based on a forward-looking approach of the data available to date, as detailed above - represents the Group's best estimate to date of the expected impact of the enactment of the articulated set of Pillar 2 rules starting from the financial year 2024 and was determined by considering the amount of the pre-tax income (as derived from the CbCR for the financial year 2023), the amount from the Substance-based income exclusion and a minimum tax rate equal to the difference between 15% and the effective tax rate in the individual jurisdiction (obtained on the basis of the Simplified effective tax rate test described above). Since not all of the adjustments that would have been required by the Pillar 2 regulations when fully implemented have been included in the calculation), the actual impact that the Pillar 2 regulations could have had on the Sogefi Group's income - had they been in effect for the year 2023 (and thus also for the year 2024) - could have been different from the estimate made based on historical data available to date.

In addition, the Group carried out a preliminary update of the estimate of transitional safe harbours based on data as at 31 May 2024, also in order to assess the possible effects of the transaction involving the entities of the so-called "Filtration" business unit in 2024. The update of the transitional safe harbours on entities located in the above-mentioned countries did not reveal any significant issues to report on the matter.

Finally, it should be noted that the Group did not recognise any effect for deferred taxation purposes resulting from the entry into force of the Pillar 2 rules as of 1 January 2024.

### *36. INCOME (LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX EFFECTS*

The item, amounting to Euro 136,441 thousand for the first half of 2024, includes the value of the Filtration division until the date of transfer of May 2024. In the first half of 2023, the item also included the values for the Suspension business in Mexico, which was sold in October 2023.

The following table shows the Result of discontinued operations at 30 June 2024 and 30 June 2023.



(in thousands of Euro)	<i>1st half 2024</i>	
	Filtration Division	
Sales revenues		244,844
Costs		(214,639)
<b>Operating income</b>		<b>30,205</b>
Financial expenses (income), net		(1,846)
Income taxes		(6,180)
<b>Net Operating income, net of tax effects (A)</b>		<b>22,179</b>
Result of held for sale/discontinued activities		130,493
Reclassification of differences from equity to profit (loss) over the period		(6,017)
Ancillary charges (tax charges and costs arising from the sale transaction)		(10,214)
<b>Net income (loss) of held for sale activities, net of tax effects (B)</b>		<b>114,262</b>
<b>Income (loss) from discontinued operations net of tax effects (A + B)</b>		<b>136,441</b>
Earnings per share (EPS), without discounted operations (Euro):		
Basic		0.079
Diluted		0.079

(in thousands of Euro)	<i>1st half 2023</i>		
	Filtration Division	Suspension Mexico	Total
Sales revenues	308,519	4,765	313,284
Costs	(265,750)	(6,754)	(272,503)
<b>Operating income</b>	<b>42,769</b>	<b>(1,989)</b>	<b>40,780</b>
Financial expenses (income), net	(2,828)	-	(2,828)
Income taxes	(9,248)	572	(8,676)
<b>Net income (loss) of held for sale activities, net of tax effects</b>	<b>30,693</b>	<b>(1,417)</b>	<b>29,276</b>
Earnings per share (EPS), without discounted operations (Euro):			
Basic			0.018
Diluted			0.018

With reference to intercompany relationships with the Filtration division, it is specified that the “Profit/(loss) from operating activities” is affected by that part of corporate and central structure costs (equal to approximately Euro 3.1 million as of 30 June 2024), previously allocated to the Filtration division, which have not be transferred with the operation.

With reference to the Filtration division, it should be noted that, on 23 February 2024, Sogefi, as part of a process to enhance the value of its Filtration division, entered into a put option agreement with the US investment fund Pacific Avenue, under which Carta Acquisition France S.A.S. (“Carta France”) and Carta Acquisition U.S., Inc. (“Carta US”), which are companies referred to the fund, have made unilateral, unconditional and irrevocable commitments to purchase, respectively, -in the event Sogefi exercises the put option- the entire share capital of Sogefi Filtration S.A. and Sogefi USA Inc.. Under the terms of the put option agreement, Sogefi granted Carta US and Carta France a six-month exclusivity.

In May 2024 - after completing the consultation procedure with trade union representatives, as required by French law, and obtaining FDI (Foreign Direct Investment) authorisation in Slovenia and antitrust authorisation in Morocco - Sogefi exercised the put option and finalised the sale of the two shareholdings in Sogefi Filtration S.A. and Sogefi USA Inc. to which the Filtration division belonged.

