EuroGroup Laminations S.p.A.

(a joint-stock company (società per azioni) governed by the laws of Italy with its registered office at Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy)

Admission to listing and trading of the ordinary shares of EuroGroup Laminations S.p.A. on Euronext Milan.

This prospectus (the "**Prospectus**") has been prepared exclusively in connection with the admission to listing and trading of the ordinary shares in the capital of EuroGroup Laminations S.p.A. (the "**Company**" or the "**Issuer**"), each without nominal value (the "**Ordinary Shares**") on Euronext Milan ("**Euronext Milan**"), a regulated market organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**" and such admission, the "**Admission**").

Concurrently with the Admission, the Company is offering for subscription a number of newly issued Ordinary Shares (the "**New Offer Shares**"), Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund (together, the "**Selling Shareholders**") are offering for sale a portion of their existing Ordinary Shares (the "**Existing Offer Shares**" and together with the New Offer Shares, the "**Firm Offer Shares**"). The Firm Offer Shares and the Over-Allotment Shares (as defined below) are referred to herein as the "**Offer Shares**".

The Ordinary Shares mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**"). The Ordinary Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of securities in the United States or in any other jurisdiction.

Prior to the commencement of trading on Euronext Milan, there has been no public trading market for the Ordinary Shares. On January 31, 2023 with order no. 8914 Borsa Italiana approved the Ordinary Shares for listing on Euronext Milan. On January 31, 2023 application has also been made to admit all of the Ordinary Shares to trading on Euronext Milan under the symbol "EGLA". The first trading date in the Ordinary Shares on Euronext Milan will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules (the "**First Trading Date**"). No assurance can be given that the application to admit all of the Ordinary Shares to trading on Euronext Milan will be approved. In the event the Offer is suspended or withdrawn, the Listing will not occur

Investing in the Ordinary Shares involves risks. See "*Risk Factors*" for a description of the risk factors that should be carefully considered before investing in the Ordinary Shares.

This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations), as amended (the "**Prospectus Regulation**"). This Prospectus has been approved as a prospectus for the purposes of Article 3(3) of the Prospectus Regulation by, and filed with, Consob as competent authority under the Prospectus Regulation. Consob only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Ordinary Shares. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

The validity of this Prospectus will expire on the earlier of (i) the First Trading Date and (ii) 12 months from the Prospectus Date provided that it is completed by any supplement if required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply when this Prospectus is no longer valid (see "*Important Information—Supplements*").

Listing Agent
UniCredit

This Prospectus has been published on February 1, 2023, following the notice of approval issued by Consob on February 1, 2023, no. 0011312/23, and is available at the Issuer's registered office, Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy, as well as on the Issuer's website (www.euro-group.it).

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SUMMARY

Introduction and warnings

Introduction

This summary should be read as an introduction to the prospectus (the "**Prospectus**") prepared in connection with the admission by EuroGroup Laminations S.p.A. (the "**Company**") to listing and trading of the ordinary shares in the capital of the Company, each without nominal value (the "**Ordinary Shares**") on Euronext Milan ("**Euronext Milan**"), a regulated market organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**" and such admission, the "**Admission**"). There will be no public offering in any jurisdiction. The offering (the "**Offer**") is comprised of (i) an offering by the Company of a number of newly issued Ordinary Shares (the "**New Offer Shares**") and (ii) an offering by Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund (together, the "**Selling Shareholders**") of a portion of their existing Ordinary Shares (the "**Existing Offer Shares**" and together with the New Offer Shares, the "**Firm Offer Shares**"). There will be no public offering of the Ordinary Shares of the Company in any jurisdiction. Because the Offer consists of private placements in Italy and elsewhere in the European Economic Area to institutional investors that are "qualified investors" as defined in Article (2)(e) of the Prospectus Regulation and institutional investors elsewhere, pursuant to Italian law, the Offer is exempt from the requirement to publish an approved prospectus that follows from Article 3(1) of the Prospectus Regulation. Therefore, this Prospectus has been approved by Consob only in relation to the Admission.

The Company's registered office is at Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy. The Company is registered with the Companies Register of Milano – Monza – Brianza – Lodi under number 05235740965 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1805877. The Company's telephone number is +39 02 350001. The Company's Legal Entity Identifier ("**LEI**") is 8156004FC8565D73AE78. The Ordinary Shares' International Security Identification Number ("**ISIN**") is IT0005527616.

The Prospectus was approved as a prospectus for the purposes of Article 3(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (including any relevant delegated regulations), as amended (the "**Prospectus Regulation**") by, and filed with, the *Commissione Nazionale per le Società e la Borsa* ("**Consob**"), the Italian Security Commission, as a competent authority under the Prospectus Regulation, on February 1, 2023.

Consob's registered office is at Via Giovanni Battista Martini, 3, Rome, Italy, its telephone number is +39 06 84771 and its website is www.consob.it.

Notices to investors

Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national law of the member states of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference therein before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

Key information on the Company

Who is the issuer of the Ordinary Shares?

Domicile, legal form, LEI, legislation and country of incorporation. The Company is a joint-stock company (*società per azioni*) governed by and operating under the laws of Italy, with registered office at Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy. The Company is registered with the Companies Register of Milano – Monza – Brianza – Lodi under number 05235740965 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1805877. The Company's telephone number is +39 02 350001. The Company's Legal Entity Identifier ("**LEI**") is 8156004FC8565D73AE78. The Company operates under the laws of Italy, is tax resident in Italy and its place of effective management is in Italy.

Principal activities. The Group is a world leader in the design, production and distribution of the motor core (stators and rotors) for electric motors and generators. The Group's business is organized along two segments: (i) EV & Automotive, which designs and produces the motor core of electric motors used in electric vehicles traction, as well a wide range of non-traction automotive applications; and (ii) Industrial, which designs and produces products used in various applications including, among others, industrial applications, home automation, HVAC equipment, wind energy, logistics and pumps. The Group is also vertically integrated in the design and production of blanking dies and die-casting moulds that are used in the production of its own products which are also sold to third parties.

Major shareholders. As at the date of the Prospectus (the "**Prospectus Date**") the major shareholders of the Issuer are: Euro Management Services S.p.A., which holds 70% of the issued share capital, Delorean Partecipazioni S.p.A., which holds 26.374% of the issued share capital, Tikehau Investment Management S.A.S., in the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company, which holds 1.989% of the issued share capital and T2 Eltif Energy Transition Fund, which holds 1.638% of the issued share capital. Therefore, as at the Prospectus Date, Euro Management Services S.p.A. exercises the control over the Issuer pursuant to Article 93 of the Italian Consolidated Financial Act (the "**Consolidated Financial Act**"). As of the Prospectus Date, the Company is subject to management and coordination by Euro Management Services S.p.A. pursuant to Article 2497 *et seq*. of the Italian Civil Code. However, effective from the First Trading Date, the Company will cease to be subject to management and coordination by Euro Management Services S.p.A..

Executive director. Marco Stefano Arduini is the chief executive officer.

Independent auditors. Deloitte & Touche S.p.A. is the independent auditor of the Company.

What is the key financial information regarding the Issuer?

Selected financial information. The following tables set forth the Group's selected consolidated statement of profit or loss, selected consolidated statement of financial position and selected consolidated statement of cash flows and other financial data as of the dates and for the periods indicated. The (i) selected consolidated financial information as of and for the years ended December 31, 2021, 2020 and 2019 has been derived from the consolidated financial statements as of and for the years ended December 31, 2021, 2020 and 2019 of EuroGroup Laminations S.p.A., beginning on page F-36 of the Prospectus (the "**Consolidated Financial Statements"**) and (ii) selected consolidated financial information as of and for the nine months ended September 30, 2022 and 2021 has been derived from the unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2022 beginning on page F-2 of the Prospectus (the "**Interim Condensed Consolidated Financial Statements"**).

Consolidated Statement of profit or loss

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Revenues	651,120	391,958
Operating Profit	52,982	29,525
Profit for the period	32,289	17,222
Profit for the period attributable to owners of the Company	29,771	15,791
Period on period revenues growth	66.12%	n.a.
Profit for the period margin	5.0%	4.4%
Earnings per share basic and diluted	4.87	2.58

	For the year ended December 31,		
	2021	2020	2019
		(in thousands of Euro)	
Revenues	556,904	373,290	352,074
Operating Profit	35,419	1,421	8,610
Profit for the year	20,691	2,322	4,020
Profit for the year attributable to owners of the Company	18,752	2,200	3,660
Year on year revenues growth	49.19%	6.03%	n.a.
Profit for the year margin	3.7%	0.6%	1.1%
Earnings per share basic and diluted	3.07	0.41	0.81

Consolidated Statement of financial position

	As of September 30,	As of December 31,		
	2022	2021	2020	2019
		(*in thousands of Euro*)		
Total assets	923,808	736,288	525,149	407,086
Total equity	184,546	147,327	103,956	67,982
Net Financial Indebtedness	(306,131)	(151,714)	(149,910)	(163,769)

Consolidated Statement of cash flows

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Cash and Cash Equivalents at the beginning of the period	**137,662**	**107,655**
Net cash flow (used in) operating activities (A)	(73,188)	(20,031)
Net cash flow (used in) investment activities (B)	(63,054)	(8,745)
Net cash from/(used in) financing activities (C)	60,662	(18,776)
Net increase/(decrease) in Cash and Cash Equivalents (A ± B ± C)	**(75,580)**	**(47,552)**
Effect of changes in exchange rates	2,499	4,303
Cash and Cash Equivalents at the end of the period	**64,581**	**64,406**

	For the year ended December 31,		
	2021	2020	2019
		(in thousands of Euro)	
Cash and Cash Equivalents at the beginning of the year	**107,655**	**44,839**	**24,478**
Net cash flow from operating activities (A)	48,409	56,211	26,879
Net cash flow (used in) investment activities (B)	(15,339)	(22,420)	(27,294)
Net cash (used in)/from financing activities (C)	(4,939)	33,984	18,648
Net increase in Cash and Cash Equivalents (A ± B ± C)	**28,131**	**67,775**	**18,233**
Effect of changes in exchange rates	1,876	(4,959)	2,128
Cash and Cash Equivalents at the end of the year	**137,662**	**107,655**	**44,839**

Non-IFRS financial information. This summary and the Prospectus contain financial measures that are not recognized by IFRS. These measures are termed “Non-IFRS Measures” because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

These Non-IFRS financial information include: EBIT, EBIT Margin, EBITDA, EBITDA Margin, Return on Capital Employed (ROCE), Net Fixed Assets, Net Trade Working Capital, Net Working Capital, Net Invested Capital, Net Financial Indebtedness, Capital Expenditure (CAPEX), Cash Generation, Cash Conversion Rate and Gearing Ratio.

Management uses such measures to assess the financial performance and liquidity of the businesses. Management believes that these and similar measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity and are intended to assist in the analysis of the operating results and profitability. The Non-IFRS Measures used by the Group may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools. Therefore, such measures should not be considered in isolation or as a substitute for the operating results as reported under IFRS.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2022	2021	2021	2020	2019
	(in thousands of Euro unless otherwise indicated)				
EBIT	58,121	29,585	36,500	59	8,627
EBIT Margin	8.9%	7.5%	6.6%	0.0%	2.5%
EBITDA	77,022	46,344	59,769	18,372	26,193
EBITDA Margin	11.8%	11.8%	10.7%	4.9%	7.4%
Return on Equity (ROE)	n/a	n/a	14.0%	2.2%	5.9%
Return on Capital Employed (ROCE)	n/a	n/a	11.8%	0.6%	3.7%
Net Fixed Assets	275,404	n/a	230,972	196,350	137,772
Net Trade Working Capital	201,115	n/a	76,757	63,260	93,462
Net Working Capital	215,273	n/a	68,069	57,516	93,979
Net Invested Capital	490,677	n/a	299,041	253,866	231,751
Net Financial Indebtedness	(306,131)	n/a	(151,714)	(149,910)	(163,769)
Capital Expenditure	63,242	n/a	37,412	25,319	23,256
Inventory Turnover	2.3	n/a	2.5	2.8	2.8
Days of Inventory (DOI)	159	n/a	144	130	133
Trade Receivables Turnover	5.0	n/a	5.7	6.2	5.3
Days Sales Outstanding (DSO)	74	n/a	64	58	69
Trade Payables Turnover	1.5	n/a	1.5	2.1	2.6
Days Payables Outstanding (DPO)	243	n/a	245	175	143
Cash Generation	n/a	n/a	22,357	(6,947)	2,937
Cash Conversion Rate	n/a	n/a	37.4%	(37.8%)	11.2%
Gearing Ratio	1.7	n/a	1.0	1.4	2.4

The Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), as adopted by the European Union. The Consolidated

Financial Statements have been approved by the Board of Directors on November 18, 2022, and have been audited by the Independent Auditor, as stated in their report appearing herein.

The Interim Condensed Consolidated Financial Statements of the Group have been prepared in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. The Interim Condensed Consolidated Financial Statements have been approved by the Board of Directors on November 18, 2022, and have been reviewed by the Independent Auditor, as stated in their review report appearing herein.

The independent Auditor, Deloitte & Touche S.p.A. (“Deloitte”), is an independent audit firm whose registered office is Via Tortona 25, 20144 Milan, Italy and it is registered under No.132587 in the Register of Accountancy Auditors (Registro dei revisori Legali) held by the Italian Ministry of Economics and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010.

Other key financial information. No pro forma financial information has been included in the Prospectus.

What are the key risks that are specific to the Issuer?

- The Group’s financial performance is subject to a variety of internal and external factors which may negatively affect the Group’s results, as occurred in the year ended December 31, 2020 when the Group’s revenues for the Industrial segment and EBITDA for both segments decreased mainly as a result of the negative effects of the Covid-19 pandemic;
- This Prospectus includes Forecast Data based on the Group’s business plan for 2022-2026 and Estimates of the Group’s results for the financial year 2022 and the Group’s actual results may differ from the results that are estimated in its Forecast Data and the Estimates;
- The Group’s business is capital intensive and requires significant investments in the short term while revenues are generated over a longer period; any cancellation, delay or reduction in orders from the Group’s customers may cause the Group to generate less revenues than expected with negative effects on its ability to fulfill its obligations towards third parties, implement its business plan or fund investments in new projects;
- As of September 30, 2022 the Group registered a significant increase in its Net Financial Indebtedness; the Group is exposed to interest rate fluctuations and may not be able to repay or refinance its existing financial indebtedness or comply with the financial covenants included in its outstanding loan and investment agreements;
- The Group’s cash and cash equivalents results may be subject to fluctuation, including also as a result of cash flow used in operating activities; and the investments made to support the growth of the business;
- The Group’s Order Book and Pipeline might not accurately predict the Group’s future revenue, and the Group might not realize all or any part of the anticipated revenue reflected in its Order Book or receive any of the expected orders in the Pipeline;
- The Group may be unable to successfully implement its growth and development strategies, which are largely driven by its Order Book for the EV & Automotive segment and the electrification trends in the industrial sector;
- The Group may encounter difficulties in securing raw materials (particulary electrical steel), including due to the concentration among its suppliers, and may be subject to fluctuations in raw materials prices; the adoption of export and import restrictions on raw materials (particularly electrical steel) and the application of duties may lead to difficulties in the procurement of raw materials or to an increase in production costs;
- The Group is exposed to changes in gas and oil prices and electricity rates, as well as supply disruptions which may impact the Group both directly, with higher production costs, and indirectly, insofar as higher costs borne by car manufacturers and their end customers have decreased demand for new cars;
- The Group’s business is impacted by macro-economic conditions and the cyclicality of the sectors in which it operates especially that of the automotive sector; a general economic downturn may adversely affect the ability of the Group’s customers, suppliers or other contractual counterparties to fulfill their contractual obligations;
- The Group’s business may be affected by the ongoing military conflict between Russia and Ukraine and by the imposition of sanctions and similar measures targeting Russia and other countries; and
- The Group’s revenue, and in particular its revenue deriving from the EV & Automotive segment is dependent on a small number of customers and may be unable to preserve existing relationships with them or to establish new ones.

Key information on the Ordinary Shares

What are the main features of the Ordinary Shares?

Type, class and ISIN. The Ordinary Shares are ordinary shares in the share capital of the Company, each without nominal value. The Ordinary Shares are denominated in and will trade in euros on Euronext Milan. The Ordinary Shares’ ISIN is IT0005527616.

Rights attached to the Ordinary Shares. The Ordinary Shares have the same characteristics and grant the same rights as each other. Each Ordinary Share confers a right to cast one vote at the Company's ordinary and extraordinary shareholders' meeting (except for those situations in which voting rights are suspended pursuant to applicable law). There are no restrictions on voting rights attaching to the Ordinary Shares. Holders of Ordinary Shares will be entitled to receive dividends or other distributions declared, made or paid on them, if any. Holders of Ordinary Shares will have a right of pre-emption in case of issuances of Ordinary Shares in proportion to their respective shareholdings. Such a pre-emptive right may, however, be excluded or limited under certain circumstances provided for by Italian law. No guarantee is attached to the Ordinary Shares.

Dissolution and liquidation. If the Company is dissolved or liquidated, the Ordinary Shares entitle their holders to participate in the distribution of capital resulting from the liquidation of the Company only after all of the Company's creditors have been satisfied. Recovery and resolution proceedings under Directive 2014/59/EU of the European Parliament and of the Council are not applicable to the Issuer.

Restrictions on free transferability of the Ordinary Shares. As of the Prospectus Date there is no limitation on the free transferability of the Ordinary Shares pursuant to law or the bylaws.

Dividend policy. As of the Prospectus Date, the Company has not adopted any policy regarding the distribution of future dividends. The shareholders will resolve upon the distribution of dividends from time to time.

Where will the Ordinary Shares be traded?

Application. Prior to consummation of the Offer and commencement of trading on Euronext Milan, there has been no public trading market for the Ordinary Shares. The Ordinary Shares have been approved for listing on Euronext Milan. On January 31, 2023 application has been made to admit all of the Ordinary Shares to trading on Euronext Milan under the symbol "EGLA". The first trading date in the Ordinary Shares on Euronext Milan will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules (the "**First Trading Date**"). No assurance can be given that the application to admit the Ordinary Shares to trading on Euronext Milan will be approved.

What are the key risks that are specific to the Ordinary Shares?

The key risks relating and the Ordinary Shares include:

- The price of the Ordinary Shares may be higher than the open market price due to stabilization activities;
- Following the Offer, Euro Management Services S.p.A. will retain special class shares that provide it with enough votes to control the Company; and
- The price of the Ordinary Shares (including the Offer Shares) may fluctuate significantly due to market volatility, and investors could incur a total or partial loss of their invested capital.

Key information on the Offer and the Admission

Under which conditions and timetable can I invest in the Ordinary Shares?

Admission. By order no. 8914 of January 31, 2023, Borsa Italiana admitted the Ordinary Shares to listing on Euronext Milan. On January 31, 2023 application has also been made to admit the Ordinary Shares to trading on Euronext Milan. The first trading date in the Ordinary Shares on Euronext Milan will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules. The Ordinary Shares will trade in euro on Euronext Milan.

Offer. There will be no public offering of the Ordinary Shares of the Company in any jurisdiction. The free float needed for the purposes of the Admission will be created through private placements of Ordinary Shares to certain institutional investors in the European Economic Area and other jurisdictions. The Company is offering for subscription newly issued Ordinary Shares for a total of €250,000 thousand, corresponding to up to 50,000,000 New Offer Shares (based on the minimum price of the Offer Price Range) and up to 41,666,666 New Offer Shares (based on the maximum price of the Offer Price Range), while the Selling Shareholders are offering for sale a minimum of 25,555,612 Existing Offer Shares (based on the minimum price of the Offer Price Range) and a maximum of 26,214,420 Existing Offer Shares (based on the maximum price of the Offer Price Range), excluding any Over-Allotment Shares.

Over-Allotment Option. Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund will grant JP Morgan SE in its capacity as Stabilization Manager, on behalf of the Underwriters the Over-Allotment Option, exercisable in whole or in part during a period of 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager (on behalf of the Underwriters) may require the Selling Shareholders to sell up to 7,555,561 additional Ordinary Shares (based on the minimum price of the Offer Price Range) and up to 6,788,109 additional Ordinary Shares (based on the maximum price of the Offer Price Range) (the "**Over-Allotment Shares**" and together with the Firm Shares, the "**Offer Shares**"), at the offer price per Offer Share (the "**Offer Price**"), comprising up to 10% of the aggregate number of Firm Offer Shares sold in the Offer, solely for the purposes of covering over-allotments or short positions, and stabilization activity if any, in connection with the Offer. Based on the minimum price of the Offer Price Range, assuming no exercise of the Over-Allotment Option, the Offer Shares will constitute approximately 43.9% of the issued Shares, whereas the Offer Shares will constitute approximately 48.3% of the issued Shares if the Over-Allotment Option is fully exercised. Based on the maximum price of the Offer Price Range, assuming no exercise of the Over-Allotment Option, the Offer Shares will constitute approximately 41.4% of the issued Shares, whereas the Offer Shares will constitute approximately 45.6% of the issued Shares if the Over-Allotment is fully exercised.

Offer Price, Offer Price Range and number of Offer Shares. The Offer Price is expected to be in the range of €5.00 to €6.00 (inclusive) per Offer Share (the "**Offer Price Range**"). The Offer Price may be set within, above or below the Offer Price Range. The Offer Price and the exact number of Offer Shares (including the maximum number of Over-Allotment Shares) will be determined by the Company and the Selling Shareholders based on consultation with the Underwriters on the basis of a book building process and will be stated in the pricing statement that will be published through a press release on the Company's website (www.euro-group.it) and transmitted to Consob.

Jurisdictions. The Offer consists solely of private placements to certain institutional investors in Italy and other jurisdictions. The Offer Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States, including in Italy, to institutional investors in offshore transactions in reliance upon Regulation S under the U.S. Securities Act. The Offer is made only in those jurisdictions in which, and only to those persons to whom, the Offer may be lawfully made. There will be no public offering in any jurisdiction.

Timetable. The first trading date in the Ordinary Shares on Euronext Milan will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules.

Joint Global Coordinators and Joint Bookrunners. JP Morgan SE, BNP PARIBAS, Intesa Sanpaolo S.p.A. and UniCredit Bank AG, Milan Branch are the joint global coordinators for the Offer (the "**Joint Global Coordinators**" or the "**Underwriters**").

Listing Agent. UniCredit Bank AG, Milan Branch is the listing agent with respect to the admission to listing and trading of the Ordinary Shares on Euronext Milan.

Specialist. Kepler Cheuvreux is acting as specialist with respect to the Ordinary Shares.

Stabilization Manager. JP Morgan SE is the stabilization manager for the Offer (the "**Stabilization Manager**").

Dilution. Based on the maximum number of New Offer Shares that will be offered by the Company, the issue of the New Offer Shares will result in a maximum dilution of voting interests of the outstanding shares of the Company of 15.7%.

Estimated expenses. The costs and expenses related to the Offer and Admission (excluding the underwriting commissions due to the Underwriters) are estimated at approximately €5,100 thousand and include, among other items, the fees due to Consob and Borsa Italiana S.p.A., legal and administrative expenses, as well as publication costs, if any. Such costs and expenses will be borne by the Company. The underwriting commissions due to the Underwriters, up to 3.5% of the gross proceeds of the Offer (including from the sale of any Over-Allotment Shares), will be borne by the Company and the Selling Shareholders *pro rata* to the Offer Shares sold by them in the Offer.

Who is the offeror and/or the person asking for Admission?

The Company is asking for Admission. The Company is a joint-stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy. The Company is registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 05235740965 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1805877. The Company's telephone number is +39 02 350001. The Company's Legal Entity Identifier ("**LEI**") is 8156004FC8565D73AE78.

Why is the Prospectus being produced?

Reasons for the Offer and Admission. The Offer is functional to the distribution of the Ordinary Shares and their listing on Euronext Milan. The Offer also responds to the Issuer's desire to continue its growth path by expanding its production capacity and strengthening its capital structure. Following the Offer the Group will acquire, like its main competitors, the status of a listed company so as to be able to achieve greater visibility in its reference market and increase its ability to access the capital market to support its growth and development objectives as well as benefit from the possibility of making potential acquisitions by payment of the consideration in listed shares.

Net proceeds. The net proceeds from the Offer accruing to the Company, amounting to €241,250 thousand, net of the costs and expenses and maximum commissions (including certain discretionary components, if any) to be paid to the Underwriters will be used by the Company to implement its strategy, in particular, to expand its production capacity (including the set-up of new production sites), develop new technologies, strengthen its capital structure, as well as further expand its geographic footprint. In addition, if the opportunity arises, the Company may also pursue external growth opportunities.

Underwriting agreement. If the Offer is successfully completed, it is expected that the Company, the Selling Shareholders and the Underwriters will enter into an underwriting agreement in connection with the Offer (the "**Underwriting Agreement**"), subject to the satisfaction of certain terms and conditions set forth therein.

Material conflicts of interest pertaining to the Offer and the Admission. The Joint Global Coordinators have an interest in the Offer as it is expected that, if the Offer is successfully completed, they will enter into the Underwriting Agreement, pursuant to which they will agree, subject to the satisfaction of certain terms and conditions set forth therein, to procure subscribers and/or purchasers for, or, failing which, to subscribe and/or purchase, each to the extent of their own percentage, the Offer Shares offered by the Company and the Selling Shareholders in the Offer, and for the performance of these roles, the Joint Global Coordinators will receive commissions. UniCredit Bank AG, Milan Branch is also acting as listing agent in connection with the Admission and will receive a fee for carrying out such activity. Moreover, Kepler Cheuvreux, a company having a strategic alliance with UniCredit Bank AG, Milan Branch, will act as specialist. In addition, in the ordinary course of their business, the Joint Global Coordinators and their affiliates provide and may continue to provide, a variety of services to the Company, the Selling Shareholder and their respective groups. The Joint Global Coordinators may also make or hold a broad array of investments which may involve securities and instruments, including corporate debt facilities, of the Company and the Selling Shareholders and their respective affiliates. In particular, as of the Prospectus Date, UniCredit S.p.A., parent company of UniCredit Bank AG, Milan Branch, has an interest in the Offer as it holds a shareholding equal to 7.5% in the corporate capital of the Selling Shareholder Delorean Partecipazioni. Finally, in connection with the Offer, each of the Joint Global Coordinators and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offer and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer.

NOTA DI SINTESI

(ITALIAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS)

Introduzione e avvertenze

Introduzione

La presente nota di sintesi deve essere letta come un'introduzione al prospetto informativo (il "**Prospetto**") redatto in relazione all'ammissione a quotazione e alla negoziazione da parte di EuroGroup Laminations S.p.A. (la "**Società**" o l'"**Emittente**") delle azioni ordinarie del capitale della Società, ciascuna priva di valore nominale (le "**Azioni Ordinarie**") su Euronext Milan ("**Euronext Milan**"), mercato regolamentato organizzato e gestito da Borsa Italiana S.p.A. ("**Borsa Italiana**" e tale ammissione, la "**Ammissione**"). Non è prevista alcuna offerta pubblica in nessuna giurisdizione. L'offerta (l'"**Offerta**") consiste in (i) un'offerta da parte della Società di un numero di Azioni Ordinarie di nuova emissione (le "**Azioni di Nuova Emissione**") e (ii) un'offerta da parte di Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund e T2 Energy Transition Fund (congiuntamente, gli "**Azionisti Venditori**") di una parte delle loro Azioni Ordinarie esistenti (le "**Azioni Ordinarie Esistenti**" e, insieme alle Azioni di Nuova Emissione, le "**Azioni**"). Non è prevista alcuna offerta pubblica delle Azioni Ordinarie della Società in nessuna giurisdizione. Poiché l'Offerta consiste in collocamenti privati in Italia e altrove nello Spazio Economico Europeo a investitori istituzionali che sono "investitori qualificati" ai sensidell'articolo 2, lett. e) del Regolamento (UE) 1129/2017 e, altrove, a investitori istituzionali, l'Offerta è esente dall'obbligo di pubblicazione di un prospetto ai sensi dell'articolo 3(1) del Regolamento (UE) 1129/2017. Pertanto, il presente Prospetto è stato approvato dalla Commissione Nazionale per le Società e la Borsa ("**Consob**") e depositato presso la stessa unicamente in relazione all'Ammissione.

La sede legale della Società si trova presso Via Stella Rosa, n. 48, 20021 – Baranzate (MI), Italia. La Società è iscritta al Registro delle Imprese presso la Camera di Commercio di Milano – Monza – Brianza – Lodi con codice fiscale e numero di iscrizione 05235740965, R.E.A. di Milano n. 1805877. Il numero di telefono della Società è +39 02 350001. Il codice LEI della Società è 8156004FC8565D73AE78. L'*International Security Identification Number* ("**ISIN**") delle Azioni Ordinarie è IT0005527616.

Il Prospetto è stato approvato come prospetto ai fini dell'articolo 3(3) del Regolamento (UE) 2017/1129 del Parlamento Europeo e del Consiglio del 14 giugno 2017 (inclusi i relativi regolamenti delegati), come modificato (il "**Regolamento Prospetto**") da, e depositato presso, la Consob, l'autorità di vigilanza italiana sui mercati, in qualità di autorità competente ai sensi del Regolamento Prospetto, in data 1 febbraio 2023.

La sede legale della Consob si trova presso Via Giovanni Battista Martini, 3, Roma, Italia, telefono +39 06 84771, sito internet www.consob.it.

Avviso agli investitori

Qualsiasi decisione di investire nelle Azioni Ordinarie deve basarsi sull'esame del Prospetto completo da parte dell'investitore e non solo sulla nota di sintesi. Un investitore potrebbe perdere tutto o parte del capitale investito. Qualora sia proposto un ricorso dinanzi all'organo giurisdizionale in merito alle informazioni contenute nel Prospetto, l'investitore ricorrente potrebbe essere tenuto, a norma del diritto nazionale degli Stati membri dello Spazio Economico Europeo, a sostenere le spese di traduzione del Prospetto e di qualsiasi documento incorporato per riferimento in esso prima dell'inizio del procedimento. La responsabilità civile incombe solo alle persone che hanno presentato la nota di sintesi, comprese le relative traduzioni, ma soltanto se tale nota risulta fuorviante, imprecisa o incoerente se letta insieme con le altre parti del Prospetto o non offre, se letta insieme con le altre parti del Prospetto, le informazioni fondamentali per aiutare gli investitori al momento di valutare l'opportunità di investire in Azioni Ordinarie.

Informazioni fondamentali concernenti l'Emittente

Chi è l'Emittente delle Azioni Ordinarie?

Domicilio e forma giuridica, codice LEI, ordinamento in base alla quale opera e Paese in cui ha sede. L'Emittente è costituito in forma di società per azioni e opera in base alla legislazione italiana, e ha sede legale in Via Stella Rosa, n. 48, 20021 - Baranzate (MI), Italia. La Società è iscritta al Registro delle Imprese presso la Camera di Commercio di Milano – Monza – Brianza – Lodi con codice fiscale e numero di iscrizione 05235740965, R.E.A. di Milano n. 1805877. Il numero di telefono dell'Emittente è +39 02 350001. Il codice LEI dell'Emittente è 8156004FC8565D73AE78. La Società opera in base alla legislazione italiana, è residente fiscalmente in Italia e ha la propria sede operativa in Italia.

Attività principali. La Società, unitamente alle sue controllate ("il **Gruppo**"), è leader mondiale nella progettazione, produzione e distribuzione del nucleo del motore, c.d. *motor core,* (statori e rotori) per motori e generatori elettrici. L'attività del Gruppo è organizzata in due segmenti: (i) *EV & Automotive*, che progetta e produce il *motor core* dei motori elettrici utilizzati per la trazione dei veicoli elettrici, nonché un'ampia gamma di applicazioni automobilistiche non di trazione; e (ii) *Industrial*, che progetta e realizza prodotti utilizzati in varie applicazioni, tra cui applicazioni industriali, domotica, apparecchiature HVAC (*Heating, Ventilation and Air Conditioning*), energia eolica, logistica e pompe. Il Gruppo è inoltre verticalmente integrato nella progettazione e produzione di stampi per tranciatura e pressofusione utilizzati per la produzione di prodotti propri, che sono anche venduti a terzi.

Maggiori Azionisti. Alla data del Prospetto (la "**Data del Prospetto**"), i maggiori azionisti dell'Emittente sono: Euro Management Services S.p.A., che detiene il 70% del capitale sociale, Delorean Partecipazioni S.p.A., che detiene il 26,374% del capitale sociale, Tikehau Investment Management S.A.S., in nome e per conto del fondo T2 Energy Transition Fund, in qualità di società di gestione dello stesso, che detiene l'1,989% del capitale sociale e T2 Eltif Energy Transition Fund, che detiene l'1,638% del capitale sociale. Pertanto, alla Data del Prospetto il controllo di diritto sull'Emittente ai sensi dell'art. 93 del Testo Unico della Finanza ("**TUF**") è esercitato da E.M.S. Euro Management Services S.p.A. Alla Data del Prospetto, la Società è soggetta alla direzione e al coordinamento da parte di Euro Management Services S.p.A. ai sensi dell'articolo 2497 *et seq*. del codice civile. Tuttavia, a partire dalla Data di Inizio delle Negoziazioni, la Società cesserà di essere soggetta all'attività di direzione e coordinamento di Euro Management Services S.p.A..

Amministratore Delegato. Marco Stefano Arduini è l'amministratore delegato della Società.

Revisori legali. Deloitte & Touche S.p.A. è il revisore legale della Società.

Quali sono le informazioni finanziarie fondamentali relative all'Emittente?

Informazioni finanziarie selezionate. Le seguenti tabelle riportano il conto economico consolidato selezionato, lo stato patrimoniale consolidato selezionato e il rendiconto finanziario consolidato selezionato e altri dati finanziari del Gruppo alle date e per i periodi indicati. Le (i) informazioni finanziarie consolidate selezionate per gli esercizi chiusi al 31 dicembre 2021, 2020 e 2019 sono state ricavate dal bilancio consolidato per gli esercizi chiusi al 31 dicembre 2021, 2020 e 2019 di EuroGroup Laminations S.p.A., a partire da pagina F-36 del Prospetto (il "**Bilancio Consolidato**") e (ii) le informazioni finanziarie consolidate selezionate per i nove mesi chiusi al 30 settembre 2022 e 2021 sono state ricavate dal bilancio consolidato intermedio abbreviato assoggettato a revisione contabile limitata per i nove mesi chiusi al 30 settembre 2022 a partire da pagina F-2 del Prospetto (i "**Bilancio Consolidato Intermedio Abbreviato**").

Conto Economico

	Per i nove mesi chiusi al 30 settembre	
	2022	**2021**
	(in migliaia di euro)	
Ricavi	651.120	391.958
Risultato operativo	52.982	29.525
Utile del periodo	32.289	17.222
Utile del periodo attribuibile ai soci della Società	29.771	15.791
Variazione dei ricavi su base annua	66,12%	n.a.
Margine del risultato operativo	5,0%	4,4%
Utile per azione base e diluito	4,87	2,58

	Per l'Esercizio chiuso al 31 dicembre		
	2021	**2020**	**2019**
		(in migliaia di euro)	
Ricavi	556.904	373.290	352.074
Risultato operativo	35.419	1.421	8.610
Utile del periodo	20.691	2.322	4.020
Utile del periodo attribuibile ai soci della Società	18.752	2.200	3.660
Variazione dei ricavi del periodo rispetto al precedente	49,19%	6,03%	n.a.
Margine del risultato operativo	3,7%	0,6%	1,1%
Utile per azione base e diluito	3,07	0,41	0,81

Stato Patrimoniale

		Al 31 dicembre		
	Al 30 settembre 2022	**2021**	**2020**	**2019**
			(*in migliaia di euro*)	
Totale attività	923.808	736.288	525.149	407.086
Total patrimonio netto	184.546	147.327	103.956	67.982
Indebitamento finanziario netto	(306.131)	(151.714)	(149.910)	(163.769)

Rendiconto finanziario

	Per i nove mesi chiusi al 30 settembre	
	2022	2021
	(in migliaia di Euro)	
Disponibilità liquide e mezzi equivalenti al termine del periodo	**137.662**	**107.655**
Disponibilità liquide nette (utilizzate) in relazione alle attività operative (A)	(73.188)	(20.031)
Disponibilità liquide nette (utilizzate) in relazione alle attività di investimento (B)	(63.054)	(8.745)
Disponibilità liquide nette (utilizzate) in relazione alle attività finanziarie (C)	60.662	(18.776)
Incremento (decremento) netto delle disponibilità liquide e mezzi equivalenti (A ± B ± C)	**(75.580)**	**(47.552)**
Effetto della fluttuazione cambi sulle disponibilità liquide	2.499	4.303
Totale variazione delle disponibilità liquide al termine del periodo.......................................	**64.581**	**64.406**

	Per l'Esercizio chiuso al 31 dicembre		
	2021	2020	2019
		(in migliaia di euro)	
Disponibilità liquide e mezzi equivalenti al termine del periodo	**107.655**	**44.839**	**24.478**
Disponibilità liquide nette generate (utilizzate) in relazione alle attività operative (A)	48.409	56.211	26.879
Disponibilità liquide nette generate (utilizzate) in relazione alle attività di investimento (B)	(15.339)	(22.420)	(27.294)
Disponibilità liquide nette generate (utilizzate) in relazione alle attività finanziarie (C)	(4.939)	33.984	18.648
Incremento (decremento) netto delle disponibilità liquide e mezzi equivalenti (A ± B ± C)	**28.131**	**67.775**	**18.233**
Effetto della fluttuazione cambi sulle disponibilità liquide	1.876	(4.959)	2.128
Totale variazione delle disponibilità liquide al termine del periodo................	**137.662**	**107.655**	**44.839**

Indicatori Alternativi di Performance. La presente Nota di Sintesi e il Prospetto contengono misure finanziarie non riconosciute dai principi contabili internazionali IFRS ("**IFRS**"). Queste misure sono definite "IAP" o "Non-IFRS measures" perché escludono importi che sono inclusi o includono importi che sono esclusi dalle misure più direttamente comparabili calcolate e presentate in conformità agli IFRS, oppure sono calcolate utilizzando misure finanziarie non calcolate in conformità agli IFRS.

Queste IAP includono: EBIT, EBIT Margin, EBITDA, EBITDA Margin, Rendimento del capitale investito (ROCE), Capitale Immobilizzato Netto, Capitale Circolante Netto Commerciale, Capitale Circolante Netto, Capitale Investito Netto, Indebitamento Finanziario Netto, *Capital expenditure* (CAPEX), *Cash Generation*, *Cash Conversion Rate e Gearing Ratio*.

Il *management* utilizza tali misure per valutare la performance finanziaria e la liquidità delle attività economiche. Il *management* ritiene che queste e altre misure simili siano ampiamente utilizzate da alcuni investitori, analisti di titoli e altre parti interessate come misure supplementari di performance e liquidità e siano intese come ausilio nell'analisi dei risultati operativi e della redditività. Le IAP utilizzate dal Gruppo potrebbero non essere omogenee con le IAP con titolo simile utilizzate da altre società e presentano limitazioni come strumenti analitici. Pertanto, tali misure non devono essere considerate isolatamente o in sostituzione degli indicatori previsti dagli IFRS.

	Per i nove mesi chiusi al 30 settembre		Per l'Esercizio chiuso al 31 dicembre		
	2022	2021	2021	2020	2019
	(in migliaia di euro se non diversamente indicato)				
EBIT	58.121	29.585	36.500	59	8.627
EBIT Margin	8,9%	7,5%	6,6%	0,0%	2,5%
EBITDA	77.022	46.344	59.769	18.372	26.193
EBITDA Margin	11,8%	11,8%	10,7%	4,9%	7,4%
Rendimento del capitale proprio (ROE)	n/a	n/a	14,0%	2,2%	5,9%
Rendimento del capitale investito (ROCE)	n/a	n/a	11,8%	0,6%	3,7%
Capitale Immobilizzato Netto	275.404	n/a	230.972	196.350	137.772
Capitale Circolante Netto Commerciale	201.115	n/a	76.757	63.260	93.462
Capitale Circolante Netto	215.273	n/a	68.069	57.516	93.979
Capitale Investito Netto	490.677	n/a	299.041	253.866	231.751
Indebitamento Finanziario Netto	(306.131)	n/a	(151.714)	(149.910)	(163.769)
Capital Expenditure	63.242	n/a	37.412	25.319	23.256
Indice di rotazione del magazzino	2,3	n/a	2,5	2,8	2,8
Giorni medi di rotazione del magazzino (DOI)	159	n/a	144	130	133
Indice di rotazione dei crediti commerciali	5,0	n/a	5,7	6,2	5,3
Giorni medi di incasso dei crediti commerciali (DSO)	74	n/a	64	58	69
Indice di rotazione dei debiti commerciali	1,5	n/a	1,5	2,1	2,6
Giorni medi di pagamento dei debiti commerciali (DPO)	243	n/a	245	175	143
Cash Generation	n/a	n/a	22.357	(6.947)	2.937
Cash Conversion Rate	n/a	n/a	37,4%	(37,8%)	11,2%
Gearing Ratio	1.7	n/a	1.0	1.4	2.4

Il Bilancio Consolidato del Gruppo è stato redatto in conformità agli *International Financial Reporting Standards* ("**IFRS**") emessi dall'*International Accounting Standards Board* (IASB), così come adottati dall'Unione Europea. Il Bilancio Consolidato è stato approvato dal consiglio di amministrazione in data 18 novembre 2022 ed è stato assoggettato a revisione contabile dalla Società di Revisione del Gruppo, come indicato nella relazione che viene allegata nelle F-pages in calce al Prospetto.

