

INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2024

(Translation into English of the original Italian version)



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84
MILANO MONZA-BRIANZA LODI COMPANY REGISTER AND TAX CODE N. 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
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BOARD OF DIRECTORS' REPORT

ON OPERATIONS

AS AT SEPTEMBER 30, 2024

THE AUTOMOTIVE MARKET IN 2024

In Q3 2024, world car production significantly slowed, declining by 4.6% compared to Q3 2023. The European market's weakness, with a 5.2% drop already evident in the first half of the year, was exacerbated by substantial declines in the NAFTA region, down 4.7%, and in China, down 2.6%. These regions had previously shown stability or slight growth in the first half of the year.

Following the negative results in the third quarter, global car production declined by 1.6% in the first nine months of 2024 compared to the same period in 2023. During the nine-month period, China and India experienced growth of +2% and +4.5%, respectively, while Europe, NAFTA, and Mercosur experienced declines of -4.9%, -0.8%, and -0.6%, respectively.

S&P Global (IHS) expect a 2.2% decrease in global production for the entire year of 2024 in comparison to 2023. China and Mercosur are expected to maintain their current levels, while NAFTA is expected to experience a minor decline of -1.4%. Europe is expected to experience a 6.3% decline, which is slightly higher than the decline observed in the first nine months.

SOGEFI'S PERFORMANCE SUMMARY IN THE FIRST NINE MONTHS OF 2024:

Following the sales of the Filtration business in May 2024, the figures of 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.

Revenue performance was affected by market volatility during the first nine months of 2024, leading to a 4.6% decline compared to the same period in 2023. Despite this, **operations** showed a significant increase in profitability:

- With an EBITDA margin of 12.6%, EBITDA reached Euro 96.7 million, marking a 14.6% increase compared to the same period in 2023;
- EBIT increased from Euro 25.3 million in the first nine month of 2023 to Euro 38.0 million. The EBIT margin increased to 5.0% of revenues from 3.1% in the first none months of 2023;
- Net income from continuing operations totalled Euro 15.1 million, compared to Euro 8.3 million in the first half of 2023;
- Free cash flow from operations was positive at Euro 19.4 million, compared to a cash absorption of Euro 7.1 million in the first nine months of 2023.

As outlined in the Half-Yearly Financial Report, the **discontinued operations** reported the following outcomes:

- net profit of Euro 136.4 million, including the effects of the sale, such as the capital gain, tax charges and transaction costs;
- free cash flow of Euro 321.8 million.

Overall, in the first nine months of 2024, the **Group** reported:

- net profit of Euro 149.5 million (net of minority interests)
- free cash flow of Euro 341.2 million

As of 30 September 2024, net debt stood at Euro 62 million (Euro 16.1 million excluding rights of use, in line with IFRS 16), marking a decrease from Euro 266.1 million as of 31 December 2023. This reduction follows the distribution of an ordinary dividend of Euro 23.7 million and an extraordinary dividend of Euro 109.6 million to shareholders of Sogefi S.p.A.

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2024

Revenue

For the first nine months of 2024, revenues reached Euro 766.7 million, reflecting a decline of 4.6% (4.3% at constant exchange rates) in comparison to the same period in 2023.

Sales revenues by geographic area

(in millions of Euro)	9M 2024	9M 2023	reported change 2024 vs 2023	constant exchange rates 2024 vs 2023	reference market production
	<i>Amount</i>	<i>Amount</i>	%	%	%
Europe	426.2	462.9	(7.9)	(7.9)	(4.9)
North America	162.0	169.4	(4.4)	(3.4)	(0.8)
South America	85.3	83.5	2.2	0.8	(0.6)
India	13.1	13.1	0.4	1.9	4.5
China	82.1	78.1	5.1	7.9	2.0
Intercompany eliminations	(2.0)	(3.1)	-	-	-
TOTAL	766.7	803.9	(4.6)	(4.3)	(1.6)

The decline in total revenues was influenced by the performance observed in Europe (-7.9%) and North America (-4.4%), primarily due to the dynamics of the respective markets and key customers. In contrast, South America and China experienced revenue growth of +2.2% and +5.1% respectively, aligning with or surpassing market trends.