The consideration for the transaction, equal to Euro 331,167 thousand, was paid entirely in cash on the closing date (31 May 2024). This consideration, based on an enterprise value of Euro 374 million and provisional adjustments to Working Capital and Net Financial Position, in line with the standards for this type of transaction, may be subject to price adjustment on the basis of contractual provisions (in the 90 days following the closing date, the purchaser will prepare the final adjustments to Working Capital and Net Financial Position; subsequently, if the parties fail to reach an agreement, they shall resort to a contractual expert).

The sale generated a gain as at 30 June 2024 of Euro 124,477 thousand (net of the reclassification of negative exchange rate differences from equity to profit for the year in the amount of Euro 6,017 thousand) and related costs of Euro 10,214 thousand. This gain is to be considered provisional as it is linked to the price adjustment mechanism described above. At present and based on the information available to the Company to date, no significant price adjustment is expected; therefore, this gain can be considered the most reasonable estimate as at 30 June 2024.

It should be noted that the impact on the Statement of Other Comprehensive Income differs by Euro 6,017 thousand from that on the Income Statement due to the aforementioned negative differences reclassified from shareholders' equity to profit for the year.

The following table shows the effect of the sale of the Filtration division on the Group's financial position:



(in thousands of Euro)	31 May 2024
Property, plant and machinery and tangible fixed assets	(117,396)
Intangible assets	(93,342)
Deferred Income Taxes	(4,501)
Inventories	(52,076)
Trade and other receivables	(100,595)
Other receivables	(12,617)
Cash and cash equivalents	(5,623)
Other current financial assets	(691)
Deferred Tax Liabilities	3,775
Trade and other payables	140,798
Other non current payables	11,511
Current and non current provision	10,659
Medium/long-term financial debts for right of use	19,425
<b>Net assets and liabilities</b>	<b>(200,673)</b>
<b>Amount for the transfer</b>	<b>331,167</b>
Gross capital gain	130,493
Reclassification of differences from equity to profit (loss) over the period	(6,017)
Ancillary charges (tax charges and costs arising from the sale transaction)	(10,214)
<b>Net income (loss) of held for sale activities, net of tax effects</b>	<b>114,262</b>

The following is a breakdown of the cash flows relating to discontinued operations, as already separately shown in the financial statements:

(in thousands of Euro)	31 May 2024
Cash flow from discontinued operating activities	(37,601)
Cash flow from investment activities from discontinued operating activities	(9,196)
Amount received for business transfers	325,544
Cash flow from financing activities from discontinued operating activities	(14,980)
<b>Net income (loss) of held for sale activities</b>	<b>263,767</b>

The reconciliation between “Total cash flow from discontinued operations” and “Free cash flow from discontinued operations”, which is included in the Report on operations, is as follows:

(in millions of Euro)	31 May 2024
<b>Total cash flow from discontinued operations (from Board of Director's report on operations)</b>	<b>263.8</b>
Exit from consolidated lease liabilities	15.8
Repayment of financial debts	12.0
Operating profit of activity discontinued before tax and interest	30.2
<b>Net income (loss) of held for sale activities (from Board of Director's report on operations)</b>	<b>321.8</b>

### 37. DIVIDENDS PAID

In the first half of 2024, dividends in the amount of Euro 23,730 thousand were paid, equal to a dividend of Euro 0.20 per share. Dividends paid to non-controlling interests amounted to Euro 3,404 thousand.

The Company did not issue any shares other than ordinary shares; treasury shares are always excluded from the dividend.

### 38. EARNINGS PER SHARE (EPS)

#### *Basic EPS*

	<i>June 30, 2024</i>	<i>June 30, 2023</i>
Net result attributable to the ordinary shareholders (in thousands of Euro)	145,786	31,381
Weighted average number of shares outstanding during the period (thousands)	118,662	118,245
<i>Basic EPS (Euro)</i>	<i>1.229</i>	<i>0.265</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) 39. 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 2024 held 55.64% of the share capital (56.28% 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 two French sub-holding operative companies (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 and financial nature, governance and communication. 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 2024 amount to Euro 92 thousand, in line compared to Euro 83 thousand as at 30 June 2023. At 30 June 2024, amounts payable to the Parent Company CIR S.p.A. by Sogefi S.p.A. totalled Euro 17 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 where Sogefi has its registered offices and administration.

The Italian companies of the Sogefi Group had receivables for the amount of Euro 1,318 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 3,090 thousand. As at 31 December 2023, receivables amounted to Euro 3,623 thousand (Euro 2,573 thousand were collected during the first half of 2024) and payables amounted to Euro 1,523 thousand.