Il Bilancio Consolidato Intermedio Abbreviato del Gruppo è stato redatto in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale IAS 34 – Bilanci Intermedi ("IAS 34") adottato dall'Unione Europea. Il Bilancio Consolidato Intermedio Abbreviato è stato approvato dal consiglio di amministrazione in data 18 novembre 2022 ed è stato assoggettato a revisione contabile limitata dalla Società di Revisione, come indicato nella relazione che viene allegata nelle F-pages in calce al Prospetto.

Il revisore legale, Deloitte & Touche S.p.A. ("**Deloitte**"), è una società di revisione con sede legale in Via Tortona 25, 20144 Milano, Italia ed è iscritta al n. 132587 del Registro dei revisori legali tenuto dal Ministero dell'Economia e delle Finanze in ottemperanza al Decreto Legislativo n. 39 del 27 gennaio 2010.

Altre informazioni finanziarie fondamentali. Nel Prospetto non sono state incluse informazioni finanziarie pro forma.

Quali sono i principali rischi specifici dell'Emittente?

- La performance finanziaria del Gruppo è soggetta a una serie di fattori interni ed esterni che possono influire negativamente sui risultati del Gruppo, come è accaduto nell'esercizio chiuso al 31 dicembre 2020, quando i ricavi del Gruppo per il segmento *Industrial* e l'EBITDA per entrambi i segmenti sono diminuiti, principalmente a causa degli effetti negativi dovuti alla pandemia di Covid-19;
- Il presente Prospetto include Dati Previsionali basati sul piano industriale del Gruppo relativo al periodo 2022-2026 e Stime riguardanti i risultati del Gruppo per l'esercizio 2022 e i risultati effettivi del Gruppo possono differire da quelli stimati nei Dati Previsionali e nelle Stime;
- L'attività del Gruppo è ad alta intensità di capitale e richiede investimenti significativi nel breve termine, mentre i ricavi sono generati in un periodo più lungo, e qualsiasi annullamento, ritardo o riduzione degli ordini da parte dei clienti del Gruppo può far sì che il Gruppo generi meno ricavi di quanto previsto, con effetti negativi sulla sua capacità di adempiere ai propri obblighi nei confronti di terzi, di attuare il proprio piano industriale o di investire in nuovi progetti;
- Al 30 settembre 2022, il Gruppo ha registrato un significativo aumento dell'Indebitamento Finanziario Netto; il Gruppo è esposto alle fluttuazioni dei tassi di interesse e potrebbe non essere in grado di rimborsare o rifinanziare l'indebitamento esistente o di rispettare i covenant finanziari inclusi nei contratti di finanziamento e di investimento in essere;
- Le disponibilità liquide e i flussi di cassa del Gruppo possono essere soggetti a fluttuazioni, anche a causa del flusso di cassa utilizzato nelle attività operative e degli investimenti effettuati per sostenere la crescita del business;
- Il Portafoglio Ordini e la Pipeline del Gruppo potrebbero non prevedere con precisione i ricavi futuri del Gruppo, e il Gruppo potrebbe non realizzare tutti o parte dei ricavi previsti riportati nel Portafoglio Ordini o non ricevere alcuni degli ordini previsti nella Pipeline;

- Il Gruppo potrebbe non essere in grado di attuare con successo le proprie strategie di crescita e sviluppo, che sono in gran parte guidate dal Portafoglio Ordini per il segmento *EV & Automotive* e dalle tendenze dell'elettrificazione nel settore industriale;
- Il Gruppo potrebbe incontrare difficoltà nell’approvvigionamento di materie prime (in particolare di acciaio elettrico) anche a causa della concentrazione dei suoi fornitori, e potrebbe essere soggetto a fluttuazioni dei prezzi delle materie prime; l'adozione di restrizioni all'esportazione e all'importazione di materie prime (in particolare di acciaio elettrico) e l'applicazione di dazi potrebbero comportare difficoltà nell'approvvigionamento delle materie prime o un aumento dei costi di produzione;
- Il Gruppo è esposto alle variazioni dei prezzi del gas e del petrolio e dei prezzi dell’elettricità, nonché alle interruzioni delle forniture che possono avere un impatto sia diretto, con un aumento dei costi di produzione, sia indiretto, in quanto l'aumento dei costi sostenuti dalle case automobilistiche e dai loro clienti finali ha provocato una diminuzione nella domanda di nuove automobili;
- L’attività del Gruppo è influenzata dalle condizioni macroeconomiche e dalla ciclicità dei settori in cui opera, in particolare il settore automobilistico; una recessione economica può influire negativamente sulla capacità dei clienti, dei fornitori o di altre controparti contrattuali del Gruppo di adempiere ai propri obblighi contrattuali;
- L’attività del Gruppo può essere influenzata dal conflitto militare in corso tra Russia e Ucraina e dall’imposizione di sanzioni e misure simili nei confronti della Russia e di altri paesi; e
- I ricavi del Gruppo, e in particolare i propri ricavi derivanti dal segmento EV & Automotive dipendono da un numero limitato di clienti e il Gruppo potrebbe non essere in grado di mantenere le relazioni esistenti con loro o di stabilirne di nuove.

Informazioni fondamentali sulle Azioni Ordinarie

Quali sono le principali caratteristiche delle Azioni Ordinarie?

Tipologia, classe e codice ISIN. Le Azioni Ordinarie sono azioni ordinarie della Società, prive di indicazione del valore nominale. Le Azioni Ordinarie sono denominate in Euro e saranno negoziate in Euro su Euronext Milan. Il codice ISIN delle Azioni Ordinarie è IT0005527616.

Diritti connessi alle Azioni Ordinarie. Le Azioni Ordinarie hanno le stesse caratteristiche e conferiscono gli stessi diritti. Ogni Azione Ordinaria conferisce il diritto di esprimere un voto nelle assemblee ordinare e straordinarie della Società (ad eccezione dei casi in cui il diritto di voto è sospeso ai sensi della legge applicabile). Non vi sono restrizioni ai diritti di voto connessi alle Azioni Ordinarie. I titolari di Azioni Ordinarie avranno diritto a ricevere i dividendi o altre distribuzioni dichiarate, effettuate o pagate su di essi, se del caso. I titolari di Azioni Ordinarie avranno un diritto di prelazione in caso di emissione di Azioni Ordinarie in proporzione alle rispettive partecipazioni. Tale diritto di prelazione può tuttavia essere escluso o limitato in determinate circostanze previste dalla legge italiana. Alle Azioni Ordinarie non è associata alcuna garanzia.

Scioglimento e liquidazione. In caso di scioglimento o liquidazione della Società, le Azioni Ordinarie danno diritto ai loro possessori di partecipare alla distribuzione del capitale risultante dalla liquidazione della Società solo dopo che tutti i creditori della Società sono stati soddisfatti. Le procedure di risanamento e di risoluzione ai sensi della Direttiva 2014/59/UE del Parlamento europeo e del Consiglio non sono applicabili all’Emittente.

Limitazioni alla libera negoziabilità delle Azioni Ordinarie. Alla Data del Prospetto non vi sono limitazioni alla libera trasferibilità delle Azioni Ordinarie ai sensi della legge o dello statuto.

Politica in materia di dividendi. Alla Data del Prospetto, la Società non ha adottato alcuna politica in merito alla distribuzione di dividendi futuri. I soci delibereranno di volta in volta sulla distribuzione dei dividendi.

Dove saranno negoziate le Azioni Ordinarie?

Domanda di ammissione. Prima del perfezionamento dell’Offerta e dell’inizio delle negoziazioni su Euronext Milan, le Azioni Ordinarie non sono state negoziate in alcun mercato pubblico. Le Azioni Ordinarie sono state approvate per la quotazione su Euronext Milan. In data 31 gennaio 2023 è stata inoltre presentata domanda di ammissione alle negoziazioni di tutte le Azioni Ordinarie su Euronext Milan con il simbolo “EGLA”. La data di inizio delle negoziazioni delle Azioni Ordinarie su Euronext Milan sarà disposta mediante pubblicazione di un avviso da parte di Borsa Italiana ai sensi dell’articolo 2.4.3., comma 6 del Regolamento dei Mercati organizzati e gestiti da Borsa Italiana (la “**Data di Inizio delle Negoziazioni**”). Non vi è alcuna garanzia che la domanda di ammissione alle negoziazioni delle Azioni Ordinarie su Euronext Milan venga approvata.

Quali sono i principali rischi specifici delle Azioni Ordinarie?

I principali rischi relativi alle Azioni Ordinarie includono:

- Il prezzo delle Azioni Ordinarie potrebbe essere superiore al prezzo di mercato aperto a causa delle attività di stabilizzazione;
- A seguito dell’Offerta, Euro Management Services S.p.A. manterrà azioni di speciali di categoria che le consentiranno di disporre di voti sufficienti per controllare la Società; e

- Il prezzo delle Azioni Ordinarie (incluse le Azioni Offerte) potrebbe fluttuare significativamente a causa della volatilità del mercato e gli investitori potrebbero subire una perdita totale o parziale del capitale investito.

Informazioni fondamentali sull'Offerta e sull'Ammissione

A quali condizioni posso investire nelle Azioni Ordinarie e qual è il calendario previsto?

Ammissione. Con provvedimento n. 8914 del 31 gennaio 2023, Borsa Italiana ha ammesso le Azioni Ordinarie alla quotazione su Euronext Milan. In data 31 gennaio 2023 è stata inoltre presentata domanda di ammissione alle negoziazioni delle Azioni Ordinarie su Euronext Milan. La data di inizio delle negoziazioni delle Azioni Ordinarie su Euronext Milan sarà disposta mediante pubblicazione di un avviso da parte di Borsa Italiana ai sensi dell'articolo 2.4.3., comma 6 del Regolamento dei Mercati organizzati e gestiti da Borsa Italiana. Le Azioni Ordinarie saranno negoziate in Euro su Euronext Milan.

Offerta. Non è prevista alcuna offerta pubblica delle Azioni Ordinarie della Società in nessuna giurisdizione. Il flottante necessario ai fini dell'Ammissione sarà creato attraverso collocamenti privati di Azioni Ordinarie a determinati investitori istituzionali nello Spazio economico europeo e in altre giurisdizioni. La Società offre in sottoscrizione azioni ordinarie per un totale pari a Euro 250.000 migliaia, corrispondenti a un massimo di 50.000.000 Azioni di Nuova Emissione (sulla base del prezzo minimo dell'Intervallo di Prezzo di Offerta) e a un massimo di 41.666.666 Azioni di Nuova Emissione (sulla base del prezzo massimo dell'Intervallo di Prezzo di Offerta), mentre gli Azionisti Venditori offrono in vendita un minimo di 25.555.612 Azioni Ordinarie Esistenti (sulla base del prezzo massimo dell'Intervallo di Prezzo di Offerta) e un massimo di 26.214.420 Azioni Ordinarie Esistenti (sulla base del prezzo massimo dell'Intervallo di Prezzo di Offerta), escluse le Azioni in Over-Allotment.

Opzione di Over-Allotment. Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund concederanno a JP Morgan SE in qualità di banca che svolge attività di stabilizzazione, per conto dei Collocatori, l'Opzione di Over-Allotment, esercitabile in tutto o in parte durante un periodo di 30 giorni di calendario dopo la Data di Inizio delle Negoziazioni, ai sensi della quale il Responsabile della Stabilizzazione (per conto dei Collocatori) può richiedere agli Azionisti Venditori di vendere fino a 7.555.561 ulteriori Azioni Ordinarie (sulla base del prezzo minimo dell'Intervallo di Prezzo di Offerta) e fino a 6.788.109 ulteriori Azioni Ordinarie (sulla base del prezzo massimo dell'Intervallo di Prezzo di Offerta) (le "**Azioni di Over-Allotment**" e insieme alle Azioni, le "**Azioni Offerte**"), al prezzo di offerta per Azione Offerta (il "**Prezzo di Offerta**"), comprendente fino al 10% del numero aggregato di Azioni vendute nel contesto dell'Offerta, unicamente ai fini della copertura di sovrallocazioni o di posizioni corte, e di eventuali attività di stabilizzazione in relazione all'Offerta. Sulla base del prezzo minimo dell'Intervallo di Prezzo di Offerta, nell'ipotesi di mancato esercizio dell'Opzione di Over-Allotment, le Azioni Offerte costituiranno circa il 43,9% delle Azioni emesse, mentre le Azioni Offerte costituiranno circa il 48,3% delle Azioni emesse, assumendo che l'Opzione di Over-Allotment venga integralmente esercitata. Sulla base di un prezzo di offerta pari al prezzo massimo dell'Intervallo di Prezzo di Offerta, assumendo che non venga esercitata l'Opzione di Over-Allotment le Azioni Offerte costituiranno circa il 41,4% delle Azioni emesse, mentre le Azioni Offerte costituiranno circa il 45,6% delle Azioni emesse, assumendo che l'Opzione di Over-Allotment venga integralmente esercitata.

Prezzo di Offerta, Intervallo di Prezzo di Offerta e numero di Azioni Offerte. Si prevede che il Prezzo di Offerta sia compreso tra Euro 5,00 ed Euro 6,00 (compresi) per Azione Offerta (l'"**Intervallo di Prezzo di Offerta**"). Il Prezzo di Offerta può essere fissato all'interno, al di sopra o al di sotto dell'Intervallo di Prezzo di Offerta. Il Prezzo di Offerta e il numero esatto di Azioni Offerte (compreso il numero massimo di Azioni di Over-Allotment) saranno determinati dalla Società e dagli Azionisti Venditori sentiti i Collocatori a seguito di un processo di book building e saranno indicati nel comunicato stampa che sarà pubblicato sul sito web della Società (www.euro-group.it) e trasmesso alla Consob.

Giurisdizioni. L'Offerta consiste esclusivamente in un collocamento privato a determinati investitori istituzionali in Italia e in altre giurisdizioni. Le Azioni Offerte sono offerte e vendute (i) all'interno degli Stati Uniti a persone che siano ragionevolmente ritenute acquirenti istituzionali qualificati secondo la definizione della Rule 144A ai sensi dello U.S. Securities Act, ai sensi della Rule 144A o di un'altra esenzione da, o in una transazione non soggetta a, i requisiti di registrazione dello U.S. Securities Act, e (ii) al di fuori degli Stati Uniti, inclusa l'Italia, a investitori istituzionali in transazioni *offshore* conformi alle previsioni della Regulation S ai sensi dello U.S. Securities Act. L'Offerta è effettuata solo in quelle giurisdizioni in cui, e solo a quelle persone a cui, l'Offerta può essere legalmente effettuata. Non vi sarà alcuna offerta pubblica in nessuna giurisdizione.

Calendario. La data di inizio delle negoziazioni delle Azioni Ordinarie su Euronext Milan sarà disposta mediante pubblicazione di un avviso da parte di Borsa Italiana ai sensi dell'articolo 2.4.3., comma 6 del Regolamento dei Mercati organizzati e gestiti da Borsa Italiana.

Joint Global Coordinators e Joint Bookrunners. JP Morgan SE, BNP PARIBAS, Intesa Sanpaolo S.p.A. e UniCredit Bank AG, Milan Branch sono i coordinatori dell'Offerta (i "**Joint Global Coordinators**" o i "**Collocatori**").

Listing Agent. UniCredit Bank AG, Milan Branch è il listing agent per quanto riguarda l'ammissione alla quotazione e alla negoziazione delle Azioni Ordinarie su Euronext Milan.

Specialista. Kepler Cheuvreux agisce in qualità di specialista in relazione alle Azioni Ordinarie.

Responsabile della Stabilizzazione. JP Morgan SE è il responsabile della stabilizzazione dell'Offerta (il "**Responsabile della Stabilizzazione**").

Diluizione. Sulla base del numero massimo di Azioni di Nuova Emissione che saranno offerte dalla Società, l'emissione delle Azioni di Nuova Emissione comporterà una diluizione massima delle azioni esistenti della Società in termini di diritti di voto pari al 15,7%.

Spese stimate. I costi e le spese relativi all'Offerta e all'Ammissione (escluse le commissioni per i Collocatori) sono stimati in circa Euro 5.100 migliaia e comprendono, tra l'altro, le commissioni dovute a Consob e Borsa Italiana S.p.A., le spese legali e amministrative, nonché gli eventuali costi di pubblicazione applicabili. Tali costi e spese saranno a carico della Società. Le commissioni di sottoscrizione dovute ai Collocatori, fino al 3,5% dei proventi lordi dell'Offerta (incusi quelli derivanti dalla vendita di eventuali Azioni in Over-Allotment), saranno sostenute dalla Società e dagli Azionisti Venditori in proporzione alle Azioni Offerte da loro vendute nell'ambito dell'Offerta.

Chi è l'offerente e/o il soggetto che chiede l'ammissione alla negoziazione?

La Società è il soggetto che richiede l'Ammissione. La Società è costituita in forma di società per azioni e opera in base alla legislazione italiana. La Società ha sede legale in Via Stella Rosa, n. 48, 20021 - Baranzate (MI), Italia ed è iscritta al Registro delle Imprese presso la Camera di Commercio di Milano – Monza – Brianza – Lodi con codice fiscale e numero di iscrizione 05235740965, R.E.A. di Milano n. 1805877. Il numero di telefono dell'Emittente è +39 02 350001. Il codice LEI dell'Emittente è 8156004FC8565D73AE78.

Perché è redatto il presente Prospetto?

Ragioni dell'Offerta e dell'Ammissione. L'Offerta è funzionale alla distribuzione delle Azioni Ordinarie e alla loro quotazione su Euronext Milan. L'Offerta risponde anche alla volontà dell'Emittente di proseguire il proprio percorso di crescita attraverso l'ampliamento della propria capacità produttiva e il rafforzamento della propria struttura patrimoniale. A seguito dell'Offerta il Gruppo acquisirà, al pari dei suoi principali concorrenti, lo *status* di società quotata così da poter raggiungere una maggiore visibilità sul proprio mercato di riferimento ed accrescere la capacità di accesso al mercato dei capitali per supportare i propri obiettivi di crescita e sviluppo nonché beneficiare della possibilità di realizzare potenziali acquisizioni mediante pagamento del corrispettivo in azioni quotate.

Proventi netti. I proventi netti derivanti dall'Offerta spettanti alla Società, pari a Euro 241.250 migliaia al netto dei costi e delle spese e delle commissioni massime (ivi incluse alcune eventuali componenti discrezionali) da riconoscersi ai Joint Global Coordinators, saranno utilizzati dall'Emittente per realizzare la propria strategia, in particolare, per espandere la propria capacità produttiva (compresa la creazione di nuovi siti produttivi), per sviluppare nuove tecnologie e per rafforzare la propria struttura del capitale e per espandere ulteriormente la propria presenza geografica. Inoltre, qualora se ne presentasse l'opportunità, la Società potrebbe anche perseguire opportunità di crescita esterna.

Underwriting Agreement. In caso di positivo completamento dell'Offerta, è previsto che la Società, gli Azionisti Venditori e i Collocatori stipuleranno un accordo di sottoscrizione in relazione all'Offerta (l'"***Underwriting Agreement***") soggetto al soddisfacimento dei termini e delle condizioni ivi previsti.

Conflitti di interesse più significativi che riguardano l'Offerta o l'Ammissione. I Joint Global Coordinators hanno un interesse nell'Offerta in quanto si prevede che, se l'Offerta si concluderà con successo, essi stipuleranno l' *Underwriting Agreement*, ai sensi del quale si impegneranno, ai termini e alle condizioni ivi previsti, a procurare sottoscrittori e/o acquirenti per, o, in caso contrario, a sottoscrivere e/o acquistare, ciascuno nella misura della propria percentuale, le Azioni Offerte dalla Società e dagli Azionisti Venditori nel contesto dell'Offerta, e per lo svolgimento di tali attività, i Joint Global Coordinators riceveranno delle commissioni. UniCredit Bank AG, Milan Branch, agisce anche in qualità di listing agent in relazione all'Ammissione e riceverà una commissione per lo svolgimento di tale attività. Inoltre, Kepler Cheuvreux, società che ha un'alleanza strategica con UniCredit Bank AG, Milan Branch, agirà come specialista. Inoltre, nel corso della loro ordinaria attività, i Joint Global Coordinators e i propri affiliati forniscono e potranno continuare a fornire una serie di servizi alla Società, agli Azionisti Venditori e ai loro rispettivi gruppi. I Joint Global Coordinators possono anche effettuare o detenere un'ampia gamma di investimenti che possono riguardare titoli e strumenti, comprese linee di debito societarie, della Società, degli Azionisti Venditori e dei loro rispettivi affiliati. In particolare, alla Data del Prospetto, UniCredit S.p.A., società controllante UniCredit Bank AG, Milan Branch, ha un interesse nell'Offerta in quanto detiene una partecipazione pari al 7,5% nel capitale sociale dell'Azionista Venditore Delorean Partecipazioni. Infine, in relazione all'Offerta, ciascuno dei Joint Global Coordinators e i rispettivi affiliati, agendo in qualità di investitore per proprio conto, potrà aderire all'Offerta e in tale veste potrà conservare, acquistare o vendere per proprio conto tali titoli e qualsiasi Azione Offerta o investimento correlato e potrà offrire o vendere tali Azioni Offerte o altri investimenti al di fuori dell'Offerta.

RISK FACTORS

An investment in the Ordinary Shares (including the Offer Shares) involves risks. Before investing in the Ordinary Shares (including the Offer Shares), prospective investors should consider carefully the following risk factors and all information contained in this Prospectus to ensure that they have understood the general and specific risks that the Group faces and that affect the industry in which the Group operates, as well as the risks related to investing in the Ordinary Shares (including the Offer Shares). If any of these events occur, the Group's business, financial condition, results of operations or prospects could be materially and adversely affected and the prospective investors could lose all or part of their investment.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously, and one or more risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks, or of the scope of any potential negative impact to the Group's business, results of operations, financial condition and prospects. While the risk factors below have been divided into categories and the Group has included each risk in the most appropriate category, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The risk factors featured in the Prospectus are limited to risks which are specific to the Company or the Ordinary Shares and which are material for taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category the three most material risk factors are mentioned first according to the assessment based on the probability of their occurrence and the expected magnitude of their negative impact. The risks mentioned may materialize individually or cumulatively.

Risks related to the Issuer's economic and financial condition

The Group's financial performance is subject to a variety of internal and external factors which may negatively affect the Group's results, as occurred in the year ended December 31, 2020 when the Group's revenues for the Industrial segment and EBITDA for both segments decreased mainly as a result of the negative effects of the Covid-19 pandemic.

The Group's financial performance is subject to a variety of internal and external factors.

In the year ended December 31, 2020 the Group revenues in the Industrial segment (which accounted for 64.9% of the Group's revenues in the same period) decreased by 5.9% (from €239,870 thousand for the year ended December 31, 2019 to €225,710 thousand for the year ended December 31, 2020). The decrease of revenues in the Industrial segment was mainly attributable to the negative impact of the Covid-19 global pandemic, in particular on the Chinese plants which decreased production during the first quarter of 2020. The Italian plants also slowed production during the period from March to May 2020, while the North American plants recorded lower production volumes during the third quarter of that year. These slowdowns were partially offset by the global economic recovery that occurred during the last quarter of 2020. Moreover, in the year ended December 31, 2020 the Group's EBITDA decreased by 29.9% (from €26,193 thousand for the year ended December 31, 2019 to €18,372 thousand for the year ended December 31, 2020). In particular, the Group's EBITDA in the EV & Automotive segment decreased by 23.1% (from €9,804 thousand for the year ended December 31, 2019 to €7,538 thousand for the year ended December 31, 2020) while the Group's EBITDA in the Industrial segment decreased by 33.9% (from €16,389 thousand for the year ended December 31, 2019 to €10,834 thousand for the year ended December 31, 2020). The decrease in EBITDA in both segments was mainly due to the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic that led to a significant increase in price of such materials that negatively affected the marginality, only partially offset by the increase in the volume of business realized in the EV & Automotive segment. The negative impact on the Group's marginality resulted in a loss before tax of €4,762 thousand (compared to a profit before tax of €3,994 thousand for the year ended December 31, 2019) and in a profit for the year of €2,332 thousand (a decrease of 42.2% compared to the year ended December 31, 2019).

For the year ended December 31, 2021, the Group's revenues increased by 49.2% compared to the year ended December 31, 2020. In particular, Industrial segment revenues increased by €135,598 thousand (an increase of 60.1% compared to the year ended December 31, 2020) mainly as a result of the increase in sales prices in order to recover the €94,275 thousand increase in costs of purchases of raw materials, and, to a lesser extent, as a result of inorganic growth of €7,744 thousand as a result of the change in the consolidation perimeter in 2021 for SAF S.p.A. after the shareholder agreement signed in May 2021 and executed through the board resolution dated June 25, 2021.

For the nine-month period ended September 30, 2022, the Group's revenues increased by €259,162 thousand (an increase of 66.1% compared to the nine-month period ended September 30, 2021). In particular, Industrial segment revenues increased by €187,927 thousand (an increase of 76.6% compared to the nine-month period ended September 30, 2021) as a result of the general increase in sales prices reflecting the €186,635 thousand increase in costs of purchases of raw materials and an increase in sales volumes by €6,446 thousand which have been partially offset by a decrease of €5,154 thousand in revenues generated by Euro Group Laminations Russia. Moreover, for the same period, the Group's total financial costs amounted to €10,735 thousand (compared to €7,676 thousand, €6,257 thousand and €5,342 thousand for the years ended December 31, 2021, 2020 and 2019, respectively), as a resulf of the increase in the Group's financial indebtedness.

Moreover, as a consequence of the sanctions imposed against Russia by the authorities in the United States, the European Union, the United Kingdom, Switzerland, Canada, Japan and Australia, the business of the Group's subsidiary, Euro Group Laminations Russia L.L.C., whose revenues represented 1.4%, 1.3% and 0.3% of the Group's total revenues for the years ended December 31, 2021, 2020 and 2019, respectively, were suspended in March 2022 with some minor activities being suspended in the following months. Since no recovery forecasts are available, the Group has impaired the Russian assets and recorded a write-down of €4,773 thousand for the nine months ended September 30, 2022 that are related to property, plant and equipment for € 3,764 thousand and to right of use assets for € 1,009 thousand.

Further, the continuation of military conflict in Ukraine and the related international tensions may have a negative effect on global macroeconomic conditions and the economies of the countries in which the Group operates, leading to a possible contraction in demand and a consequent decrease in production levels. Accordingly, in the context of an economic recession, the customers and partners of the Group could reduce their consumption of the goods and services offered by the Group and seek to renegotiate prices and payment terms or may not be able to make the payments for products purchased. Lastly, an increase in the prices of energy sources and/or limited availability thereof could also have significant adverse effects on the businesses of the Group's customers, which could, therefore, decide to reduce or cancel their purchases of products sold by the Group, with a consequent adverse effect on the Group's business, financial condition, results of operations and prospects.

The occurrence of circumstances and factors beyond management's control, including the Covid-19 pandemic, the fluctuations of raw materials prices, the conflict between Russia and Ukraine and the increase in energy prices related thereto, could have a material adverse effects on the Group's business, financial condition and results of operations. In particular, the Group's inability to fully and/or timely pass-through to its customers future increases in raw materials prices may result in the Group's inability to absorb the increased prices with material adverse effects on the Group's profitability.

This Prospectus includes Forecast Data based on the Group's business plan for 2022-2026 and Estimates of the Group's results for the financial year 2022 and the Group's actual results may differ from the results that are estimated in its Forecast Data and the Estimates.

This Prospectus includes certain forecasts relating to the Company and the Group based on the Group's business plan for 2022-2026 (the "**Forecast Data**"). The preparation of the Forecast Data is based upon, among other things, certain general assumptions concerning uncertain future events that the management expects to occur and actions that it intends to take, which may not occur or be taken. These assumptions also depend on variables that are beyond management's control, including, for example, the macroeconomic environment and the development of the industry in which the Group operates. Moreover, the Group may face difficulties in implementing its business plan for 2022-2026 due to marcoeconomic factors beyond its control including, among others, fluctuations in raw material prices, increases in energy prices, downturns in the underlying markets as well as calamities or crisis like the conflict between Russia and Ukraine or the Covid-19 pandemic. Consequently, given the uncertainty associated with the occurrence of any future event, the assumptions upon which the Forecast Data are based may prove to be incorrect, in which case the Issuer may not be able to meet the objectives set forth in the Forecast Data and, consequently, to successfully implement its growth and development strategies, with material adverse effects on the Group's business, financial condition and results of operations.

This Prospectus also includes certain estimates relating to the Group's results for the financial year 2022 (the "**Estimates**"). The Group's financial statements for the 2022 financial year may differ significantly from the Estimates, for a variety of reasons and factors outside management's control, including: (i) events that occurred before December 31, 2022, but which were only defined after the Estimates were approved; or (ii) events that took place after December 31, 2022 and the approval of the Estimates that must be reflected in the Group's financial statements as of December 31, 2022. In addition, the Estimates should not be taken as an indication of our future performance.

The Group's business is capital intensive and requires significant investments in the short term while revenues are generated over a longer period; any cancellation, delay or reduction in orders from the Group's customers may cause the Group to generate less revenues than expected with negative effects on its ability to fulfill its obligations towards third parties, implement its business plan or fund investments in new projects.

The Group's business is capital intensive and requires significant investments to set up production for new projects. In particular, as most of the EV & Automotive segment's products and a substantial portion of the Industrial segment's products are customized and developed according to the customers' specific requests, before starting production, the Group must (i) design the products as well as the dies and moulds to manufacture such products, (ii) produce or purchase and install the dies and moulds, (iii) organize production in one of its plants and (iv) secure the necessary raw materials. These activities, which require a significant amount of financial resources, usually occur one or two years ahead of the start of production, while revenues from sales of products produced are generated later over a longer period. On November 18, 2022, the Board of Directors approved the business plan for the period 2022-2026, which provides for a Capex Plan for 2022 and 2023 of approximately €90 million per year with aggregate Capex for the period 2024-2025 of 4.5%-5.0% of revenues to expand the Group's production capacity.

If for any reason, including a slower than expected transition towards electric vehicles, the Group's customers cancel or delay their orders or order less than what has been planned, the Group will generate less revenues than expected and may not be able to generate sufficient cash flows to fulfill its obligations towards third parties, implement its business plan or fund investments in new projects. The occurrence of such events could have a material adverse effect on the Group's business, financial condition and results of operations.

As of September 30, 2022 the Group registered a significant increase in its Net Financial Indebtedness; the Group is exposed to interest rate fluctuations and may not be able to repay or refinance its existing financial indebtedness or comply with the financial covenants included in its outstanding loan and investment agreements.

As of September 30, 2022: (i) the Group's Net Financial Indebtedness amounted to €306,131 thousand (increasing by €154,417 thousand compared to €151,714 thousand as of December 31, 2021); (ii) the Group's current financial indebtedness amounted to €140,603 thousand (increasing by €35,300 thousand compared to €105,303 thousand as of December 31, 2021); (iii) the Group's non-current financial indebtedness amounted to €230,109 thousand (increasing by €46,036 thousand compared to €184,073 thousand as of December 31, 2021), in order to support the Group's growth also taking into account the capital intensive nature of its business and in particular to finance further investments pursuant to the business plan for 2022-2026; (iv) the Group's cash and cash equivalents amounted to €64,581 thousand (decreasing by €73,081 thousand compared to €137,662 thousand as of December 31, 2021 mainly due to the cash absorbed by Net Working Capital equal to €147,204 thousand, and, specifically, by the increase in inventory for €135,509 thousand attributable to investment to support the growth of the business; and (v) the Group's Gearing Ratio was 1.7 (increasing by 0.7 compared to 1.0 as of December 31, 2021).

As of the Prospectus Date, the Group's outstanding loan agreements amount to €326,798 thousand and include financial covenants, negative pledge provisions, as well as covenants relating to the Group's distribution of dividends and change of control clauses. Failure to meet the financial covenants and/or to observe the other obligations under its loan agreements, could result (i) acceleration of the loan, with in the Group being required to fully repay the loan in advance and (ii) cross-default and cross-acceleration of other outstanding loans to which the Group is a party, with material adverse effects on the Group's business, financial condition and results of operations.

Compliance with certain financial covenants is also required under the investment agreement relating to Euro Group Asia Limited entered into on October 6, 2022 among the Issuer, E.M.S., Eurotranciatura S.p.A. and Società Italiana per le Imprese all'Estero - Simest S.p.A.

In addition, Eurotranciatura S.p.A. is party to two green loans guaranteed by SACE, which are to be used exclusively to finance projects with environmental objectives, such as climate change mitigation. These loans contain the following provisions: (i) change of control, (ii) financial covenants, (iii) limitations to distribution of dividends in case of breach of financial covenants, (iv) negative pledge, (v) early prepayment and (vi) cross acceleration and cross-default. Failure by Eurotranciatura S.p.A. to observe such obligations could result in it being required to fully repay the loans.

In addition, as a significant portion of the Group's outstanding indebtedness bears interest at variable rates, the Group is exposed to changes interest rate fluctuations. As of September 30, 2022, total variable interest rate exposure amounted to €185,684 thousand or 58.2% of total outstanding financial indebtedness (€88,930 thousand or 38.2%, respectively, as of December 31, 2021). As of September 30, 2022, 69.76% of the Group's floating-rate loans were not hedged. Therefore, if significant fluctuations in interest rates occur, the Group's interest would increase significantly with material adverse effects on the Group's business, financial condition and results of operations.

Finally the Group is exposed to the risk that it may be unable to refinance existing loans on the same terms and conditions when they mature, or that it may be unable to obtain additional funding in the future to develop its business. The occurrence of these events would have material adverse effects on the Group's business, financial condition and results of operations.

The Group's cash and cash equivalents results may be subject to fluctuation, including also as a result of cash flow used in operating activities; and the investments made to support the growth of the business.

The Group's cash and cash equivalents results may be subject to fluctuation. As of September 30, 2022 the Group's cash and cash equivalents decreased by €73,081 thousand compared to December 31, 2021. This decrease was mainly attributable to higher cash absorbed by net cash flow used in operating activities (amounting to €73,188 thousand) attributable to an increase in working capital and to cash flow used in investment activities of €63,054 thousand in support of the growth of the business.

The increase in working capital was mainly attributable to an increase in inventories. In particular, the Group is required to maintain a high level of inventories to serve the increasing demand for its products. As of September 30, 2022 the Group's inventories, which include raw materials, semi-finished and finished products, increased by €135,509 thousand or 61.6% (from €219,948 thousand as of December 31, 2021 to €355,457 thousand as of September 30, 2022). The increase in inventories (of which €93,817 thousand related to raw materials) was mainly due to (i) the increase in sales volumes and in the Order Book, which led to an increase in production to support the sales of the following year; (ii) the increase in the price of raw materials; and (iii) the increase in the quantities in order to avoid any disruption of the business. As of September 30, 2022 the inventory obsolescence provision amounted to €10,384 thousand.

Based on the Group's Estimates, for the financial year 2022 the Group will have a negative cash flow as a result of the high capital expenditure required to support the Group's growth, in line with the trend registered in the nine-months period ended September 30, 2022 (cash flow used in investment activities amounted to €63,054 thousand as of September 30, 2022). According to the Forecast Data, the Group cash flow may continue to be negative also in the financial year 2023.

In order to meet the increasing demand for its products, and in particular to fulfill its obligations arising from the Order Book for the EV & Automotive segment, the Group is required to maintain a high level of inventories. However, the Order Book is only an estimate of future orders; the Group's customers are not contractually committed to purchase a specific volume and the related contracts may be terminated, even where the Group is not in default under such contracts. The Group's customers may therefore reduce or cancel their orders with material adverse effects on the Group's business, financial condition and results of operations, in particular where significant inventories were on hand to fulfill such orders.

The Group's Interim Condensed Consolidated Financial Statements have only been subject to limited review by the Independent Auditors and include for comparative purposes the Group's financial information as of and for the nine-month period September 30, 2021, which has not been audited or reviewed.

The Group's Interim Condensed Consolidated Financial Statements have only been subject to a limited review by the Independent Auditors and, therefore, no opinion has been expressed by the Independent Auditors on such statements.

In addition, the Interim Condensed Consolidated Financial Statements include, for comparative purposes, the Group's financial information as of and for the nine-month period ended September 30, 2021, which has not been audited or reviewed.

Non-IFRS Measures must be interpreted in light of certain limitations and examination by investors of those Non-IFRS Measures without considering these limitations may cause a misunderstanding of the Group's economic, capital and/or financial situation.

With the aim of facilitating the understanding of the Group's economic and financial performance, certain Non-IFRS Measures are included in this Prospectus. In accordance with the ESMA/2015/1415 guidelines of October 5, 2015 (entering into force on July 3, 2016), Non-IFRS Measures refers to those financial, economic or cash flow performance indicators, historical or prospective, other than those defined or specified in the applicable financial reporting regulations. The Non-IFRS Measures presented in this Prospectus relate to: (i) the years ended December 31, 2021, 2020 and 2019; and (ii) the nine-months period ended September 30, 2022 and 2021.

When interpreting those Non-IFRS Measures, the following should be considered: (i) Non-IFRS Measures are constructed on the basis of historical data and do not indicate the future performance of the Group; (ii) Non-IFRS Meauseres are not governed or required by international accounting standards (IAS/IFRS) and are not subject to audit; (iii) Non-IFRS Measures must not be considered as substitutes for the indicators provided for under international accounting standards; (iv) the definitions and presentation of the Non-IFRS Measures used by the Company may not be consistent with those adopted by other companies and are and therefore not comparable with similarly titled measures used by other companies; and (v) Non-IFRS Measures must be read together with the other financial information included in this Prospectus.

With reference to the Non-IFRS Measures as of September 30, 2022, the Non-IFRS Measures defined as ratio between (i) statement of profit or loss data and (ii) statement of financial position data, the related statement of profit or loss data are calculated for the last twelve months ended September 30, 2022. Such Non-IFRS measures for the last twelve months ended September 30, 2022 are exclusively calculated based on historical data with the purpose to allow the comparability with the Non-IFRS measures for the three years ended December 31, 2021, 2020 and 2019, and they do not constitute an estimate of the Group's future results.

Any examination by investors of the Non-IFRS without considering the above limitations may create a misunderstanding of the Group's business, capital and financial conditions and results of operations and lead to incorrect, inappropriate or inadequate investment decisions.

Certain investment agreements entered into by the Group include obligations that will require an outflow of financial resources over the coming years.

As of the Prospectus date, the Group is party to investment agreements (the "**Investment Agreements**") with Società Italiana per le Imprese all'Estero - Simest S.p.A. ("**Simest**") under which Simest (both directly and on behalf of its FVC fund intended to support internationalization of Italian companies) acquired certain shareholdings in some of the Issuer's subsidiaries through the subscription of capital increases.

The Investment Agreements provide for, *inter alia*: (i) the payment of an equity remuneration calculated on the subscription price paid by Simest to acquire its shareholdings in the Issuer's subsidiaries; (ii) the repurchase by the Group of Simest's entire shareholding by the dates specified under the Investment Agreements, (iii) the option for both Simest and the Group to advance such buy-back by exercising call and put options; and (iv) the limitations on the Group's use of the financial resources deriving from Simest's investments to those purposes specified in the Investment Agreements. The aforementioned obligations will require an outflow of financial resources over the coming years, which the Group plans to finance through cash from operating activities and which may have material adverse effects on the Group's financial condition.

Risks relating to the Group's business and industry generally

The Group's Order Book and Pipeline might not accurately predict the Group's future revenue, and the Group might not realize all or any part of the anticipated revenue reflected in its Order Book or receive any of the expected orders in the Pipeline.

The Group's Order Book for the EV & Automotive segment - equal to approximately €5 billion as of the Prospectus Date (€3.5 billion at the end of 2021 and €1.5 billion at the end of 2019) - is unaudited and represents the aggregate expected revenue from booked business and programs awarded by the Group's clients to the Group, which are either already in production or yet to start production in the next 5/7 years from the Prospectus Date, less any cancellations and after adjusting for the negative impact of all programs that are expected to reach end of life or be phased out. Order Book is not an accounting measure within the scope of IFRS. Similarly, as of the Prospectus Date the Group has a Pipeline of orders under discussion of approximately €2.5 billion.

The Order Book for the EV & Automotive segment as presented in this Prospectus is a Company's estimate only and the assumptions used in its calculation may differ from similar metrics reported by other companies in the Group's industry. The Group's customers are not contractually committed to specific volumes of services and the relevant contracts may be terminated, even where the Group is not in default under such contracts. The Group's customers usually submit to the Group separate purchase orders depending on the project and/or platform, as the case may be. Moreover, purchase orders are not binding and there are no minimum guaranteed orders and, accordingly, customers may reduce or cancel their orders. Therefore, the calculation of Order Book is based on the management's best reasonable estimates of expected volumes, selling prices and project lifespans to assess the sales expected to be recorded in the event the Group receives firm production orders under the contracts for already awarded programs. Such calculation may be reduced, even significantly, due to unforeseen delays, cancellations or changes in program launches or prices due to various factors, including but not limited to commercial issues or regulatory requirements. Orders relating to the top 10, top 5 and top 1 platforms represent respectively 93.4%, 74.8% and 28.0% of the Order Book. Any cancellation or delay of orders relating to such platforms may therefore have material adverse effects on the Group's expected revenues, business, financial condition and results of operations.

If actual production orders from the Group's customers are not consistent with the projections used in calculating the amount of the Order Book, the Group could realize substantially less revenue than expected. The estimated Order Book for the EV & Automotive does not purport to represent what the Group's actual realized revenues will be over any future period and should not be considered in isolation.