Sales revenues by business sector

(in millions of Euro)	9M 2024	9M 2023	reported change 2024 vs 2023	constant exchange rates 2024 vs 2023
	<i>Amount</i>	<i>Amount</i>	%	%
Suspensions	424.8	453.0	(6.2)	(6.3)
Air&Cooling	342.9	351.0	(2.3)	(1.5)
Intercompany eliminations	(1.0)	(0.1)	-	-
TOTAL	766.7	803.9	(4.6)	(4.3)

Suspensions experienced a 6.2% decline in revenues, influenced by adverse trends in the European market, affecting both the passenger car and heavy-duty segments, with

the latter seeing a 10.4% decrease in Europe. Conversely, notable growth was observed in China, with a 35.3% increase, and a strong performance was recorded in Mercosur.

Air and Cooling reported a 2.3% decline in revenues (1.5% at constant exchange rates), with Europe showing a positive performance of 3.8%, defying the overall market decline. However, revenues decreased in North America due to product mix issues and in China due to a local production drop by some customers.

Overview of consolidated income statement

(in millions of Euro)	Note (*)	9M 2024		9M 2023		Change	
		Amount	%	Amount	%	Amount	%
Sales revenues		766.7	100.0	803.9	100.0	(37.2)	(4.6)
Variable cost of sales		541.9	70.7	587.3	73.1	(45.4)	(7.7)
CONTRIBUTION MARGIN		224.8	29.3	216.6	26.9	8.2	3.7
Fixed Costs	(a)	120.5	15.7	126.3	15.6	(5.8)	(4.7)
Restructuring costs		4.2	0.5	2.8	0.4	1.4	49.0
Other expenses (income)	(b)	3.4	0.5	3.1	0.4	0.3	10.0
EBITDA	(c)	96.7	12.6	84.4	10.5	12.3	14.6
Depreciation and amortization	(d)	58.7	7.6	59.1	7.4	(0.4)	(0.7)
EBIT		38.0	5.0	25.3	3.1	12.7	50.3
NET INCOME (LOSS) OF OPERATING ACTIVITIES		15.1	2.0	8.3	1.0	6.8	82.8
Net income (loss) from discontinued operations, net of tax effects		136.4	17.8	39.8	5.0	96.6	242.5
Loss (Income) attributable to non-controlling interests		(2.0)	(0.3)	(2.3)	(0.3)	0.3	13.5
GROUP NET RESULT		149.5	19.5	45.8	5.7	103.7	226.4

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

EBITDA reached Euro 96.7 million, reflecting a 14.7% increase compared to the first nine months of 2023 (Euro 84.4 million), despite a slight decrease in volumes. The EBITDA margin rose from 10.5% in 2023 to 12.6% in the same period of 2024.

Despite the reduction in volumes, the positive trend in profitability is primarily due to an increase in the contribution margin, which accounted for 29.3% of sales, up from 26.9% in the first nine months of 2023; this increase reflects the gradual decline in raw material and energy costs.

In spite of the decrease in turnover, the fixed costs as a percentage of revenue remained at 15.7%, essentially unchanged from 2023 (15.6%). This was primarily due to the reduction of fixed costs from Euro 126.3 million to Euro 120.5 million.

EBIT totaled Euro 38.0 million, compared to Euro 25.3 million in first nine months 2023, and the ratio to revenue rose from 3.1% in the first nine months of 2023 to 5.0% in the same period of 2024. The increase reflects the improved profitability of the Suspension division and the good profitability of Air & Cooling, in an unfavorable market environment.

Financial expenses amounted to Euro 11.7 million, reflecting a modest decrease compared to Euro 12.4 million in the same period in 2023. Notably, cash financial expenses decreased from Euro 12.2 million in 2023 to Euro 10.7 million in the corresponding period of 2024. This reduction, occurring entirely since early June, is attributed to the decrease in debt following the sale of the Filtration business, despite the one-off charges associated with the early repayment of certain loans.

The tax expense totalled Euro 11.2 million, compared to Euro 4.6 million in the first half of 2023, reflecting the increased pre-tax profit.

The net income from operations was positive by Euro 15.1 million compared to Euro

8.3 million in the same period of the previous year.

The net result of “discontinued operations” (*Filtration*) amounted to Euro 136.4 million, (Euro 39.8 million in the first nine months of 2023). This amount includes the net income of the business as of the sale date on 31 May 2024, totalling Euro 22.2 million, the capital gain from the sale of the Filtration business amounting to Euro 124.5 million, the tax liabilities resulting from the transaction, and the expenses associated with completing the transaction.