At the end of the first half of 2024, the Italian subsidiaries recorded an income of Euro 87 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 2024 of the Italian subsidiaries from the Parent Company CIR S.p.A. is equal to Euro 87 thousand.

As at 30 June 2024, the Parent Company Sogefi S.p.A. had no charges for the consideration recognised for the transfer of fiscal surplus by companies included in the CIR Group's consolidation scheme compared to Euro 226 thousand as at 30 June 2023. The amount payable by Sogefi S.p.A. to Parent Company CIR S.p.A. for such consideration as at 30 June 2024 is Euro 0 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 2024.

Apart from those mentioned above and shown in the tables below, at the date of these condensed interim consolidated 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, 2024	December 31, 2023
<b>Receivables</b>		
- for the Group tax filing to CIR S.p.A.	1,231	3,560
- for income following the transfer of fiscal surplus to the CIR Group	87	63
<b>Payables</b>		
- for Director's remuneration	4	14
- for cost recharged from CIR S.p.A.	76	-
- for services received from CIR S.p.A.	17	-
- for the cost of transferring tax surpluses from the CIR Group	-	513
- for the Group tax filing to CIR S.p.A.	2,993	996
<b>Right of use (*)</b>		
- for rental property	546	599
<b>Financial debts for right of use (*)</b>		
- for rental property	561	603

(in thousands of Euro)	1st half 2024	1st half 2023
<b>Costs</b>		
- for services received from CIR S.p.A.	92	83
- for rental contract from CIR S.p.A.	-	63
- for reversal cost from the CIR S.p.A.	81	85
- amortization of right of use (*)	53	-
- for the cost of transferring tax surpluses from the CIR Group	-	226
<b>Revenues</b>		
- for income following the transfer of fiscal surplus to the CIR Group	87	28
<b>Compensation of directors and statutory auditors</b>		
- directors	382	383
- directors charged back to the parent company	10	10
- statutory auditors	47	47
- contribution charges on compensation to directors and statutory auditors	27	25
<b>Compensation and related contributions to the General Manager (**)</b>	506	421
<b>Compensation and related contributions to Manager with strategic responsibilities ex Consob resolution no. 17221/2010 (***)</b>	454	325

(\*) As of 30 June 2024, rental payments of Euro 60 thousand have accrued relating to the rental contract of the headquarters in Via Ciovassino 1, Milan accounted for in accordance with IFRS 16.

(\*\*) The item includes the imputed cost of Stock Grant plans for Euro 82 thousand (Euro 94 thousand in the first half 2023) recognised in item "Other non-operating expenses (income)".

(\*\*\*) The item also includes the net imputed cost of Stock Grant plans for Euro 45 thousand (Euro 46 thousand in first half 2023) recognised in item "Other non-operating expenses (income)".

## F) COMMITMENTS AND RISKS

### 40. INVESTMENT COMMITMENTS

At 30 June 2024, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 471 thousand (Euro 552 thousand at 31 December 2023).

### 41. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	<i>June 30, 2024</i>	<i>December 31, 2023</i>
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	449	1,039
b) Other personal guarantees in favour of third parties	3,743	3,743
<b>TOTAL PERSONAL GUARANTEES GIVEN</b>	<b>4,192</b>	<b>4,782</b>
REAL GUARANTEES GIVEN		
a) Against liabilities shown in the financial statement	27,444	26,258
<b>TOTAL REAL GUARANTEES GIVEN</b>	<b>27,444</b>	<b>26,258</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.; 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, against the loans obtained amounting to a total of Euro 13,356 thousand, they granted the financing institutions real guarantees on tangible fixed assets amounting to Euro 22,663 thousand, on trade credits amounting to Euro 2,855 thousand and on the warehouse amounting to Euro 1,926 thousand.

### 42. OTHER RISKS

As at 30 June 2024, the Group had third-party goods and materials held at Group companies worth Euro 2,151 thousand.

#### 43. 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.

Consequently, the Company did not set aside any amount for tax risks to contingent liabilities in financial statements as at 30 June 2024.

#### 44. 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 2024.

#### 45. SUBSEQUENT EVENTS

There are no significant events occurred after 30 June 2024, except for:

- the payment of the extraordinary dividend of Euro 0.923 per share, for a total of approximately Euro 110 million, resolved by the Shareholders' Meeting on 18 July 2024, with payment date on 22 July 2024. This event was disclosed to the market on 18 July 2024;

- the early repayment on 15 July 2024, for an amount equal to Euro 52,430 thousand, of the bond loan of an original Euro 75 million expiring in November 2025;

- the resignation of the CEO and general manager Frederic Sipahi on 23 July 2024.