Moreover, the timing and extent to which Order Book will result in revenue depends on many factors, including the timing of commencement of work, changes in scope and timing at which the Group performs services, cancellations, delays, receipt of regulatory approvals and the nature, duration, size, complexity and phase of the studies.

As a result of these factors, neither Group's Order Book nor its Pipeline are reliable indicators of future revenues and the Group might not realize all or any part of the revenues from the orders in its Order Book as of any point in time. Similarly, the Group may not receive orders from the current negotiations reflected in its Pipeline.

The Group may be unable to successfully implement its growth and development strategies, which are largely driven by its Order Book for the EV & Automotive segment and the electrification trends in the industrial sector.

The Group's ability to increase its revenues and pursue its growth and development objectives, as well as to maintain adequate levels of profitability, depends in part on the successful implementation of its strategy, which may include acquisitions.

As of the Prospectus Date, the Group's strategy is largely driven by its EV & Automotive segment Order Book of approximately €5 billion and a Pipeline of approximately €2.5 billion. This Order Book and Pipeline are, in turn, mainly driven by the ongoing transition to electric vehicles in the automotive sector, which requires a large amount of stators and rotors for the construction of electric motors for traction. The Group's growth strategy for the EV & Automotive segment is also based on the expansion in the Chinese market where the Group plans to reach a 21% market share by 2026, also considering that orders from China represent 21% of the Group's Order Book. However, as of the Prospectus Date the Group has a 1% market share in the E-traction segment in China and there is no guarantee that the Group will be able to meet its growth and development objectives for the Chinese market. Moreover, in order to increase its production to meet the growing demand for stators and rotors, the Group will have to continue to invest. In the nine-month period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019, the Group's capital expenditure was €63,242 thousand, €37,412 thousand, €25,319 thousand and €23,256 thousand, respectively. If the Group is unable to obtain sufficient financial resources to support the growing demand for its products, its customers, will turn to other suppliers.

The electrification in the traction of the automotive industry also fosters the growth of the market for traditional industrial applications, contributing to the development and spread of, among other things, industrial automation, connected domestic appliances, and energy efficiency processes in which the Industrial segment's stators and rotors are used. As the Group's products for the Industrial segment are used in heterogeneous fields of application, it may be exposed to logistical difficulties and may also be unable to expand its production capacity or to strengthen its organizational structure in the upcoming years.

In addition, when evaluating possible future acquisitions, the Group will need to estimate the cost savings and synergies expected from such transactions. The estimates are, however, based on a number of uncertain operational, economic and competitive factors, and the acquisitions undertaken by the Group may not yield the expected results. The Group may not realize, or may realize only partially, the cost savings and synergies originally estimated at the time of the transaction.

The Group may be unable to implement its strategy in a timely manner or at all, and the assumptions on which the Group's strategy is based may prove incorrect. The occurrence of any of these events could have material adverse effects on the Group's business and prospects as well as the business, financial condition and results of operations.

The Group may encounter difficulties in securing raw materials (particularly electrical steel), including due to the concentration among its suppliers, and may be subject to fluctuations in raw materials prices; the adoption of export and import restrictions on raw materials (particularly electrical steel) and the application of duties may lead to difficulties in the procurement of raw materials or to an increase in production costs.

To manufacture its products, the Group uses a variety of raw materials, such as electrical steel, aluminium, and various types of resin and glue. For the nine-month period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019, the costs for purchases of raw materials, amounted to €452,433 thousand (+91.4% compared to September 30, 2021), €351,737 thousand, €223,932 thousand and

€211,129 thousand respectively. Electrical steel alone accounted for 61.3% of the total cost of the Group's products for the year ended December 31, 2021.

The quality of the Group's products depends significantly on the availability of high-quality raw materials (mainly electrical steel, resin and glue), which the Group purchases from suppliers located mainly in the United States, Germany, Japan, Mexico and China, and on the components needed in the assembly process. For the nine-month period ended September 30, 2022 the top 1, top 5 and top 10 suppliers of electrical steel represented, respectively, 17.27 %, 49.04 % and 64.99% of the Group's total purchases of electrical steel (18.76 %, 57.63 % and 75.86 % for the year ended December 31, 2021, 31.76%, 63.2% and 78.79% for the year ended December 31, 2020 and 26.64%, 59.7% and 77.19% for the year ended December 31, 2019).

This concentration of suppliers is due to the high quality of the raw materials required for the Group's production of stator and rotors for electric motors, and the requirement that suppliers undergo specific selection and accreditation procedures as required by the Group's major customers. In the short term, therefore, the Group may have difficulty replacing its suppliers, especially supplies of high-quality electrical steel. If the Group's suppliers default for any reason or supply poor quality or defective products, the Group could incur additional costs and suffer damage to its image or its customer relationships. In addition, if the Group's relationships with its suppliers were to be interrupted or terminated for any reason, it may not be able to enter into additional supply contracts in time to continue normal operations and meet the demand for its products. Any inability to obtain raw materials or components of the requisite quality from suppliers and the Group's consequent inability to deliver products to its customers in a timely manner, could ultimately damage relations with customers and give rise to claims from customers, and consequently have material adverse effects on the Group's business, financial condition and operating results.

Moreover, the price and availability of the raw materials used by the Group depend primarily on factors outside the Group's control, such as changes in law and regulation, changes in exchange rates, changes in demand in the relevant markets, supplier allocations to competitors, interruptions in suppliers' production cycles or delivery orders, and delays in suppliers' delivery of components. As of the Prospectus Date, there are global sourcing difficulties with respect to electrical steel. Following the decline in global electrical steel demand and production in 2020 due to the Covid-19 pandemic, producers restarted electrical steel production in the first half of 2021; however, this recovery was accompanied by significant delivery delays. Additional delivery delays could result from wars or conflicts, including the current crisis between Russia and Ukraine. Also in 2021, according to CRU (an index consisting of an established price benchmark for U.S. midwest domestic hot-rolled coil steel), in the United States, steel prices rose sharply, with an increase of 82.6% over 2020. In 2022, however, according to CRU, steel prices have decreased again to the same level registered at the end of 2020.

The contracts that the Group enters into with its customers contain price-adjustment clauses linked to changes in raw material prices. The Group cannot guarantee that its customers will continue to accept the existing terms and conditions. If the Group fails to obtain adequate contractual protection against increases in raw material prices, it would have to absorb the increased prices and its profitability would be affected. In addition, a sudden decrease in the prices of raw materials, and electrical steel in particular, could have material adverse effects on the Group if customers were to demand that sales prices reflect such decrease. If this were to happen, the Group would be forced to lower the price of its products, while at the same time manufacturing those products using electrical steel in stock that was previously purchased at higher prices. The Group's limited ability to forecast fluctuations in steel prices and to plan production accordingly could have material adverse effects on the Group's business, financial condition and operating results.

The Group is also exposed to risks arising from the adoption of export and import restrictions on raw materials (particularly steel) and the application of duties, which could lead to difficulties in the procurement of raw materials or an increase in production costs. Examples include the European Union's introduction of a ban on imports of steel exported from or produced in Russia and 25% duties on steel imports valid until 2024 for specific volumes, the application in the United States of duties on imports of fully processed steel from certain countries, as well as a 25% duty on imports of electrical steel. Certain import limitations are also expected to be implemented in China, where the Group has a production plant. The Group may not be able to respond to such shortages and delays in steel supply which could have material adverse effects on the Group's business, financial condition and results of operations.

The Group is exposed to changes in gas and oil prices and electricity rates, as well as supply disruptions which may impact the Group both directly, with higher production costs, and indirectly, insofar as higher costs borne by car manufacturers and their end customers have decreased demand for new cars.

Electricity and gas prices began to rise significantly during 2021, increasing by 369% and 296% respectively in 2021[1]. The trend continued also in 2022, with increases of 53% and 249% respectively[2]. The ongoing conflict in Ukraine and the subsequent sanctions imposed on Russia, along with Russia-led disruptions in the supply of gas, have further accelerated these price increases during 2022, since Russia is one of the main suppliers of gas to European countries and, in particular, Italy, where the majority of the Group's production takes place.

The increases in energy prices have impacted the Group both directly, with higher production costs, and indirectly, insofar as higher costs borne by car manufacturers and their end customers have decreased demand for new cars. In particular, for the nine months ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019 the cost of gas, oil and electricity amounted to, respectively, 2.6%, 2.1%, 1.7% and 2% of the Group's total value of production, increasing from €7,313 thousand for the year ended December 31, 2019 to €17,745 thousand for the nine months ended September 30, 2022. Any continued gas and energy shortages could lead to further price increases, and the Group may be forced to limit or suspend production at its plants. The Group may also be unable to obtain adequate contractual protection in contracts with its customers and suppliers, and would thus find itself bearing the cost of further energy price increases, with consequent material adverse effects on its business, financial condition and results of operations.

Continued increases in energy prices may lead to the adoption of energy rationing measures which may in turn result in difficulties for the Group in procuring the electricity or gas required to operate its business and meet client demand.

Even though the increase in gas, oil and electricity prices has been registered mainly in Europe, it is not possible to exclude that such an increase will also take place in other geographical areas where the Group operates, resulting in a material increase in production costs with consequent material adverse effects on the Group's business, financial condition and results of operations.

The Group expects the tensions on the energy market to continue in the short term with possible adverse effects on the Group's production costs and profitability.

The Group's business is impacted by macro-economic conditions and the cyclicality of the sectors in which it operates especially that of the automotive sector; a general economic downturn may

[1] Based on the PUN (*Prezzo Unico Nazionale* or National Single Price) and TTF (Title Transfer Facility) indexes.

[2] Based on the PUN (*Prezzo Unico Nazionale* or National Single Price) and TTF (Title Transfer Facility) indexes.

adversely affect the ability of the Group's customers, suppliers or other contractual counterparties to fulfill their contractual obligation.

The Group's business is influenced by trends in the industries in which the Group's customers operate. In particular, the Group relies on the development of the automotive industry, since its business is increasingly based on the production of components used in the manufacture of automobiles.

Changes in the macroeconomic and socio-political environments could harm the Group's operations. GDP growth and industrial output growth are significant factors in the end markets in which the Group's customers operate. In particular, demand for and prices of the Group's products are sensitive to actual or expected changes in the gross domestic product ("**GDP**") and growth in industrial production. Declines in GDP and slowdowns in industrial production could lead to a decrease in the volume and prices of products sold by the Group. Any crisis or adverse developments in any of the Group's major end markets could have material adverse effect on the Group's business, financial condition and operating results. Since the Group's products are often used in end products that are subject to discretionary spending, such as consumer electronic goods and automobiles, a decline in general consumption levels could adversely affect the Group's sales. Similarly, capital investment in the manufacturing sector can be particularly sensitive to economic trends, and a decline in capital investment could adversely affect sales of the Group's products that are used in industrial applications. The occurrence of any of these events could have adverse effects on the Group's prospects and business as well as its financial condition and results of operations.

Lastly, any general economic downturn may adversely affect the ability of the Group's customers, suppliers or other contractual counterparties (including financial institutions) to fulfill their contractual obligations to the Group, and may also adversely affect the Group's own ability to continue to meet its obligations, particularly under loan agreements with material adverse effects on the Group's business, financial condition and results of operations..

The Group's business may be affected by the ongoing military conflict between Russia and Ukraine and by the imposition of sanctions and similar measures targeting Russia and other countries.

The Group's performance could be affected by international tension caused by the Russian invasion of Ukraine, the various sanctions adopted against Russia and their consequences. Following the Russian invasion of Ukraine, authorities in the United States, the European Union, the United Kingdom, Switzerland, Canada, Japan and Australia imposed a variety of sanctions against Russia, and further restrictions may be imposed, including restrictions on current or potential customers of the Group, or on the export of products produced and marketed by the Group in Russia.

In addition, restrictions on the import/export of certain metals purchased by the Group, such as electrical steel may be imposed. Examples include the European Union's introduction of a ban on imports of steel exported from or produced in Russia and 25% duties on steel imports valid until 2024 for specific volumes, the application in the United States of duties on imports of fully processed steel from certain countries, as well as a 25% duty on imports of electrical steel. These sanctions, and the Russian reaction to them, as well as the instability in Ukraine, have hindered and may continue to hinder, the global supply of raw materials for the production of components and of energy, and have caused significant increases in the prices of such materials and energy sources, with a negative impact on the ability of the Group to source sufficient volumes of such materials to meet its production demands and on its operating costs which could have material adverse effects on the business, financial condition and results of operations of the Group. As of the Prospectus Date, none of the Group's suppliers, customers or partners is located in Russia.

Moreover, the continuation of the current crisis and the application of related restrictive measures connected to it could force the Group to terminate existing partnerships or forego future business opportunities in Russia or require it to obtain and operate within the limits of specific government approvals, with a consequent adverse effect on the Group's business, prospects, financial condition and results of operations.

The occurrence of the above mentioned events could have significant adverse effects on the business, financial condition, results of operations and prospects of the Group.

The Group's revenue, and in particular its revenue deriving from the EV & Automotive segment is dependent on a small number of customers and may be unable to preserve existing relationships with them or to establish new ones.

For the nine-month period ended September 30, 2022, the EV & Automotive segment represented 33.5% of the Group's revenues (35.1%, 39.5% and 31.9% for the years ended December 31, 2021, 2020 and 2019). Moreover, during the same period, revenues from the Group's top 10 customers represented 95.3% of the revenues of the EV & Automotive segment (91.6%, 92.6% and 92.0% for the years ended December 31, 2021 2020 and 2019), with the top 5 customers accounting for 85% of segment revenues (84.7%, 86.2% and 81.3% for the years ended December 31, 2021 2020 and 2019) and the largest customer accounting to 37.0% of segment revenues (43.4%, 48.1% and 48.9% for the years ended December 31, 2021 2020 and 2019). Overall, for the year ended December 31, 2021, the top 10 clients of the Group accounted for approximately 60% of the Group's consolidated revenues.

The EV & Automotive segment sells to a limited number of customers, mainly consisting of major OEMs of electric vehicles and leading Tier-1 suppliers of components to car manufacturers. The Group's ability to maintain and strengthen existing relationships with existing customers or to establish new relationships is crucial to maintaining the Group's current market position.

The Group's customers usually require the Group to produce stators and rotors for one or more of the platforms used by major OEMs to manufacture their vehicles. It is uncertain how demand for electric vehicles will develop and there can be no assurance that the Group will continue to win business for new platforms. The Group's failure to secure its position as a supplier in the future could have material adverse effects on the Group's business, financial condition and results of operations.

Furthermore, the Group is required at times to maintain a predeterminate production capacity under its existing framework agreements. The Group may not be in a position to provide the agreed minimum capacity and fail to meet its obligations given insufficient capacity. This may result in contract breaches and require the Group to pay damages or penalties, which could have material adverse effects on the Group's business, financial condition and results of operations.

The termination of existing contracts or failure to enter into new contracts with one or more customers in the future, could result in a significant loss of revenue, with possible material adverse effects on the Group's business, financial condition and results of operations.

The business environment in which the Group operates is characterized by intense competition, including as a result of the technological advances of which the Group has to stay abreast and by a limited number of players; the ongoing transition toward the adoption of electric vehicles and the electrification generally of all industries may bring new players into the market strengthening the competition.

The Group is a world leader in the design, production and distribution of stators and rotors for electrical motors. The market for electric vehicles is increasingly demanding in terms of efficiency, product complexity, reduced design time, price competitiveness and high service level and is characterized by constant technological evolution aimed at ensuring reliable motor performance. In particular, in order to offer innovative and competitive products to the market, the Group must quickly and fully understand the needs of its customers, and continuously train its staff.

Likewise, the Group's Industrial segment products are employed in a wide range of applications including industrial motors, fluid and gas transfer devices, ventilation systems, home appliances and wind turbines whose markets are being driven by, among other factors, increased government regulation related to carbon emission reduction.

Should the Group fail to ensure the quality of its products and the reliability of its supply in the future or to stay abreast of technological progress and identify technical solutions suitable to the changes in and future needs of the market, its customers could decide to procure products from its competitors, its competitive positioning would be harmed and demand for its products would decrease, with material adverse effects on the Group's business, financial condition and results of operations. Moreover, should the Group be unable to maintain an adequate level of product innovation, its competitors may offer products similar to those of the Group with possible adverse effects on the Group's competitive positioning.

The market of stators and rotors for electric vehicles is characterized by a limited number of players of high-tech components as in the past larger Tier-1 manufacturers and other Group's competitors have focused on the production of components for traditional vehicles. However, the ongoing transition toward the adoption of electric vehicles and the electrification generally of all industries brought about by the fight against climate change could encourage OEMs to enter the market by producing stators and rotors internally and attract other new players into the market, significantly increasing the competition within the industry, with possible adverse effects on the Group's ability to achieve its strategy and expected results. The Group's competitors may develop products or technologies that are more efficient or advanced than those offered by the Group or that are more adaptable to evolving standards. In addition, it is possible that competitors may adopt pricing policies that are more advantageous than those of the Group. Such events could cause the Group to lose customers, with material adverse effects on its business, financial condition and results of operations.

Current and expected market trends in the automotive sector may change, which could have a significant impact on demand for the Group's products.

Demand for the Group's products, in particular, the component parts for electric automotive motors produced by its EV Traction product line, is subject to market trends related to, among other things, matters of sustainability, renewable energies, electric mobility, digitalization, energy transition and decarbonization with less use of fossil fuels and greater use of electric vehicles. It is also impacted by trends in energy costs.

For the nine-month period ended September 30, 2022, the EV Traction product line represented 83% of the Group's revenues for the EV & Automotive segment (83%, 82% and 69% for the years ended December 31, 2021, 2020 and 2019). The revenues of the EV Traction product line are concentrated in the automotive sector, therefore the Group's future growth depends on consumers' willingness to adopt alternatives to internal combustion vehicles and, in particular, electric vehicles. If consumers do not adopt electric vehicles or if the energy transition slows, there could be material adverse effects on the Group's business, financial condition and results of operations. The choice to purchase electric vehicles, and thus contribute to the transition to a sustainable economy, will in turn be influenced by numerous factors, such as: (i) the perception that the performance and safety of electric motors and vehicles (and in particular as they relate to the reliance on lithium-ion batteries) are inferior to those of internal combustion vehicles; (ii) the battery life and its potential deterioration over time; (iii) the reduced availability of recharging stations (particularly in Italy) or ongoing breakdowns of stations due to lack of maintenance, which could make recharging difficult; (iv) the volatility of the cost of oil and gasoline; (v) customers' perceptions of the cost to recharge/refuel an electric vehicle, in particular in light of the recent increase in the cost of electricity; (vi) any incentives, including tax incentives, to purchase electric vehicles; (vii) customers' inclination to purchase non-polluting vehicles. In particular, government initatives to limit incentives and subsidies - such as the elimination in July 2022 of the subsidy for plug-in vehicles in the United Kingdom and the expected decision in 2023-2024 by France and Germany to limit incentives for the purchase of EVs only to those priced under €45 thousand and €40 thousand respectively – may negatively affect the demand for electric vehicles; (viii) the use of self-driving technology, autonomous vehicles, ride sharing and other modes of transportation; (ix) an increased preference for leasing vehicles rather than purchasing; (x) the higher price of electrical vehicles compared to conventional vehicles; (xi) the recycling of lithium batteries and other maintenance related issues.

In addition, since electrical steel, also known as NGO (i.e., Non-Grain Oriented) steel, is the main raw material used by the Group, the production of which generates a large amount of CO_2, and since the Group's main end market is the automotive industry, the Group is exposed to the risks associated with climate change, including the enactment of new regulations, changes in consumer behaviour, the increased frequency of extreme weather events which may negatively affect the demand for electric vehicles with material adverse effects on the business, financial condition and results of operations of the Group.

Pandemics and other public health emergencies, such as Covid-19, may adversely impact the Group's business.

The global spread of pandemics, epidemics, or other public health emergencies such as the Covid-19 pandemic may adversely affect companies, including the Group, doing business in affected countries.

The long-term effects of the Covid-19 pandemic on the global economy are still uncertain and depend on several factors, such as the effectiveness and rate of use of vaccines, difficulty of containing further mutations of the virus, government restrictions and the level of global recovery of normal economic and commercial activities. Although at present the duration and extent of these restrictive measures cannot be predicted, prolonged maintenance of these measures could have material adverse effects on the Group's business, financial condition and results of operations.

In the future, national governments may adopt restrictive measures to contain the virus, which may result in: (i) interruptions at the Group's plants that could adversely affect its production capacity, (ii) delays or interruptions in the Group's supply chains that could result in increased costs, or unavailability, of raw materials, and (iii) slowdowns in the business of the Group's existing or potential customers, or possible limits on spending by corporate customers. These effects could delay implementation of the Group's projects and cause it to fail to meet its growth objectives.

The severity and timing of the continuing impact of the Covid-19 pandemic will depend on a number of factors, including the level and rapidity of infection, potential new and more dangerous mutations of the virus, duration of containment measures imposed or taken by governmental authorities in response to the pandemic. Covid-19 or the outbreak of other future potential infectious diseases have had and may have in the future material adverse effects on the Group's business, financial condition and operating results.

The Group's customers may fail to meet their payment obligations on a timely basis or at all.

The Group is exposed to credit risk with respect to its commercial and financial counterparties. Failure to pay, late payments or other defaults may be due to customer insolvency or bankruptcy, economic distress, or customer-specific situations. For the year ended December 31, 2021, the average collection time for trade receivables, represented by the DSO index (calculated as the ratio of Trade receivables divided by revenues, multiplied by 365 and expressed in number of days) for the Group's customers was 64 days, compared to 58 days for the year ended December 31, 2020 and 69 days for the year ended December 31, 2019.

Moreover, because the Group operates internationally, it may experience greater difficulties in recovering receivables in certain countries with greater regulatory uncertainty or where it would be particularly onerous for the Group to seek and obtain judicial enforcement of its claims. Such circumstances could increase the cost of recovery, as well as make it difficult or even impossible to recover payments due.

As of September 30, 2022 and December 31, 2021, 2020 and 2019 the gross amount of the Group's Trade receivables was €173,970 thousand, €104,926 thousand, €67,549 thousand and €73,188 thousand respectively, of which €40,435 thousand, €28,138 thousand, €21,664 thousand and €24,499 thousand respectively (equal to 23.2%, 26.8%, 32.1% and 33.5% of the total gross amount of the Group's Trade receivables) were represented by overdue trade receivables. Of those overdue receivables, €13,017 thousand and €15,324 thousand respectively, referred to positions overdue by more than 60 days. As of September 30, 2022, the allowance for doubtful accounts was €9,179 thousand (€7,907 thousand, €7,821 thousand and €6,979 thousand as of December 31, 2021, 2020 and 2019, respectively). Failure by the Group's customers to meet their payment obligations or the Group's inability to collect payments could have material adverse effects on the Group's business, financial condition and results of operations.

Failure to attract and retain key personnel, as well as an increase in labour costs, may adversely affect the Group's operations or ability to compete successfully.

The Group's success and growth depend to a large extent on its ability to attract and retain staff, particularly individuals in key functions, including but not limited to research and development, finance and control, business development, engineering and technical support, sale and after-sale service. The termination of the Group's relationships with any of these professionals, who have played a key role in the Group's development and have significant experience in the sectors in which the Group operates, or the Group's inability to attract highly qualified personnel may, at least temporarily, in the future affect its ability to compete and could result a decrease in the quality of the products and services offered as well as a disruption or deterioration of relations with key suppliers and customers with potential material adverse effects on the Group's business, financial condition and results of operations.

Moreover, the Group is exposed to the risk that the current and future macroeconomic situation, in particular in the United States, may lead to wage increases, thereby increasing the labour costs, with adverse effects on the Group's business, financial condition and results of operations.

Antitrust laws may limit the Group's ability to implement its acquisition strategy and subject to it substantial penalties or enforcement action in the event of a violation.

In recent years, antitrust authorities have taken an increasing interest in business conduct and acquisitions in the Group's industry, with heightened scrutiny and enforcement actions.

Antitrust law prohibits (i) abuse of dominant market position by business operators and (ii) concentration of business operators that may have the effect of precluding or impeding competition. Concentration of business operators may arise due to (i) mergers among business operators; (ii) gaining control over other business operators through acquisition of equity interest or assets of other business operators; and (iii) gaining control over other business operators through exerting influence on them through contracts or other means.

Consequently, the potential acquisitions made by the Group will need to comply with the antitrust law and other relevant regulations, which may limit its ability to effect an acquisition, forcing it to modify or forego certain transactions.

More generally, the Group must comply with antitrust law in the way it conducts its business. Violations may be punishable by substantial penalties including treble damages, significant fines, civil penalties and criminal sanctions, and may be subject the Group to injunctions prohibiting certain activities or requiring divestiture or discontinuance of business operations. Any of these events could have material adverse effects on the Group's financial condition and results of operations.

The Group is subject to foreign currency exchange rate fluctuations.

As of the Prospectus Date, the Group conducts business in countries outside the Eurozone and, therefore, a significant portion of the Group's revenues and costs are denominated in currencies other than the euro (*i.e.*, US dollar, Chinese Renminbi, Russian Ruble, Japanese Yen). Specifically, revenues in currencies other than the euro for the nine-month period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019 represented 42%, 44.0%, 43.1% and 39.5%, respectively, of the Group's total revenues and costs in currencies other than the euro for the nine-month period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019 represented 40.7%, 42.6%, 39.8% and 38.2%, respectively, of the Group's total costs.

This situation exposes the Group to certain risks related to changes in exchange rates, including (i) translational exchange rate risk, arising from the fact that, although the Issuer prepares its financial statements in euros, it holds controlling interests in non-EU foreign subsidiaries that prepare their financial statements in currencies other than the euro (*i.e.*, US dollar, Chinese Renminbi, Russian Ruble and Japanese Yen) and, therefore, fluctuations in the exchange rates used to convert the financial statement data of subsidiaries originally prepared in foreign currencies could significantly affect the Group's results of operations and its consolidated shareholders' equity; (ii) transactional exchange rate risk, arising from the circumstance that the Group engages in frequent direct/indirect purchases and sales in currencies other than the euro and, therefore, fluctuations in those currencies may significantly affect the Company's actual expenditure/gain.

In the periods indicated above and as of the Prospectus Date, the Group has not used financial instruments to hedge exchange rate risk. Therefore, the Group is exposed to risks connected with changes in exchange rates that could have adverse effects on the Group's business, financial condition and results of operations. A change in the exchange rates of the various currencies affecting the Group's business could result in possible adverse effects on the business, financial condition and results of operations of the Issuer and/or the Group.

In the nine-month period ended September 30, 2022, the Group recorded Exchange gains/(losses) of €5,139 thousand. In the years ended December 31, 2021, 2020 and 2019, the Group recorded Exchange gains/(losses) of €1,081 thousand, (€1,362) thousand and €17 thousand, respectively.

The Group operates internationally, which subjects it to risks relating to managing operational complexity, as well as to political and economic instability and risks resulting from unanticipated developments of countries in which the Group operates.

As of September 30, 2022, the Group has operations in five countries with 12 production facilities worldwide, located in Italy, Mexico, Tunisia, the United States and China including the research centres (excluding the Russian plant, which activities have been suspended as of the Prospectus Date due to the sanctions imposed against Russia in the context of the conflict between Russia and Ukraine). In addition, the Group serves customers in 37 countries.

In the nine-month period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019, the Group recorded the following revenues in the following geographical areas in which the Group operates: (i) EMEA – €379,018 thousand, €322,340 thousand, €218,549 thousand, and €211,365 thousand respectively (amounting to 58.2%, 57.9%, 58.5% and 60.0%, respectively, of revenues); (ii) North America – €236,967 thousand, €206,866 thousand, €143,918 thousand and €140,236 thousand respectively (amounting to 36.4%, 37.1%, 38.6% and 39.8%, respectively, of revenues); and (iii) Asia – €35,135 thousand, €27,698 thousand, €10,823 thousand and €473 thousand respectively (amounting to 5.4%, 5.0%, 2.9% and 0.1%, respectively, of revenues).

The Group may not be able to respond in a timely manner to management and coordination issues or adequately manage such operational complexity. If the Group is unable to exercise adequate management control over operating segments and subsidiaries, it may experience adverse effects on its business, financial condition and results of operations.

In addition as a result of the Group's international operations, it faces a number of risks in doing business in such markets, including the following: (i) economic slowdown or downturn in the relevant industries in foreign markets; (ii) international currency fluctuations; (iii) labour shortages, labour dispute and labour cost increases; (iv) political instability; (v) changes in trade restrictions and tariffs, including recent trade disputes between the United States and China, stemming from the tariffs imposed by the U.S. government on certain Chinese imports to the U.S. market and retaliatory measures taken by China; (vi) difficulties in securing skilled personnel who can execute global management plans; (vii) generally longer receivables collection periods; (viii) potentially adverse taxes; (ix) cultural and trade customary differences; and (x) significant time and capital required for expanding overseas businesses before achieving a return on capital.

The Group's international reach also heightens its exposure to logistics-related risks, especially for the EV & Automotive segment. For example, the Group might be required by the geo-political conditions or by specific requests from its clients to manufacture all or part of its products in a given geographical area and then ship them to customers located in another part of the world. Manufacturing products in plants that are not located close to its customers would expose the Group to logistics risks, in addition to the risks relating to import, export and duties noted above. In particular, the Group may be unable to deliver products on time and products may be lost or damaged during while being transported. Delays in delivery of products or damages to products may impair the Group's reputation and relationships with its customers which could result in possible adverse effects on the Group's business, financial condition and results of operations.

Legal proceedings could expose the Group to tax liabilities and have a negative impact on the Group's reputation or business.

In the ordinary course of its business the Group may be involved in proceedings, including of tax nature, which could give rise to obligations to pay damages and/or the imposition of sanctions against the Issuer and the Group. In particular, on July 15, 2022, the Italian Revenue Agency - Provincial Directorate II of Milan (*Agenzia delle Entrate – Direzione Provinciale di Milano – Ufficio Controlli – Area Imprese Minori*)) (the "**Tax Office**" notified a final audit report (*processo verbale di constatazione*) to the Issuer with respect to tax period 2016 reporting alleged violations relating to (i) the misapplication of the VAT pro-rata rule for about €30 thousand, and (ii) the non-deductibility of the amortization for IRES and IRAP purposes of certain intangible assets for about €500 thousand. On November 10 and on November 11, 2022, in relation to the abovementioned alleged violations, the Tax Office issued the relevant notices of assessment (*avvisi di accertamento*) (one for each assessed tax, i.e. VAT, IRES, and IRAP) for tax period 2016, through which the Tax Office challenged to the Issuer an overall amount of € 199 thousand of higher taxes and of €185 thousand of penalties (the "**Notices of Assessment**"). On January 8, 2023, the Issuer filed a request for a settlement with respect to the Notices of Assessment pursuant to the procedure under Legislative Decree No. 218 of June 19, 1997, which provides a 90-day period for the taxpayer and the tax authorities to reach a settlement.

Since the Issuer deducted the amortization of intangible assets also in years subsequent to 2016, similar findings may be formalized by the Italian tax authorities also for additional tax periods. On a prudential basis the Issuer has recorded in the Interim Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2022 a provision on its balance sheet of €1,654 thousand (of which € 820 thousand in the other expenses and for €834 thousand in the tax for previous years).

Since these provisions represent an estimate of the economic risk associated with legal proceedings, consistent with applicable accounting standards, they may not be sufficient to fully meet the obligations and claims for compensation and/or restitution associated with potential pending lawsuits. If such provisions are insufficient to cover actual damages resulting from adverse decisions, the Group's financial condition and results of operations could be materially adversely affected.

Such proceedings could involve legal and judicial expenses, claims for damages or settlements in amounts that could be considerable, with possible adverse effects on the Group's business, financial condition and results of operations in the future.

The Group may be unable to maximize or to successfully assert and protect its intellectual property rights.

The Group owns a portfolio of more than 50 registered patents and other industrial property rights that must be registered in the countries where it does business and relies on the legal protection of its intellectual property rights resulting from their registration. The Group's intellectual property – and in particular its license to use the Glue Fastec® technology - have proven crucial to obtain important projects from new customers and to strengthen the business relationships with existing ones.

The Group cannot be certain that its pending or future patent applications will result in the granting of patents and, even if patents are granted, there can be no assurance that the measures taken will be sufficient to protect the Group from illegal exploitation of such rights by third parties. Moreover, it is not possible to ensure that the Group, as part of its development strategy, will be able to develop and patent new technologies that will allow it to maintain its competitive advantage even after its patents expire, when the technology covered by the same patent may also be used by competitors.

In addition, the Issuer has developed and utilizes in its business a range of industrial solutions and proprietary know-how that do not have the distinctive features necessary to be registered or, if they were registered, could be modified and copied by competitors, and therefore the Company has chosen not to register them.

There can be no assurance that unregistered industrial solutions and know-how will not be disclosed and abusively exploited by third parties, all of which could result in adverse effects on the Issuer's and/or the Group's business.

The occurrence of the circumstances described above could adversely affect the business, financial condition and results of operations of the Issuer and/or the Group.

This Prospectus contains information about the Group's current and future market and competitive position from third-party sources, which has not been independently verified or which is based on assumptions or estimates that may prove to be inaccurate or which incorrectly reflect the Group's market position.

The Prospectus contains estimates on the size of the Group's markets and its competitive positioning that have been prepared by the Company based on its specific knowledge of its industry, available information provided by third parties, and its own experience. The Group's estimates have not been verified by independent third parties. The Group believes that there is currently no single independent, third-party source that analyses its markets on a global level, in an exhaustive and consistent manner. Therefore, the Group monitors the benchmark markets and determines the size of the market and the Group's competitive position, based on third-party sources that the Group deems to be reliable resources for mapping out the markets concerned. These calculations and subjective evaluations are made directly by the Group due to the absence or insufficiency of third-party sources and may not prove to be accurate. Consequently, the statements and estimates contained herein regarding the Group's position in the market, and the performance of the market segments that the Group serves, may not be accurate, and the assumptions underlying the statements and estimates may turn out to be incorrect.

In addition, the Prospectus contains information about the development of the relevant market in which the Group operates; however, there can be no assurance that this information will prove to be correct and that the market will develop in the way forecast, due to known and unknown risks, uncertainties and other factors.

Existing and future environmental and workplace health and safety laws could impact the Group's business and potentially subject it to regulatory enforcement or litigation.

Under certain circumstances, the Group's production and industrial activities may be hazardous to the environment and workplace health and safety (for example, moving loads, handling carcinogenic, corrosive and flammable liquid and gaseous substances, and exposure to noise and mechanical vibrations), which subjects the Group to significant regulation, in Italy and the EU, as well as in the various countries in which the Group operates.

The Group incurs significant costs to adapt its facilities and make its operations compliant with the various environmental, occupational health and safety regulations; however, it cannot be excluded that, in the future, the Group will have to incur extraordinary expenses for actions taken against it for environmental and occupational health and safety issues or will be required to make significant investments to comply with further obligations under the relevant regulations. In the ordinary course of its business, the Group is subject to the risk that its employees suffer injuries in the workplace that may result in the imposition of fines or other civil, administrative or criminal penalties or remediation costs.

Moreover, since COP21 (the 2015 United Nations Climate Change Conference) adopted the Paris Agreement in December 2015, the issue of climate change has come to be positioned as a global priority for businesses in all countries and regions. While this focus provides the Group with business opportunities, climate change is also a source of wide-ranging medium- to long-term business risk, such as those caused by, *inter alia*, changes in policies and regulations related to climate change, technological development, market trends and marketplace reputation. Climate change may also cause direct losses if natural disasters caused by climate change; extreme weather-related events (such as floods, cyclones and storms) disrupting production that causes delays in shipping to customers and loss of business. Such circumstances could increase the Group's costs or liability in environmental matters, with consequent higher costs to the Group for prevention and environmental remediation measures.

In addition, a violation of applicable law, now or in the future, could result in fines, the imposition of other civil, administrative or criminal penalties, remediation costs, claims for personal injuries or property damage, a requirement that pollution control devices be installed or restrictions on or suspension of the Group's permits or operations. The occurrence of one or more of the foregoing could have adverse effects on the Group's business, financial condition and results of operations.

In light of the above, the Issuer cannot predict the nature and possible effects of such potential future events or regulatory measures on the Group's results. Although the Group's companies have taken out insurance policies to cover environmental damage and penalties arising from breaches of health and safety regulations, such insurance may not be adequate in the event such risks materialize.

If defects are discovered in the Group's products, or if any of the end-products in which the products are incorporated malfunctions, the Group's reputation and results of operations may suffer by lost sales or costs associated with recalls, legal proceedings or management distraction.

The Group faces potential product liability in relation to product defects or misuse of equipment, malfunctions and breakdowns. Any widespread malfunction of any end-product in which the Group's products are incorporated may lead to consumer dissatisfaction, recalls and lawsuits. The automotive, appliance, commercial and industrial motors and other parts markets in which the Group operates are subject to strict regulatory safety standards demanded by the public, since malfunctioning vehicles, equipment or machinery could result in serious property damage, personal injuries and even death. If such malfunction is caused by or alleged to be caused by defects in the Group's products, its reputation would be damaged, the Group may be subject to adverse regulatory action, face significant legal claims or disputes with its customers, lose sales, and incur significant costs associated with recalls, any of which could adversely impact its results of operations. In addition, significant financial and human resources may be involved, and management's attention may be diverted, if the Group is required to defend itself against legal claims. Finally, the risks described above could result in the imposition of civil, administrative and/or criminal liabilities, with adverse effects on the Group's business, financial condition and results of operations, especially if the Group's insurance does not cover or is insufficient to cover such liabilities.

The Group may face challenges relating to the construction, management and operation of the new production facilities required to satisfy the increase in production volumes.

In order to grow its business, the Group will need to increase its production capacity. The Group's ability to design, construct equip and manage additional manufacturing facilities and new presses (or expand existing facilities), is subject to significant risks and uncertainties, including but not limited to the following: (i) risks inherent in the development and construction of new facilities, including risks of delays and cost overruns as a result of factors outside the Group's control, which may include delays in government approvals, burdensome permitting conditions, and delays in the delivery or installation of manufacturing equipment and subsystems that the Group manufactures or obtains from suppliers, similar to or more severe than what it has experienced recently; (ii) manufacturing equipment may take longer and cost more to engineer and build than expected, and may not operate as required to meet its production plans; (iii) the Group may depend on third parties to develop and operate additional production capacity, which may subject it to the risk that such third parties do not fulfill their obligations to it; (iv) the Group may be unable to attract or retain qualified personnel. If the Group is unable to expand its manufacturing facilities, it may be unable to further grow its business, which would negatively affect its results of operations and financial condition. On November 18, 2022, the Board of Directors approved the business plan for the period 2022-2026, which provides for a Capex Plan for 2022 and 2023 of approximately €90 million per year with aggregate Capex for the period 2024-2025 of 4.5%-5.0% of revenues to expand the Group's production capacity.

Risks related to legal and regulatory matters

The Group's operations are subject to laws and regulations in all of the countries in which it operates and the failure to comply with such laws and regulations may result in fines, sanctions, claims, injunctions public reprimands, reputational damage, forced suspension of operations or withdrawal of authorization to operate.

The Group and its products and business operations are subject to ongoing regulation and associated regulatory compliance risks, including the effects of changes in laws, regulations, policies, voluntary codes of practice, accounting standards and interpretations and application in Italy and other countries in which the Group operates and sells its products. For example, extensive environmental and responsible product management laws apply to the Group's products and the components and parts used in manufacturing those products. The Group's compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules. In addition, as the Group expands the range of its products and the geographic scope of its business, it will be exposed to additional risks that are unique to particular industries, markets or jurisdictions.

The Group's business activities are also subject to various other governmental regulations, both local and international, including data protection, antitrust, anti-bribery, anti-terrorism, intellectual property, consumer protection, taxation, export regulations, tariffs, foreign trade and exchange controls. Moreover, as the Group expands its operations into new products and geographical markets, it may be required to further enhance its compliance policies and procedures.

These laws may also be subject to change, including by becoming more stringent and, therefore, the Group may incur additional costs to continue operating its business and provide products and systems that comply with applicable laws. Failure to comply with such laws and regulations may result in fines, sanctions, claims, injunctions public reprimands, reputational damage, forced suspension of operations or, in extreme cases, withdrawal of authorization to operate, which would materially adversely affect the Group's business, financial condition and results of operations.

The Group might be subject to the Italian Golden Power Legislation.

Because of its activities, the Group might be considered subject to the Italian Golden Power Legislation, pursuant to which the Italian Golden Power Authority may prohibit or impose conditions, limitations or similar measures on, among others, (i) the acquisition of interests in companies having assets and relationships in strategic sectors (e.g., defense and national security, energy, transport, communications, healthcare, supply of critical input to the steel industry, etc.) and (ii) resolutions, acts or transactions approved by or involving companies having assets and relationships in strategic sectors and resulting in a change in ownership, control, possession or intended use of such assets or relationships.

In particular, except for the defense and national security sectors where lower thresholds and different subjective criteria apply, direct or indirect acquisitions of companies in strategic industries (i) by non-Italian individuals or entities in the European Union, of controlling interests, and (ii) by individuals or entities not belonging to the European Union, of interests representing at least 10% of the voting rights or the share capital (if the value of the investment is equal to at least €1 million), taking into account the shares/voting rights already directly or indirectly owned, must be reported to the Italian Golden Power Authority for the possible exercise of the veto right or the application of conditions, limitations or similar measures; acquisitions equal to or exceeding the 15%, 20%, 25% and 50% thresholds are also subject to the reporting obligation and the possible exercise of the veto right or the application of conditions, undertakings or similar measures. Therefore, an investor acquiring a stake equal to or exceeding any of the above thresholds (whether in connection with the Offer on or otherwise) might be required to notify its investment to the Italian Golden Power Authority, which may veto the acquisition or impose conditions and/or limitations, thereby causing the relevant investor to sell part or all of its investment, including at a price lower than the acquisition price. If this were to occur, the price of the Ordinary Shares may be negatively impacted.