The Group reported a total net profit of Euro 149.5 million, net of minority interests, compared to Euro 45.8 million in the first nine months of 2023.

Free Cash Flow was positive by Euro 341.2 million and includes a *free cash flow* of Euro 321.8 million from Filtration and Euro 19.4 million generated by ongoing operations, a clear improvement compared to the first nine months of 2023 (negative FCF of Euro 7.1 million).

The Group distributed dividends totaling Euro 136.7 million, comprising Euro 23.7 million classified as the Company's ordinary dividend, Euro 109.6 million designated as the Company's extraordinary dividend, and Euro 3.4 million allocated as dividends from investees to third-party shareholders.

As of 30 September 2024, equity, excluding non-controlling interests, amounted to Euro 300.4 million, compared to Euro 272.9 million as of 31 December 2023.

Net debt at the end of September 2024 was Euro 62 million compared to net debt of Euro 266.1 million at the end of 2023.

Net debt excluding liabilities for right-of-use assets at 30 September 2024 amounted to Euro 16.1 million, compared to Euro 200.7 at 31 December 2023.

At 30 September 2024, the Group had committed credit lines in excess of requirements of Euro 187 million.

The **employees** of Sogefi Group at 30 September 2024 were 3,341 unchanged compared to 30 September 2023.

PERFORMANCE BY BUSINESS UNITS

Suspension Business Unit

In the first nine months of 2024, the Suspension business unit reported revenues of Euro 424.8 million, down by 6.2%.

The decrease was mainly due to the negative trend in Europe, -12.4%, which was influenced by the negative performance of markets passenger cars (-4.9%) and heavy duty (-10.4%), segment in which the Suspensions are very present in Europe, and some of the main customers in particular.

By contrast, revenue trends were very positive in China (+35.3% at current exchange rates and +38.9% at constant exchange rates) thanks to the ramp up of new products sold to local players.

Revenues in South America rose slightly, +2.2%, and in India they were substantially stable.

Despite the decline in revenue, the contribution margin increased by 5.3% compared to first nine months of 2023, with the contribution margin/sales revenue ratio improving from 25.7% in first nine months of 2023 to 28.9% in first nine months of

2024, due in part to lower energy and material costs.

EBITDA amounted to Euro 38.4 million, compared to Euro 30.9 million in the first nine months of 2023, and EBITDA margin increased from 6.8% in the first nine months of 2023 to 9.0% in the same period of 2024.

EBIT amounted to Euro 13.3 million, 3.1% of revenue, compared to Euro 4.2 million in the same period of 2023, 0.9% of revenue.

The improvement achieved in the first nine months of 2024, despite the adverse trend in volumes, reflects not only lower energy and material 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 and the development of volumes in China.

The employees of the business unit at 30 September 2024 were 2,016 (2,033 at 31 December 2023 and 2,065 at 30 September 2023).

Air & Cooling Business Unit

In the first nine months of 2024, the Air and Cooling business unit reported revenues of Euro 342.9 million, slightly down on the corresponding period of 2023, -2.3% at current exchange rates, -1.5% at constant exchange rates. Sales grew in Europe by 3.8%, against the trend of the market, and declined by 4.2% in NAFTA (-3.3% at constant exchange rates) and 12.1% in China (-9.8% at constant exchange rates).

Despite the slight decrease in revenues, the contribution margin increased by 3.0% compared to the first nine months of 2023 and represents 30.0% compared to 28.4% for the same period in 2023, thanks to the evolution of raw material costs.

EBITDA amounted to Euro 62.1 million (Euro 59.9 in the first nine months of 2023) with an EBITDA margin at 18.1%, (17.1% in the first nine months of 2023).

EBIT amounted to Euro 30.7 million, 9% of revenue, compared to Euro 30.0 million in the same period of the previous fiscal year, 8.6% of revenue.

The employees of the business unit at 30 September 2024 were 1,267 (1,253 at 31 December 2023 and 1,225 at 30 September 2023).

In 2024, the Division secured new important contracts also for BEV (Battery Electric Vehicle).

In particular, the Division signed a contract with a premium German manufacturer for a global supply (Europe, NAFTA, China) of components for BEV.

Moreover, in Europe new contracts were secured for intake manifolds and renewals were signed for water pumps and cooling ducts for internal combustion engines.

In NAFTA, new orders have been acquired for engine valve covers (Cam Cover) for combustion engines and intake manifolds for hybrid engines.

Finally, 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.