This event was made known to the market on 23 July 2024.

## G) 46. FINANCIAL INSTRUMENTS

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

As at 30 June 2024 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 06.30.2024 (*)
Sogefi Suspension Brasil Ltda	S	USD 300,000	04/25/2024	BRL/value	5.1592	07/11/2024	5.1920	(20)
Sogefi Suspension Brasil Ltda	S	USD 250,000	05/24/2024	BRL/value	5.1443	08/15/2024	5.1860	(18)
Sogefi Suspension Brasil Ltda	S	USD 250,000	06/07/2024	BRL/value	5.2681	08/29/2024	5.3300	(12)
Sogefi Suspension Brasil Ltda	S	USD 200,000	05/10/2024	BRL/value	5.1577	07/25/2024	5.1900	(14)
Sogefi Suspension Brasil Ltda	S	USD 200,000	06/21/2024	BRL/value	5.4254	08/26/2024	5.4568	(5)
Sogefi Suspension Brasil Ltda	P	EUR 100,000	05/24/2024	BRL/value	5.5702	07/22/2024	5.6480	6
Sogefi Suspension Brasil Ltda	P	EUR 140,000	06/21/2024	BRL/value	5.8090	10/21/2024	5.9300	4

\* Positive fair value was recognised in “Other financial assets - Asset for derivative financial instruments”, whereas negative fair value was recognised in “Other short-term liabilities for derivative financial instruments”.

### B) Interest rate risk in hedge accounting

The interest rate swap contracts outstanding at 31 December 2023 were terminated in May 2024 following the early repayment of the underlying loan.



As at 31 December 2023, details of the contracts are as follows:

Description of IRS	Date opened	Contract maturity	Notional (in thousands of Euro)	Fixed rate	Fair value at 06.30.2024	Fair value at 12.31.2023
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	16,633	-0.196%	-	690
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	16,633	-0.196%	-	690
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	16,633	-0.196%	-	690
Hedging of SACE loan Euro 80 millions (10/09/20 expired 06/30/26)	12/31/2020	06/30/2026	16,633	-0.196%	-	690
<b>TOTAL</b>			<b>66,531</b>		<b>-</b>	<b>2,761</b>

The change in fair value with respect to 31 December 2023, amounting to Euro 2,761 thousand, was collected in the amount of Euro 2,705 thousand and the remainder was recognised as a reduction of shareholders' equity in the amount of Euro 493 thousand (amount corresponding to the change in fair value from 31 December 2023 to the derivative closing date) and Euro 437 thousand as financial income.

#### C) Fair value of derivatives

The fair value of all derivatives was calculated using the forward curves of exchange and interest rates as at 30 June 2024, 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****47. LIST OF GROUP COMPANIES AS AT 30 June 2024****SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS**

<b>Direct equity investments</b>	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SOGEFI SUSPENSIONS S.A. Guyancourt (France)	Euro	73,868,383	4,345,198	99.999	17	73,868,366
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>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
ATN MOLD & PARTS (SAS) Alsazia (France) held by Sogefi Air & Cooling S.A.S.	EUR	400,000	4,000	100	100	400,000
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V. Apodaca (Mexico) 0.000007921% held by Sogefi Air & Cooling S.A.S. 99.999992079% held by Sogefi Air & Cooling Canada Corp.	MXN	126,246,760		100		126,246,760
			1		1	
			1		126,246,759	

(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 HD SUSPENSIONS GERMANY GmbH Vollkingen (Germany) held by Sogefi Suspensions S.A.	Euro	50,000	1	100	50,000	50,000
SOGEFI SUSPENSION ARGENTINA S.A. Buenos Aires (Argentina) 89.999% 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) Aksasia (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
ALLEVARD IAI SUSPENSIONS Pvt Ltd Pune (India) held by Sogefi Suspensions S.A.	INR	432,000,000	32,066,926	74.23	10	320,669,260
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 SUSPENSION EASTERN EUROPE S.R.L. Oradea (Romania) held by Sogefi Suspensions S.A.	RON	31,395,890	3,139,589	100.00	10	31,395,890

**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 of the Group, during the first half of 2024.

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

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

3.1 condensed interim consolidated financial statements of the Group as at 30 June 2024:

- 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, 23 July 2024

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 2024. 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 2024*

**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 2024 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, 1 August 2024

KPMG S.p.A.

(signed on the original)

Luca Magnano San Lio  
Director of Audit