Except for the defense and national security sectors, where the current thresholds and criteria will continue to apply, since January 1, 2023, acquisitions of controlling interests by individuals or entities in the European Union (including Italy) are subject to the Italian Golden Power Legislation only if involving companies operating in the communications, energy, transport, healthcare, agri-food and financial sectors. Resolutions, acts or transactions approved by a company having assets and relationships in strategic sectors that give rise to changes in the ownership, control, possession or intended use of such assets and relationships must also be reported within ten days, and in any case prior to their implementation, to the Italian Golden Power Authority. Since January 1, 2023, resolutions, acts or transactions that would result in the transfer of ownership, control, possession or intended use of strategic assets and relationships in favor of individuals or entities belonging to the European Union (including Italy) are subject to the Italian Golden Power Legislation only if related to companies operating in the defense and national security, communications, energy, transport, healthcare, agri-food and financial sectors.

Moreover, as of the Prospectus Date, it is uncertain whether a specific clearance of the Italian Golden Power Authority is required under the Italian Golden Power Legislation for the granting of pledges over the shares of companies having assets and relationships in strategic sectors or over such assets (and, subsequently, for any transfer and/or assignment of the rights of the relevant secured creditors to other secured creditors).

If any of the Group companies, including the Issuer, is involved in any acquisition, transaction, act or resolution falling in the scope of the Italian Golden Power Legislation, the Italian Golden Power Authority might veto or impose conditions, limitations or similar measures to consent to the implementation of such acquisition, transaction, act or resolution. As a result, the Group's ability to pursue commercial or industrial strategic transactions that involve the acquisition of a material interest in the share capital of the Issuer or any Group company may be subject to the potential exercise by the Italian Golden Power Authority of its special powers under the Italian Golden Power Legislation.

Failure to comply with the reporting obligation under the Italian Golden Power Legislation or with any veto or conditions, limitation or similar measures imposed by the Italian Golden Power Authority may result in the relevant acquisition, transaction, act or resolution being unwound or declared null and void, and in the violating party subject to monetary fines up to twice the deal value and not lower than 1% of the aggregated turnover of the involved companies in the most recent financial year.

Significant differences in tax regulations, including transfer pricing rules, across local and international markets where the Group operates may adversely affect its business, financial condition and operations.

The Group is required to pay taxes in Italy and numerous other countries with different tax regimes and tax rates, and which are subject to changes over time. Accordingly, the current income tax rate applied to the Group may change. The Group is also exposed to possible tax assessments in numerous countries and to the risk that the local tax authorities do not agree with the Group's interpretation of the laws as applied by the Group and, as a result, may dispute the amount of taxes paid by the Group and impose higher taxes and potentially penalties and interest, with possible adverse consequences for the Group's business, financial condition and results of operations.

Tax laws and regulations in the jurisdictions where the Group operates may be subject to change. New tax laws, regulations or administrative guidelines may be enacted by competent authorities with or without retroactive effect and change the interpretation and application of such tax laws or regulations. As a result, the Group may face increases in the taxes it owes, for example, if tax rates increase, if tax laws or regulations are changed unfavourably, or if new tax laws or regulations are enacted by the competent authorities, with or without retroactive effect.

Starting from 2017 the Group performed extraordinary transactions, including the transfer of securities, involving the Issuer, certain of its subsidiaries (including Eurotranciatura S.p.A.) and its parent E.M.S. Such transactions also involved Directors and members of the Senior Management Team of the Issuer. The tax authorities may disagree with the positions the Group has taken or intend to take regarding the tax treatment or characterization of any of the transactions, with respect to the tax treatment or legal characterization on the structure of the transactions or the transfers or the value attributed to the transferred securities and/or their timing. In the event the tax authorities succeed in their potential challenge of the tax treatment and/or characterization of any of such transactions or transfer, this could result in the imposition of other taxes, the application of significant penalties and accrued interest, that could have a material adverse effect on the Group's business, financial condition, results of operations.

As far as Mexican operations are concerned, the local tax authorities may disagree with the positions the Group has taken or intends to take regarding the tax treatment of certain transactions and/or certain costs from a direct, VAT and withholding tax perspective. In the event the tax authorities succeed in any future challenge of the tax treatment of any of transaction, this could result in the imposition of other taxes, the application of penalties and accrued interest, that could have a material adverse effect on the Group's business, financial condition, results of operations. In order to support its position in connection with these potential challenges, the Group is currently implementing internal procedures and measures relating to the collection and proper storage of adequate documentary evidence.

In addition, the tax authorities in the relevant jurisdictions may periodically audit the Group. Tax assessments for periods not yet audited may consequently lead to higher taxes (plus interest and penalties). Any additional taxes or other amounts due may have a material adverse impact on the Group's the business, financial condition, results of operations and prospects.

Lastly, the existence of numerous contractual relationships between Group companies that reside in different countries for tax purposes may result in the tax authorities' applying the transfer pricing rules (in lieu of the criterion of agreed consideration), which provides for the application of the 'normal value' criterion for the purpose of valuing the income components relating to intra-group transactions carried out between companies resident in different countries and belonging to the same corporate group. As is usually the case for corporate groups doing business internationally, the determination of the Group's taxable income may significantly impacted by income determined on the basis of the "normal value" criterion, the application of which requires that the value attributed to such transactions not differ from what would have been agreed to on an arm's-length basis. The determination of "normal value" is based on management's judgment, which is subject to uncertainty and which may result in valuations by the tax authorities that are not necessarily consistent with those made by the Group.

In the event of an audit by the tax authorities, those tax authorities may dispute the appropriateness of the transfer prices charged in intragroup transactions between Group companies residing in different countries, which could lead to the imposition of administrative sanctions, with consequent adverse effects on the Group's business, financial condition and results of operations.

The Group's customers and partners may operate in countries subject to international sanctions, which could materially adversely affect its business, financial conditions and operations and potentially subject the Group to regulatory enforcement.

The Group has numerous customers, partners and suppliers located in various countries. Unpredictable geopolitical developments may result in the Group's customers and partners becoming subject to sanctions or restrictive measures by the United States, the European Union and the United Nations.

For example, some of the Group's steel suppliers located in Russia have been subject to restrictive measures, resulting in difficulties for the Group in managing its business activities and requiring it to purchase electrical steel from other suppliers. As of the Prospectus Date, none of the Group's suppliers is located in Russia. With respect to such suppliers subject to such restrictive measures, the Group has adopted measures to comply with the applicable restrictions. The United States, the European Union or other governments with jurisdiction over the Group may impose new sanctions or restrictions (on countries, products or individuals) that would have the effect of limiting the Group's ability to import raw materials and export its products to certain countries or to certain individuals.

In particular, following the ongoing geopolitical tensions between Russia and Ukraine, the governments of the members of the European Union, the United States and other jurisdictions have imposed sanctions and restrictive measures on some Russian industrial sectors and specific Russian individuals, as well as greater controls on exports of certain products destined to the Russian market. As of the Prospectus Date, it is not possible predict the evolution of relations between Russia, the European Union and the United States nor the possible tightening and/or extension of the sanctions imposed by the European Union and from the United States towards that country, factors that could cause, including indirectly, a negative impact on the Group's operations and profitability. Should the Group fail to comply with these limitations or restrictions, the Group companies could suffer significant pecuniary and administrative sanctions, with a negative impact on the Group's reputation and the Group's business, financial condition and results of operations. Furthermore, the Group may be subject to boycotts or to monitoring by groups of activists who call for the termination of relations with customers located in these countries.

Moreover, such business relationships with customers and partners located in various countries may expose the Group to liability under anti-bribery and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), U.S. anti-bribery laws, the U.K. Bribery Act, and similar laws and regulations in other countries. As of the Prospectus Date, there are no Group-wide policies or procedures in relation to sanctions regimes, anti-bribery and anti-money laundering laws and regulations or export controls and the measures the Group may adopt in the future to comply with these laws and regulations may not be adequate, may not be complied with or may fail to detect or prevent violations of applicable laws and regulations. Accordingly, if sanctions, anti-money laundering, anti-corruption or export control laws and regulations are violated, the Group may potentially be exposed to fines or debarment as well as reputational damage, which may in turn have a material adverse effect on our results of operations, financial condition and prospects.

Such sanctions could limit the Group's ability to continue doing business with customers, partners and suppliers located in those countries. Moreover, if such sanctions become more onerous or new sanctions are imposed, or if the sanctioned countries retaliate against foreign companies, there could be detrimental effects on the Group's operations, research and development activities as well as its reputation, with consequent adverse effects on the Group's business, financial condition and results of operations.

Risks related to corporate governance

The members of the Board of Directors and Senior Managers are subject to conflicts of interest.

As of the Prospectus Date, certain Directors and members of the Senior Management Team indirectly hold interests in the share capital of the Company, and consequently these private interests are in conflict with their obligations as directors or officers of the Issuer. Moreover, the Non-Executive Chairman of the Board of Directors, Sergio Iori, the Chief Executive Officer, Marco Stefano Arduini and the Senior Manager Marzio Andrea Iori are relatives among themselves and to certain shareholders of E.M.S.. Finally, certain Directors and members of the Senior Management Team will receive Ordinary Shares in the context of the Offer in their capacity as MIP Beneficiaries and/or members of the E.M.S. Leadership Team. 60% of the Shares received by the MIP Beneficiaries and 100% of the Shares received by the members of the E.M.S. Leadership Team may be sold in the context of the Offer through the Stock Lending Agreement. In particular, assuming an Offer Price equal to the maximum price in the Offer Price Range: (i) the Non-Executive Chairman of the Board of Directors, Sergio Iori would receive up to 1,971,123 Ordinary Shares in his capacity as MIP Beneficiary and member of the E.M.S. Leadership Team; (ii) the Company's Chief Executive Officer Marco Stefano Arduini would receive up to 2,582,317 Ordinary Shares in his capacity as MIP Beneficiary and member of the E.M.S. Leadership Team; (iii) the Company's Vice Chairman and Chief Financial Officer Isidoro Guardalà would receive up to 2,276,720 Ordinary Shares in his capacity as MIP Beneficiary and member of the E.M.S. Leadership Team; (iv) the Company's Director and Senior Manager Gianluca Umberto Maria Bertocchi would receive up to 225,517 Ordinary Shares in his capacity as MIP Beneficiary; (v) the Company's Director and Senior Manager Leonardantonio Franchini would receive up to 248,069 Ordinary Shares in his capacity as MIP Beneficiary; (vi) the Company's Director Jean-Marc Pierre Gales would receive up to 90,207 Ordinary Shares in his capacity as MIP Beneficiary; and (vii) the Senior Manager Marzio Andrea Iori would receive up to 137,541 Ordinary Shares in his capacity as member of the E.M.S. Leadership Team.

The failure to properly implement measures and procedures to manage such conflicts of interest could have material adverse effects on the Group's business, financial condition and results of operations.

The Group cannot guarantee that it will pay dividends in the future.

As of the Prospectus Date, the Issuer has not adopted any policy regarding the distribution of future dividends. There can be no assurance that the Issuer will earn distributable income in the future, or that even if it does, it will decide to make distributions to shareholders. In the years ended December 31, 2021, 2020 and 2019 the Company did not pay any dividends. On May 31, 2022 the Issuer distributed dividends to its shareholders for €2,769 thousand, related to the profit for the year ended December 31, 2021.

In addition, given its nature as a holding company, the Issuer's ability to pay dividends will depend on whether it receives dividends from its subsidiaries, among other things. Such subsidiaries' ability to pay dividends to the Issuer may be restricted contractually, including by the loan agreements. In particular, certain loan agreements entered into by the Group, or its subsidiaries, such as Eurotranciatura S.p.A., provide for restrictions on dividend distribution in case of breach of financial covenants. The Issuer's ability to pay dividends will also depend on the conditions of the markets in which the Group operates, the Group's financial results, profitability, its investment needs, general operating performance, the establishment and maintenance of reserves required by law, and the development plans prepared by management, as well as future actions by shareholders at regular shareholders' meetings approving (in whole or in part) the payment of distributable profits.

The failure to distribute dividends could have adverse effects on the investors' expectations on the return of their investments and negatively affect the Ordinary Shares' market price.

Risks related to internal control

The Group could face enterprise liability if its system of internal controls to detect and prevent certain corporate crimes under Italian law is found to be inadequate.

Legislative Decree No. 231/2001 ("**Model 231**") introduced a system of enterprise liability for several types of criminal offenses committed in the corporate interest and for the benefit of the relevant entity by directors, executives and employees. It provides, however, that an entity is not liable if it proves to have adopted and effectively implemented an organizational, management and control model suitable to prevent the commission of such criminal offenses.

The Company and the Italian subsidiaries have only recently, on October 5, 2022, adopted the Model 231; in the event an offense is committed, the Italian courts could determine that the model adopted was not suitable to prevent the relevant criminal offense, with the result that the Company would be subject to administrative, monetary and/or non-monetary sanctions. In addition, no foreign company of the Group has adopted Model 231, or analogous policies and procedures, and consequently, they face an increased risk of being found liable for violating sanctions under applicable laws. Such circumstances could have material adverse effects on the Group's financial condition, business and results of operations.

The Group may be subject to failures, errors, defects, inadequacies, interruptions or data breaches or other security incidents of its information technology systems, or those of its third-

party service providers, which could have an adverse effect on its business, financial condition, and results of operations.

The Group relies heavily on a variety of information technology systems, which periodically require upgrades and maintenance or even replacement with new and more advanced systems and technologies; the Group actually frequently updates its systems to support its operations and growth and to remain compliant with applicable laws, rules, and regulations. The Group relies also on its employees and third parties in its day-to-day and ongoing operations, who may, because of human error, misconduct, malfeasance, failure, or breach of its or of third-party systems or infrastructure, expose the Group to risk.

These systems are exposed to the risk of computer network failures, accidents and malfunctions, data security breaches, viruses, unauthorized access and natural events (which could potentially cause disruptions to the computer and telecommunications networks and the power grid), which could result in a loss of data or the disclosure of confidential or proprietary information. In particular, the Group discovered a security breach of a number of personal data. Additional attacks or significant privacy breaches could damage the Group's reputation and have a material adverse effect on the Group, its financial condition and results of operation. In addition, the Group may also incur additional costs in the future related to the implementation of additional security measures to protect against new or enhanced data security and privacy threats.

The Group's operations are at risk of cyberattacks and cybersecurity breaches, which may compromise business continuity and damage Information Technology (IT) and Operational Technology (OT) systems and destroy or steal data and information (including of a confidential nature). In particular, in January 2023, the Group has been the victim of a fraud concerning deceiving wire transfer instructions by an alleged supplier of the Group for an amount of approximately €400 thousand. The increased use of remote working as a result of the Covid-19 pandemic, with the ensuing use of private networks, has also increased the risk of attacks as well as the Group's presence in countries with high security risk profiles (terrorism and crime) and the conflict between Russia and Ukraine has increased the global cyber threat.

The reviews and strengthening of security systems in response to any cyber incident entails significant costs and risks associated with implementing new systems and integrating them with existing ones, including potential business interruptions and the risk that this reinforcement may not be one-hundred percent effective. Implementation and testing of controls related to the Group's computer systems, security monitoring, and retaining and training personnel required to operate its systems also entail significant costs. Such operational risk exposures could adversely impact its operations, liquidity, and financial condition, as well as cause reputational harm. In addition, the Group may not have adequate insurance coverage to compensate for losses from a major interruption.

In light of the above, there can be no assurance that the measures undertaken by the Group to improve its IT security processes and its management and disaster recovery systems will be effective and that the IT and operational technology systems will be safe from cyberattacks or failures. The occurrence of any such events could have a material adverse effect on the Group, its financial condition and results of operation.

The Group has engaged and may engage in the future in transactions with related parties.

The Group has engaged and may engage in the future in transactions with related parties (hereinafter, "**Related Party Transactions**"). The Related Party Transactions entered into by the Group before the First Trading Date were not subject to any procedure for the approval and management of transactions with related parties. Even though the Group believes that the principal terms of such transactions were in line with market practice, related party transactions present the typical risks associated with operations carried out between non-independent entities whose membership of or at least whose proximity to us and/or our decision-making processes could compromise the objectivity and impartiality related to such transactions. In particular, there can be no assurance that, had they been concluded with third parties, such third parties would have negotiated and entered into those agreements, or carried out the transactions, on the same terms and in the same manner.

With reference to the Related Party Transactions in effect as of the First Trading Date, there is no certainty that once they have expired, they will be renewed, or renewed on similar terms and conditions to those in place as of the First Trading Date. Following the First Trading Date, amendments or the renewal of the contracts underlying existing Related Party Transactions, including those subject to automatic renewal, will be subject to the safeguards set forth in the Procedure for Related Party Transactions adopted on November 18, 2022 Company's Board of Directors which will be reviewed by the Related Party Transactions Committee ahead of the final approval of the Board of Directors.

Risks related to the Ordinary Shares (including the Offer Shares)

The price of the Ordinary Shares may be higher than the open market price due to stabilization activities.

The stabilization activities may result in a higher market price than the price that might otherwise prevail or, after such activities conclude, there may be a decrease in the market price of the Shares.

There can be no assurance that any stabilization activities will be performed or that, if they are performed, they will not be discontinued at any time.

Following the Offer, Euro Management Services S.p.A. will retain special class shares that provide it with enough votes to control the Company.

As of the Prospectus Date, pursuant to Article 2359 paragraph 1, of the Italian Civil Code and Article 93 of the Italian Consolidated Financial Act, the Issuer is controlled by Euro Management Services S.p.A., which holds 70% of the Issuer's share capital. Based on the maximum price of the Offer Price Range, following the Offer, assuming all of the Offer Shares are sold in the Offer and assuming the exercise in full of the Over-allotment Option, the participation of Euro Management Services S.p.A. would be reduced to 45.1% of the Company's share capital (corresponding to 71.1% of the voting rights due to the Multiple-Vote Shares held by Euro Management Services S.p.A.) and, therefore, as of the First Trading Date, Euro Management Services S.p.A. will continue to have control over the Issuer.

In particular, on the First Trading Date, based on the maximum price of the Offer Price Range Euro Management Services S.p.A. will continue to hold up to 73,921,216 Multiple-Vote Shares that will not be listed. The Multiple-Vote Shares grant the right to cast three votes at Ordinary and Extraordinary Shareholders' Meetings and are subject to a conversion mechanism set forth in the Company's Post-IPO by-laws. Since Euro Management Services S.p.A. will continue to hold Multiple-Vote Shares, shareholders who do not have this right will have limited power to influence the decisions of the Company's Ordinary and Extraordinary Shareholders' Meetings.

As long as Euro Management Services S.p.A. maintains control rights over the Issuer, it will continue to play a decisive role in the adoption of the resolutions of the Issuer's Shareholders' Meeting, such as the approval of the financial statements, the distribution of dividends, the appointment and revocation of the Board of Directors. Moreover, as long as Euro Management Services S.p.A. maintains 2/3 of the voting rights it will be able to approve any decision in the Issuer's Extraordinary Shareholders' Meeting including, among others, those related to changes to the share capital and amendments to the Company's Post-IPO by-laws. Euro Management Services S.p.A.'s control rights may prevent, delay or discourage the investment in the Ordinary Shares, which would negatively affect the Ordinary Shares' market price, or prevent, delay or disincentivize a change of control. This would prevent the shareholders from obtaining the premium generally associated with a change in control of a company.

Therefore, as of the Prospectus Date the Company is not contestable, and it will remain not contestable as of the First Trading Date, since Euro Management Services S.p.A. will continue to exercise legal control pursuant to Article 93 of the Italian Consolidated Financial Act and Article 2359 of the Italian Civil Code.

Furthermore, as only the Ordinary Shares will be listed on Euronext Milan, the value of the Ordinary Shares may be adversely affected given the distribution of voting rights.

The price of the Ordinary Shares (including the Offer Shares) may fluctuate significantly due to market volatility, and investors could incur a total or partial loss of their invested capital.

Prior to the Offer, there was no public trading market for the Ordinary Shares. Following completion of the Offer, the Ordinary Shares (including the Offer Shares) will be traded on the Euronext Milan market and holders of the Ordinary Shares will be able to liquidate their investment by selling the Ordinary Shares on the Euronext Milan market. The Ordinary Shares (including the Shares) will be subject to the same risks as the investments in similar listed financial instruments. There can be no assurance that a liquid market for the Ordinary Shares will be created or maintained, and thus investors may lose all or part of their investment. The Ordinary Shares may be illiquid for reasons beyond the Company's control, and persons wishing to sell the Ordinary Shares may not be able to find a purchaser willing to pay a price deemed reasonable by the seller, which may result in fluctuations, which could be significant, in the price of the Ordinary Shares, which may decline below the Offer Price. Low liquidity of the Ordinary Shares may also entail high volatility regarding the share price. Fluctuations could be the result of a number of factors, some of which are beyond the Company's control, and therefore do not necessarily reflect operating results.

In addition, equity markets have been relatively volatile in recent months in terms of prices and volumes traded as a result of Covid-19 and the military conflict between Russia and Ukraine. Continuation of this volatility could adversely affect the market price of the Ordinary Shares in the future, regardless of the Company's value.

The resolution approving the share Capital Increase does not provide for a minimum amount of the share capital increase and the Company will not receive any proceeds from the sale of Existing Offer Shares by the Selling Shareholders.

The Offer is comprised of (i) an offering by the Company of a number of newly issued Ordinary Shares and (ii) an offering by the Selling Shareholders of a portion of their existing Ordinary Shares. In the context of the Offer the Company will receive proceeds solely from the New Offer Shares.

The Company is offering for subscription newly issued Ordinary Shares for a total countervalue of €250,000 thousand. The Company intends to use the proceeds it receives from the Offer to implement its strategy, in particular, to expand its production capacity (including the set-up of new production sites), develop new technologies, strengthen its capital structure, as well as further expand its geographic footprint. In addition, if the opportunity arises, the Company may also pursue external growth opportunities. However, the resolution approving the Capital Increase does not provide for a minimum amount of the Capital Increase. Therefore, the Company might need to retrieve through other financing sources any additional proceeds required to serve its capital expenditures and implement its strategy. The Company may be unable to obtain such additional funding and therefore being unable to implement its growth strategy or the Company might obtain such funding with additional costs which would have an adverse effects on the Group's business, financial condition and results of operations.

The Companywill not receive any proceeds from the sale of Existing Offer Shares by the Selling Shareholders, including any Over-allotment Shares.

Certain relationships between the Joint Global Coordinators and Joint Bookrunners and the Company and the Selling Shareholders may present conflicts of interest.

The Selling Shareholders have their own interest in the Offer, since they will receive the proceeds from the sale of the Existing Offer Shares in the Offer. UniCredit S.p.A., parent company of UniCredit Bank AG, Milan Branch (who is acting a Joint Global Coordinator and Listing Agent in the context of the Offer and the Admission), has an interest in the Offer as it holds a shareholding equal to 7.5% in the corporate capital of the Selling Shareholder Delorean Partecipazioni.

In addition, JP Morgan SE, BNP PARIBAS, Intesa Sanpaolo and UniCredit Bank AG, Milan Branch are acting as joint global coordinators and joint bookrunners in connection with the Offer. The Joint Global Coordinators have an interest in the Offer as it is expected that, if certain conditions are met, they will enter into an underwriting agreement, pursuant to which they will agree to procure subscribers and/or purchasers for, or, failing which, to subscribe and/or purchase, a specified number of Offer Shares in exchange for commissions. UniCredit Bank AG, Milan Branch is also acting as listing agent in connection with the Admission and will receive a fee for carrying out such activity. Kepler Cheuvreux, a company having a strategic alliance with UniCredit Bank AG, Milan Branch, will act as specialist.

Moreover, in the ordinary course of their business, the Joint Global Coordinators and the companies that control them, that they control or that are under common control with them (collectively, the "**affiliates**") provide and may continue to provide, a variety of services to the Company, the Selling Shareholder and their respective groups, including lending, investment banking, financial advisory and other services for the Company and the Selling Shareholders and their respective affiliates, for which they received customary fees, and they and their respective affiliates may provide such services for the Company and the Selling Shareholders and their respective affiliates in the future. In particular, as of Septmeber 30, 2022, the Group has credit lines available with (i) members of the Intesa Sanpaolo group for an aggregate amount of €52,962 thousand, of which €21,345 thousand was drawn as of September 30, 2022; and (ii) the group to which UniCredit Bank AG, Milan Branch belongs for an aggregate amount of €35,695 thousand of which €19,734 thousand was drawn as of September 30, 2022.

In addition, as of the Prospectus Date, certain members of the Issuer's Board of Directors and members of the Senior Management Team have their own interests because they hold, directly and/or indirectly, equity interests in the Company. Moreover, certain Directors and members of the Senior Management Team will receive Ordinary Shares in the context of the Offer in their capacity as MIP Beneficiaries and/or members of the E.M.S. Leadership Team. 60% of the Shares received by the MIP Beneficiaries and 100% of the Shares received by the members of the E.M.S. Leadership Team may be sold in the context of the Offer through the Stock Lending Agreement.

Investors from countries that do not use the Euro as their currency face risks related to changes in currency exchange rates.

The Offer Shares will be denominated in Euro, and should any dividends on the Offer Shares be distributed in the future, they will be paid only in Euro. The Euro has depreciated recently with respect to principal world currencies. As a consequence, the amount a shareholder will receive in any other currency as a result of payment of dividends or the sale of any Offer Shares can be adversely affected by exchange rate fluctuations.

Shareholders outside of Italy may not be able to exercise pre-emptive rights, and as a result may experience substantial dilution upon future issuances of shares.

Future issuances of shares may provide for pre-emptive or preferential rights in favor of existing shareholders. Shareholders outside of Italy may not be able to exercise any pre-emptive or preferential rights, to the extent such rights exist, with respect to their Offer Shares unless a registration statement under applicable law in the relevant jurisdictions is effective with respect to such rights or an exemption from the registration requirements thereunder is available. The Group does not intend to file such a registration statement. In the future, the Group may sell shares or other securities to persons other than its existing shareholders (potentially at a lower price than the Offer Shares), and, as a result, foreign shareholders may experience substantial dilution of their interests.

The price of the Ordinary Shares (including the Offer Shares) may be adversely affected by the expiration or waiver of the lock-up agreements.

In conjunction with the agreements that will be entered into for the Offer and, in particular, upon the execution of the Underwriting Agreement, the Company and the Selling Shareholders will be bound by lock-up up commitments to the Underwriters of of the Offer. Specifically, these commitments will be made: (i) by the Issuer and the Selling Shareholders, for a period of 180 days from the First Trading Date; and (ii) by certain members of management for a period of 180 days from the First Trading Date.

There can be no assurance that the Selling Shareholders will not sell their Ordinary Shares or that the Company will not engage in equity transactions upon the expiration of such commitments. Any significant sales of Ordinary Shares, or the mere perception that such sales might occur, could have an adverse effect the price of the Ordinary Shares.

Future offerings of equity or equity-linked debt securities may adversely affect the market price of the Company's Ordinary Shares

The Company may require additional funding in the future to finance its business operations or planned growth and may seek to raise such funding through offerings of equity or debt securities (potentially including convertible debt securities). The issuance of additional equity securities or securities with rights to convert into equity could have a material adverse effect on the market price of the Ordinary Shares and would dilute the shareholder and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Because the timing and nature of any future offering would depend on market conditions, the Company cannot predict the amount, timing or nature of future offerings. Consequently, holders of Ordinary Shares face the risk that future offerings may lower the market price of the Ordinary Shares or dilute their shareholdings in the Company. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of share options by the Group's employees in the context of future share option programs or the issuance of new shares to employees in the context of such programs, could also lead to dilution. The Company may be classified as a passive foreign investment company, which could result in material adverse U.S. federal income tax consequences to U.S. Holders of the Offer Shares.

Special U.S. federal income tax rules apply to U.S. persons owning shares of a "passive foreign investment company" (a "**PFIC**") as defined in the United States Internal Revenue Code of 1986, as amended (the "**Code**"). The Company will be classified as a passive foreign investment company, or a PFIC, for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock. While the Company does not believe that it was a PFIC for its most recent taxable year, and the Company does not expect to be a PFIC for the current taxable year, if the Company were to be treated as a PFIC for any taxable year during which a U.S. Holder (as defined under "*Certain U.S. Federal Income Tax Considerations*") holds the Offer Shares, the U.S. Holder may be subject to certain material adverse tax consequences upon a sale, exchange, or other disposition of the Offer Shares, or upon the receipt of distributions in respect of the Offer Shares.

Prospective U.S. investors should consult their tax advisors about the potential application of the PFIC rules to an investment in the Ordinary Shares (including the Offer Shares.

IMPORTANT INFORMATION

General

This Prospectus has been approved by Consob as competent authority under the Prospectus Regulation, on February 1, 2023. Consob only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares (including the Offer Shares).

The validity of this Prospectus will expire on the earlier of (i) the First Trading Date and (ii) 12 months from the Prospectus Date provided that it is completed by any supplement if required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply when this Prospectus is no longer valid (see "*Supplements*").

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to Article 23 of the Prospectus Regulation, and therefore prospective investors should not assume that the information in this Prospectus is accurate as at any date other than the Prospectus Date. No person is or has been authorised to give any information or to make any representation in connection with the Admission and the Offer, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Selling Shareholders, the Underwriters, the Listing Agent or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any issuance or sale of Offer Shares made hereunder at any time after the Prospectus Date shall, under any circumstances, imply that there has been no change in the Company's business or affairs since the Prospectus Date or that the information set forth in this Prospectus is correct as of any date subsequent the date hereof.

Prospective investors are expressly advised that an investment in Ordinary Shares (including the Offer Shares) entails risks and that they should therefore carefully read and review the entire Prospectus. Prospective investors should not just rely on key information or information summarised within this Prospectus. Prospective investors should, in particular, read the section entitled "*Risk Factors*" when considering an investment in the Ordinary Shares (including the Offer Shares). A prospective investor should not invest in Offer Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Offer Shares will perform under changing conditions, the resulting effects on the value of the Offer Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their tax advisers as to the tax consequences of the purchase, subscription, ownership and disposal of the Offer Shares.

The contents of this Prospectus should not be construed as business, legal or tax advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares and/or the Ordinary Shares.

Prospective investors should consult their own professional advisers before making any investment decision with regard to the Ordinary Shares (including the Offer Shares), and should consider such investment decision in light of their personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase, or subscribe for Ordinary Shares (including the Offer Shares). In making an investment decision, each investor must rely on its own examination, analysis and enquiry of the Company, including the merits and risks involved.

Although the Underwriters are party to various agreements pertaining to the Offer and each of the Underwriters has or might enter into a financing or other arrangement with the Company, this should not be considered as a recommendation by any of them to invest in Offer Shares.

Each of the Underwriters and the Listing Agent is acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Admission and the Offer. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Admission or the Offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients or for giving advice in relation to the Admission, the Offer or any transaction or arrangement referred to in this Prospectus.

Responsibility statement

This Prospectus is made available by the Company. The Company accepts full responsibility for the information contained in this Prospectus. The Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

In connection with the Offer only:

- Euro Management Services S.p.A., a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Trivulzio no. 1, 20146 Milan, Italy, in its capacity as Selling Shareholder, accepts full responsibility for the information relating to itself contained in this prospectus. Euro Management Services S.p.A. declares that, to the best of its knowledge, the information relating to itself contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

- Delorean Partecipazioni S.p.A., a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Agnello 20, 20121 Milan, Italy, in its capacity as Selling Shareholder. accepts full responsibility for the information relating to itself contained in this prospectus. Delorean Partecipazioni S.p.A. declares that, to the best of its knowledge, the information relating to itself contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

- T2 Eltif Energy Transition Fund, a French professional specialized fund, (*fonds professionnel spécialisé (FPS)*) represented by its management company, Tikehau Investment Management, a French simplified joint-stock company (*société par actions simplifiée*) duly incorporated and existing in accordance with the relevant laws of France, having its registered address at 32, rue de Monceau, 75008 Paris, France, in its capacity as Selling Shareholder, accepts full responsibility for the information relating to itself contained in this prospectus. T2 Eltif Energy Transition Fund declares that, to the best of its knowledge, the information relating to itself contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

- T2 Energy Transition Fund, a French professional private equity fund (*fonds professionnel de capital investissement (FPCI)*), represented by its management company, Tikehau Investment Management, a French simplified joint-stock company (*société par actions simplifiée*) duly incorporated and existing in accordance with the relevant laws of France, having its registered address at 32, rue de Monceau, 75008 Paris, France, in its capacity as Selling Shareholder, accepts full responsibility for the information relating to itself contained in this prospectus. T2 Energy Transition Fund declares that, to the best of its knowledge, the information relating to itself contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Presentation of financial and other information

Historical financial information

Unless otherwise indicated, financial information contained in this Prospectus has been extracted from financial statements prepared in accordance with the recognition and measurement principles under IFRS.

The consolidated financial information included in this Prospectus has been extracted or derived from:

- the Interim Condensed Consolidated Financial Statements of the Group as of and for the nine months ended September 30, 2022, approved by the Board of Directors on November 18, 2022, prepared in accordance with IAS 34 (hereinafter the "**Interim Condensed Consolidated Financial Statements**"), reviewed by the Independent Auditors. The Interim Condensed Consolidated Financial Statements include, for comparative purposes, the unaudited financial information as of September 30, 2021, approved by the Board of Directors on November 18, 2022. The Interim Condensed Consolidated Financial Statements are included at page F-2 of this Prospectus and should be read in conjunction with the notes thereto;

- the Consolidated Financial Statements of the Group for the years ended December 31, 2021, 2020 and 2019 which have been prepared in accordance with the IFRS (the "**Consolidated Financial Statements**"). The Consolidated Financial Statements have been approved by the Board of Directors on November 18, 2022, and audited by the Independent Auditors. The Consolidated Financial Statements are included at page F-36 of this Prospectus and should be read in conjunction with the notes thereto.

For the years ended December 31, 2021, 2020 and 2019, the Group previously prepared its own Consolidated Financial Statements in accordance with Italian generally accepted accounting principles ("GAAP"). For this reason, the consolidated financial data for the years ended December 31, 2021, 2020 and 2019 are presented for the first time in accordance with IFRS, as governed by IFRS 1 "First Adoption of International Financial Reporting Standards". To that end and given the need to prepare this Prospectus, January 1, 2019 has been identified as the date of transition to IFRS.

During the three years and up to the Prospectus Date, no changes were made with reference to the accounting reporting date.

The Consolidated Financial Statements have been audited by Deloitte as stated in its audit report appearing herein. The Interim Condensed Consolidated Financial Statements have been reviewed by Deloitte, as stated in their review report appearing herein.

The Prospectus does not include any information that has been audited or reviewed by the Independent Auditors other than (i) the Interim Condensed Consolidated Financial Statements of the Group as of and for the nine months ended September 30, 2022 and (ii) the Consolidated Financial Statements of the Group for the years ended December 31, 2021, 2020 and 2019.

Definition of Non-IFRS measures

This Prospectus contains financial measures that are not recognized by IFRS. In accordance with the ESMA/2015/1415 guidelines of October 5, 2015 (entered into force on July 3, 2016), non-IFRS measures means those financial, financial borrowing or cash flow performance indicators, historical or prospective, other than those defined or specified in the applicable financial reporting regulations.

These measures are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. More specifically, the non-IFRS measures are constructed on the basis of historical data and do not indicate the future performance of the Group, and they are taken from the Interim Condensed Consolidated Financial Statements or the Consolidated Financial Statements, in accordance with the provisions of the recommendations contained in the document prepared by ESMA, no. 1415 of 2015, as incorporated by CONSOB Communication 0092543 dated 3 December 2015. These Non-IFRS measures include: EBIT, EBIT Margin, EBITDA, EBITDA Margin, Return on Capital Employed (ROCE), Net Fixed Assets, Net Trade Working Capital, Net Working Capital, Net Invested Capital, Net Financial Indebtedness, Capital Expenditure (CAPEX), Cash Generation, Cash Conversion Rate and Gearing Ratio.

For the calculation and reconciliation of each non-IFRS financial measure to the most directly comparable IFRS financial measure, see *"Selected Financial and Other Information—Other financial data"*. Management uses such measures to assess the financial performance and liquidity of the businesses. Management believes that these and similar measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity and are intended to assist in the analysis of the operating results and profitability. When interpreting those Non-IFRS Measures, the following should be considered: (i) Non-IFRS Measures are constructed on the basis of historical data and do not indicate the future performance of the Group; (ii) Non-IFRS Meauseres are not governed or required by international accounting standards (IAS/IFRS) and are not subject to audit; (iii) Non-IFRS Measures must not be considered as substitutes for the indicators provided for under international accounting standards; (iv) the definitions and presentation of the Non-IFRS Measures used by the Company may not be consistent with those adopted by other companies and are and therefore not comparable to similarly titled measures used by other companies and have limitations as analytical tools; and (v) Non-IFRS Measures must be read together with the other financial information included in this Prospectus. Therefore, such measures should not be considered in isolation or as a substitute for the Group's operating results as reported under IFRS..

Set forth below are the non-IFRS financial measures used in this Prospectus.

EBIT, EBIT Margin, EBITDA and EBITDA Margin

EBIT: calculated as Profit for the year or the period excluding Income taxes, Financial costs and Financial income.

EBIT Margin: calculated as the ratio of EBIT divided by revenues of the applicable period.

EBITDA: calculated as Profit for the year or the period excluding Income taxes, Financial costs, Financial income, Depreciation and amortization expenses.

EBITDA Margin: calculated as the ratio of EBITDA divided by revenues of the applicable period.

Management uses EBIT, EBIT Margin, EBITDA and EBITDA Margin for internal reporting to assess performance and as part of the forecasting, budgeting and decision-making processes as they provide additional transparency regarding Group's underlying operating performance. Management believes these non-IFRS measures are useful because they exclude items that management believes are not indicative of Group's underlying operating performance and allow management to view operating trends, perform analytical comparisons and benchmark performance between periods and among segments. The Company's management also believes that EBIT, EBIT Margin, EBITDA and EBITDA Margin are useful for investors and analysts to better understand how management assesses the Group's underlying operating performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that EBIT, EBIT Margin, EBITDA and EBITDA Margin provide useful information to third party stakeholders in understanding and evaluating Group's operating results.

The Groups' presentation of EBIT, EBIT Margin, EBITDA and EBITDA Margin may be different from the presentation used by other companies and, therefore, comparability may be limited. EBIT, EBIT Margin, EBITDA and EBITDA Margin are non-IFRS measures and the term EBITDA and EBITDA Margin are not defined under IFRS or any other generally accepted accounting principles. Consequently, the use of EBIT; EBIT Margin, EBITDA and EBITDA Margin has certain limitations. EBIT, EBIT Margin, EBITDA and EBITDA Margin are not a measure of net income, operating income, operating performance or liquidity presented in accordance with IFRS. When assessing the Group's operating performance, you should not consider this data in isolation or as a substitute for the net income, operating income or any other operating performance or liquidity measure that is calculated in accordance with IFRS.

EBIT, EBIT Margin, EBITDA and EBITDA Margin have limitations as analytical tools. Some of these limitations are:

- they do not reflect the cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the working capital needs;
- they do not reflect any cash income taxes that the Group may be required to pay;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA and EBITDA Margin do not reflect any cash requirements that would be required for such replacements. This might limit their usefulness as comparative measures.

Other non-IFRS measures

Return on Capital Employed (ROCE): calculated as the ratio of Operating profit of the applicable period divided by Net Invested Capital.

Net Fixed Assets: calculated as the sum of Property, plant and equipment, Intangible assets, Right-of-use assets, Investments in associates, Non-current financial assets, Deferred tax assets, Other non-current assets, net of Employee benefits, Deferred tax liabilities, Provisions and Other non-current liabilities.

Net Trade Working Capital: calculated as the sum of Inventories, Trade receivables and Trade payables.

Net Working Capital: calculated as the sum of Inventories, Trade receivables, Current tax receivables, Other current assets, Trade payables, Other current liabilities and Current tax liabilities.

Net Invested Capital: calculated as the sum of Net Fixed Assets and Net Working Capital.

Net Financial Indebtedness: calculated as the sum of total financial liabilities, net of cash and cash equivalents and current financial assets. The composition of Net Financial Indebtedness is determined as required by CONSOB Communication DEM/6064293 of July 28, 2006, and amended by CONSOB Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations contained in

Guidelines 32-382-1138 of March 4, 2021 on disclosure requirements under the Prospectus Regulation (the "Net financial indebtedness - ESMA").

Capital Expenditure (CAPEX): calculated as the sum of additions of Intangible Assets, and additions of Property, Plant and Equipment.

Cash Generation: calculated as EBITDA less Capital Expenditure.

Cash Conversion Rate: calculated as the ratio of Cash Generation divided by EBITDA.