64% of the value of new contracts entered into in the first nine months of 2024 by the Air & Cooling division concerns parts for E-mobility platforms.

PERFORMANCE IN THE THIRD QUARTER OF 2024

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

(in millions of Euro)	Note (*)	Q3 2024		Q3 2023		Change	
		Amount	%	Amount	%	Amount	%
Sales revenues		242.6	100.0	265.0	100.0	(22.4)	(8.5)
Variable cost of sales		169.7	69.9	189.6	71.6	(19.9)	(10.5)
CONTRIBUTION MARGIN		72.9	30.1	75.4	28.4	(2.5)	(3.2)
Fixed Costs	(a)	38.1	15.7	42.7	16.1	(4.6)	(10.8)
Restructuring costs		2.2	0.9	0.9	0.3	1.3	160.8
Other expenses (income)	(b)	2.8	1.2	(0.2)	(0.1)	3.0	(1,686.8)
EBITDA	(c)	29.8	12.3	32.0	12.1	(2.2)	(6.8)
Depreciation and amortization/Write-downs	(d)	19.6	8.1	20.5	7.7	(0.9)	(4.2)
EBIT		10.2	4.2	11.5	4.4	(1.3)	(11.7)
NET INCOME (LOSS) OF OPERATING ACTIVITIES		4.3	1.7	4.7	1.7	(0.4)	(8.1)
Net income (loss) from discontinued operations, net of tax effects		-	-	10.5	4.0	(10.5)	0.0
Loss (Income) attributable to non-controlling interests		(0.6)	(0.2)	(0.8)	(0.3)	0.2	(23.3)
GROUP NET RESULT		3.7	1.5	14.4	5.4	(10.7)	(74.3)

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

In Q3 2024, the Sogefi Group reported revenues of Euro 242.6 million, marking a decline of 8.5% (-7.7% at constant exchange rates), reflecting the adverse market conditions experienced during the quarter.

At constant exchange rates, Air and Cooling declined by 6.0% and Suspension by 8.9%. **EBITDA** reached Euro 29.8 million, down from Euro 32.0 million in Q3 2023, while the EBITDA margin remained stable at 12%. Excluding restructuring costs and other non-operating expenses, which totaled Euro 5 million in Q3 2024 compared to Euro 0.7 million in 2023, EBITDA for Q3 2024 would be Euro 34.8 million, up from Euro 32.7 million in the same period of 2023.

The contribution margin of 30.1% represents a significant improvement from the previous figure of 28.4% in Q3 2023. Furthermore, the fixed cost ratio was maintained at 15.7%, a decrease from 16.1% in Q3 2023, despite the decrease in turnover, as a result of the 10.8% decrease in fixed costs.

EBIT was positive at Euro 10.2 million, compared to Euro 11.5 million in Q3 2023. Excluding non-recurring charges, EBIT was Euro 15.2 million, up from Euro 12.2m in 2023.

Net income from operating activities totalled Euro 4.3 million, compared to Euro 4.7 million in third quarter 2023.

The **consolidated net result** for the third quarter of 2024 was Euro 3.7 million, down from Euro 14.4 million in the same period of the previous year, which included a **net result from “discontinued operations”** of Euro 10.5 million).

INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

Investments in the first nine months of 2024 amounted to Euro 43.8 million (Euro 40.9 million in the first nine months of last year), of which Euro 20.9 million for new products, and Euro 1.5 million for the ramp-up of the Suspension factory in Romania (Euro 5.4 million last year).

IMPACTS OF THE MACROECONOMIC ENVIRONMENT, THE RUSSIA-UKRAINE AND GAZA/LEBANON/IRAN/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 of 2% in global car production. In the light of the third quarter data on global automotive production, it cannot be excluded that the trend in the automotive market is more unfavourable than expected today.

As far as commodity and energy prices are concerned, the early nine months of 2024 confirm a certain stability, already seen in the second part of 2023, at lower levels than in the first nine months 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 and carefully manages fixed costs, in a context of volume reduction.

Impacts of the Russia-Ukraine and Gaza/Lebanon/Iran/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/Lebanon/Iran/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.

SIGNIFICANT EVENTS OCCURRED AFTER 30 SEPTEMBER 2024

There are no significant events occurred after 30 September 2024 that could have an impact on the economic and financial information represented.