Gearing Ratio: calculated as the ratio of Net Financial Indebtedness divided by Total Equity

The Group believes that the presentation of Return on Capital Employed (ROCE), Net Fixed Assets, Net Trade Working Capital, Net Working Capital, Net Invested Capital, Net Financial Indebtedness, Capital Expenditure, Cash Generation, Cash Conversion Rate and Gearing Ratio are helpful to investors as supplemental measures of performance, liquidity and stability. However, you should not construe these Non-IFRS Measures and Ratios as alternatives to profit or loss from operations determined in accordance with IFRS, or any other measure or ratio required by, or presented in accordance with, IFRS. In addition, the Group's Non-IFRS Measures and Ratios may not be comparable to similarly-titled measures or ratios used by other companies.

Investors should not place undue reliance on the non-IFRS measures and financial indicators and should not consider these measures as: (a) an alternative to measures of operating income or profit for the period as determined in accordance with IFRS, or as measures of operating performance; (b) an alternative to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles, or as a measure of the ability to meet cash needs; or (c) an alternative to any similar measures of performance, liquidity or cash generation as determined under IFRS.

Definition of Other Financial Metrics and Other IFRS measures

This Prospectus contains other financial metrics or other IFRS measures. These other financial metrics and other IFRS measures include Return on Equity (ROE), Inventory Turnover, Days of Inventory (DOI), Trade Receivables Turnover, Days Sales Outstanding (DSO), Trade Payables Turnover, Days Payables Outstanding (DPO). For the calculation of each other financial metric and other IFRS measures, see *"Selected Financial and Other Information—Other financial data"*.

Set forth below are the other financial metrics used in this Prospectus.

Return on Equity (ROE): calculated as the ratio of Profit for the year or the period divided by Total equity.

Inventory Turnover: calculated as the ratio of Revenues divided by Inventories. Data shown as of September 30, 2022 are for the last twelve-months ended on that date, with revenues calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then by adding the revenues for the nine-months period ended September 30, 2022.

Days of Inventory (DOI): calculated as the ratio of Inventories divided by Revenues, multiplied by 365 and expressed in number of days. Data shown as of September 30, 2022 are for the last twelve months ended on that date, with revenues calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then by adding the revenues for the nine-months period ended September 30, 2022.

Trade Receivables Turnover: calculated as the ratio of Revenues divided by Trade receivables. Data shown as of September 30, 2022 are for the last twelve-months ended on that date, with revenues calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then by adding the revenues for the nine-months period ended September 30, 2022.

Days Sales Outstanding (DSO): calculated as the ratio of Trade receivables divided by Revenues, multiplied by 365 and expressed in number of days. Data shown as of September 30, 2022 are for the last twelve-months ended on that date, with revenues calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then by adding the revenues for the nine-months period ended September 30, 2022.

Trade Payables Turnover: calculated as the ratio of (i) the sum of Cost for purchase of raw materials, cost for commercial services (calculated as the cost for external services net of "Directors' remunerations" and "Insurance", net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence divided by (ii) Trade payables. For the twelve-months ended September 30, 2022, the sum of for purchase of raw materials, cost for commercial services, net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence are calculated by subtracting the abovementioned figures for the year ended December 31, 2021, and then by adding the same figures for the nine-months period ended September 30, 2022.

Days Payables Outstanding (DPO): calculated as the ratio of (i) Trade payables divided by (ii) the sum of Cost for purchase of raw materials, cost for commercial services (calculated as the cost for external services net of "Directors' remunerations" and "Insurance", net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence and insurance costs, multiplied by 365 and expressed in number of days. For the twelve-months ended September 30, 2022, the sum of for purchase of raw materials, cost for commercial services, net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence are calculated by subtracting the abovementioned figures for the year ended December 31, 2021, and then by adding the same figures for the nine-months period ended September 30, 2022.

Rounding

Certain numerical figures set out in this Prospectus, including financial data presented in millions or in thousands and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Prospectus may vary slightly from the actual arithmetic totals of such information and from the related figures presented in the Interim Condensed Consolidated Financial Statements and Consolidated Financial Statements.

The percentage (as a percentage of revenues or period-on-period changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information contained in the Interim Condensed Consolidated Financial Statements and the Consolidated Financial Statement. Such percentages may be computed using the numerical figures expressed in thousands of Euros in the Financial Statements. Therefore, such percentage are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

Market and industry data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by analysts, competitors, industry associations and consultants, other non-public external data obtained by the Company from research companies and governmental entities or of the Group's own assessment of its markets and sales. Certain statements made in this

Prospectus are based on the Company's own proprietary information, insights, opinions or estimates, and not on third party or independent sources; these statements contain words such as "the Company believes" and "the Company expects", and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

The information and ancillary data included in this section "*Important information*" and in section "*Business*" of the Prospectus have been primarily derived from the following reports prepared by leading market intelligence companies in the industry:

- IHS Markit | E-Motor Forecast Data Cut | 2021-2028 | July 2022
- Arizton | Industrial Motors Market | 2022 – 2027 | February 2022
- Arizton | Pumps Market | 2022 – 2027 | June 2022
- Allied | Global Forklift Truck Market | 2022 – 2031 | July 2022
- Mordor | Global HVAC Equipment Market 2022–2027 | June 2022
- Allied | Home Automation Market 2022–2031 | July 2022
- GWEC | Global Wind Report 2022 | April 2022.

Moreover, to calculate actual market sizes and market shares of the Group (by volumes sold) in the E-Traction motors market, markets in established economies, the Group compares its internal data on sales volumes (as recorded in the Group's ERP systems for actual market size and into the Business Plan for estimates of projected market sizes) with the market size data provided by the independent source IHS Markit, in the "E-Motor Forecast Data Cut | 2021-2028" report. These third party sources include an overview of the estimated volume of both vehicle and component vehicle production, with specific focus on the E-Traction vehicles.

The Company has not independently verified the information. The Company cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner that makes such figures non-comparable with the Group's figures.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections that they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. Although the Company believes that these sources are reliable, the Company does not have access to the information, methodology and other bases for such information and has not independently verified the information. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Supplements

If a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares and which arises or is noted between the Prospectus Date and the Settlement Date, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by Consob in accordance with Article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document that is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Investors should also be aware of their rights under Section 87Q(4) of the Financial Services and Markets Act 2000 (the "**FSMA**").

Enforceability of civil liabilities

The ability of certain persons in jurisdictions other than Italy, in particular the United States, to bring an action against the Company may be limited under applicable laws and regulations. At the Prospectus Date, the Company is governed by the laws of Italy and the Directors, and most of the Group's employees, are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets of the Group are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts.

It may be possible for investors to effect service of process within Italy upon those persons or the Company or its subsidiaries provided that the requirements of The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 are complied with.

In general, final, enforceable and conclusive judgments rendered by U.S. courts, even if obtained by default, may not require retrial and will be enforceable in the Republic of Italy, provided that pursuant to article 64 of Italian Law 218/1995 (*Riforma del sistema italiano di diritto internazionale privato*) the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction according to Italian law principles of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendants in accordance with U.S. law and during the proceedings the essential rights of the defendants have not been violated;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of default by the defendants, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final and not subject to any further appeal in accordance with U.S. law;
- there is no conflicting final judgment previously rendered by an Italian court;
- there is no action pending in the Republic of Italy among the same parties and arising from the same facts and circumstances which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy.

In addition, if an original action is brought before an Italian court, the Italian court may refuse to apply U.S. law provisions or to grant some of the remedies sought (for example punitive damages) if their application violates Italian public policy and mandatory provisions of Italian law.

Information regarding forward-looking statements

In addition to the information contained under "*Forecast and Estimates*", any forward-looking statements contained in this Prospectus is subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualised", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements that reflect the Company's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Reasons for the Offer and Use of Proceeds*", "*Dividends and Dividend Policy*", and "*Business*" regarding the Group's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

For important factors, but not limited to, that could cause the Group's actual results to vary see "*Forecast and Estimates*".

Defined terms and language

Defined terms used in this Prospectus are defined in "*Defined Terms*". This Prospectus is published in English only.

REASONS FOR THE OFFER AND USE OF PROCEEDS

Background and reasons for the Offer and the Admission

The Admission would allow the Group to acquire, like its main competitors, the status of a listed company so as to be able to achieve greater visibility in its reference market and increase its ability to access the capital market to support its growth and development objectives as well as benefit from the possibility of making potential acquisitions by payment of the consideration in listed shares.

The concurrent Offer is functional to the distribution of the Ordinary Shares and their listing on Euronext Milan. The Offer also responds to the Issuer's desire to continue its growth path by expanding its production capacity and strengthening its capital structure.

Use of proceeds

The Company intends to use the proceeds it receives from the Offer to implement its strategy, in particular, to expand its production capacity (including the set-up of new production sites), develop new technologies, strengthen its capital structure, as well as further expand its geographic footprint. In addition, if the opportunity arises, the Company may also pursue external growth opportunities.

The gross proceeds that the Company will receive in the Offer from the Offer Shares sold by it are estimated to be €250,000 thousand. The maximum commissions (including any discretionary components) of up to 3.5% of the value of the Ordinary Shares placed pursuant to the Offer payable to the Joint Global Coordinators are expected to amount to approximately €15,681 thousand (based on an Offer Price equal to the maximum of the Offer Price Range and assuming the sale of the maximum number of Offer Shares, full payment of discretionary commission and full exercise of the Over-Allotment Option). Such commissions will be paid by the Company and the Selling Shareholders in proportion to the number of Offer Shares sold in the Offer.

The costs and expenses related to the Offer and Admission (excluding the underwriting commissions due to the Underwriters) are estimated at approximately €5,100 thousand and include, among other items, the fees due to Consob and Borsa Italiana S.p.A., legal and administrative expenses, as well as publication costs, if any. Such costs and expenses will be borne by the Company

The net proceeds that the Company will receive in the Offer will be approximately €241,250 thousand (net of the costs and expenses, based on an Offer Price equal to the maximum of the Offer Price Range and assuming the sale of the maximum number of Offer Shares and full payment of discretionary commission). The gross proceeds that the Selling Shareholders will receive from the Offer will be approximately €191,085 thousand (based on an Offer Price equal to the maximum of the Offer Price Range and assuming the sale of the maximum number of Offer Shares, full payment of discretionary commission and full exercise of the Over-Allotment Option).

The Company will not receive any proceeds from the sale of Existing Offer Shares by the Selling Shareholders, including any Over-allotment Shares, in the Offer.

DIVIDENDS AND DIVIDEND POLICY

General

In accordance with Italian law, payment of any annual dividends by the Company may be made out of its distributable profits and reserves on an unconsolidated basis for each relevant year pursuant to a resolution of the shareholders' meeting. Any such resolution is subject to approval by the Company's shareholders at an annual general meeting, which must be convened to approve the Company's financial statements within 120 or, under certain circumstances, within 180 days after the end of the financial year to which such financial statements relate. The Group does not currently have a dividend policy. The Company's shareholders' meeting will resolve upon the distribution of dividends from time to time.

Given its nature as a holding company, the Issuer's ability to pay dividends will depend, among other factors, on whether it receives dividends from its subsidiaries, on market conditions, on the Group's profitability as well as on its investment needs. The Issuer's payment of dividends will also depend on the results achieved, the establishment and maintenance of reserves required by law, general operating performance and development plans prepared by management as well as future actions by shareholders at regular shareholders' meetings approving (in whole or in part) the payment of distributable profits..

Legal Limitations

Mandatory reserves

The payment of any annual dividend is proposed by the Board of Directors and is subject to approval by the shareholders at the annual general meeting. Before dividends may be paid out of the Company's unconsolidated net income in any year, an amount equal to 5% of such net income must be allocated to the Company's legal reserve until such reserve is at least equal to one-fifth of the par value of the Company's issued share capital. The Company's legal reserve is currently higher than one-fifth of the par value of its issued share capital. If the Company's share capital is reduced as a result of accumulated losses, dividends may not be paid until the capital is reconstituted or reduced by the amount equivalent to the corresponding losses. Pursuant to articles 2433 *et seq.* of the Italian Civil Code and article 27 of the Post-IPO by-laws, the Board of Directors may authorize the distribution of interim dividends, subject to certain limitations.

Manner and time of dividend payments

Any dividends the Company may declare will be paid to shareholders through Monte Titoli or such other authorized centralized securities custody and administration systems with which the intermediaries instructed by the shareholders have deposited their shares.

Repayment and Prescription

A shareholder's claim to payment of dividend lapses five years after the day on which the claim became payable. Shareholders will not be required to repay annual dividends paid on the basis of duly approved financial statements if the shareholders collected such dividends in good faith. Any dividends that are not collected within the five-year period revert to the Company.

See "*Description of Share Capital and Corporate Structure—Shares and share capital—Dividend distributions*".

Contractual limitations

As of the Prospectus Date, the Group is party to certain loan agreements providing for limitations on distribution of dividends in case of breach of financial covenants, such as the loan agreement dated June 30, 2022 between Eurotranciatura S.p.A. and UniCredit S.p.A.. Moreover, the loan agreement dated August 9, 2022 between Eurotranciatura S.p.A. and Cassa Depositi e Prestiti S.p.A. limits the distribution of dividends to 50% of Eurotranciatura S.p.A.'s profit for the year. See "Operating *and Financial Review – Current financial indebtedness".*

Taxation

The tax legislation of a shareholder's country of tax residence or other relevant jurisdictions, as well as that and of the Company's country of incorporation and tax residency, may have an impact on the income received from the Ordinary Shares. The Company is exclusively resident in Italy for corporate income tax purposes, and dividends paid by the Company are subject to Italian dividend withholding tax. See "*Taxation— Italian Taxation—Tax Regime for Dividends*" for information on Italian taxation of dividends. See "*Taxation—Certain U.S. Federal Income Tax Considerations*" certain United States federal income tax consequences of the ownership and disposal of Ordinary Shares acquired in the Offer to U.S. Holders (defined below).

Dividend history

In the years ended December 31, 2021, 2020 and 2019 the Company did not pay any dividends. On May 31, 2022 the Issuer distributed dividends to its shareholders for €2,769 thousand, related to the profit for the year ended December 31, 2021.

Dividend policy

As of the Prospectus Date, the Company has not adopted any policy regarding the distribution of future dividends. The distribution of dividends will be resolved upon by the shareholders from time to time.

BUSINESS

OVERVIEW

The Group is a world leader in the design, production and distribution of the motor core (stators and rotors) for electric motors and generators, with a market share of approximately 51% as of the Prospectus Date in North America and Europe in the electric vehicles' traction segment. The stator refers to the stationary mechanical component of the motor that generates magnetic field, into which the rotor (the rotating component) is inserted, enabling the rotation of the motor's axle. Given a number of secular mega trends affecting the markets served by the Group as well as superior performance of its products, the Group is well positioned to lead the global energy transition wave which has resulted in an Order Book of an estimated value of approximately €5 billion and a Pipeline of approximately €2.5 billion consisting of quotes issued in connection with potential future orders (as of the Prospectus Date).

The Group benefits from powerful positive trends including (i) increased global focus on sustainability and zero-carbon objectives, (ii) energy transition leading to increasing use of renewables, (iii) supportive regulatory framework for the adoption of EVs paired with consumers' increasing acceptance of these vehicles, (iv) energy efficiency requirements for the Industrial segments as well as a shift from hydraulic and pneumatic to electric actuators. Electric motors are the single biggest consumer of electricity globally.

In addition, the Group's growth is expected to be supported by the early entry and strong position in the production of the motor core of electric-powered vehicles as well as a highly diversified business for the fast-moving Industrial segment. Over the last few decades, the Group moved from an Italian-based manufacturer to a European and, since 2016, global leader in the production of the electric motor core. The Group's state-of-the-art production facilities are strategically located around the world to ensure proximity to major customers and its unique and secured technology enables it to manufacture high quality electric motor core.

The Group's business is organized along two segments: (i) EV & Automotive, which produces the motor core of electric motors used in (a) electric vehicles traction (representing approximately 15-20% of the overall cost of electric motors according to Company estimates) as well (b) a wide range of non-traction automotive applications; and (ii) Industrial, which produces products used in various applications including, among others, industrial applications, home automation, HVAC equipment, wind energy, logistics and pumps. The Group is also vertically integrated in the design and production of blanking dies and die-casting moulds used in the production of its own products which are also sold to third parties.

The Group differentiates itself from competitors given it (i) is pure-play in the fast growing electric motor and generator sector, leading the EV and energy transition waves, (ii) is an undisputed global market leader in the production of the motor core, key component of any electric machine, (iii) holds a unique set of competitive advantages in terms of innovation, technology, process and scale built over the last 55 years, (iv) has strong revenue visibility thanks to multi-year customer relationships, (v) is profitable with clearly identified areas for further margin improvements, and (vi) maintains a visionary and committed ownership and management team backed by a high-calibre financial investor.

The following tables show the Group's revenues, Profit for the period or year, Profit for the period or year attributable to owners of the Company, EBITDA, Year on year revenues growth, Profit for the period or year Margin, Earnings per share basic and diluted for the nine months ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019. For additional information, see *"Operating and financial review"*.

For the nine months ended September 30, 2022 the EV & Automotive segment generated revenues corresponding to 33.5% of the Group's total revenues for the same period while the Industrial segment generated revenues corresponding to 66.5% of the Group's total revenues for the same period. In the year ended December 31, 2021 the Group's revenues for the EV & Automotive and Industrial segments grew of 32.5% and 60.1% respectively compared to the year ended December 31, 2020.

	For the nine months ended September 30,	
	2022	**2021**
	(in thousands of Euro)	
Revenues	651,120	391,958
Profit for the period	32,289	17,222
EBITDA	77,022	46,344
Period on period revenues growth	66.12%	n.a.
Profit for the period margin	5.0%	4.4%
Earnings per share basic and diluted	4.87	2.58

	For the year ended December 31,		
	2021	**2020**	**2019**
	(in thousands of Euro)		
Revenues	556,904	373,290	352,074
Profit for the year	20,691	2,322	4,020
EBITDA	59,769	18,372	26,193
Year on year revenues growth	49.2%	6.0%	n.a.
Profit for the year margin	3.7%	0.6%	1.1%
Earnings per share basic and diluted	3.07	0.41	0.81

The following tables show Group revenues and EBITDA generated by each of the operating segments and their respective contribution as a percentage of Group's revenues and EBITDA for the nine-month periods ended September 30, 2022 and 2021 and the three years ended December 31, 2021, 2020 and 2019, respectively.

	For nine months ended September 30,				For the year ended December 31,					
	2022	**% on Revenues**	**2021**	**% on Revenues**	**2021**	**% on Revenues**	**2020**	**% on Revenues**	**2019**	**% on Revenues**
	(in thousands of Euro or percentage)									
Revenues by operating segment										
EV & Automotive	217,993	33.5%	146,758	37.4%	195,596	35.1%	147,580	39.5%	112,204	31.9%
Industrial	433,127	66.5%	245,200	62.6%	361,308	64.9%	225,710	60.5%	239,870	68.1%
Total revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**

	For nine months ended September 30,				For the year ended December 31,					
	2022	**% on Revenues**	**2021**	**% on Revenues**	**2021**	**% on Revenues**	**2020**	**% on Revenues**	**2019**	**% on Revenues**
	(in thousands of Euro or percentage)									
EBITDA by operating segment										
EV & Automotive	27,655	4.2%	16,576	4.2%	20,610	3.7%	7,538	2.0%	9,804	2.8%
Industrial	49,367	7.6%	29,768	7.6%	39,159	7.0%	10,834	2.9%	16,389	4.6%
Total EBITDA	**77,022**	**11.8%**	**46,344**	**11.8%**	**59,769**	**10.7%**	**18,372**	**4.9%**	**26,193**	**7.4%**

As of the Prospectus Date, the Group operates worldwide and serves customers in 37 countries. As of September 30, 2022, the Group has approximately 2,800 employees and operates in five countries through 12 manufacturing plants, of which seven are located in Italy, with the remaining five located in Mexico, Tunisia, the United States and China (as of the Prospectus Date, the Russian plant's activities – which accounted for 1.4% of the Group's revenues for the year ended December 31, 2021 - have been suspended due to the sanctions imposed against Russia in the context of the conflict between Russia and Ukraine). Since no recovery forecasts are available, the Group has impaired the Russian assets and recorded a write-down of €4,773 thousand for the nine months ended September 30, 2022 that are related to property, plant and equipment for € 3,764 thousand and to right of use assets for € 1,009 thousand. As of the Prospectus Date none of the Group's suppliers, customers or partners is located in Russia.

The Group is organized into the following three geographical areas, each with its own production facilities and offices: (i) EMEA, which generated 58.2% of the Group's revenues for the nine-month period ended September 30, 2022 (57.9% for the year ended December 31, 2021); (ii) North America, which generated 36.4% of the Group's revenues for the nine-month period ended September 30, 2022 (37.1% for the year ended December 31, 2021); and (iii) Asia, which generated 5.4% of the Group's revenues (5.0% for the year ended December 31, 2021).

The following table shows the revenues by geographic area for the nine-month periods ended September 30, 2022 and 2021 and for the three years ended December 31, 2021, 2020 and 2019, respectively (for the year ended December 31, 2021, 45.6% of the Group's revenues were generated outside of Italy).

	For the nine-month period ended September 30,				For the year ended December 31,					
	2022	**% on Revenues**	**2021**	**% on Revenues**	**2021**	**% on Revenues**	**2020**	**% on Revenues**	**2019**	**% on Revenues**
	(in thousands of Euro or percentage)									
Revenues by geographic area										
EMEA	379,018	58.2%	223,126	56.9%	322,340	57.9%	218,549	58.5%	211,365	60. 0%
Of which in Italy	*367,843*	*56.5%*	*213,228*	*54.4%*	*303,000*	*54.4%*	*209,807*	*56.2%*	*200,796*	*57.0%*
North America	236,967	36.4%	150,687	38.4%	206,866	37.1%	143,918	38.6%	140,236	39.8%
Of which in Mexico	*148,841*	*22.9%*	*95,983*	*24.5%*	*140, 669*	*25.3%*	*100,743*	*27.0%*	*85,544*	*24.3%*
Of which in United States	*88,126*	*13.5%*	*54,704*	*14.0%*	*66,197*	*11.9%*	*43,175*	*11.6%*	*54, 692*	*15.5%*
Asia	35,135	5.4%	18,145	4.6%	27,698	5.0%	10,823	2.9%	473	0.1%
Of which in China.	*35,135*	*5.4%*	*18,145*	*4.6%*	*27, 698*	*5.0%*	*10,823*	*2.9%*	*473*	*0.1%*
Total revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**

COMPETITIVE STRENGTHS

Pure-play in the fast growing electric motor and generator sector, leading the EV and energy transition waves

The Group's growth is underpinned by regulatory-driven energy transition trends across the automotive and industrial markets which are leading to significant growth of the underlying reference markets and provide long-term visibility. In particular, the global transition to electric vehicles is supported by several trends and government initiatives. In order to reduce emissions of pollutants and combat climate change, the largest countries worldwide have taken measures to encourage the use of electric vehicles. Specifically, (i) in November 2020, the Chinese government adopted its 2021-2035 automotive industry development plan, which requires approximately 20% of new vehicles to be non-polluting (including electric-powered vehicles) by 2025, (ii) in August 2021, the President of the United States issued an executive order that calls for a 50% share of electric vehicles by 2030, (iii) in November 2021, the Infrastructure Investment and Job Act was enacted in the United States, which approved US$7.5 billion for infrastructure for electric vehicles and subsidies to purchase them, (iv) in July 2021, the European Commission announced the "Fit-for-55" initiative, with the goal of reducing polluting emissions by 55% by 2030 and achieving zero emissions by 2050, (v) in June 2022, the European Union enacted a ban on sales of gasoline and diesel vehicles by 2035 and (vi) in August 2022 the Inflation Reduction Act was enacted in the United States, approving US$369 billion for energy security and climate change programs by 2032, with the aim to lower energy costs, increase cleaner production and reduce carbon emissions by roughly 40 percent by 2030. As the revenues of the EV Traction product line are concentrated in the automotive sector, the Group's future growth depends on consumers' shift towards alternatives to internal combustion vehicles and, in particular, electric vehicles.

Electric motors are the single biggest consumer of electricity globally, and production of electric vehicles is forecasted to grow from 21 million units in 2022 to 63 million units in 2028 (CAGR: +21%)[3]. Also, industrial motors market is envisaged to increase in value from $65 billion in 2022 to $91 billion in 2026 (CAGR: +9%)[4]. Among the secular trends that management believes will support strong growth of its EV & Automotive and Industrial segments are the following: (i) increased global focus on sustainability and zero-carbon objectives (including increasingly stringent emission limits for car manufacturers and incentives to purchase and operate non-polluting vehicles); (ii) energy transition leading to increasing use of renewables, supported by the progressive improvement in the efficiency and performance of electric motors; (iii) supportive regulatory framework for the adoption of EVs paired with consumers' increasing acceptance of these on the back of growing urbanization, which will therefore require greater use of sustainable means of transportation; (iv) energy efficiency requirements for the Industrial segments, considering difficulties related to oil supply due to geopolitical tensions, as well as the shift from hydraulic and pneumatic to electric actuators. In light of these factors, both car manufacturers and industrial companies have set targets for transitioning to clean energy and to be achieved over the next years.

In addition, management believes the Group to be uniquely positioned to lead the EV transition wave and benefit from increasing EV penetration given its first-mover advantage. The Group is the sole supplier, directly or indirectly through its Tier-1 customers, to key platforms for 6 of the top 10 OEMs by aggregate forecast BEV production during 2022-2028 by vehicles[5]. Moreover, approximately 80% of the current Order Book will be supplied directly to OEMs. With respect to its Industrial segment, the Group is highly diversified across end-markets driven by increasing energy transition requirements.

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[3] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

[4] Source: Arizton | Industrial Motors Market | 2022 – 2027.

[5] Source: Group estimate based on internal data and IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

Undisputed global market leader in the design and production of the motor core, key component of any electric machine

The Group is a world leader in the design, production and distribution of the motor core for electric motors and generators. Leveraging its long-standing client relationships with global automotive OEMs and Tier 1 suppliers of automotive components, and the significant know-how gained over its more than 55-year history, the Group has achieved a market share of approximately 51% in Europe and North America in the E-traction segment[6], securing a 100% customer retention rate since 2019 for the EV & Automotive segment. In addition, given that the Group acts as sole supplier for the vast majority (80%) of BEV platforms of its customers, management believes the Group is best positioned to benefit from the energy transition wave and capture any future expansion opportunity, including in the Chinese market. The Group expects that 1% market share in the E-traction segment in China as of the Prospectus Date will increase to 21% in 2026[7] in particular in light of the fact that orders from China currently represent 21% of the Group's Order Book. The long-standing relationships developed over time with non-Traction product clients further enhance the Group's ability to deliver its growth strategy.

The Group also benefits from strong synergies between its EV & Automotive and Industrial segments by sharing experience, technology and process automation. In particular, the Group's success is also supported by its ability to forge and maintain solid relationships (more than 10 years average tenure of 2021 top 5 clients) with key global Industrial customers operating in all key end-markets, including Energy, Pumps, HVAC, Logistics, Home and Industrial Applications.

Management believes the Group's global scale and vertical integration provide it with significant competitive advantages over its competitors in order to seize growth opportunities in a high-potential industry undergoing transformation. In particular, material investments would be required to replicate the Group's installed capacity, and related flexibility and scale-up capabilities in meeting the Group's customers' needs. The Group's coverage of a diverse set of end-markets, applications and products further strengthens its leadership position.

Unique set of competitive advantages built over the last 55 years: innovation, technology, process and scale

In more than 55 years, the Group has gained significant experience and know-how in the processes of lamination blanking and production of the motor core of electric motors, with key innovation, technology, process, and scale competitive advantages making it able to win and maintain contracts and be chosen as development partner by its customers.

Through its Research and Development department, the Group has developed several innovations, including: (i) in glue bonding technology thanks to the Glue Fastec® technology (developed by strategic partner Kuroda which owns the intellectual property rights and granted the Group an exclusive license until 2030) which is the unrivalled leading glue bonding technology in North America and Europe with a growing use in Asia; and (ii) Corpack® technology, which lowers manufacturing costs and reduces mechanical stress. The Group has an established track record of innovation, with over 50 patents on products and technologies, over 10 new products developed since 2017 and 9 new processes developed since 2020, and a detailed innovation road map for 2022-2024. In particular, the Group will focus on materials, including new electrical steel alloys and steel homologation, assembly technology, including full stack core loss-based specification, zero scrap, Industry 4.0, and product technology, including Glue, IoT and other

[6] Source: Group estimate based on internal data and IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

[7] Market share in 2026 based on IHS Markit | E-Motor Forecast Data Cut | 2021-2028 and taking into account the Group's Order Book.

technologies. The Group's customized products are often co-developed with customers, implying close interaction between the Group and the research and development, product engineer and production process engineer departments of its customers, in order to identify what could be the most suitable solution to satisfy the customers' needs. In addition, the Group maintains collaborations with prestigious universities to further improve its processes and technologies.

The markets served by the Group are characterized by highly demanding specifications for the motor core, including, among others, better insulation, lower noise, mechanical stress reduction and motor core losses reduction. EV OEMs have heightened requirements for electric motor core performance and properties, given continuing efforts to improve new motor efficiency. Therefore, while the production process for stators and rotors is based on electric steel processing, each stage of manufacturing is highly complex, requiring technological and manufacturing know-how which the Group has mastered over the past decades, securing some of the best technologies and processes that could improve performance and increase value of the motor. The Group's process proprietary technologies are developed and implemented internally, which according to management, constitutes a competitive advantage in terms of production process performance, efficiency and quality. The Group masters a full range of motor core lamination technologies with unique skill in glue bonding, including interlocked, laser welding and glue tech. Key benefits of the glue bonding technology are (i) mechanical efficiency, resulting in an improved stiffness under compression compared to interlock and welded solutions, (ii) raw material savings, through the reduction of electrical steel scrap during production; (iii) overall powertrain efficiency improvement, as the lower core loss leads to lower current consumption and lower motor heating; and (iv) reduced motor energetic density, with smaller size and lighter design resulting in a higher power to weight ratio. These benefits lead to improvements in the Group's customers'engines, such as increased range, reduced battery size, increased torque and power, as well as noise reduction.

The Group's global presence with 12 plants strategically located across 5 countries enables it to organize production efficiently, meet customer needs in a timely manner, be prepared to quickly scale-up and follow new opportunities, as well as maximize delivery speed due to proximity to target markets. As of the Prospectus Date, the Group's plants cover an aggregate surface of 215,000m^2 and include 240 presses. The Group maintains strong bargaining power with a diversified, high-quality supplier base, being the world's biggest buyer of electrical steel by volume, processing approximately 400,000 tons of electrical steel per year and purchasing large volumes from major suppliers globally, having developed long-term partnerships with many of them. Consequently, the Group benefits from certainty of supply of the different grades of electric steel for automotive and industrial applications and believes it can grant better sale terms to customers compared to its competitors. Replicating such a production infrastructure on a global scale would entail material investments, which represent a high barrier to entry.

Strong revenue growth based on multi-year supply relationships

With an Order Book for the EV & Automotive segment with an estimated value of approximately €5 billion as of the Prospectus Date (€3.5 billion at the end of 2021 and €1.5 billion at the end of 2019) and an additional Pipeline of orders under discussion of €2.5 billion, the Group believes it can make a significant contribution to the transition to electric vehicles and benefit from that transition in terms of revenues. The Group's Order Book includes orders as sole supplier for major OEMs of electric vehicles for a period of around five to seven years that allow management to predict expected cash flows. The Order Book orders consist of motor core for both BEVs (98%) and hybrid vehicles (2%). It is also well diversified across regions with 40% of orders by value in Europe, 39% in North America and 21% in China (where the Group currently has a market share of less than 1%, expected to increase to 21% in 2026[8]). Approximately 80%

[8] Market share in 2026 based on IHS Markit | E-Motor Forecast Data Cut | 2021-2028 and taking into account the Group's Order Book.

of the Order Book will be supplied directly to OEMs. Moreover, the current Order Book is broadly diversified by platform with the top 10 and top 5 platforms representing, in aggregate, 93.4% and 74.8% of the Order Book respectively. In particular, the top 5 platforms represent 28.0%, 16.4%, 14.5%, 8.2% and 7.7% of the Order Book.The Group has also already undertaken key initiatives to execute the Order Book, including an increase in production capacity through the expansion of its plants and the installation of new production lines.

Management also believes that the Industrial segment will be able to continue to benefit in the coming years from its customers' increasing inclination to outsource the production of a large quantity of components to the Group (for example, the Group has managed more than 80 outsourcing projects over the past five years). This trend is mainly due to: (i) underutilization of production capacity due to technological obsolescence and/or lack of production flexibility, (ii) concentration on developing only skills deemed essential, (iii) the ability to free up financial and managerial resources for other uses, and (iv) the ability to free up production areas. Due to its know-how and established relationships with its customers, the Group is, in management's opinion, a key partner for those customers seeking to outsource part of their production.

Profitable business with clearly identified areas for further margin improvement

The Group has a solid track record in delivering profitable growth. Revenues grew at a CAGR of 26% between 2019 and 2021, from €352,074 thousand to €556,904 thousand, further increasing to €651,120 thousand for the nine months ended September 30, 2022.

The Group's profitability has also increased over time, from 7.4% EBITDA margin in 2019 to 10.7% in 2021, to 11.8% for the nine months ended September 30, 2022. EBITDA grew at a CAGR of 51% between 2019 and 2021, from €26,193 thousand to €59,769 thousand, further increasing to €77,022 thousand for the nine months ended September 30, 2022.

The Group's growth is expected to be fuelled by both its EV & Automotive and Industrial segments, with clearly identified areas for further margin improvements. To support that growth, in September 2022, the Group hired a Chief Performance Officer.

Visionary and committed ownership and management team backed by a high-calibre minority investor

Thanks to the management's vision regarding electrification trends in the automotive industry, the Group has been an early mover in the production of motor core for electric vehicles, benefitting from several competitive advantages. The Group is therefore well positioned to benefit from the transition to the use of electric vehicles, also benefitting from the view and support of its main shareholders, the Iori family, which founded the Group in 1967, and Tikehau Capital, which invested in the Group in 2020 and together with the Group, enhanced strategic planning and control, improved corporate governance, attracted and retained talent and strengthened the Group's capital structure in order to support its growth trajectory.

The Group's management team is formed by professionals who have significant experience in the sectors in which the Group operates. In particular, the Group can benefit from a global management team comprising more than 30 people with over 500 years of cumulative experience and average tenure of more than 15 years in the industry.

By producing the motor core for EVs the Group is also actively contributing to decarbonization and is committed to pursuing continuous reduction of its environmental impact as an integral part of its business and as a strategic commitment, and to constantly monitoring compliance with applicable environmental protection laws and regulations. In particular, the Group is closely monitoring its carbon footprint and achieved ERM certification over the last 2 years, having the Group avoided 120kt CO2 emissions in 2021. It also focuses on waste and materials management, being capable to recycle more than 70,000 tons of metallic material per year and to reuse for production 50% of electrical steel and aluminium.

The Group is also strongly committed to being a responsible employer, having received in 2022 the Ecovadis gold medal certification, while maintaining a comprehensive set of policies on ethics, corruption and human rights. The Group's established ESG agenda remains at the core of its strategy.

For additional information regarding the main strengths and weaknesses and opportunities and threats facing the Company and the markets in which it operates, see "*Market and competition*".

STRATEGIES

With specific reference to each segment, the strategy pursued by the Group focuses on the following objectives:

- ***EV & Automotive***: (i) expanding the existing Order Book and additional Pipeline of orders under discussion worldwide (namely, Europe, Asia, and the United States) with an estimated value of approximately €5 billion and approximately €2.5 billion respectively as of the Prospectus Date, which is expected to generate revenue and cash-flow in the coming years, with additional projects and initiatives currently being evaluated and implemented; (ii) exploiting its successful track record and excellent reputation in the industry, enabling the Group to take advantage of additional opportunities for additional growth in the electric vehicle market, including the commercial vehicles sector; (iii) leveraging on long-standing relationships with key customers (both OEM and Tier 1) to retain and further consolidate its leadership in Europe and North America; (iv) achieving a leadership position in Asia, especially in China and Japan, through continued growth of the current customer base, increased market penetration and creating a benchmark for Asian operators; (v) evaluating potential strategic initiatives with Asian players to further increase growth and penetration in Asian markets through M&A and industrial partnerships; (vi) continuing to invest in research and development to strengthen its technological leadership through continuous innovation and maintain its competitive advantage; and (vii) improving the efficiency of production processes to manage growing volumes as well as to sustain and further increase profitability. The EV & Automotive segment is benefiting from the rapid increase in the penetration of electric vehicles, which are currently the main focus of the world's leading car manufacturers, in part due to an increased regulatory impetus to reduce vehicles with combustion engines as well as increased community attention on sustainable forms of mobility. The main challenges the Group faces in while pursuing the above objectives include: (i) being able to meet the increasing demand for EV motor core from both existing and new customers as a consequence of the transition away from fossil fuels; (ii) staying abreast of technological advances to overcome competition; (iii) managing potential logistical and delivery difficulties that could arise due to the expected increase in demand for electric vehicles and geopolitical turbulence; and (iv) if the opportunity arises, being able to effectively carry out M&A transactions and industrial partnerships as well as managing the potential increase in operational complexity arising therefrom; and

- *Industrial*: (i) leveraging on green electrification and energy efficiency trends in various industries , with support from the shift from hydraulic and pneumatic to electric actuators; (ii) exploiting potential synergies with the EV & Automotive segment by sharing experience, technology and process automation; (iii) focusing on product innovation to further consolidate existing multi-year relationships with the Group's major customers and acquire new customers, and seizing new insourcing opportunities; (iv) pursuing geographic, product and end-market diversification (including aerospace, agriculture, construction, marine, drones, mining, data center cooling and material handling), in order to ensure highly diversified and stable revenues stream; (v) becoming the supplier of choice and increase market share by developing turnkey technical solutions through collaborations with existing customers; (vi) improving operational efficiency through new automation systems to reduce costs and time to market; and (vii) leveraging its know-how and experience to develop new products with higher added value. The main challenges the Group faces in pursuing the above objectives include: (i) managing the logistical difficulties arising from the heterogeneity of the industries served by the Industrial segment; (ii) installing the required production capacity and strengthening its organizational structure to meet increasing demand; and (iii) ensuring an adequate level of electrical steel supply to meet the expected increase in the demand for electrical steel from the EV & Automotive end markets.

If the opportunity arises, the Company may also pursue external growth opportunities, including acquisitions, which will be financed through cash from operating activities and/or bank credit lines and other forms of indebtedness as it will be deemed appropriate by management.

THE GROUP'S HISTORY

The Group has been active for over 55 years in the production of stators and rotors with a wide range of applications and end markets. The Group's evolution can be divided into four key phases: (i) foundation and leadership in the Italian market; (ii) growth and leadership in Europe; (iii) leadership worldwide; and (iv) energy transition and leadership in stators and rotors for electric vehicles.

Foundation and market and technology leadership in the Italian market

The Group started its operations in 1967 with the incorporation of Eurotranciatura S.p.A. in Baranzate (Milan), a company that manufactures and distributes blanked electrical steel laminations for electric motors and generators, continuing in the 1980s with the opening of Alcast, an aluminium foundry specializing in rotor die-casting and production division of Eurotranciatura S.p.A.

Growth and market and technology leadership in Europe

In 1987, the business was expanding, with the acquisition of Corrada S.p.A., a company established in 1933 and operating in the design and manufacture of carbide and electrical steel dies for blanking and stacking electrical steel laminations for motors, generators, transformers and electricity meters.

In the 2000s, the Issuer began to expand its business in Europe by establishing relationships with new customers located in different European countries as well as by further consolidating relationships with existing ones. This allowed the Group to improve its market share and to significantly expand its customer base. In the same period the Group entered into a partnership with SAF S.p.A., a company specializing in the production of blanked laminations and components for small electric collectors and induction motors, and created Euroslot, a division dedicated to compound blanking and notching of electrical steel laminations for the production of large electric motors and generators.

Expansion and worldwide market and technology leadership

The Group's internationalization strategy continued in 2006, with the expansion into the North American market through the opening of the first production plant outside Italy, in Mexico and Tunisia, through the opening of a first production plant in 2011. The growing internationalization has also allowed the Group to diversify market risks across multiple geographic areas and consolidate its presence as a major international player.

Subsequently, a new division for compound moulds, notching tools and die casting moulds, Euroslot Tools, was created, and in 2012 the Issuer began to expand into the North African and Chinese markets through the creation of a joint venture, Euro Misi Laminations Jiaxing Co. Ltd, with Marubeni-Itochu Steel Inc., one of the world's largest electrical steel and pipe producers.

In 2014, the Issuer entered into a partnership with Kuroda Precision Industries Ltd, a manufacturer of electrical steel laminations for electric motors and generators, and opened a production plant in the

United States. The Issuer owns a 3% equity stake in Kuroda, and its Asian partner Marubeni Itochu Steel Inc, with whom the Issuer has formed Euro Misi Laminations Jiaxing Co. Ltd as a joint venture, also owns a 3% stake.

EV and Energy transition leadership

The turning point in the Group's history was 2016, when it began producing stators and rotors for electric vehicles and overtook its two main competitors to become the worldwide market leader in the production and distribution of the motor core.[9] After the "Dieselgate" scandal in 2015, the take up of electric vehicles increased rapidly across global markets. In 2016, the Group launched a new project for a leading U.S. electric vehicle manufacturer. In the same year, Euro Group Asia Limited was established in Hong Kong, which, subsequently purchased from the Issuer the shareholding held by it in Euro Misi Laminations Jiaxing Co. Ltd, a company established as a joint venture in equal shares between the Issuer and Marubeni Itochu Steel Inc. Thanks to the increasing adoption of EVs worldwide, the revenues for the EV & Automotive segment registered a '16 -'21 CAGR of 33% compared to a '16 -'21 CAGR of 12% for the Industrial segment[10].

In 2018, the acquisition of Galvanins S.r.l., a company specializing in the design and manufacture of dies for cold sheet machining and the production of high-precision small metal parts, was completed. It later merged into SAF S.p.A. in 2019.

In 2019, the Issuer's Order Book in the electric mobility business was around €1.5 billion, and a year later Tikehau Capital entered the Group by acquiring a minority stake of 30%. The transaction provided for an increase in share capital to support growth and a further expansion in the electric mobility business in Italy and abroad. The Group has grown further since that time, with Order Book and additional Pipeline of orders under discussion for the EV & Automotive segment worldwide of an estimated value of approximately €5 billion and €2.5 billion, respectively, as of the Prospectus Date.

In 2020, Marubeni Itochu Steel Inc. transferred to Euro Group Asia 9.32% of the registered capital held by Marubeni in Euro Misi Laminations Jiaxing, and, after the transfer, both Marubeni Itochu Steel Inc. and Euro Group Asia subscribed a capital increase following which Euro Group Asia came to hold 69% of Euro Misi Laminations Jiaxing. Moreover, as a result of changes to the shareholders agreement relating to SAF S.p.A., on June 25, 2021 the Group acquired control of SAF S.p.A. See "*Operating and Financial Review - Acquisition of subsidiaries and Changes in the Consolidation Perimeter*".

On March 11, 2022, Euro Group Asia Limited established the new company, Euro Misi High Tech, Jiaxing Ltd, whose main purpose is to produce exclusively for Euro Misi Laminations Jiaxing stators and rotors dedicated to the EV & Automotive segment. The consideration paid for the incorporation of the company amounted to €22,748 thousand.

THE GROUP'S OPERATIONS

Group's products and segments

The Group is organized into two segments, each with its own portfolio of specific products and services: EV & Automotive and Industrial.

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[9] Source: Based on June 2022 IHS market data

[10] Based on Italian GAAP accounting principles.

EV & Automotive segment

The EV & Automotive segment produces high value-added stators and rotors for numerous automotive applications. The EV & Automotive segment is comprised of two product lines:

- EV Traction, which deals specifically with the production of stators and rotors used in electric vehicle traction systems; and
- Non-traction, which produces stators and rotors for a wide range of non-traction automotive applications.

Thanks to their wide range of application, the Group's products can be used in to up to 19 non-traction components for a single vehicle as well as 1 to 3 motor core sets (for EVs).

As of the Prospectus Date, the EV & Automotive segment's plants cover an aggregate area of approximately 65,100 square meters (19,800 in EMEA, 15,400 in North America and 30,000 in Asia) and use 57 presses (26 in North America, 25 in EMEA and 6 in Asia) that enable it to process approximately 141,000 tons of electrical steel per year (64,000 in EMEA, 72,000 in North America and 4,500 in Asia).

For the nine-month period ended September 30, 2022, the EV & Automotive segment represented 33.5% of the Group's revenues (35.1%, 39.5% and 31.9% for the years ended December 31, 2021, 2020 and 2019). Moreover, during the same period, revenues from the Group's top 10 customers represented 95.3% of the revenues of the EV & Automotive segment (91.6%, 92.6% and 92.0% for the years ended December 31, 2021 2020 and 2019), with the top 5 customers accounting for 85% of the revenues (84.7%, 86.2% and 81.3% for the years ended December 31, 2021 2020 and 2019) and the largest customer accounting for 37.0% of the revenues of the EV & Automotive segment (43.4%, 48.1% and 48.9% for the years ended December 31, 2021 2020 and 2019).

Since 2019, the customer retention rate for the EV & Automotive segment has been 100%, and 80% of the revenue for the nine-month period ended September 30, 2022 was attributable to exclusive contracts in which the Group acted as a sole supplier[11]. Moreover, if orders materialize, approximately 80% of the current Order Book will be supplied directly to OEMs.

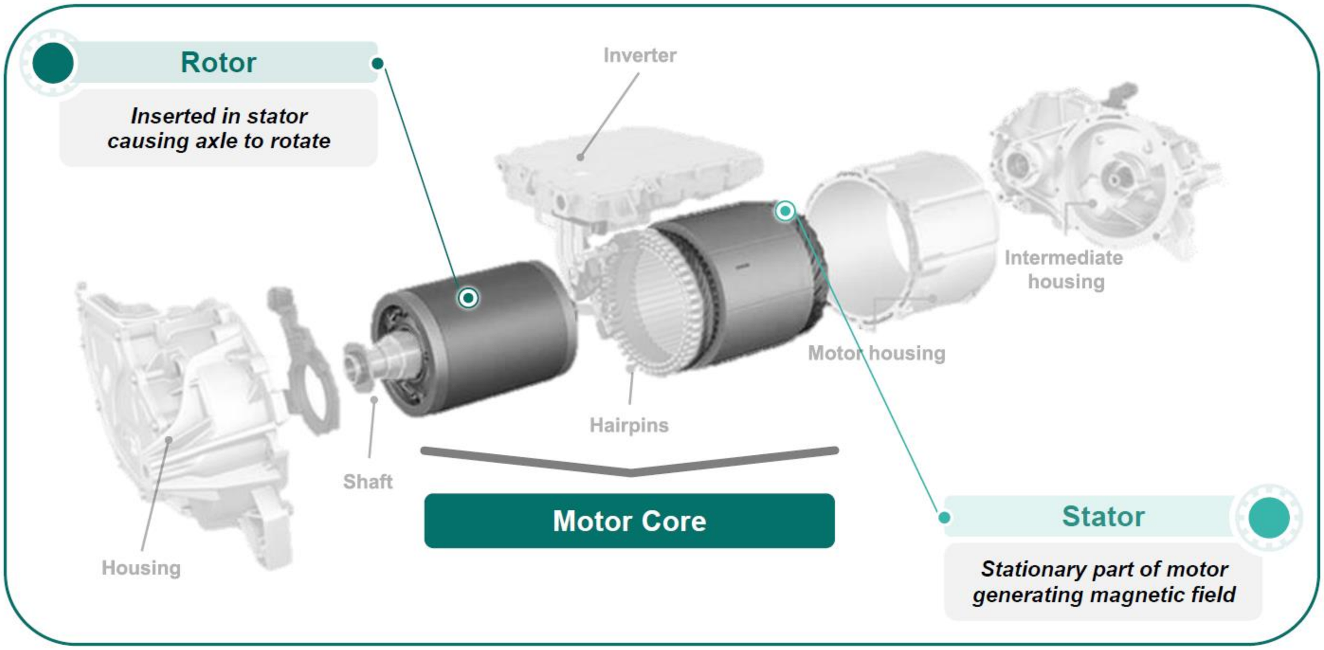
The following table shows the revenues generated by the EV & Automotive segment for the nine-month periods ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019, by product line.

	For the nine-month period ended September 30,				**For the year ended December 31,**					
	2022	**% of Revenues**	**2021**	**% of Revenues**	**2021**	**% of Revenues**	**2020**	**% of Revenue s**	**2019**	**% of Revenues**
	(in thousands of Euro or percentage)									
Revenues by product line										
EV Traction	180,292	83%	122,973	84%	162,802	83%	121,151	82%	76,901	69%
Non-traction	37,701	17%	23,785	16%	32,794	17%	26,429	18%	35,303	31%
Total EV & Automotive revenues	**217,993**	**100%**	**146,758**	**100%**	**195,596**	**100%**	**147,580**	**100%**	**112,204**	**100%**

[11] Source: Group estimate based on internal data.

(a) *EV Traction product line*

The EV Traction product line produces stators and rotors used to make the traction systems for electric vehicles. A stator is the stationary part of the electric motor generating the magnetic field while the rotor is inserted into the stator and makes the axle rotating. Stators and rotors ("motor core") represent 15-20% of the overall cost of electric motors.



Alternative solutions for electric motors include external rotor motors and axial motors.

As of the Prospectus Date, the Group has a market of approximately 51% in North America and Europe in the production of stators and rotors for the traction of electric vehicles.[12]

The business of the EV Traction product line is not subject to seasonality with a demand which is resilient and consistent throughout the year.

Product description

Products in the EV Traction product line are highly customized to meet customer needs. Due to its organizational structure and significant know-how gained over 55 years of its history, since 2016 the Group is able to offer its customers dedicated solutions also for the production of stators and rotors for electric vehicles traction systems that extend along the entire value chain, from product development (which is often managed together with the customer in a co-development joint process) to after-sales support where required. In addition, where required by customers, the Group is able to offer its customers dedicated lines for the production of customer-specific stators and rotors.

The main products in the EV Traction product line are manufactured through the following lamination technologies: (i) loose lamination; (ii) interlocked; (iii) welded; and (iv) bonded.

Main customers

[12] Source: Group estimate based on internal data and IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

The Group's main customers for the EV Traction product line are some of the major car manufacturers as well as leading Tier 1 suppliers of components to car manufacturers. In particular, the Group's customers include a US-based top seller of EVs, Volkswagen Group (whose electric motors for the MEB platform are also installed into vehicles manufactured by Skoda and Seat), Ford, General Motors, E-Motors (a joint venture between Nidec and PSA that manufactures electric motors for PSA) and Renault. In addition, the Group is also indirectly part of the supply chain of other car manufacturers (e.g. Nissan) through its Tier 1 customers (e.g. Marelli, Bosch, Egston, LG-Magna, Valeo, ZF and Mahle).

(b) *Non-traction product line*

The Non-traction product line produces stators and rotors targeting a wide range of automotive non-traction applications. Most of the products in this product line are intended for use on both traditionally powered vehicles (gasoline, diesel, or other traditional fuels) and electrically powered vehicles, and therefore, in the Group's opinion, these products will not be adversely affected by the transition to the use of electric vehicles.

The business of the Non-traction product line is not subject to seasonality with a demand which is consistent throughout the year.

Product description

The main products in the Non-traction product line include stators and rotors used to manufacture, among other things: (i) starter motors; (ii) electric turbo motors; (iii) electric window lift motors; (iv) front wiper system motors; (v) alternator stator cores; (vi) ventilation system motors; (vii) electric power steering motors; (viii) engine cooling motors; (ix) ABS system motors; (x) electric power steering motors; and (xi) sunroof motors.

Main customers

The Group's main customers for the Non-traction product line include the leading Tier 1 suppliers of components to car manufacturers (including, among others, Bosch, Brose, Borg Warner, JAE and SPAL).

For the year ended December 31, 2021, revenues from the five largest customers of the Non-traction product line accounted for 82% of that product line's revenues (90.6% in the nine-month period ended September 30, 2022) and the contracts have a term of more than ten years.

Contractual relations with customers for the EV & Automotive segment

Contractual relations between the Group and its customers are governed by: (i) general terms and conditions applied by the customer and negotiated by the Group, and (ii) framework agreements that govern the main terms and conditions of each project.

The framework agreements typically include a weekly forecast of the estimated number of pieces to be delivered to the customer and also require the customer to notify the Group, also on a weekly basis, of any variations from the forecast number of pieces. Although the forecast of the number of pieces to be produced is not binding on customers, historically the orders have been largely consistent with the forecasts in the framework agreements. While the individual customer retains responsibility for the design, the products are frequently designed together on a joint co-development by the Group and its customers. As a result, the greater the number of parts produced by a supplier, the greater the degree of production efficiency (in terms of production time and cost).

The framework agreements generally also include, *inter alia*: (a) clauses detailing the conditions to be satisfied for the purposes of the warranties provided by the Group; (b) penalties for delayed or inaccurate deliveries or failure to deliver; and (c) obligations to indemnify Group companies under certain specific circumstances. Prices for the supplied products are usually periodically re-determined. Depending on the type and term of the contract, the parties may agree to price adjustment mechanisms to partially compensate for the volatility risk associated with raw materials prices.

Moreover, certain framework agreements require the Group to maintain a specified production capacity and provide for penalties for breach of this obligation. During the 2019-2021 period and through the Prospectus Date, the Group has never breached this obligation.

To the Issuer's knowledge, during the 2019-2021 period and through the Prospectus Date, no material disputes have occurred due to breach of delivery schedules, nor have there been any breaches of contractually agreed quality and performance standards that resulted in contractual terminations or payments of significant penalties or material damages. Moreover, as of the Prospectus Date there are no contractual or operational conditions that may lead the Group to be dependent on third parties.

With reference to the Order Book for the EV & Automotive segment, the Group's customers are not contractually committed to specific volumes of services and the relevant contracts may be terminated, even where the Group is not in default under such contracts. Moreover, purchase orders are not binding and there are no minimum guaranteed quantities and, accordingly, customers may reduce or cancel their orders.

Industrial segment

The Industrial segment manufactures and sells products used in multiple applications by customers active in various industries, including: generators, fans, pumps, home automation, domestic appliances, transportation, industrial motors and power tools.

The products of the Industrial segment are divided into the following product lines: (a) Energy, (b) HVAC, (c) Pumps, (d) Home, (e) Logistics and (f) Industrial Applications.

The Industrial segment's strategy is based on: (i) exploiting the ongoing transition to electrification in various industries, (ii) product innovation aimed at consolidating existing long-standing relationships with the Group's major customers and gaining new customers, (iii) geographic and product diversification and (iv) increasing production efficiency in order to enhance profitability and market competitiveness.

As of the Prospectus Date, the plants used by the Industrial segment cover an aggregate area of approximately 149,900 square meters (100,200 in EMEA, 33,000 in North America and 16,800 in Asia) and use 183 presses (48 in North America, 118 in the EMEA area, and 17 in Asia) enabling the Group to process approximately 260,000 tons of electrical steel per year (168,800 in EMEA, 65,300 in North America and 25,600 in Asia).

For the nine-month period ended September 30, 2022, the Industrial segment accounted for 66.5% of Group revenues (64.9%, 60.5% and 68.1% for the years ended December 31, 2021, 2020 and 2019). Moreover, during the same period, revenues from the top 10 customers of the Industrial segment represented 48% of the revenues of such segment (52.47%, 51.74% and 51.73% for the years ended December 31, 2021, 2020 and 2019), with the top 5 customers accounting for 35% of segment revenues (37.65%, 36.43% and 35.31% for the years ended December 31, 2021, 2020 and 2019) and the largest customer accounting to 10.81% of the revenues of the Industrial segment (12.12%, 12.29% and 13.19% for the years ended December 31, 2021 2020 and 2019). In addition, for the same period 65%, 29% and 6% of the revenues of the Industrial segment were generated in EMEA, North America and Asia respectively.

The following table shows the revenues generated by the Industrial segment for the nine-month periods ended September 30, 2022 and 2021 and for the years ended December 31, 2019, 2020, 2021, by product line.

	For the nine-month period ended September 30,				For the year ended December 31,					
	2022	% of revenues	2021	% of revenues	2021	% of revenues	2020	% of revenues	2019	% of revenues
	(in thousands of Euro or percentage)									
Revenues by product line										
Energy	85,666	20%	55,548	23%	80,579	22%	52,397	23%	49,483	21%
HVAC	86,921	20%	48,935	20%	71,329	19%	37,365	16%	39,889	17%
Pumps	57,431	13%	31,151	13%	46,988	13%	30,534	13%	32.688	14%
Home	36,922	9%	22,302	9%	36,181	12%	21,774	11%	21,766	10%
Logistics	32,035	7%	19,822	8%	28,762	8%	16,775	7%	20,311	8%
Industrial Applications	134,151	31%	67,443	27%	97,468	27%	66,864	29%	75,733	31%
Total Industrial revenues	**433,127**	**100%**	**245,201**	**100%**	**361.308**	**100%**	**225,710**	**100%**	**239,870**	**100%**

The table below sets out the key information about products and customers for the Industrial segment, by product line.

	Overview	Product description	Main customers
Energy	The Energy product line includes stators and rotors, including those of large dimensions, to be used in the energy generation processes. Specifically, this product line's products are used in generators of various types, both renewable and non-renewable. The Energy product line's business is not subject to seasonality with a demand which is resilient and consistent throughout the year.	Products are addressed to the power generation sector, including (i) large generators and for large power plants, including wind farms; and (ii) standby generators for domestic, commercial, and industrial use.	Major manufacturers of generators for the energy generation market (including, among others, GE Energy, Cummins, Meccalte, Flender, Siemens Energy and Generac). In the year ended December 31, 2021, the revenues from the top five customers of the Energy product line accounted for more than 95.3% of revenues for that product line (99.0% in the nine-months period ended September 30, 2022).

	Overview	Product description	Main customers
HVAC	The HVAC (Heating, Ventilation and Air Conditioning) product line includes stators and rotors to be used in the manufacturing processes of air conditioning and air quality control systems. The HVAC product line's business is not subject to seasonality with a demand which is resilient and consistent throughout the year.	Products are used in the production of: (i) ventilation and air handling systems; and (ii) air conditioning/heating (heat pump) systems.	Major manufacturers of air conditioning and air quality control systems (including, among others, Regal, Sisme, Ziehl Abegg and S&P). In the year ended December 31, 2021, revenues from the HVAC product line's top five customers accounted for 98.7% of revenues for that product line (93.6% in the nine-months period ended September 30, 2022).
Pumps	The Pumps product line includes stators and rotors intended for use in the production processes of pumps for water and other liquids. The Pumps product line's business is not subject to seasonality with a demand which is resilient and consistent throughout the year.	Products are used to manufacture pumps for, among other uses: (i) heating systems; (ii) water distribution systems; (iii) wastewater collection systems; and (iv) oil & gas plants.	Major manufacturers of pumps of various kinds (including, among others, Xylem, Franklin Electric, Grundfos and KSB). In the year ended December 31, 2021, the revenues from the Pumps product line's top five customers accounted for more than 76.7% of revenues for that product line (84.1% in the nine-months period ended September 30, 2022).
Home	The Home product line includes stators and rotors used to produce large and small domestic appliances and home automation systems. Some products in the Home product line are subject to slight seasonality, which is	Products are used in the production of, among other things: (i) electric shutters and gates; (ii) domestic appliances (including washing machines and dishwashers, food processors, blenders, etc.);	Major manufacturers of domestic appliances, solar and motorized blinds, and other applications (motorized gates etc.) (including, among others, Panasonic, Daikin, Miele, Somfy and Vorwerk).

	Overview	Product description	Main customers
	largely offset by the global reach of the Group's customers' businesses.	and (iii) solar and motorized blinds.	In the year ended December 31, 2021, the revenues from the Home product line's top five customers accounted for 82.5% of revenues for that product line (57.9% in the nine-months period ended September 30, 2022).
Logistics	The Logistics product line includes stators and rotors intended for use in the manufacturing processes of motors used in goods handling. The Logistics product line's business is not subject to seasonality with a demand which is resilient and consistent throughout the year.	Products are used in the production processes of: (i) forklift motors (including driverless forklifts); and (ii) geared motors for conveyor belts.	Major companies active in the market for the production of motors for forklifts and geared motors for conveyor belts (including, among others, Juli, Schambuller, Best Motor and ABM). In the year ended December 31, 2021, the revenues from the Logistics product line's top five customers accounted for 98.4% of revenues for that product line (89.4% in the nine-months period ended September 30, 2022).
Industrial Applications	The Industrial Applications product line includes all other stators and rotors produced by the Industrial product line for a wide variety of uses. The Industrial Applications product line's business is not subject to seasonality with a demand which is resilient and consistent throughout the year.	Products are used to produce, among other things: (i) machine tools for machining, woodworking, etc.; (ii) electric motors for the shipbuilding, railroad and aerospace industries; (iii) motors for winches and elevators; and (iv) earth-moving and agricultural machinery.	Major global companies active in the production of, among other things, machine tools for machining, electric motors for the shipbuilding, railway and aerospace industries, electric motors for winches and elevators as well as earth-moving and agricultural machinery (including, among others,

Overview	Product description	Main customers
		ABB, CAT, Siemens TKE and Soga). In the year ended December 31, 2021, revenues from the Industrial Applications product line's top ten customers accounted for 38.5% of revenues in that product line (27.4% in the nine-months period ended September 30, 2022).

Contractual relations with customers for the Industrial segment

The Group sells the products of the Industrial segment through various types of contracts, including:

- framework agreements detailing the main terms and conditions of individual purchase orders to be placed by the customers. These agreements, which are common for large customers, typically include a forecast of the estimated number of orders that will be placed, which, however, is not binding on customers. Historically, the number of orders has been consistent with the forecasts in the framework agreements; and
- annual and multi-year direct sales contracts, which are common for small and medium customers.

In some cases, the contracts entered into by the Group may include, among others: (a) clauses detailing the conditions to be satisfied for the purposes of the warranties provided by the Group; (b) penalties for delayed or inaccurate deliveries or failure to deliver; and (c) obligations to indemnify Group companies under certain specific circumstances. Depending on the type and term of the contract, the parties may agree to price adjustment mechanisms also to partially compensate the volatility risk associated with raw materials prices.

For the year ended December 31, 2021 the average tenure of the contracts with the top-5 clients for the Industrial segment was longer than 10 years.

To the Issuer's knowledge, during the 2019-2021 period and through the Prospectus Date, no material disputes have occurred due to breach of delivery schedules, breach of contractually agreed quality and performance standards resulting in contractual terminations and/or payments of significant penalties or material damages. Moreover, as of the Prospectus Date there are no contractual or operational conditions that may lead the Group to be dependent on third parties.

New products and/or services

The Group focuses on developing new products and creating new technologies, including, among others, glue bonded cores for EV applications, overmoulding automotive electrical machines cores with magnet insertion and magnetization.

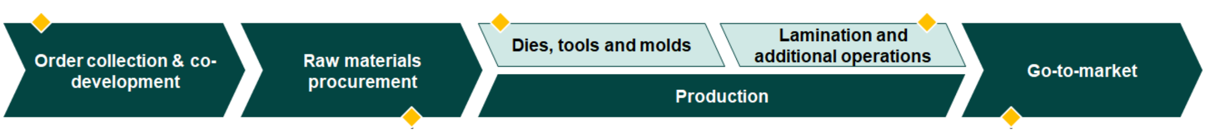
In addition, since 2017 the Group has developed through its R&D function more than 10 renewed products and, since 2020, more than nine new processes for its existing markets. The Group also takes part to partnerships and co-development projects with its customers, which are governed by specific co-development agreements. As of the Prospectus Date eight co-development projects are ongoing.

In recent years, the Group has been able to introduce new products and technologies in both the EV & Automotive and the Industrial segments, such as, among others: (i) the Glue Fastec® technology, which reduces noise emissions during the manufacturing process and provides better magnetic performance and insulation of the various layers of lamination; (ii) the backlack bonding technology, through which stator and rotor cores of electrical machinery are manufactured using thin sheets stacked together in order to minimize eddy current losses; (iii) the interlock zip technology, developed through its subsidiary Corrada S.p.A., whose patented trademark Corpack® interlocked lamination stack contributed to the evolution of the Group's products; (iv) autonomous welding controlled by neural network, which consist of a framework for different machine learning algorithms; (v) magnets insertions, which are usually done in the laminations stacks of the rotor; (vi) ferrite magnetization, useful in applications like magnetic cores for transformers to suppress eddy currents; and (vii) overmoulding processes, in order to ensure, among others, a better adhesion between components, noise and vibration reduction, protection from UV and corrosive chemicals and electrical insulation.

The Group’s products have specific characteristics which have proven crucial for its growth, including in particular: (i) autonomous mass production, reliable and efficient processes with Industry 4.0 data management; (ii) the availability of multiple core assembly options (welding, interlock, glue bonding, backlack bonding, out of die glue bonding etc.); (iii) product tailoring through R&D laboratories and support to customers; (iv) welding and interlocking, with reduced damage to electrical steel magnetic performance; and (v) glue-bonding with no damage to electrical steel magnetic performance.

THE GROUP’S BUSINESS MODEL

The Group’s business is capital intensive and requires significant investments in the short term for new projects while revenues are generated over a longer period. The Group has developed a business model that enables it to play a key role in all major phases of the product life cycle, from design to after-sales service. The following graphic illustrates the main stages of the Group’s business model.



The Group’s customers are also increasingly asking it to develop products together with them through co-development. This process requires the Group’s R&D function to interface with the customer’s internal R&D function in order to offer the Group’s process and product know-how to increase the innovation and the design of the product.

a) Obtaining orders/executing supply contracts

The Group sells two types of products: (i) catalogue products (which accounted for 13%, 12%, and 15% of revenues for the years ended December 31, 2021, 2020 and 2019, respectively); and (ii) customized products (which accounted for 87%, 88%, and 85% of revenues for the years ended December 31, 2021, 2020 and 2019, respectively).

(i) Catalogue products, sold solely by the Industrial segment and only in Europe, are purchased mainly by customers active in the domestic appliances and power tools sector by choosing from the Group’s catalogue, which includes laminated and die-cast rotors made using Group-owned dies. These products are purchased by customers on the basis of their needs, usually in large quantities. The Group's catalogue includes more than 15 thousand part numbers of stators and rotors based on its proprietary dies.

(ii) Customized products, usually purchased for high supply volumes, are made by using dies created according to customer requirements (with customers usually retaining ownership). Purchase orders for such products are placed on the basis of detailed long-term delivery schedules. Advanced customized products are used to manufacture high-tech electric motors. The manufacture of such products requires specific investments in dedicated lamination blanking processes and the use of superior quality electrical steel. Such products are typically designed together between the Group and its customers, which purchase them through long-term contracts.

With particular reference to customized products, orders are obtained according to the following steps:

- *Co-development (where applicable):* The customer requests the Group's support in the design of the product and the dies to be used for manufacturing it. The customer is ultimately responsible for the design.

- *Customer request for quote (RFQ):* The customer sends the Group a request for a quote that includes the technical and design specifications required and expected delivery times. This phase is managed by the Sales and Marketing function.

- *Feasibility study:* The Group's Engineering function assesses the impact of the potential order in terms of production capacity and costs to develop the dedicated equipment (mainly dies).

- *Quote:* The Group's Sales and Marketing function prepares the quote based on (i) price grids (raw materials, packaging, transportation costs, etc.), (ii) market trends and (iii) price adjustment clauses that may be triggered by changes in raw material prices.

- *Placing the order:* Customers conduct quality audits of the Group's production facilities and order the necessary equipment. This phase is managed by the Group's Sales and Engineering functions in coordination with each other. For additional information on the Group's contractual relations with customers please see "*Contractual relations with customers for the EV & Automotive segment*" and "*Contractual relations with customers for the Industrial segment*".

The process of order collection or contract execution for customized products depends on the degree of technological innovation of the product required.

Order collection and contract execution for customized products is therefore characterized by: (i) significant interaction and collaboration between the Group and the customers' engineering departments in regard to ordering equipment and raw materials, making the dies, developing prototypes and samples and customer validation testing, (ii) methodical planning of production, often resulting in the execution of contracts including forecasts of purchase orders, and (iii) customer communication of any changes in the number of parts to be delivered based on the customer's production needs.

b) Raw materials procurement

The Group's key raw material is electrical steel, which accounts for at least 60% of the product cost. The quality and electrical resistance of electrical steel is determined by the silicon content. The Group purchases electrical steel from major suppliers globally (including, *inter alia*, Arcelor Mittal, Thyssenkrupp, Marcegaglia, Voestalpine, China Steel, Ansteel, Baosteel, Shougang, Ternium, BRS, Nucoa, Posco, Nippon Steel and Vac) and, according to management's estimate, is the biggest worldwide buyer of electrical steel with long-term development partnerships[13]. In particular, the Group has developed relationships with many suppliers from different geographical areas in order to ensure proximity to its plants, reduce delivery time and costs as well as to be able to mitigate to some degree the effects of sanctions and import restrictions. For the nine-month period ended September 30, 2022, 52% of the electrical steel purchased by the Group came from APAC, 35% from EMEA and 13% from Americas. Contractual terms and conditions for the suppy of steel generally provide that: (i) purchases from U.S. suppliers are based on annual purchase orders with quarterly price adjustments and average payment terms of 30-45 days; (ii) purchases from European suppliers are based on semi-annual purchase orders (with a gradual trend toward annual orders for electrical steel to be used in the electric vehicle industry) and average payment terms of 60 days; and (iii) purchases from Asian suppliers involve purchase prices negotiated quarterly with prices set three months in advance and average payment terms of 120-150 days for international deliveries or 30 days for domestic deliveries.

The Group purchases the three main types of electrical steel (cold rolled, semi-processed and fully processed). This is attractive for the electrical steel mills since the level of diversification required by the Group provides them with more flexibility in terms of production.

Other raw materials purchased by the Group include aluminium (used for the production of die-cast rotors), resin (used for overmoulding processes) and, for the EV & Automotive segment, glue and primer (used for bonding processes) and magnets (used for overmoulding processes).

The Group maintains long-term relationships with its suppliers through the adoption of specific business strategies based on mutual trust. For example, the Group promotes interactions between its customers and steelmakers in order to ensure that the raw materials are suited to customers' needs. Co-designing new materials and processes with electrical steel mills for specific projects enables it to strengthen relationships with both customers and electrical steel suppliers.

Thanks to its broad and well established procurement chain the Group has been able to: (i) establish a global raw materials sourcing policy by creating relationships worldwide to support facilities at any location, considering both local supply and imported materials, (ii) achieve flexibility in terms of quantity and quality, (iii) have different alternatives in the event of shortages of materials, and (iv) benefit from competitive and negotiating advantages thanks to the diversification of the suppliers even for the same project. In addition, the Group is constantly looking for new suppliers to mitigate potential electrical steel shortages. Obtainment of high quality raw materials from suppliers and observance of delivery deadlines are key factors for the Group's ability to deliver products to its customers in a timely manner and, consequently, to strengthen commercial relations with them.

For the nine-month period ended September 30, 2022 the top 1, top 5 and top 10 suppliers of electrical steel represented respectively 17.27%, 49.04% and 64.99% of the Group's total purchases of electrical steel (18.76%. 57.63% and 75.86% for the year ended December 31, 2021, 31.76%, 63.2% and 78.79% for the year ended December 31, 2020 and 26.64%, 59.7% and 77.19% for the year ended December 31, 2019).

Sanctions imposed against Russia following the Russian invasion of Ukraine as well as the instability in Ukraine, have hindered and may continue to hinder, the global supply of raw materials for the production of components and of energy, and have caused significant increases in the prices of such materials and energy sources. The contracts that the Group enters into with its customers contain however price adjustment clauses linked to changes in raw material prices which enable the Group to cope with increases in raw materials and energy prices.

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[13] Source: Company's estimate based on internal data.

In light of its strong Order Book, the Group is already securing electrical steel supplies for future projects.

The Group has long-standing relationships with several trusted suppliers located in the main geographical areas. Of particular note is that in 2012, the Group established a partnership with Marubeni-Itochu Steel ("**Marubeni**"), among the world's leading electrical steel suppliers, to source electrical steel for the Group's plants in Mexico and China. As of the Prospectus Date, Marubeni holds a 12.40% equity stake in Eurotranciatura Mexico, and a 31% stake in Euro Misi Laminations Jiaxing Co Ltd.

The Group has not adopted specific policies to hedge exchange rate fluctuations and is therefore exposed to certain risks related to changes in exchange rates. However, the Group's global manufacturing footprint offers the Group a certain degree of natural hedging as, in order to manage the exchange rate risk, the Group carries out purchase and sale transactions in the same local currency through bank accounts opened in the individual countries.

The procurement function is centralized at the Italian headquarters and, as of the Prospectus Date, employs 11 employees.

c) Production

The Group's products are manufactured according to the following production process:

- *Presses*: Electrical steel sheets are blanked using specific presses that vary mainly based on speed (measured in number of strokes per hour) and size of the die. The useful life of the presses is about 20 years. For particularly complex products or projects, the Group installs customer-specific production lines and presses. According to management, the Group is the largest operator in the industry by number of installed presses, with 194 other presses and 46 die-casting presses.

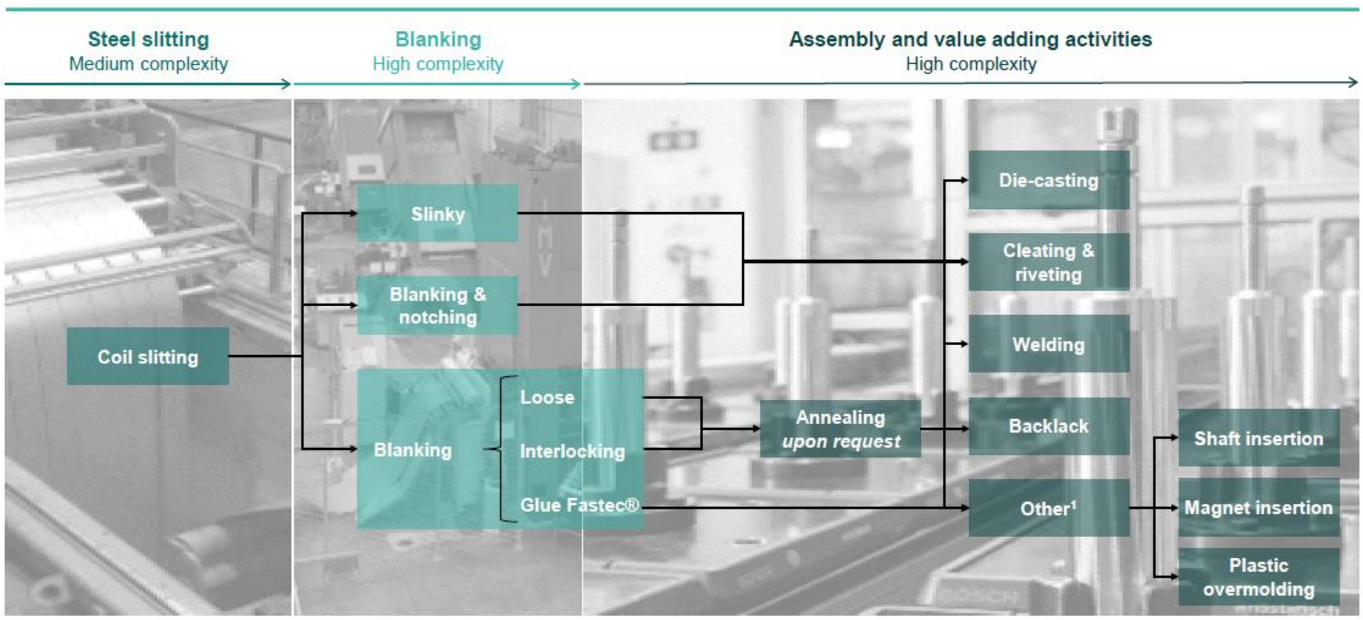
- *Dies and moulds*: In order to perform the desired blanking, specific dies, designed and manufactured according to the specifications required by the customer (often collaboratively between the Group and the customer, "co-development"), are mounted on the presses. The Group companies Corrada (which owns 39 patents[14], including for Corpack® interlocked lamination stack technology) and Euroslot Tools, together with the Group's Japanese partner Kuroda, are involved in the production of the Group's dies and moulds to produce the Group's stators and rotors, enabling the Group to offer to its customers end-to-end solutions. These companies and partners, which, unlike the Group's competitors, also produce dies and moulds for customers outside the Group, represent strategic centres of technical know-how for the Group. In particular, the Group manufactures (i) progressive dies for blanking carbide and steel (ii) compound dies, blanking machines and die-casting moulds and (iii) progressive dies for blanking laminations. Because of its vertically integrated business model in die manufacturing, the Group benefits from significant competitive advantages in relation to: (i) product innovation, (ii) increased commercial penetration through a shared customer base, (iii) reduced delivery times (which range from16 to 28 weeks from order to first trial) and (iv) increased product customization and service levels. The significant know-how acquired over the years enables the Group to differentiate itself from its competitors through the production of dies with a two-micron tolerance that, thanks to their high construction quality, are guaranteed for up to 200 million strokes which, according to management's estimates, is 10%-15% longer than other products on the market. Dies, which are modular where necessary, are made collaboratively with customers and can be adapted to different uses. The Group uses the most advanced technologies and production techniques (wire erosion in water or oil bath and diamond cutting) to produce dies that enable it to process advanced materials such as carbide. The Group also provides dedicated worldwide after-sales service leveraging on the fact that spare parts are designed

[14] 4 of which are pending.

to be interchangeable for all dies. The Group's vertically integrated structure in die manufacturing offers significant advantages to the Group, considering that (i) the Group's customers can test products before starting large-scale production, (ii) customers prefer to deal with a single company for the supply of dies and stator and rotor production, (iii) production volumes are guaranteed, (iv) there is greater control over delivery timing, (v) know-how gained in producing dies can be used to increase the efficiency of stator and rotor production and (vi) selling dies to third parties enables the Group to be continuously updated on the latest available techniques and technologies in the market.

- *Production processes:* Stators and rotors are produced through a lamination blanking process using specific machinery. Loose laminations are then assembled into stator and rotor packages. The number of laminations in each package can vary according to various motor characteristics, including design, power, size, and type of application. Additional machining can also be performed at the customer's specific request.

The chart below shows the main phases of the Group's production process.



(1) Other value added operations

d) Sales and after-sales services

The Group sells its products to its customers directly through its own logistics and sales organization. In particular, although each plant has its own sales structure, relationships with major customers worldwide are centralized at the Company level. Due to its recognized technological leadership and wide range of solutions, the Group has developed long-term relationships with its customers, for which it often acts as a preferred supplier. Most of the Group's revenue is backed by multi-annual contracts, based on indicative volumes and fixed prices indexed to special grade electrical steel prices, with key OEMs for which EuroGroup is the sole supplier.

The Group's customer offer also includes after-sales services mainly consisting of retention, for a certain period of time, of the dies used to produce the product. If the customer requires additional and/or spare parts, the Group is able to promptly restart production.

Technology infrastructure

To ensure a high degree of organizational and process efficiency, the Group has adopted a technology infrastructure based on the following key drivers: (i) connectivity; (ii) Big Data; (iii) technology in production systems; and (iv) robotics and 3D printers.

Connectivity

All of the Group's machinery is connected to the Company's network (LAN) through devices that make use of the Internet of Things (IoT) technology and specific hardware/software solutions to collect real-time data on production that is input into the automated production management software (Manufacturing Execution System (MES)).

This technology makes it possible to: (i) digitize each production step and manage data, (ii) track the digital transformation process, (iii) automatically assign operators to the various workstations, and (iv) measure energy consumption in real time (in support of the ISO 14001 environmental quality certification).

The Group also uses cloud computing technology for reporting, budgeting and evaluating methods, processes and parameters (Corporate Performance Management (CPM)).

Big Data

The Group uses SQL Server Reporting Services (SSRS), Data Warehouse and Business Intelligence technologies in order to collect large integrated volumes of data relating to the Group companies' core and supporting processes. This activity is aimed at effectively managing group-wide performance indicators, creating value by analysing deviations from targets and supporting management in decision-making processes. A similar solution is used to digitize maintenance processes in production.

Technology in production systems

The Group uses state-of-the-art technical solutions in its plants to maximize production efficiency. In particular, many workstations are equipped with interactive hardware with advanced graphics, production control units and devices for measuring production processes. A dedicated app also allows production data to be controlled remotely.

The machines at Eurotranciatura USA, Eurotranciatura Mexico, and Euro Misi Laminations use two-way operator touch panels with production data, quality documents, real-time communication to line managers, machining centre operators or quality support operators. The Group's goal is to extend the use of these technologies to all Group companies.

Robotics and 3D printers

The Group makes extensive use of industrial robotics in its most innovative production lines, as well as 3D-printed prototypes and spare parts, with the goal of significantly reducing the length of production processes.

As of the Prospectus Date, the Group is also prototyping an innovative project to dynamically simulate and compare each stage of the production processes in 2D/3D. The goal is to optimize plant organization, work area ergonomics and the logistics of semi-finished/finished products prior to their construction.

Quality certifications

The following chart shows the quality certifications obtained by the various Group companies as of the Prospectus Date.

Certifications		Business Units	Country
CORPORATE CERTIFICATE ISO 9001:2015 CORPORATE OHSAS 18001:2007	SGS SGS	EURO SLOT Division of Eurotranciatura; EURO TRANCIATURA EuroGroup Laminations; ALCAST Division of Eurotranciatura	
ISO 14001:2015 IATF 16949:2016	SGS SGS	EURO TRANCIATURA EuroGroup Laminations	
ISO 9001:2015	SGS	CORRADA Euro Group Company	
ISO 14001:2015 ISO 3834 PART 2 UNI EN 15085-2	SGS IIS CERT	EURO SLOT Division of Eurotranciatura	
ISO 9001:2015	SGS	SAF Euro Group Partner	
ISO 9001:2015 ISO 14001:2015 IATF 16949:2016	SGS SGS BUREAU VERITAS	EURO TRANCIATURA MEXICO Euro Group Company	
ISO 9001:2015	ANAB	EURO TRANCIATURA USA	
ISO 9001:2015 ISO 14001:2015 IATF 16949:2016 (WORK SAFETY STANDARDISATION)	Lloyd's Register Lloyd's Register Lloyd's Register	EURO MISI LAMINATIONS CHINA	
ISO 9001:2015 IATF 16949:2016 (WORK SAFETY STANDARDISATION)	SGS	GALVANINS EuroGroup Laminations	

MARKET AND COMPETITION

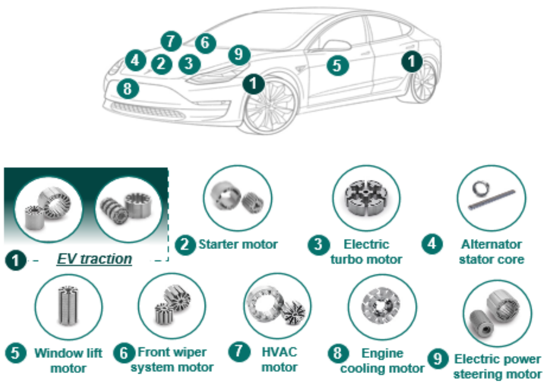
Overview and definition of the markets served by the Group

The Prospectus contains estimates on the size of the Group's markets and its competitive positioning that have been prepared by the Company based on its specific knowledge of its industry, available information, and its own experience, which have not been verified by independent third parties. The Group believes that there is currently no single independent, third-party source that analyses its markets on a global level, in an exhaustive and consistent manner. Therefore, the Group monitors the benchmark markets and determines the size of the market and the Group's competitive position, basing its studies on third-party sources that the Group deems to be reliable resources for mapping out the markets concerned. These calculations and subjective evaluations are made directly by the Group due to the absence or insufficiency of third-party sources and may not prove to be accurate. Consequently, the Group's position in the market, and the performance of the market segments that the Group serves, may not correspond to the assumptions underlying the statements and estimates contained herein. The Company's competitive position may therefore be different from that presented.