OUTLOOK FOR THE YEAR

Following the negative data from the third quarter, the outlook for the automotive market remains uncertain in the coming months. According to S&P Global (IHS), global car production may decrease by 2.2% in 2024 following the growth observed in 2023. Europe is expected to experience a 6.3% decline, NAFTA is expected to

experience a 1.4% decline, while China and India are expected to experience modest growth.

In terms of commodity and energy prices, the initial months of 2024 have confirmed a degree of stability that was already evident in the latter half of 2023. However, volatility risks are still present, which are further exacerbated by geopolitical tensions. Inflationary tensions on labour costs also persist in some geographical areas.

Sogefi expects a decline in its annual revenues substantially in line with that recorded in the first nine months of the year. The company also confirms the target of an operating result in progression compared to that recorded in the 2023 financial year on the current perimeter, excluding any non-recurring charges and extraordinary events that are currently unforeseeable.

Milan, 25 October 2024

For THE BOARD OF DIRECTORS
The Executive President
Monica Mondardini

ANNEX: NOTES RECONCILING THE FINANCIAL STATEMENTS SHOWN IN THE REPORT ON OPERATIONS AND THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2024

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

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	09.30.2024	12.31.2023
CURRENT ASSETS		
Cash and cash equivalents	44.3	78.2
Other financial assets	36.2	5.1
Inventories	84.1	138.2
Trade receivables	97.4	166.9
Other receivables	10.9	13.4
Tax receivables	23.4	28.1
Other assets	4.5	3.4
TOTAL CURRENT ASSETS	300.8	433.3
NON-CURRENT ASSETS		
Land	3.7	9.8
Property, plant and equipment	264.9	358.9
Other tangible fixed assets	4.0	6.2
Rights of use	42.4	59.7
Intangible assets	106.4	203.4
Other financial assets	4.4	6.8
Financial receivables	-	2.8
Other receivables	13.0	31.4
Deferred tax assets	27.0	33.0
TOTAL NON-CURRENT ASSETS	465.8	712.0
TOTAL ASSETS	766.6	1,145.3

LIABILITIES	09.30.2024	12.31.2023
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	0.8	0.7
Current portion of medium/long-term financial debts and other loans	30.9	63.3
Short-term financial debts for rights of use	9.6	12.7
Other short-term liabilities for derivative financial instruments	-	-
Trade and other payables	194.1	334.0
Tax payables	8.6	10.7
Other current liabilities	26.1	38.2
Current provisions	6.9	12.4
TOTAL CURRENT LIABILITIES	277.0	472.0
NON-CURRENT LIABILITIES		
Financial debts to bank	69.0	184.4
Non current portion of medium/long-term financial debts and other loans	0.4	45.2
Medium/long-term financial debts for right of use	36.3	52.7
Other medium/long-term financial liabilities for derivative financial instruments	-	-
Non-current provisions	15.2	23.8
Other payables	38.1	56.5
Deferred tax liabilities	18.1	23.3
TOTAL NON-CURRENT LIABILITIES	177.1	385.9
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	88.4	152.6
Group net result for the period	149.5	57.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	300.4	272.9
Non-controlling interests	12.1	14.5
TOTAL SHAREHOLDERS' EQUITY	312.5	287.4
TOTAL LIABILITIES AND EQUITY	766.6	1,145.3

SHAREHOLDERS' EQUITY

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2023	272.9	14.5	287.4
Dividends	(133.3)	(3.4)	(136.7)
Currency translation differences	2.1	0.0	2.1
Actuarial gain (loss)	1.0	-	1.0
Fair value cash flow hedging instruments	(2.1)	-	(2.1)
Other changes	10.3	(1.0)	9.3
Net result for the period	149.5	2.0	151.5
Balance at September 30, 2024	300.4	12.1	312.5