In addition, the Prospectus contains information about the development of the relevant market in which the Group operates; however, there can be no assurance that this information will prove to be correct and that the market will develop in the way forecast, due to known and unknown risks, uncertainties, and other factors.

The Group is active in several end-markets as set forth in the below chart.

EV & Automotive end-markets



Industrial end-markets

The EV & Automotive segment relates to the supply of products for electric traction motors (which include stators and rotors manufactured through different lamination technologies including: loose lamination, interlocked, welded and bonded) and for non-traction motors (which include stators and rotors used in non-traction related systems inside the vehicle and include electric windows motors, wiper motors, alternators, engine cooling systems, ventilation systems and power steering motors).

The Industrial segment includes a number of different product lines, in which the Group's products have a wide range of applications including industrialized motors (inside machine tools for machining and woodworking as well as electric motors in railroad, aerospace and agricultural applications); fluid and gas transfer devices (including water and wastewater collection systems); ventilation systems (air conditioning and heating devices); home appliances (mainly related to electric shutters and gates, washing machines and dishwashers) and wind turbines.

The markets served by the Group are distinguished highly demanding specifications for the motor core, including, among others, such better insulation, lower noise, mechanical stress reduction and motor core losses reduction. In particular, EV original equipment manufacturers (OEMs) have heightened requirements for electric motor core performance and properties, given continuing efforts to improve new motor efficiency. Therefore, while the production process for stators and rotors is based on electric steel processing, each stage of manufacturing is highly complex.

Reported below are the analyses conducted for the Group's most significant business segments. For information regarding the total revenue breakdown by business category and geographic market, for the nine-month period ended September 30, 2022, and for the fiscal years ended December 31, 2021, 2020 and 2019 see "*Business – Overview*".

Main markets of the EV & Automotive segment

The Group operates in the automotive market by serving major car manufacturers, either directly or indirectly, through processing laminations with, among others, glue bonding and welded technologies in order to create stators and rotors, which are used in E-Traction motors (i.e., electric motors belonging to the powertrain) and non-traction applications (i.e., accessory parts that are not part of the powertrain, such as windows and wipers).

E-Traction motors are utilized across the following four types of vehicles (based on respective propulsion system): full electric (or battery electric - BEV), hybrid-full, hybrid-mild and fuel cell vehicles. Full electric or BEV vehicles are those running solely on electric power, with electric motors fully replacing diesel or petrol engines. It is this type of E-traction motor that the Group primarily targets with its E-Traction motors offered by the EV Traction product line. Hybrid (full and mild) vehicles feature instead a traditional combustion engine that functions alongside an electric motor, with hybrid full vehicles featuring a larger electric motor. In contrast, hybrid-mild electric motors usually are smaller in size and are unable to fully replace the combustion engine, providing support at low speeds and additional power for systems including air conditioning or engine cooling mechanisms. Fuel cell vehicles are powered by electricity which is converted by a chemical process originating from a fuel (hydrogen). Finally, non-traction motors, such as those offered by the Group's Non-traction product line, generally have a wide range of applications not strictly related to the powertrain and include, starter motors, electric turbo motors, alternator stator cores, electric window lift motors, front wiper system motors, ventilation system motors, engine cooling motors, ABS system motors, electric power steering motors and sunroof motors.

In the past several years, the automotive market has been affected by external elements supporting the spread of electric vehicles; first and foremost are government initiatives and regulatory standards supporting and promoting energy transition by manufacturers (including tax credits and subsidies), which encourage increased spending on research and development by car manufacturers, as well as strong government investment to support the construction and installation of the electric vehicle's charging infrastructure. Examples of such initiatives include the August 2022 United States Inflation Reduction Act approving US$369 billion for energy security and climate change programs by 2032, with the aim to lower energy costs, increase cleaner production and reduce carbon emissions by roughly 40 percent by 2030, the August 2021 executive order signed by the American President Joe Biden setting a 50.0% EV share target by 2030 in the United States or the Chinese government's "New Energy Automotive Industry Development Plan" issued in November 2020, which sets a 20.0% target for new energy vehicles by 2025. Other developments include the June 2022 European Union ban on internal combustion engine (ICE) cars from 2035 or the "Fit-for-55" initiative, launched in July 2021, which aims to generate a 55.0% reduction in carbon emissions by 2030 and to achieve net zero emissions by 2050. In addition, improved battery performance is expected to be a major driver of EV adoption due to the fact that EV battery module technology is improving the ability of batteries to operate in both hot and cold temperatures, redesigning the structure in order to reduce weight and dimensions as well as guaranteeing the electrical and thermal connection. Lastly, new electric vehicle charging technologies, such as wireless charging, which are expected to enable a faster, cheaper and safer recharging mechanism for light electric vehicles, are expected to further accelerate the adoption of electric vehicles.

Over the next decade, the following trends are expected to affect the automotive industry: (i) the growing implementation of artificial intelligence and new technologies in vehicles: connected cars are expected to be common in mature markets; and (ii) self-driving cars are expected to develop and increase due to the expansion of electric vehicles because they will have to leverage the electrical subsystem of EV vehicles due to the significant usage of advanced computing hardware and multiple sensors. While it is still too early to formulate reliable estimates, management believes it is reasonable to assume that in the foreseeable future, EVs and self-driving cars will reach a high level of penetration. Finally, OEMs must comply with stringent regulations that will require them to build zero-emission cars.

Currently, the EV industry mainly comprises (i) EV OEMs, which include producers such as Tesla, Lucid and Nio, whose business is entirely dedicated to EV, as well as traditional ICE auto makers such as Volkswagen, Ford and General Motors, (ii) Tier 1 suppliers to OEMs, such as Nidec and Sona Comstar and (iii) Tier 2 suppliers, which are competitors of the Group, such as Tempel, Worthington and Mitsui High-tec. As of the Prospectus Date, the Group is a global market leader in the production of the motor core and distinguishes itself from competition through technological capabilities, global scale, end-markets coverage and customer diversification.

The information and ancillary data relating to the main markets of the EV & Automotive segment have been primarily derived from the E-Motor Forecast Data Cut | 2021-2028 | July 2022 report prepared by IHS Markit.

The table below shows the revenues of the Group in the EV & Automotive segment for the years ended December 31, 2021, 2020, and 2019 divided for each product line which provides evidence that the EV Traction product line revenues represented the chief part of the segment's revenues.

	For the year ended December 31,					
	2021	**% of Revenues**	**2020**	**% of Revenues**	**2019**	**% of Revenues**
Revenues by product line						
EV Traction	162,802	83%	121,151	82%	76,901	69%
Non-traction	32,794	17%	26,429	18%	35,303	31%
Total EV & Automotive revenues	**195,596**	**100%**	**147,580**	**100%**	**112,204**	**100%**

Between 2022 and 2028, the E-Traction motors market is expected to increase (in terms of vehicle units) from 20.6 million vehicles in 2022 to 63.1 million vehicles in 2028[15] at a 20.5% CAGR in the period, thus characterizing the future of the Group's EV & Automotive segment and driving its overall growth.

E-Traction vehicle volume by Propulsion System[16] (mln units produced)	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**	**CAGR 22-28**
Electric (BEV)	4.9	7.3	10.7	14.2	18.2	22.1	26.0	30.0	26.7%
Fuel Cell	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	29.4%
Hybrid-Full	5.3	7.3	9.7	11.6	13.4	14.4	15.5	16.8	15.0%
Hybrid-Mild	4.6	6.0	8.1	10.5	12.0	14.2	15.5	16.1	17.9%
Total	**14.8**	**20.6**	**28.5**	**36.3**	**43.7**	**50.7**	**57.1**	**63.1**	**20.5%**

The geographic region which is forecasted to experience the biggest expansion of E-Traction vehicles is North America, with a 31.3% CAGR between 2022 and 2028, followed by Greater China area with a 21.5% CAGR between 2022 and 2028.

Such higher forecasted growth rates within the two fastest-growing regions are driven by multiple factors. In the United States, the previously mentioned Biden administration's ambitious 50.0% EV target share has prompted an acceleration of investment by US EV manufacturers which, as of June 2022, have announced an aggegrate US$13.0 billion in domestic EV Manufacturing, US$24.0bn in batteries production and US$700.0mln in EV charging infrastructure related investments[17].

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[15] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[16] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[17] Source: The White House | Statement and Release | September 2022

Despite an expected lower forecasted CAGR between 2022 and 2028 (20.0%), the Europe region is expected to represent a market size of 32.4% during the forecasted period, second only to Greater China which is expected to have a market size of 34.7%.

E-Traction vehicle volume by Geography[18] (mln units produced)

	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	CAGR 22-28
Europe	5.0	6.9	9.4	12.5	14.7	16.5	18.4	20.5	20.0%
North America	0.8	1.2	1.8	2.6	3.3	4.1	5.1	6.0	31.3%
Greater China	5.0	6.8	9.4	11.7	14.5	17.9	20.3	21.9	21.5%
Others[19]	4.1	5.7	7.9	9.5	11.1	12.2	13.2	14.7	17.0%
Total	**14.8**	**20.6**	**28.5**	**36.3**	**43.7**	**50.7**	**57.1**	**63.1**	**20.5%**

Within the broader E-Traction motors market, the Group's EV & Automotive market segment of focus (corresponding to 98% of the Order Book) is the full electric vehicle (BEV), a segment for which global production is expected to grow from 7.3 million units in 2022 to 30.0 million units in 2028, with a 2022-2028 CAGR of 26.7%[20].

Being a key supplier, the Group is a global market leader within this segment and, benefitting from the mentioned electric vehicle forecasted penetration, during the forecast period 2023 – 2026, the Group expects to supply 32.4% of the forecasted aggregate value of the produced full electric vehicles (BEVs), corresponding an aggregate value of 65 million units[21].

Full electric vehicle volume by OEMs[22] (mln units produced)

	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	CAGR 22-28
Others	2.7	3.4	5.3	7.7	10.1	12.1	14.2	16.1	29.4%
Tesla	0.9	1.5	1.8	1.8	1.9	2.0	2.2	2.4	8.5%
Nissan	0.2	0.4	0.7	0.8	1.2	1.4	1.7	1.9	27.8%
Volkswagen	0.3	0.4	0.6	0.9	1.0	1.4	1.8	2.1	34.3%
BYD	0.1	0.2	0.3	0.4	0.7	0.9	1.1	1.3	38.5%
Mercedes	0.1	0.2	0.3	0.5	0.6	0.8	1.1	1.3	43.0%
Ford	0.3	0.6	0.6	0.6	0.6	0.7	0.8	0.9	7.4%
Toyota	0.0	0.1	0.2	0.4	0.7	0.8	1.0	1.2	44.8%
Hyundai	0.1	0.2	0.2	0.4	0.4	0.7	0.8	1.0	29.1%
BMW	0.1	0.1	0.2	0.4	0.5	0.6	0.7	1.0	37.0%
Audi	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.9	28.5%
Total	**4.9**	**7.3**	**10.7**	**14.2**	**18.2**	**22.1**	**26.0**	**30.0**	**26.7%**

[18] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[19] Include Japan/Korea, South Asia and South America

[20] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[21] Group estimates on IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[22] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

The full electric vehicle (BEV) segment is expected to remain the largest segment of the E-Traction motors market in the years to come, growing from 35.4% of the E-Traction motors market in 2022 to an expected 47.6% in 2028. Since BEVs have the highest content of E-Traction motors, management expects the Group to benefit not only from that expansion but also from the unique competitive advantage of being a first mover in the market.

In terms of geography, while Greater China currently has the highest volume of full electric vehicles and is forecast to continue to lead in terms of volumes, it is Europe and North America that are forecast to grow the most over the 2022-2028 period, with an expected CAGR of 37.5% and 31.8%, respectively. The following table sets out the expected CAGR for each geographic area[23].

Full electric vehicle volume by Geography[24] (mln units produced)	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**	**CAGR 22-28**
Europe	1.0	1.5	2.8	4.1	5.7	7.2	8.8	10.3	37.5%
North America	0.5	0.8	1.3	1.8	2.2	3.0	3.6	4.1	31.8%
Greater China	2.9	3.8	4.9	5.9	6.9	7.7	8.8	9.9	17.2%
Others[25]	0.6	1.1	1.7	2.3	3.5	4.2	4.8	5.7	30.8%
Total	**4.9**	**7.3**	**10.7**	**14.2**	**18.2**	**22.1**	**26.0**	**30.0**	**26.7%**

The strong growth forecasted in Europe is driven by several ambitious EU goals, including not only initiatives that aim to promote a reduction in carbon emissions, and therefore the spread of EVs on the continent (such as the previously mentioned "Fit-for-55" initiative), but also the most recent ban on ICE Vehicles by 2035[26]. Such ban targets both traditional ICE vehicles as well as Hybrid Vehicles.

Hybrid-Full and Hybrid-Mild vehicle volume by Geography[27] (mln units produced)	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**	**CAGR 22-28**
Europe	4.1	5.3	6.6	8.4	9.0	9.3	9.6	10.1	11.3%
North America	0.3	0.4	0.5	0.8	1.1	1.1	1.5	1.9	30.4%
Greater China	2.1	3.0	4.5	5.8	7.7	10.2	11.5	12.0	26.1%
Others[28]	3.5	4.6	6.2	7.1	7.6	8.0	8.4	9.0	12.0%
Total	**9.9**	**13.3**	**17.8**	**22.1**	**25.4**	**28.6**	**31.0**	**33.0**	**16.4%**

The Group's revenues for the EV & Automotive segment grew at a 2019-2021 CAGR of 32.0%. In particular, the revenues of the EV Traction product line (which represented approximately 83% of the whole segment revenues for the nine months period ended September 30, 2022) grew at a 45.5% CAGR, while the CAGR of the revenues of the Non-traction product line was negative at 3.6%.

Main markets of the Industrial segment

While Industrial market trends have historically been correlated with the global economy and GDP, in recent years, the Industrial segment has been increasingly impacted by the global electrification trend,

[23] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[24] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[25] Include Japan/Korea, South Asia and South America

[26] Regulation of the European Parliament and of the Council | Regulation 2019/631 | July 2021

[27] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028

[28] Include Japan/Korea, South Asia and South America

increased efficiency requirements and higher energy generation demand across the majority of industrial product lines relevant to the Group.

The Industrial segment is divided into several product lines, targeted by the Group, namely: Energy, HVAC, Pumps, Home, Logistics and Industrial Applications. Set out below is a description for each such market.

Industrial Segment market by product line[29] (US$bn Revenues, except for Energy, which is in GW)

	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Energy[30]	60.8	95.3	93.6	100.6	102.4	105.7	119.4	128.8	6.4%
HVAC	107.2	98.8	101.4	107.4	114.4	122.4	131.5	142.0	7.2%
Pumps	61.7	64.5	69.1	71.9	74.8	78.0	81.6	85.8	4.5%
Home	52.0	49.6	53.0	56.2	60.4	65.7	72.2	80.2	9.3%
Logistics	45.0	49.6	51.6	54.3	57.4	60.8	64.7	69.2	6.2%
Industrial Applications	63.1	54.9	61.1	65.1	70.0	75.9	83.0	91.3	8.8%

The Industrial segment's product lines are expected to further benefit from a variety of global markets trends, including, among others, increasing home and industrial automation, growing demand for renewables and energy- and water-efficient solutions driven by regulation as well as adoption of Internet-of-Things ("**IoT**").

Within the Industrial segment, the Group's customers include Tier 1 players (i.e., major companies) operating in each of the product lines targeted by the Group.

Energy market

With respect to the energy market, the Group is primarily targeting the wind energy market, renewable energy that is solely dependent on wind to produce electricity through the conversion of the kinetic energy of air in motion. Such conversion takes place as a resut of power generators installed on wind turbines, which are positioned on both onshore and offshore wind farms.

Wind Energy Market[31] (GW)

	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Offshore	6.2	6.9	21.1	8.7	12.5	13.5	24.5	31.4	37.8%
Onshore	54.6	88.4	72.5	91.9	89.9	92.2	94.9	97.4	1.5%
Total	**60.8**	**95.3**	**93.6**	**100.6**	**102.4**	**105.7**	**119.4**	**128.8**	**6.4%**

In the energy market, the Group's products are used in wind turbines, in particular, inside the generator. The wind turbine's two main components are the stator and rotor. The rotor is the part of the wind turbine that transforms the energy from the wind into mechanical energy, while the stator, which is the fixed part of an electric motor, is composed of a core part that contains the wire coils which have voltage induced inside them when the magnets pass. The Group serves the wind energy end market by supplying major operators with components needed to operate the plants. The wind market is divided into offshore

[29] Source: Arizton | Industrial Motors Market | 2022 - 2027 | February 2022, Arizton | Pumps Market | 2022 – 2027 | June 2022, Allied | Global Forklift Truck Market | 2022 – 2031 | July 2022, Mordor | Global HVAC Equipment Market 2022–2027 | June 2022, Allied | Home Automation Market 2022–2031 | July 2022, GWEC | Global Wind Report 2022 | April 2022

[30] Expressed in Gigawatt

[31] Source: GWEC | Global Wind Report 2022 | April 2022

and onshore, with the former distinguished by higher installation and maintenance costs. In particular, the Group's products stator and rotor are used in wind turbines, namely, inside the generator.

The development of the wind market, similarly to the renewable energy market in general, has been supported in recent times by increased government regulation related to carbon emission reduction, which has increased demand and technological development. Another important market driver is the high efficiency of modern wind power plants due to constant investment in research and development by market players, favouring the implementations of cost-effective energy solutions (especially in isolated areas in which the conventional power supply from power plants is challenging for multiple industry players). Growth opportunities in the sector lie in the further technological advances that will allow for greater efficiency of plants and will lower the cost to build them as well as to store the energy produced by the turbines themselves.

In 2021, the wind energy produced was 93.6 GW. Within this, the onshore segment, thanks to the lower costs mentioned above, accounted for a share of 77.5% (72.50 GW) while offshore accounted for 22.5% (21.10 GW). Overall, the market is expected to grow at a 2022-2026 CAGR of 6.4% reaching 128.8 GW produced in 2026, thanks to tax incentive policies and fossil energy substitution.

The market's geographic distribution is presented in the table below:

Global Wind Energy Market by Geography (GW)	**2019 A**	**2020 A**	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**CAGR 22-26**
Global (Offshore)	6.2	6.9	21.1	8.7	12.5	13.5	24.5	31.4	37.8%
China (Onshore)	24.2	50.6	30.7	46.0	50.0	50.0	50.0	53.0	3.6%
North America (Onshore)	9.7	17.1	13.4	12.0	8.5	7.6	9.7	8.7	-7.7%
Europe (Onshore)	11.7	11.8	14.1	18.3	16.6	18.1	17.0	17.6	-1.0%
Others	8.9	8.9	14.3	15.5	14.8	16.4	18.2	18.1	3.9%
Total	**60.8**	**95.3**	**93.6**	**100.6**	**102.4**	**105.7**	**119.4**	**128.8**	**6.4%**

Concerning onshore installations, Others region, which include Middle East and Africa, Latin America and Pacific Region, are forecasted to register a aggregate growth until 2026 featuring a CAGR of 3.9% during the forecasted period. Such future growth is driven by multiple initiatives, especially in the gulf region, to shift from the traditional Oil & Gas industry to renewable energy production (which include, among others, the first-time ever installations of wind turbines for electricity production in several countries) thus boosting the demand for wind turbines in the region.

HVAC market

Heating, Ventilation and Air Conditioning Equipment (or "HVAC" Equipment) comprises a wide range of equipment or systems primarily used to move, change and control air conditions (mainly temperature, humidity and air purity) in both enclosed spaces (such as commercial, industrial and residential buildings) and outdoor areas. Depending on the type of equipment, such changes in air condition can relate to heating, cooling, depuration, humidification (or dehumidification) of air and the surrounding environment.

Global HVAC Market[32] **(US$bn Revenues)**	**2019 A**	**2020 A**	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**CAGR 22-26**
Heating	44.6	40.8	41.6	43.8	46.3	49.2	52.6	56.4	6.5%
Air Conditioning	50.8	46.9	48.2	51.1	54.5	58.4	62.8	67.9	7.4%
Ventilation	7.7	7.2	7.5	8.1	8.8	9.6	10.5	11.5	9.2%
Other Types	4.2	3.9	4.1	4.4	4.8	5.2	5.6	6.1	8.5%
Total	**107.2**	**98.8**	**101.4**	**107.4**	**114.4**	**122.4**	**131.5**	**142.0**	**7.2%**

The Group supplies the end market for HVAC equipment through the production of those components which are used to operate devices HVAC equipment.

The market is currently benefiting from government initiatives such as the granting of tax credits when installing new equipment that meets certain emission standards. Further demand is expected to be fuelled by the growing demand for energy-efficient equipment for new "smart city" projects and the increase in retrofitting, aimed at equipping older buildings with new technologies or functionality in order to extend their useful life or bring them into compliance with new regulations. The growth in the market, is expected to be driven on the one hand by the emergence of replacement needs for existing equipment, both in the residential sector and in the tourism industry, and on the other hand by increased demand in emerging economies (including China, India, and Malaysia) in connection with rapid urbanization projects. An additional opportunity is the development and deployment of IoT applications, which can be implemented in HVAC equipment to improve their efficiency and real-time data monitoring capabilities.

The market's geographic distribution is presented in the table below:

Global HVAC Market by Geography[33] **(US$bn Revenues)**	**2019 A**	**2020 A**	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**CAGR 22-26**
North America	22.4	20.9	23.3	24.7	26.5	28.4	30.7	33.3	7.7%
Europe	22.3	20.4	32.9	34.7	36.8	39.2	41.9	45.0	6.7%
Asia-Pacific	38.5	35.6	39.3	41.7	44.5	47.7	51.3	55.5	7.4%
Others	24.1	21.9	5.9	6.2	6.6	7.1	7.6	8.2	7.2%
Total	**107.2**	**98.8**	**101.4**	**107.4**	**114.4**	**122.4**	**131.5**	**142.0**	**7.2%**

Asia Pacific, driven by the growth of cities, is forecast to reach US$55.5 billion in 2026 from US$41.7 billion in 2022, with a CAGR of 7.4%. In terms of market share, it is expected to increase from 38.8%to 39.1%, establishing itself as the most significant region.

Future growth in the North American region is particularly impacted by government programs, including the increased minimum energy efficiency requirements and standards for the construction of new commercial, civil, and industrial buildings (featuring the installation of new high quality and low emission HVAC equipment) issued by the United States Federal Agency Management Program (FEMP). Similar regulations have been introduced in Canada as well, which have recently raised the quality standards for heating-related HVAC equipment, thus incentivizing the adoption of new generation equipment in new buildings[34].

[32] Source: Mordor | Global HVAC Equipment Market 2022-2027 | June 2022

[33] Source: Mordor | Global HVAC Equipment Market 2022-2027 | June 2022

[34] Mordor | Global HVAC Equipment Market 2022-2027 | June 2022

Pumps market

Pumps are mechanical devices or machines which are generally used for raising, driving, exhausting, or compressing fluids, gases or air throughout the use of a piston, plunger, rotating vanes or other mechanisms. Such transfers are put in place through mechanical energy to draw in, pressurize, or discharge the fluids which can be powered by a variety of energy sources, including manual operation, electricity, wind power, and engines.

Global Pumps Market[35] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Centrifugal	39.6	41.6	44.4	46.3	48.4	50.7	53.2	56.2	4.9%
Reciprocating	12.9	13.4	14.4	14.9	15.4	15.9	16.5	17.2	3.7%
Rotary	9.3	9.5	10.3	10.7	11.1	11.5	11.9	12.5	4.0%
Total	**61.7**	**64.5**	**69.1**	**71.9**	**74.8**	**78.0**	**81.6**	**85.8**	**4.5%**

Pumps can be broadly classified into: centrifugal pumps (the most common ones), reciprocating pumps (which feature changing volumes of one or more cavities with a plunger or piston, thus generating a pressure difference that causes the liquid to flow), and rotary pumps (which use one or more parts to move fluids in a circular manner).

In 2021, the value of the pumps market reached US$69.1 billion and is expected to increase to US$85.8 billion in 2026, registering a CAGR of 4.5% from 2022 to 2026. The main determinants of such growth include the launch of wastewater treatment programs in the Middle East, demand for efficient and advanced pumping technologies, and demand for maintenance of the pumps themselves.

Factors that are expected to drive market growth include the increasing planning of water infrastructure (especially in Middle Eastern countries and aiming to improve the level of water supply in agricultural land) and other projects related to the oil and gas sector, as well as the strong demand for new generation pumping technology and devices which, due to IoT applications, allow for greater efficiency, real-time monitoring and data tracking features within the pump itself. Moreover, the replacement of aging water facilities' infrastructure in developed economies is expected to represent another major market driver in the upcoming years[36].

The market's geographic distribution is presented in the table below:

Global Pumps Market by Geography[37] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Asia-Pacific	24.5	25.6	27.4	28.6	29.8	31.1	32.6	34.4	4.7%
Europe	15.9	16.7	17.7	18.5	19.3	20.2	21.3	22.5	5.0%
North America	12.0	12.4	13.4	13.8	14.3	14.8	15.3	16.0	3.7%
Others	9.4	9.8	10.5	11.0	11.4	11.8	12.4	13.0	4.4%
Total	**61.7**	**64.5**	**69.1**	**71.9**	**74.8**	**78.0**	**81.6**	**85.8**	**4.5%**

Other regions, that mainly include Middle East and Africa and Latin America market, despite representing a smaller fraction of the market, are expected to record a high growth, with a 2022-2026 CAGR

[35] Source: Arizton | Pumps Market | 2022 - 2027 | June 2022

[36] Source: Arizton | Pumps Market | 2022 - 2027 | June 2022

[37] Source: Arizton | Pumps Market | 2022 - 2027 | June 2022

of 4.4%, mainly due to MEA government initiatives of the Gulf countries to diversify their economies, which are expected to increase demand in non-oil and gas sectors. Traditionally dependent on oil and gas, certain Middle Eastern countries have recently expanded investments in a wide range of industries, which are expected to increase the use of industrial pumps in their development. Such initiatives include the recently announced Saudi Arabian US$11bn national infrastructure development program[38] and the UAE housing development program "Dubai 2040 Urban Master Plan", announced in 2021, that aims to promote the sustainable development of the city with the construction of new facilities, apartments and mixed-use buildings.[39]

Home market

Home market relates to the automatic control of electronic devices or systems of devices (both household appliances and home security devices for access control and alarm systems) remotely, usually via an internet-related connection that allows a centralized control of multiple operations. Such devices can be controlled throughout several control systems which include ad-hoc terminals, tablets, computers, or smartphone applications.

Global Home Market[40] (US$bn Revenues)	**2019 A**	**2020 A**	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**CAGR 22-26**
Lighting	5.2	5.0	7.1	7.5	7.9	8.5	9.3	10.2	7.9%
HVAC	9.0	8.7	8.6	9.3	10.2	11.3	12.7	14.3	11.3%
Entertainment	10.6	10.0	10.3	10.8	11.5	12.3	13.3	14.6	7.9%
Safety and Security	22.4	21.3	24.2	25.6	27.5	29.8	32.7	36.2	9.1%
Others	4.9	4.6	2.8	3.0	3.4	3.8	4.3	4.9	12.6%
Total	**52.0**	**49.6**	**53.0**	**56.2**	**60.4**	**65.7**	**72.2**	**80.2**	**9.3%**

The Group serves the home market primarily through the supply of components used in the electronic equipment that enables the remote control of a wide range of household operations such as lighting, entertainment, security, and other similar services.

The home market consists of the set of electronic equipment that enables the remote control of a range of household operations such as lighting, entertainment, security, and other similar services, typically by an internet connection.

The growth of the home market is mainly driven by technological development, which, by increasing the availability and price competitiveness of such devices, allows for their increasing use within homes and commercial buildings. Moreover, the spread of such tools is being accelerated by government authorities, which are progressively pushing new generation commercial and residential buildings to meet new energy and environmental standards, supporting and promoting the greater penetration of smart devices. Other factors driving demand for home devices include increased adoption of IoT technology, as consumers awareness rises and both wireless technologies and smartphones become more widespread.

The market's geographic distribution is presented in the table below:

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[38] Ministry of Municipal and Rural Affairs and Housing | September 2022

[39] United Arab Emirates | July 2022

[40] Source: Allied | Home Automation Market 2022-2031 | July 2022

Global Home Market by Geography[41] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Asia-Pacific	11.4	11.1	12.0	13.0	14.2	15.6	17.4	19.6	10.9%
Europe	19.4	18.5	19.5	20.6	22.0	23.8	26.0	28.6	8.6%
North America	18.3	17.2	18.4	19.4	20.7	22.4	24.5	27.0	8.6%
Others	2.9	2.7	3.0	3.3	3.6	3.9	4.4	4.9	10.9%
Total	**52.0**	**49.6**	**53.0**	**56.2**	**60.4**	**65.7**	**72.2**	**80.2**	**9.3%**

Asia-Pacific is expected to be one of the highest growing regions, driven by rapid urbanization and increasing penetration of smart devices in both housing and commercial infrastructure, supported by government investments focusing on video surveillance, access control and fire prevention systems among other factors.

Logistics market

The Group's primary target in the logistics market is forklifts, which are heavy-duty lift trucks used to lift, load and unload, transfer and move heavy materials or objects over a limited or shortrange distance. The Group also serves the logistics market with geared motors for conveyor belts, which are mechanical systems consisting of a continuously moving strip for goods handling and moving.

Global Logistics Market[42] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
IC Engine Powered	25.8	28.3	27.6	28.9	30.4	32.0	33.9	36.1	5.7%
Electric Powered	19.2	21.3	24.0	25.4	27.0	28.8	30.8	33.1	6.8%
Total	**45.0**	**49.6**	**51.6**	**54.3**	**57.4**	**60.8**	**64.7**	**69.2**	**6.2%**

Logistics related forklifts usually differ by power source between internal combustion engines and electric batteries. The entire logistics market has been estimated to be worth US$51.6 billion in 2021 and is expected to reach US$69.2 billion by 2026, registering a CAGR of 6.2%from 2022 to 2026[43].

The expected increase in deployment and adoption of electric forklifts is based on the gradual increase in their competitiveness in terms of price, efficiency, productivity, and load capacity, which will enable electric forklifts to increase market share over internal combustion engine forklifts[44].

Future market growth enablers include, similarly for the Industrial Applications market, the forecasted growth in the e-commerce industry caused by the Covid-19 pandemic, which will require an increase in both warehousing spaces (for product storage) and technologies in order to facilitate the arrangement and transportation of goods and materials in an efficient manner without damage.

The market's geographic distribution is presented in the table below:

[41] Source: Allied | Home Automation Market 2022-2031 | July 2022

[42] Source: Allied | Global Forklift Truck Market | 2022 - 2031 | July 2022

[43] Source: Allied | Global Forklift Truck Market | 2022 - 2031 | July 2022

[44] Source: Allied | Global Forklift Truck Market | 2022 - 2031 | July 2022

Global Logistics Market by Geography[45] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
Asia-Pacific	19.5	21.2	22.3	23.2	24.2	25.3	26.7	28.1	5.0%
Europe	12.7	14.1	14.6	15.4	16.3	17.3	18.5	19.8	6.5%
North America	9.6	10.7	11.0	11.7	12.5	13.3	14.3	15.4	7.2%
Others	3.2	3.7	3.7	4.0	4.4	4.8	5.3	5.8	9.4%
Total	**45.0**	**49.6**	**51.6**	**54.3**	**57.4**	**60.8**	**64.7**	**69.2**	**6.2%**

Geographically, the Asia Pacific region was valued at US$22.3 billion in 2021 and represented 43.2% of the total market. This region is expected to drive future market expansion, growing to US$28.1 billion in 2026, with a CAGR of 5.0% over the 2022-2026 period, due to multiple infrastructure development activities supported by governments (especially in China, Australia, and Indonesia) and demand for forklifts for expected construction sites.

On the other hand, Others region, which mainly include LAMEA, is expected to grow with highest CAGR of 9.4% over the 2022-2026 period due to the expected increase in the number of internet users in several Latin American countries which will lead to a future growth in the e-commerce development and the related use of forklift within warehouses.

Industrial Applications market

The Industrial Applications market comprises electromechanical machines which are used in a number of industrial products, mainly industrial motors, converting electric energy into mechanical energy.

Global Industrial Applications Market[46] (US$bn Revenues)	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	CAGR 22-26
AC	54.6	47.9	53.4	57.2	61.8	67.4	74.0	81.8	9.4%
DC	8.5	7.1	7.7	7.9	8.2	8.5	9.0	9.5	4.7%
Total	**63.1**	**54.9**	**61.1**	**65.1**	**70.0**	**75.9**	**83.0**	**91.3**	**8.8%**

The Group supplies components which are used across a broad range of industrial motors and are engaged in a variety of industrial machinery in multiple industries. The industrial motors of the Industrial Applications market are divided into two main types: alternating current ("AC") motors and direct current ("DC") motors.

The AC segment accounts for the largest market share with 87.4% (US$53.4 billion in revenues) in 2021 and 89.6% (US$81.8 billion in revenues) expected in 2026. This is due to the motor's greater versatility in end use and lower average production cost. DC motors are also forecast to grow from US$7.7 billion in 2021 to a forecast US$9.5 billion in 2026[47].

The expected increase in infrastructure development projects and initiatives worldwide represents the major growth driver in the electric motor market, both in developing economies (in the context of urbanization projects) and in particular, in the Middle East region (driven by investments to promote economic diversification from oil and gas into services and manufacturing industries). Growth is also expected to come from increased corporate spending on industrial automation as well as on IoT applications

[45] Source: Allied | Global Forklift Truck Market | 2022 - 2031 | July 2022

[46] Source: Arizton | Industrial Motors Market | 2022 - 2027 | February 2022

[47] Source: Arizton | Industrial Motors Market | 2022 - 2027 | February 2022

in manufacturing processes. This is expected to be particularly true for the warehousing sector, which, in response to increased e-commerce resulting from the Covid-19 pandemic, is expected to invest in automation to increase warehouse efficiency and to improve their monitoring, control, frequency and accuracy[48]. The market is also expected to benefit from government regulations that require increased energy efficiency.

The market's geographic distribution is presented in the table below:

Global Industrial Applications Market by Geography[49] (US$bn Revenues)	**2019 A**	**2020 A**	**2021 A**	**2022 F**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**CAGR 22-26**
Asia-Pacific	21.9	18.9	20.9	22.2	23.7	25.6	27.7	30.3	8.2%
Europe	16.7	14.7	16.4	17.6	19.1	20.9	23.0	25.4	9.6%
North America	15.2	13.3	14.8	15.7	16.9	18.3	20.0	22.0	8.8%
Others	9.2	8.1	9.0	9.6	10.3	11.2	12.2	13.5	9.0%
Total	**63.1**	**54.9**	**61.1**	**65.1**	**70.0**	**75.9**	**83.0**	**91.3**	**8.8%**

The higher forecasted growth for the Others region, mainly composed by Latin American, is attributable to a multitude of factors which include: (i) a series of government backed spending programs in the water and wastewater treatment aiming to accelerate water supply flows in highly populated as well as rural territories (mainly in Peru and Colombia)[50]; and (ii) an enhancement of Oil&Gas expenditures (especially in Brazil), where national companies including have recently announced strong investments plans to boost oil exploration and production in the region between the 2022-2026 period combined with a national energy plan[51] drafted at the end of 2021 focused in expanding energy sector related expenditures. Industrial motors are expected to play a key role in the implementation of such initiatives especially concerning the related infrastructure and components production.

For the three years ended December 31, 2021, 2020 and 2019 the Group's revenues for the Industrial segment (except Energy) grew at a CAGR of 21.4%, while the Energy segment grew at a CAGR of 27.6%. The main markets of the Industrial segment grew at a CAGR 2019-2021 of 1.1% for all the Industrial product lines besides Energy that grew at 24.1%.

The Energy segment is presented separately since source data are provided in Gigawatt and not in terms of revenue.

Industrial Segment product CAGR 19-21	**CAGR 19-21 of the Market**	**CAGR 19-21 of the Group**
Diversified Industrial	-1.6%	13.4%
Pumps	5.8%	19.9%
Logistics	7.1%	19.0%
HVAC	-2.8%	33.7%
Home	0.9%	28.9%
Total[52]	**1.1%**	**21.4%**

48 Source: Arizton | Industrial Motors Market | 2022 - 2027 | February 2022

49 Source: Arizton | Industrial Motors Market | 2022 - 2027 | February 2022

50 Source: Colobian Government | Comision de Regulacion de Agua Potable y Saneamiento Basico

51 Source: Ministry of Mines and Energy | Energy Expansion Plan

52 The overall market CAGR 2019-2021 has been calculated by the Company as the sum of all product lines as provided in industry reports .

Energy	24.1%	27.6%

Distinctive features of the Group's competitive position

The competitive environment in which the Group operates is characterized by a high level of concentration, in which the Company believes it holds a leading position thanks to a strong technological and industrial know-how, a high level of diversification in terms of main reference markets served as well as a vertically integrated position in different stages of the value chain (from the production of standard products to highly specialized products, made ad hoc on the basis of the strategic/operational needs of its main customers).

As of the Prospectus Date the Group is a global market leader in the production of the motor core and distinguishes itself from competition through four key self-reinforcing factors: (1) Innovation; (2) Technology; (3) Process; and (4) Scale and Reputation.

Innovation

Thanks to its Research and Development department, the Group has developed several innovations, including: (i) Glue Fastec® technology (developed by strategic partner Kuroda who owns the intellectual property rights), which reduces noise emissions during the manufacturing process and provides better magnetic performance and insulation of the various layers of lamination; and (ii) Corpack® technology, which lowers manufacturing costs and reduces mechanical stress.

While demonstrating an impressive track record of innovation (50+ live patents on products and technologies, 10+ new products developed since 2017 and 9 new processes developed since 2020), the Group has set a detailed innovation road map for 2022-2024. In particular, focus will be on materials (including new electrical steel alloys, steel homologation), assembly technology (including full stack core loss-based specification, zero scrap, Industry 4.0) and technology (including Glue, IoT and other technologies).

The Group's customized products, especially for the EV & Automotive segment, are often co-developed with customers, whereby the Group designs the products and the tools to be used in the manufacturing process together with its customers, implying close interaction between the Group and its customers. Examples of the Group's co-design projects include cooperation with leading OEMs and Tier-1 players. The Group also works in collaboration with research centres and universities.

Technology

Production process of stators and motors is highly complex and requires technological and manufacturing know-how which the Group has mastered over the past decades, securing some of the best technologies and processes that could improve performance and increase value of the motor. The Group's process proprietary technologies are developed and implemented internally, which according to management constitutes a competitive advantage in terms of production process performance, efficiency and quality. In particular, the Group masters a full range of motor core lamination technologies with unique skill in glue bonding, including interlocked, laser welding and glue tech.

In addition, the Group's operations are backed by a wide range of advanced software for multiple tasks supporting activities both in Italy and in foreign manufacturing plants. Most of the Group's machineries are connected to the industry local area network (LAN) through advanced IoT devices which enable real time data collection worldwide (concerning production processes and energy consumption), enabling a higher traceability of the various production processes. The Group also uses hybrid cloud computing (for reporting, budgeting corporate performance management activities) as well as structured query language (SQL) reporting technologies in order to collect large volumes of data and KPIs at a group level.

In terms of machinery, most of the Group's work centres feature both interactive hardware (with advanced graphics and measurement devices which can be remotely controlled via a dedicated app) as well as advanced industrial robotics in its production lines (including 3D printed prototypes and spares to reduce market time).

Process

The markets served by the Group are characterized by highly demanding specifications for the motor core, including, among others, such required properties as better insulation, lower noise, mechanical stress reduction and motor core losses reduction. Furthermore, enhanced requirements to the electric motor core performance and properties are put forward by EV OEMs given continuing efforts to improve new motors efficiency. As such, while the production process for stators and rotors is based on electric steel processing, it is characterized by high complexity at every stage of the manufacturing.

Over the past decades, the Group has mastered each step of this complex production process, starting from steel, followed by blanking and down to assembly of laminated steel sheets into stators and rotors packs. Each element of this production process requires the highest precision as well as production and technological expertise to secure the best technologies and processes that could improve performance and increase value of the motor.