CONSOLIDATED INCOME STATEMENT

(in millions of Euro)	Period		Period		Change	
	01.01 – 09.30.2024		01.01 – 09.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	766.7	100.0	803.9	100.0	(37.2)	(4.6)
Variable cost of sales	541.9	70.7	587.3	73.1	(45.4)	(7.7)
CONTRIBUTION MARGIN	224.8	29.3	216.6	26.9	8.2	3.7
Manufacturing and R&D overheads	68.8	9.0	74.5	9.3	(5.7)	(7.8)
Depreciation and amortization	58.7	7.6	59.2	7.4	(0.5)	(0.8)
Distribution and sales fixed expenses	11.1	1.5	11.2	1.4	(0.1)	(0.8)
Administrative and general expenses	40.6	5.3	40.6	5.0	-	(0.1)
Restructuring costs	4.2	0.5	2.8	0.4	1.4	49.0
Exchange (gains) losses	1.4	0.2	1.7	0.2	(0.3)	(18.3)
Other non-operating expenses (income)	2.0	0.2	1.3	0.1	0.7	52.0
EBIT	38.0	5.0	25.3	3.1	12.7	50.3
Financial expenses	19.7	2.5	16.9	2.1	2.8	16.7
Financial (income)	(8.0)	(1.0)	(4.5)	(0.6)	(3.5)	77.0
RESULT BEFORE TAXES	26.3	3.5	12.9	1.6	13.4	103.5
Income taxes	11.2	1.5	4.6	0.6	6.6	142.8
NET INCOME (LOSS) OF OPERATING ACTIVITIES	15.1	2.0	8.3	1.0	6.8	82.8
Net income (loss) from discontinued operations, net of tax effects	136.4	17.8	39.8	5.0	96.6	242.5
NET RESULT INCLUDING THIRD PARTY	151.5	19.8	48.1	6.0	103.4	214.8
Loss (Income) attributable to non-controlling interests	(2.0)	(0.3)	(2.3)	(0.3)	0.3	13.5
GROUP NET RESULT	149.5	19.5	45.8	5.7	103.7	226.4

(*) The values for the year 2023, relating to "Asset for sale", have been reclassified following the application of IFRS 5 "Non-current asset held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations, net of tax effects".

CONSOLIDATED INCOME STATEMENT FOR THIRD QUARTER 2024

(in millions of Euro)	Period		Period		Change	
	07.01 – 09.30.2024		07.01 – 09.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	242.6	100.0	265.0	100.0	(22.4)	(8.5)
Variable cost of sales	169.7	69.9	189.6	71.6	(19.9)	(10.5)
CONTRIBUTION MARGIN	72.9	30.1	75.4	28.4	(2.5)	(3.2)
Manufacturing and R&D overheads	22.1	9.1	25.5	9.7	(3.4)	(13.5)
Depreciation and amortization	19.5	8.0	20.2	7.6	(0.7)	(3.3)
Distribution and sales fixed expenses	3.8	1.6	3.8	1.4	-	(0.4)
Administrative and general expenses	12.2	5.0	13.4	5.0	(1.2)	(8.5)
Restructuring costs	2.2	0.9	0.9	0.3	1.3	160.8
Exchange (gains) losses	2.2	0.9	(0.7)	(0.3)	2.9	407.0
Other non-operating expenses (income)	0.7	0.4	0.8	0.3	(0.1)	(12.5)
EBIT	10.2	4.2	11.5	4.4	(1.3)	(11.7)
Financial expenses	3.9	1.6	4.9	1.8	(1.0)	(20.0)
Financial (income)	(1.3)	(0.5)	(0.8)	(0.2)	(0.4)	57.2
RESULT BEFORE TAXES	7.6	3.1	7.4	2.8	0.1	2.4
Income taxes	3.3	1.4	2.7	1.1	0.6	17.5
NET INCOME (LOSS) OF OPERATING ACTIVITIES	4.3	1.7	4.7	1.7	(0.4)	(8.1)
Net income (loss) from discontinued operations, net of tax effects	-	-	10.5	4.0	(10.5)	-
NET RESULT INCLUDING THIRD PARTY	4.3	1.7	15.2	5.7	(10.9)	(71.7)
Loss (Income) attributable to non-controlling interests	(0.6)	(0.2)	(0.8)	(0.3)	0.2	(23.3)
GROUP NET RESULT	3.7	1.5	14.4	5.4	(10.7)	(74.3)

(*) The values for year 2023, relating to "Asset for sale", have been reclassified following the application of IFRS 5 "Non-current asset held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations, net of tax effects".

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)	09.30.2024	12.31.2023
A. Cash	44.3	78.2
B. Cash equivalent	-	-
C. Other current financial assets	36.2	5.1
D. Liquidity (A) + (B) + (C)	80.5	83.3
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	0.8	1.9
F. Current portion of non-current financial debt	40.5	72.5
G. Current financial indebtedness (E) + (F)	41.3	74.4
H. Net current financial indebtedness (G) - (D)	(39.2)	(8.9)
I. Non-current financial debt (excluding the current portion and debt instruments)	105.6	234.8
J. Debt instruments	-	47.0
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I) + (J) + (K)	105.6	281.8
M. Total Financial indebtedness (H) + (L)	66.4	272.9
Other non current financial assets	4.4	6.8
Financial indebtedness net, including other non current financial assets (as Net Financial Position reported in Consolidated Cash Flow Statement)	62.0	266.1

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	09.30.2024	09.30.2023
SELF-FINANCING	69.6	73.3
Change in net working capital	(1.4)	(29.0)
Other medium/long-term assets/liabilities	3.7	2.5
CASH FLOW GENERATED BY OPERATIONS	71.9	46.8
Net decrease from sales of fixed assets	0.6	1.2
TOTAL SOURCES	72.5	48.0
TOTAL APPLICATION OF FUNDS	50.8	50.9
Exchange differences on assets/liabilities and equity	(2.3)	(4.2)
FREE CASH FLOW of operating activities	19.4	(7.1)
FREE CASH FLOW from discontinued operations	321.8	45.5
TOTAL FREE CASH FLOW	341.2	38.4
Dividends paid by subsidiaries to non-controlling interests	(136.7)	(0.0)
Change in fair value derivative instruments	(0.4)	(1.4)
CHANGES IN SHAREHOLDERS' EQUITY	(137.1)	(1.4)
Change in net financial position	204.1	37.0
Opening net financial position	(266.1)	(294.9)
CLOSING NET FINANCIAL POSITION	(62.0)	(257.9)

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

The consolidated Interim financial report at 30 September 2024, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated companies have been duly reclassified and adjusted.

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

2. Consolidation principles

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used at 31 December 2023.

3. Accounting Standards applied

The accounting standards applied in the preparation of the financial statements at 30 September 2024 are the same as those applied to the financial statements at 31 December 2023.

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

3.1. Accounting Standards applied

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 331.2 million, 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). As of September 30, 2024 the price adjustment is still being defined.

The sale generated a gain as at 30 September 2024 of Euro 124.5 million (net of the reclassification of negative exchange rate differences from equity to profit for the year in the amount of Euro 6 million) and related costs of Euro 10.3 million. This gain is to be considered provisional as it is linked to the price adjustment mechanism described above.

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

(in million of Euro)	09.30.2024
	Filtration Division
Sales revenues	244.8
Costs	(214.6)
Operating income	30.2
Financial expenses (income), net	(1.8)
Income taxes	(6.2)
Net Operating income, net of tax effects (A)	22.2
Result of held for sale/discontinued activities	130.5
Reclassification of differences from equity to profit (loss) over the period	(6.0)
Ancillary charges (tax charges and costs arising from the sale transaction)	(10.3)
Net income (loss) of held for sale activities, net of tax effects (B)	114.2
Income (loss) from discontinued operations net of tax effects (A + B)	136.4

(in million of Euro)	09.30.2023		
	Filtration Division	Suspension Mexico	Total
Sales revenues	448.3	6.8	455.1
Costs	(384.9)	(11.4)	(396.3)
Operating income	63.4	(4.6)	58.8
Financial expenses (income), net	(4.0)	-	(4.0)
Income taxes	(13.3)	1.0	(12.3)
Net Operating income, net of tax effects	46.1	(3.6)	42.5
Net income (loss) of held for sale activities, net of tax	-	(2.7)	(2.7)
Net income (loss) of held for sale activities, net of tax effects	46.1	(6.3)	39.8

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

(in million of Euro)	May 31 2024
Property, plant and machinery and tangible fixed assets	(117.4)
Intangible assets	(93.3)
Deferred Income Taxes	(4.5)
Inventories	(52.1)
Trade and other receivables	(100.6)
Other receivables	(12.6)
Cash and cash equivalents	(5.6)
Other current financial assets	(0.7)
Deferred Tax Liabilities	3.8
Trade and other payables	140.8
Other non current payables	11.5
Current and non current provision	10.7
Medium/long-term financial debts for right of use	19.4
Net assets and liabilities	(200.7)
Amount for the transfer	331.2
Gross capital gain	130.5
Reclassification of differences from equity to profit (loss) over the period	(6.0)
Ancillary charges (tax charges and costs arising from the sale transaction)	(10.2)
Net income (loss) of held for sale activities, net of tax effects	114.2

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

Subject: Interim financial report at 30 September 2024

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

declares

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

Milan, 25 October 2024

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