The Group is vertically integrated in the production of dies and moulds used to manufacture the electric motor core, making it a preferred choice for its customers as they can benefit from (i) a one-stop-shop service (from dies and moulds design to stators and rotors production), (ii) reduced production time and (iii) better quality products (with the management estimating the Group's average dies life being 10-15% longer than competition). In particular, the Group's wholly owned subsidiary Corrada is specialized in producing moulds characterized by higher precision, performance and longevity.

Scale and reputation

Since the early 2000s, the Group has implemented a strong internationalization process that sees, to date, a global presence in terms of both customers served and production capacity.

The Group's global presence with 12 plants strategically located across 5 countries enables it to organize production efficiently, meet customer needs in a timely manner, to be prepared to quickly scale-up and to follow new opportunities, as well as to maximize delivery speed due to proximity to target markets. Also, the Group maintains a strong bargaining power with a diversified high-quality supplier base, being the world's biggest buyer of electrical steel by volume, processing approximately 400,000 tons of electrical steel per year and purchasing large volumes from major suppliers globally, having developed long-term preferred partnership with many of them. Consequently, the Group benefits from certainty of supply of the different grades of electric steel for automotive and industrial applications and can grant better purchase terms to customers compared to competitors. Replicating such a production infrastructure on a global scale would entail material investments, representing a high barrier to entry.

For the nine-month period ended September 30, 2022 the top 1, top 5 and top 10 suppliers of electrical steel represented respectively 17.27 %, 49.04 % and 64.99% of the Group's total purchases of electrical steel (18.76 %, 57.63 % and 75.86 % for the year ended December 31, 2021, 31.76%, 63.2% and 78.79% for the year ended December 31, 2020 and 26.64%, 59.7% and 77.19% for the year ended December 31, 2019).

The Group has strong reputation with global automotive OEMs and Tier 1 suppliers of automotive components, having secured a 100% customer retention rate since 2019 and acting as sole supplier, directly or indirectly, for the majority of its EV & Automotive customers. Within Industrial segment, the Group's success is supported by its ability to forge and maintain solid relationships with key global Industrial customers (more than 10 years average tenure of 2021 top 5 clients) operating in all key end-markets, including Energy, Pumps, HVAC, Logistics, Home and Industrial Applications.

Issuer's key factors

Set out below are what the Group believes to be the primary strengths, weaknesses, opportunities and threats, for its two segments: EV & Automotive and Industrial.

EV & Automotive segment

Strengths

For the EV & Automotive segment, management sees the latest regulations on energy transition as one of the main strengths supporting the Group's growth prospects. In fact, numerous vehicle emission reduction regulations around the world combined with numerous consumer incentives are further promoting the spread of electric vehicles to replace ICE cars, with a positive impact on demand for the stators and rotors sold by the Group. At the same time, other major strength factors include the solid market share recorded on a global level as well as the solid relationship (in terms of retention rate and tenure) with major global OEMs and Tier1 players globally.

Weaknesses

As of 2021, the EV adoption was still in a static way due to there were still thousands of ICE models available compared to about hundreds of EV models. Without a sufficient range of EV models and types available to meet different user needs, people and organizations will remain unable to take advantage of any government financial incentives – regardless of how attractive such incentives may be. In addition to these limits on the number of fit-for-purpose vehicles, the EV market is also limited by affordability as well as by existing production capacity. The production programs that the Company's customers are implementing are mainly focused on eliminating the bottleneck highlighted above.

Opportunities

The Group identifies future production and commercial expansion within markets which feature a high and growing population in the Asia Pacific region (including China and India) as a main driver of its potential future development. Increased demand for electric vehicles (and thus for stators and rotors) expected to be driven by population growth which is estimated to experience a 0.2% (China) and 0.9% (India) CAGR from 2022 to 2026)[53].

Threats

Finally, the Group believes the main risk for the EV & Automotive segment is the potential logistical and delivery difficulties that could arise due to the expected increase in demand for electric vehicles on a global scale and geopolitical turbulence. Such critical factors are however minimized by the Group's global footprint, capable of producing the same product worldwide by both working in close contact with steel producers to reduce the risk of a lack of raw material as well as by activating alternative production plans on other continents.

[53] Source: The World Bank | Population Estimates and Projections 2022-2026 | January 2022

Industrial segment

Strengths

Management identifies two main strengths of the Industrial segment. First, similar to the EV & Automotive segment, the industries to which the Industrial segment sells benefit from numerous governmental and regulatory initiatives aimed at promoting the reduction of emissions within industrial production processes, encouraging the introduction of increasingly advanced industrial machinery. This is expected to be a major factor behind the estimated increase in demand for industrial electric motors and, therefore, the presence of stators and rotors within it. In addition, as highlighted previously, the Industrial segment products have numerous fields of application, thus being highly diversified and, therefore, less risky. Other major strengths include, similarly to the EV & Automotive segment, a global production footprint accompanied by a wide customer base and product range. Another strength includes the long-term nature of commercial relationships with key customers, in certain cases over 10 years.

Opportunities

Expansion within the Asia Pacific region is seen by the Group as a key opportunity in terms of its potential future development, due to the presence of numerous emerging economies characterized by industrial production processes with a low level of automation and digitization. Leveraging the Company's existing technological knowhow, other future opportunities include the development of new products with higher added value and the development of new initiatives arising from new projects for new or existing clients concerning the award of full/partial production of their stators and rotors supply.

Weaknesses

The Group believes the main weaknesses lie in the logistical difficulties connected to the heterogeneous fields of application of the products for the Industrial segment as well as in the required production capacity increase to meet the increasing demand from the growing underlying markets.

Threats

A possible consequence of the expected development of the EV sector may result in an inadequate level of steel supply for the Industrial sector, since the EV & Automotive segment is expected to grow strongly over the next few years.

<u>Competitive positioning</u>

Currently, the Group is the only pure play producer and distributor of the motor core (stators and rotors) for electric motors and generators, with a market share of approximately 51% as of the Prospectus Date in North America and Europe in the electric vehicles traction space[54] with its primary competitors being either private companies that are smaller in size than the Group, or small divisions of larger Industrial Applications groups that are active in various processes and activities in the world of steel (including the manufacture of rolled products and stamping, the Group's core business).

There are a limited number of companies in the Group's markets, most of which are highly specialized players. Nevertheless, in the Issuer's opinion, few of these are directly comparable to it in terms of breadth of product catalogue, penetration and market share in the EV & Automotive and Industrial segments as well as global presence (both in terms of customers served and production capacity). Set out below is a brief description of the main players operating globally.

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[54] Source: Group estimate based on internal data and IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

- Mitsui High-Tec Inc.: Japanese company mainly active and specialized in the automotive segment in which, similarly to the Group, it has direct business relationships with numerous global car manufacturers (especially in the Asia-Pacific region). In terms of products offered, Mitsui High-Tec Inc. has an extensive catalogue and highly specialized production techniques, as well as production facilities located on three different continents;

- Tempel Steel Co.: U.S. manufacturer mostly active in the Industrial sector with production capacity divided between North America and Asia Pacific. Despite a less prominent presence within the automotive sector, Tempel Steel Co. offers a wide range of products in numerous applications in the Industrial sector, through advanced and highly specialized stamping processes. In November 2021, the company was acquired by the American steel manufacturer, The Worthington Steel of Michigan Inc.;

- R.Bourgeois S.A.: Historic French manufacturer of rolled products as well as stators and rotors, with an international presence and a high level of penetration in both the automotive and Industrial sectors. The company also boasts strong business relationships with both French car manufacturers as well as steel manufacturers, thus favouring their sourcing, in addition to offering both standardized and customized products;

- Sitem S.p.A.: Italian company focused on the manufacture of stators and rotors mainly for Industrial applications. Sitem S.p.A. has a production capacity mainly based in Europe and, through a recent acquisition of a specialized operator in electric motor components production, is gradually expanding into the automotive sector;

- Trancerie Emiliane S.p.A.: Italian manufacturer predominantly active in the European market, Trancerie Emiliane S.p.A. specializes in the manufacture of stators, rotors and laminates in the automotive sector, with an extensive product catalogue and numerous technologies in the field of highly advanced tooling and stamping;

- Feintool International A.G.: Swiss steel manufacturer characterized by an established presence in both the automotive and Industrial sectors. The company, through the acquisition in December 2021 of German company Kienle + Spiess GmbH, a highly specialized player in stamping as well as stators and rotors manufacturing (obtained with advanced techniques and inclusive of an extensive catalogue inclusive of customization) expanded into the market of stators and rotors for a wide range of applications, thereby increasing its reach;

- Hidria Group: German company active primarily in the European market within the automotive sector where it offers a wide range of motor components (including stators and rotors). The company also offers products within the Industrial segment.

With respect to the Chinese market in particular, in addition to the global players such as Mitsui High-Tec Inc, Tempel Steel Co, R. Bourgeois S.A., and Feintool International A.G., there are some local players including:

- Changying Xinzhi Technology Co., Ltd.: motors and motor cores supplier for the automotive and electrical equipment segments (including washing machines, elevators and electric bicycles) and highly specialized within the automotive industry, featuring a wide product offering including stators and motor cores for electric vehicles motors, micro motor cores (for automotive electric tools) and automobile generators;

- Jiangsu Lianbo Precision Technology Co., Ltd: manufacturer of stator and rotors manufacturer as well as other fixed rotors for both industrial and automotive segments, with a wide and diversified range of final applications, including high-end automotive, cooling fan, oil pumps, new energy vehicles and motorcycle motors and industrial applications;

- Suzhou Fine-Stamping Machinery Technology Co. Ltd: specialized manufacturer of motor lamination cores (including stators and rotors) for electric vehicles, industrial automation and home appliance motors (for air conditioner compressors, and washing machines, for example) , using highly specialized production techniques that include precise stamping, machining and both chain and spiral winding;

- Wuxi Micro Research Precision Press-parts Co., Ltd: precision stamping and injection moulding parts supplier featuring advanced production processes including precision insert moulding, precision stamping and precision injection moulding for the automotive (concerning suspension system and lighting systems components), customer electronics and communication segments;

- Changzhou Shenli Electrical Machine Inc.: specialized manufacturer of laminations, stators and rotors, iron sheets and other iron cores for a wide range final applications which include generators, wind turbines, elevators, and other industrial applications large and middle size motors.

ENVIRONMENTAL, SUSTAINABILITY AND GOVERNANCE

Environmental, social and governance (ESG) factors are at the core of the Group's values and strategy, and represent a long-term commitment that the Group intends to strengthen through various initiatives and projects.

The Group contributes to the achievement of "carbon neutrality" and "net-zero emissions" goals by conducting its business in an ethical and transparent manner and investing in the development of sustainable technologies that drive economic growth through careful management of natural resources and the use of clean energy.

The Group obtained ISO 14001 certification in 2020, and in 2021 it published a report on the sustainability of Eurotranciatura S.p.A. and began carbon footprint tracking. In addition, in March 2022, Eurotranciatura S.p.A. achieved the Ecovadis gold medal in sustainability As of the Prospectus Date the Group is working on a report on sustainability at Group level aiming to submit it to external assurance as well.

With its sustainability policy, the Group contributes to the achievement of 11 of the Sustainable Development Goals (SDGs) adopted by the United Nations.

Environmental factors

The Group is committed to pursuing continuous reduction of its environmental impact as an integral part of its business and as a strategic commitment, and to constantly monitoring compliance with applicable environmental protection laws and regulations. To this end, the Group: (i) adopts policies for mobility transformation and innovation management; (ii) implements energy management and transition to renewable energy; (iii) is attentive to climate change and emissions (carbon footprint assessment with 100% of revenue covered) and, having equipped approximately 1.6 million of electric vehicles and over 2,000 wind turbines worldwide, it actively contributed to global decarbonisation by avoiding an estimated 120,000 tons of CO_2 emissions in 2021; (iv) focuses on waste and materials management, being capable to recycle more than 70,000 tons of metallic material per year and to reuse for production 50% of electrical steel and aluminium; and (v) adopts a certified environmental management system supporting the Group's environmental risk management.

In addition, the Group has two outstanding green loans guaranteed by SACE for an overall amount of €30,000 thousand. In particular, on December 22, 2021 Eurotranciatura S.p.A. (i), entered into a loan agreement with Crédit Agricole Italia S.p.A., guaranteed by SACE S.p.A. for a principal amount of €15,000 thousand with maturity date on September 30, 2027 and (ii) entered into a loan agreement with Banca Nazionale del Lavoro S.p.A., guaranteed by SACE S.p.A. for a principal amount of €15,000 thousand with maturity on December 22, 2028. Both loans are meant to be used by Eurotranciatura S.p.A. exclusively to finance projects with environmental objectives, such as climate change mitigation. See "*Operating and financial review - Guaranteed indebtedness*"

Social factors

The Group has been implementing a "people strategy" for years, which has several objectives regarding the needs of its staff and the communities in which it operates.

In particular, the Group has adopted a strategy of attracting, managing and developing personnel through a talent management program and dedicated training in communication, leadership and problem-solving that amounts to approximately 3,400 hours of training per year.

In addition, to safeguard diversity, equal opportunity and non-discrimination, the Group focuses on gender parity, inclusion of employees with disabilities, and monitoring satisfaction levels.

The Group also addresses workplace health and safety ("H&S") through management systems that track workplace accidents and pays special attention to supply chain management. In order to reduce workplace risks and create safer working conditions, all working facilities are ISO 45000 certified. The Group also provides for collective bargaining agreements for all employees and grants an externally recognised procurement policy.

Governance factors

The Group is committed to maintaining and enhancing its corporate governance with regards to ethics, integrity and accountability. To safeguard the value creation process for its customers, employees, partners, suppliers and shareholders, the Group is committed to implementing rules and procedures governing its decision-making, control and business activity monitoring processes. The governing bodies and tools of the Issuer and the Group aim to spread ethics and integrity as a corporate culture among all employees.

Effective as of the First Trading Date, the Company's Board of Directors appointed a Control, Risks and Sustainability Committee, made up of a majority of independent directors, which, *inter alia*, makes proposals to and performs advisory functions for the Board of Directors to promote the integration of ESG issues in the governance of the Issuer and the Issuer's parent group and in their respective corporate strategies.

To achieve these objectives, the main tools used by the Group include: (i) the Organization and Management Model pursuant to Italian Legislative Decree No. 231/2001, adopted to ensure fairness and transparency in the management of company activities and to prevent the commission of crimes in the interest or to the advantage of the Company; (ii) a risk analysis and management system and implementation of procedures and measures to prevent/reduce the impact or occurrence of risks, embedded in operations; (iii) a high standard of corporate governance by maintaining the independence of the members of the Board of Directors; (iv) the adoption of ethics, corruption and human rights policies; and (v) reporting aligned with best practice.

Environmental and safety matters

The Group's plants and their manufacturing operations are subject to applicable environmental and workplace safety laws and regulations in each jurisdiction where the Group operates. These laws and regulations govern, among other things, the release of contaminants into the air, water, and soil; the use, storage, and disposal of hazardous substances and waste; and remediation of contaminated areas. See also "*Regulatory*" for a summary of the key laws and regulations applicable to the Group's business and activities.

As of the Prospectus Date, the Company is not aware of any environmental issues related to the use of its tangible fixed assets.

Moreover, except as described below, in the 2019-2021 period and until the Prospectus Date, the Group did not receive any notice, report or claim for environmental damages.

As of the Prospectus Date, the Vice Chairman and Chief Financial Officer Isidoro Guardalà is party to a legal proceeding in Tunisia relating to the spillage of oils in 2013 and 2017 within the plant operated by Eurotranciatura Tunisie S.à r.l.. Eurotranciatura Tunisie has already remedied to the findings raised by the environmental protection authority (*Agence Nationale de Protection de l'Environnement* "**ANPE**") and paid the fine imposed in connection to such proceeding amounting, with reference to the spillage of oils of 2013, deriving from a die casting machine malfunctioning, to Dinar 8,000.00 (roughly Euro 2,481.00) and, with reference to the spillage of oils of 2017, deriving from used spare parts of equipment temporarily laid on the plant pavement not yet cemented, to Dinar 6,000.00 (roughly Euro 1,861.00). For additional information *see* "*Management, Employees and Corporate Governance – Directors*".

RESEARCH AND DEVELOPMENT

The markets served by the Group are characterized by highly demanding specifications for the motor core, including, among others, such better insulation, lower noise, mechanical stress reduction and motor core losses reduction. In particular, EV OEMs have heightened requirements for electric motor core performance and properties, given continuing efforts to improve new motor efficiency. Therefore, while the production process for stators and rotors is based on electric steel processing, each stage of manufacturing is highly complex. The Group has a highly specialized research and development team that is mainly dedicated to the development of the Group's products, including in response to customer requests and needs (especially for customized products) and making production processes more efficient.

Research and development focuses on studying, designing and implementing new technical and technological solutions to produce high-efficiency stators and rotors and design innovative stacking and blanking systems for thinner sheet metal. This function is critical to ensure the quality and reliability of the Group's products as well as to identify technical solutions suitable to meet future changes in customer needs. Having the R&D function in house enables he Group to have continuous process, efficiency and product performance improvements, as well as to maintain the same standards globally, further increasing barriers to entry.

The Group's customers are increasingly requesting to develop products through a co-development process whereby the Group designs the products and the tools to be used in the manufacturing process together with customers' R&D functions. During this process the Group's R&D function works alongside the customer's internal R&D function providing them with the Group's process and product know-how to increase the innovation and improve the design of the product.

For the nine-months period ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019 the Group invested respectively €9,556 thousand, €8,217 thousand, €5,342 thousand and €5,235 thousand in research and development (corresponding to approximately 1.5% of its revenues for the relevant period).

As of the Prospectus Date, the Group support its customers and operations through R&D laboratories with proprietary simulation tools that ensure better sheets insulation, mechanical stress reduction, lower noise, lower motor core losses and supply chain optimization. The Group also has 13 integrated production and R&D centres. Due to its efforts in R&D the Group has won several awards over the years including, among others, the Global Best Innovation Award from Bosch in 2016, as well as Best Supplier Awards from Grundfos, Regal, Bosch and Brose.

As of September 30, 2022, the R&D function had 33 employees. Research programs are integrated at a Group level and coordinated centrally, contributing to the creation of a portfolio of projects that management believes is well balanced between developing new products and optimizing existing products. The Group also works in collaboration with research centres and universities.

Over the past few years, the Group's R&D function has proven crucial in developing (i) the Corpack® interlocked lamination stack technology, for which the Group holds a patent and a registered trademark, with the related proprietary laser technology applied to the welded laminations process being currently under filing for patent, (ii) autonomous welding controlled by neural network, (iii) neural network autonomous assembly from sub-stacks and free laminations, (iv) glue bonding annealed free lamination out of die for caterpillars.

In addition, thanks to the Glue Fastec® technology, exclusively licensed to the Group by Kuroda Precision Industries Ltd. in September 2014 and recently renewed for additional 8 years, the Group masters a unique skill in glue bonding technology. Glue Fastec® is a fastening technology which has shown a significant reduction in motor core loss when compared to interlocking, cleating, and interlocking combined with welding. Glue fastec® is a special mass production adhesive technology that holds laminations into stacks without adding stresses and interlamination short circuits attributed to the processes of welding, interlocking or cleating.

As of the Prospectus Date, the main areas of research consist of:

1. for the EV & Automotive segment, developing: (i) in&out processes; (ii) the GlueRail bonding technology; (iii) modelling and simulation, aimed at improving magnetic efficiency, heat transfer, vibration and noise, protected by copyrights; (vi) modular designs, intended to fulfill various customer and engineering requirements; and (v) machines not containing rare earths elements. In addition, for the period 2022-2024, the Group intends to implement research and development, investing, *inter alia,* in new bonding technologies, such as full stack core loss-based specification, improvement of glue consumption for mass production, zero scrap project, new electrical steel alloys, Industry 4.0, and electrical steel homologation; and

2. for the Industrial segment, developing: (i) product technologies focused on, *inter alia*, savings on materials, the generation of new motors, and big data analytics; and(ii) process technologies focused, *inter alia*, on new bonding techniques, rotor die casting, rotor and stator welding, process automation, and big data analytics.

Over the 2022- 2024 period, the Group plans to (i) invest each year approximately 1.5% of its revenues in R&D strategies to create more efficient processes and solutions, and to (ii) have dedicated employees working in collaboration with research centres and universities. The chart below sets out the main targets of the Group's innovation road map 2022-2024.

Innovation road map 2022-2024	
Materials	New electrical steel alloys
	New steel homologation
Production	Zero scrap
	Industry 4.0
Product	Glue 2.0
	IoT motor core

INTELLECTUAL PROPERTY

The Group considers its trademarks, patents, licenses, know-how, domain names, and similar intellectual property rights as important to its success and future growth. In this respect, it relies on trademark and patent law and confidentiality, license and proprietary rights agreements with its employees, customers, suppliers and others to protect its intellectual property rights. The Group's patents – and in particular the Glue Fastec® technology - have proven crucial to obtain important projects from new customers and to strengthen the business relationships with existing ones. Developing new technologies is a key factor for the Group to maintain its competitive advantage.

As of the Prospectus Date the Group owns more than 30 domain names, more than 50 patents on products and technologies mainly related to blanking die assemblies, laminar article for electrical use, electrical machine circuit elements, high strength rotors and heat-dissipating stators and rotors, and the Group owns patent registration applications for about 12 patents are currently under evaluation by the competent authorities. More specifically: (i) the Issuer owns two registered patents, (ii) Corrada S.p.A. owns 39 patents, 4 of which are pending, (iii) Eurotranciatura S.p.A. owns 1 patent, (iv) Euro Misi Laminations Jiaxing Co. Ltd owns 19 patents, 2 of which are pending, (v) Eurotranciatura Mexico S.A. de C.V. owns 7 patents, 6 of which are pending. As of the Prospectus Date, the Group has no expiring patents in the next 3 years, with the majority of patents expiring after 2032. With reference to plants' innovation, the Group is currently developing a dedicated fully automated plant in Mexico, Italy and China.

Recently, the Group has also developed various innovations in order to improve its efficiency, including the following:

- in November 2021, a patent application has been filed with regard to process development for glue compatibility of typical production lines;
- in November 2020, a process for lower glue consumption (in order to reach only 1/3 of current consumption) has been published;

- in November 2020, three applications for authors rights have been filed for modelling and simulation of more efficient solutions (such as magnetic efficiency, heat transfer, vibration and noise);
- in July 2020, two patents applications were filed to value-add design and increase the efficiency of the Group's products, and to simplify the OEM process;
- in November 2019, a project related to rare earth free synchronous reluctance machines and magnet assisted synchronous reluctance machines has been published.

In addition, the following intellectual property rights have been licensed to the Group: (i) the Glue Fastec® technology, exclusively licensed to the Group by Kuroda Precision Industries Ltd. in September 2014 and recently renewed for additional 8 years; and (ii) the know-how required to enable the industrial activities such as large diameter compound or progressive stamping, single notching, stack assembling, large diameter rotor die casting and blanking tools maintenance, has been licensed to both the Issuer and Corrada S.p.A. by Euro Misi Laminations Co. Ltd. respectively in March 2017 and September 2017.

Management believes the Group is, according to management's estimates, a global market leader in glue bonding technology, with a unique set of skills deriving from Glue Fastec® technology, a special mass production adhesive technology that holds laminations into stacks without adding stresses and interlamination short circuits attributed to the processes of welding, interlocking or cleating. In particular, the adhesion method of the Glue Fastec® technology consists of an adhesive agent and a curing agent, which come together into contact and, as a result, the adhesive agent is caused to be cured or hardened. Through the above-mentioned technology, stacks of metallic laminations, such as motor cores, are manufactured. Glue bonding activities have also been developed using other technologies for which patents have been filed, such as the in&out of die technology, the out-of-die technology, the GlueRail technology and the GlueBrick technology. According to simulations conducted by the Group the Glue Fastec® technology, compared to the standard welding technology, has the main advantages of reducing lamination stack iron losses, enhancing the magnetic relative permeability and reducing the noise by nine times compared to standard welding. This results in significant improvements for OEMs' motors including an increase in a motor's effective range by approximately 10% and lower energy consumption.[55] Other key benefits of the glue bonding technology are (i) mechanical efficiency, resulting in an improved stiffness under compression compared to interlock and welded solutions, (ii) raw material savings, through the reduction of electrical steel scrap during production; (iii) overall powertrain efficiency improvement, as the lower core loss leads to lower current consumption and lower motor heating; and (iv) motor energetic density, leading to reduced size and light design for higher power to weight ratio . This results in several benefits for the Group's customers products including range increases, reduction of battery size, torque and power increase, as well as noise reduction.

Other patented technologies which largely contribute to the success and future growth of the Group are, among others, (i) the Corpack® interlocked lamination stack technology, patented trademark of Corrada S.p.A., (ii) the patented electromagnetic test bench which consists of an operating test carried out on an engine, used to inspect it throughout its life cycle, (iii) the GlueBrick technology (for which one patent is pending), (iv) the over moulding-technology (for which one patent is also pending).

The Group expects in the future to pursue additional patent registrations to the extent it believes they would be beneficial and cost-effective. In addition to the protection of its intellectual property, the Group is also focused on ensuring that it does not infringe the intellectual property rights of others.

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[55] Quantitative and economical punctual assessments would require detailed input data of all major components which are dependent on the specific vehicle drivetrain.

Even though the Group's intellectual property rights have proven to be a key factor to establish commercial relationships with customers, as of the Prospectus Date, the Company does not believe it is significantly dependent on single patents, licenses, industrial, commercial or financial contracts, or new manufacturing processes.

PROPERTY, PLANT AND EQUIPMENT

As of September 30, 2022, the Group has approximately 2,800 employees and operates in five countries with 12 production plants of which seven are located in Italy, and five in Mexico, Tunisia, the United States, and China. As of the Prospectus Date, the Russian plant's activities, which accounted for 1.4% of the Group's revenues for the year ended December 31, 2021, have been suspended due to the sanctions imposed against Russia in the context of the conflict between Russia and Ukraine. This unique global reach, with strategically located plants covering an aggregate surface area of 215,000 m2 enables the Group to remain close to key clients and to follow new projects and opportunities. The Group is also considering building additional plants in the United States and China potentially giving preference to locations near its customers' districts as well as to set up new plants in countries currently not served such as Turkey and India. Production at the Group's plants can be adapted to meet the needs of its customers. As of the Prospectus Date, the Group's properties are either owned by the Group (24%), leased from related parties (34%, of which 25% from E.M.S. and 9% from Misi) or leased from third parties (42%). For more information about the description of the properties leased from E.M.S. please refer to "*Related Party Transactions - Relationship with E.M.S. S.p.A.*"

The following chart illustrates the geographic location of the Group's main production plants, which ensure widespread geographic coverage to support the Group's customers.

The table below sets out the key information about the Group's main production plants.

Plant	*Key information*
Baranzate (Milan) and Caronno Pertusella (Varese) plant (EV & Automotive and Industrial)	The plant, built in 1967, covers an area of about 40,500 square meters and employs more than 600 people. As of the Prospectus Date the Group is expanding this plant to add approximately 17,000 square meters and the works are expected to terminate by 2024. The expansion of the plant will allow the Group to increase its production capacity in order to meet clients' needs and enter into new projects.
Santiago de Querétaro (Mexico) plant (EV & Automotive and Industrial):	The plant, built in 2006, covers an area of about 20,000 square meters and employs more than 700 people.The plant, with its innovative and state-of-the-art product and process technologies as well as its collaborations with research centres and universities, is a leader in the production of blanked electrical steel laminations in North America and offers curricula, such as dual-education high schools, MBAs, PhDs.
Jiaxing City Plant (Zhejiang Province, China) (EV & Automotive and Industrial)	The plant, built in 2016, covers an area of about 19,000 square meters and employs 185 people. In addition, in July 2022 a new plant dedicated to research and development, consisting of four separate buildings on an area of about 28,000 square meters, was built in the centre of the industrial park near the Jiaxipera and Minth facilities in Jiaxing City.
Paris Plant (Tennessee, U.S.) (Industrial)	The plant, built in 2014, covers an area of about 29,000 square meters and employs 294 people. The plant has become the benchmark for the production of laminations for electric motors and generators in the North American market.
Lainate (Milan) plant (EV & Automotive and Industrial)	The plant, dedicated to the production of dies used by the Group or sold to third parties, has been built in 1933 and covers an area of about 5,000 square meters with 83 employees.
Melzo (Milan) plant (EV & Automotive and Industrial)	The plant is dedicated mainly to the production of notching an annealing product. The plant covers an area of about 23,000 square meters and employs 378 people.
Muscoline-Torri di Quartesolo (Brescia-Vicenza) pant (Industrial)	The plant is dedicated to the industrial production, covers an area of about 45,000 square meters and employs 115 people.
Zriba (Zaghouan Tunisia) pant (Industrial)	The plant, built in 2011, covers an area of about 3,900 square meters and employs 156 people

An increase in the Group's production capacity to serve its customers' increasing demand is a critical factor for the Group's growth. For additional information on investments made in property plant and equipment see *"Operating and financial review—Investments in Property, Plant and Equipment"*.

MATERIAL AGREEMENTS

The following is a brief description of the material agreements, other than contracts entered into in the ordinary course of the Group's business, to which the Company or a Group company was a party in the two years preceding the Prospectus Date, as well as a brief description of all other contracts entered into by the Company or a Group company pursuant to which a Group company has an obligation or a right that is material to the Group.

Euro Group Asia Limited Investment Agreements

On July 26, 2016 the Issuer and Società Italiana per le Imprese all'Estero - Simest S.p.A., a company external to the Group and owned by Cassa Depositi e Prestiti S.p.A. ("**Simest**") entered into an investment agreement (the "**First Euro Group Asia Investment Agreement**") under which Simest, both directly on its own account and on behalf of its FVC fund intended to support internationalization of Italian companies ("**FVC**"), acquired a shareholding in Euro Group Asia Limited ("**Euro Group Asia**") through the subscription of a capital increase of US$3,460,900.00 (the "**First Euro Group Asia Capital Increase**"). Following the subscription of the First Euro Group Asia Capital Increase the share capital of Euro Group Asia amounted to US$8,709,578.00 and was held as follows:

- US$2,400,900.00 (corresponding to 27.57% of the share capital) held by Simest on its own account;
- US$1,060,000.00 (corresponding to 12.17% of the share capital) held by Simest on behalf of FVC; and
- US$5,248,678.00 (corresponding to 60.26% of the share capital) held by the Issuer.

On October 6, 2022 the Issuer, E.M.S., Eurotranciatura S.p.A. and Simest entered into a new investment agreement amending and replacing in full the First Euro Group Asia Investment Agreement (the "**Euro Group Asia Investment Agreement**"), providing for an additional investment by Simest in Euro Group Asia.

Pursuant to the Euro Group Asia Investment Agreement the Issuer and Simest agreed to subscribe an additional capital increase of US$10,790,422.00 (the "**Euro Group Asia Capital Increase**") as follows:

- US$6,451,322.00 to be subscribed by the Issuer; and
- US$4,092,600,00 to be subscribed by Simest on its own account; and
- US$246,500 to be subscribed by Simest on behalf of FVC.

The amounts to be paid by the Issuer and Simest under the Euro Group Asia Capital Increase are subject to a price adjustment mechanism in the event that, on the payment date of the capital increase, the exchange rate between the euro and the US dollar (currency in which the share capital of Euro Group Asia is denominated) substantially diverge from the 1:1 ratio.

On December 20, 2022 Simest (both directly on its own account and on behalf of FVC) and the Issuer completed the subscription and payment of the Euro Group Asia Capital Increase as follows: (i) US$6,451,322 for the Issuer, by charging to share capital, for a corresponding amount, certain payments previously made by the Issuer as payment on account of future capital increase; (ii) US$4,092,600 for Simest on its own account; and (iii) US$246,500 for Simest on behalf of FVC. Consequently, as of the Prospectus Date, the Issuer holds 60% of the share capital of Euro Group Asia (i.e. US$11,700,000 out of US$19,500,000 total share capital), Simest holds directly on its own account 33.3% of the share capital of

Euro Group Asia (i.e. US$6,493,500 out of US$19,500,000 total share capital, the "**Simest Euro Group Asia Shareholding**") with the remaining 6.7% being held by Simest on behalf of FVC (i.e. US$1,306,500 out of US$19,500,000 total share capital, the "**FVC Euro Group Asia Shareholding**" and together with the Simest Shareholding, the "**Euro Group Asia Shareholding**").

Pursuant to the Euro Group Asia Investment Agreement, the Issuer shall pay Simest (i) an upfront fee of €187,500.00 and (ii) an equity remuneration calculated on the amount of €6,500,000 (corresponding to the amount in Euro, assuming a 1:1 conversion rate from US$ to EUR, of the equity injections made by Simest directly on its own account under the First Euro Group Asia Capital Increase and the Euro Group Asia Capital Increase) and equal to the seven-years IRS (*i.e.* interest rate swap as determined by Bloomberg info-provider) plus a 1.9% spread per each calendar year (in any case the equity remuneration shall not be lower than 3.40%) and (iii) an additional 1% remuneration calculated on the amount of €1,300,000 (corresponding to the amount in Euro, assuming a 1:1 conversion rate from US$ to EUR, of the equity injections made by Simest on behalf of FVCunder the First Euro Group Asia Capital Increase and the Euro Group Asia Capital Increase) (the remuneration under (ii) and (iii), together, the "**Equity Remuneration**"). The Equity Remuneration shall be paid by the Issuer on May 31 and November 30 of each year, starting from May 31, 2023 until June 30, 2029 also in the form of dividends distributed by Euro Group Asia.

Under the Euro Group Asia Investment Agreement Simest also undertook to grant two member loans to Euro Group Asia for an aggregate amount of €10,200,000.00 and in particular: (i) a member loan for €8,500,000.00, to be repaid in ten semi-annual tranches of equal amounts on November 30 and May 31 of each year starting from November 30, 2024 and with an interest rate equal to the five-years IRS plus 1.4 % and subject to a 2.75%; floor and (ii) a member loan for €1,700,000.00 to be repaid in ten semi-annual tranches of equal amounts on November 30 and May 31 of each year starting from November 30, 2024 and with a fixed rate of 1%. The interest under the Simest Member Loans shall be paid by Euro Group Asia to Simest on May 31 and November 30 of each year, starting from May 31, 2023 until May 31, 2029 (see "*Operating and financial review- Future developments and R&D activities*") (the "**Simest Member Loans**"). The Simest Member Loans provide that both Euro Group Asia and Simest are entitled to opt for early repayment of the member loans upon occurrence of certain conditions including, *inter alia*, the use of the financial resources provided by Simest for purposes other than those indicated in the Simest Member Loans, the failure to comply with the undertakings provided under the Simest Member Loans for more than 15 days after receiving a formal request to comply and the failure to pay the interests due.

Moreover, in the context of the Euro Group Asia Investment Agreement, the Issuer undertook to enter into a new member loan with Euro Group Asia, providing new terms and conditions (replacing in full those already in place) for five outstanding member loans granted by the Issuer to Euro Group Asia for an overall amount of €25,930,000.00 in order to ensure that the new terms and conditions are aligned to those of the Simest Member Loans (the "**Euro Group Member Loan**"). The Euro Group Member Loan was entered into on October 12, 2022 for an overall amount of €25,930,000.00 and provides for (i) an annual interest rate of 3.4% (however, if such interest rate turns out to be higher than the weighted average of the interest rates for the Simest Member Loans, the interest rate shall be equal to the weighted average of the interest rates for the Simest Member Loans) and (ii) repayment from December 31, 2025 to June 30, 2029. E.M.S. also issued a first demand guarantee in favour of Simest for the obligations undertaken pursuant to the Euro Group Asia Investment Agreement for a total amount of €18,000,000.

The Simest Investment Agreement provides that the financial resources made available by Simest and the Issuer to Euro Group Asia shall be used by Euro Group Asia to (i) specialize the production facility owned by Euro Misi Laminations Jiaxing to serve the Industrial segment and (ii) to develop the newly established company, Euro Misi High Tech Jiaxing Co ("**Euro Misi High Tech**") which will produce solely for Euro Misi Laminations Jiaxing stators and rotors dedicated to the EV & Automotive segment.

The Euro Group Asia Investment Agreement contains customary provisions relating to, *inter alia*, corporate governance, reserved matters, representations and warranties, co-sale, information undertakings, indemnity provisions (*inter alia*, in case the transfer of Euro Group Asia Shareholding cannot be executed or it is not possible for any reasons whatsoever and in case of breach of customary representations and warranties) as well as termination and withdrawal.

For the entire term of the Euro Group Asia Investment Agreement, the Issuer shall comply with certain financial covenants to be calculated with respect to the Group's consolidated financial statements (the "**Financial Covenants**") and to be measured on December 31 of each year. In particular, (i) from December 31, 2022 to December 31, 2024 the leverage ratio shall be equal or lower than 3.5x while the gearing ratio shall be equal or lower than 2.0x; (ii) on December 31, 2025 the leverage ratio shall be equal or lower than 3.25x while the gearing ratio shall be equal or lower than 2.0x and (iii) from December 31, 2026 to December 31, 2029 the leverage ratio shall be equal or lower than 3.0x while the gearing ratio shall be equal or lower than 2.0x. The Financial Covenants shall be calculated based on the same terms and criteria as the loan agreement for an amount of €30,000,000 entered into by and between Eurotranciatura S.p.A. and Cassa Depositi e Prestiti S.p.A. (Simest's parent company) on August 9, 2022 (see "*Operanting and financial review –Covenants*"). The Euro Group Asia Investment Agreement also provides for an equity cure procedure (i.e. a procedure to remedy the breach of the covenants through additional equity injections or additional member loans subordinated to the other indebtedness) if the Financial Covenants are not met.

Pursuant to the Euro Group Asia Investment Agreement, the Issuer has agreed to purchase from Simest the Euro Group Asia Shareholding on June 30, 2029. From June 30, 2027 onwards, Euro Group and Simest shall be entitled to bring such buy-back/sale-back forward by exercising, respectively, a call option and a put option over the Euro Group Asia Shareholding. The purchase price for the buy-back/sale-back will be equal to the higher of the price paid by Simest to subscribe the Euro Group Asia Shareholding converted into Euro (i.e. €7,800,000.00) and, in case Euro Group Asia's shares are listed, the average market price for the 90 calendar days before the date of the buy back. Moreover upon the occurrence of buy-back/sale-back the Issuer shall (i) re-pay the Simest Member Loan including any interest due thereunder and (ii) pay the Equity Remuneration. Finally, upon occurrence of certain conditions, the Issuer can also exercise its call option before June 30, 2027 and in this case shall pay to Simest 50% of the Equity Remuneration and interests on the Simest Member Loans that would have accrued from the moment of early exercise of the option until June 30, 2027.

The agreement also (i) defined the price for the buy-back of the shareholding held by Simest in Eurotranciatura Mexico S.A. De C.V. (see "*—Eurotranciatura Mexico Investment Agreement*", below) and (ii) introduced a cap on the buy-back price of the shareholding held by Simest in Euro High Tech Mexico S.A. (see "*—Euro High Tech Mexico Investment Agreement*" below).

Eurotranciatura Mexico Investment Agreement

On August 4, 2014, Eurotranciatura S.p.A. ("**Eurotranciatura**") and Simest, a company external to the Group and owned by Cassa Depositi e Prestiti S.p.A., entered into an investment agreement concerning Simest's investment in Eurotranciatura Mexico S.A. De C.V. ("**Eurotranciatura Mexico**"), a subsidiary of Eurotranciatura (the "**Eurotranciatura Mexico Investment Agreement**"), whereby Simest undertook, *inter alia*, to subscribe for (i) 50% of the shares issued by Eurotranciatura Mexico in a capital increase, in an aggregate amount of US$7,000,000 ("**Eurotranciatura Mexico First Capital Increase**") and, (ii) in a potential subsequent capital increase of Eurotranciatura Mexico for an additional amount of US$7,000,000, by subscribing 50% of newly issued shares of the company, to be carried out by the end of January 2015 ("**Eurotranciatura Mexico Second Capital Increase")**. Since only Eurotranciatura Mexico First Capital Increase has been completed Simest owned 16.36% of the corporate capital of Eurotranciatura Mexico ("**Eurotranciatura Mexico Shareholding")**.

In accordance with the provisions of the Eurotranciatura Mexico Investment Agreement, the resources deriving from Simest's subscription of the Eurotranciatura Mexico Capital Increase were exclusively intended for (i) the purchase of tangible fixed assets of Eurotranciatura Mexico and (ii) the capitalization in the amount of 90% of Eurotranciatura USA LLC ("**Eurotranciatura USA**"), a subsidiary of Eurotranciatura Mexico, in order to purchase the business unit related to the annealing, blanking and die casting from the client Tecumseh, a US group.

The Eurotranciatura Mexico Investment Agreement contained customary provisions relating to, among others, corporate governance agreements, representations and warranties, co-sale provisions, information undertakings, indemnity provisions (*inter alia*, in case of breach of customary representations and warranties) as well as termination and withdrawal.

In particular, the Eurotranciatura Mexico Investment Agreement included a buy-back/sale-back obligation according to which Eurotranciatura should have purchased from Simest, who should have sold to Eurotranciatura, its Eurotranciatura Mexico Shareholding on June 30, 2022. On October 11, 2022 Eurotranciatura bought back the Eurotranciatura Mexico Shareholding held by Simest for an overall amount of €4,291,181.25, as determined by the Euro Group Asia Investment Agreement described above. Therefore, as of the Prospectus Date the Group holds 87.60% of Eurotranciatura Mexico with the remaining 12.40% being held by Marubeni Itochu Steel Inc. (*see* "*Agreements signed with Marubeni-Itochu Steel Inc. – Joint Venture Agreement dated December 8, 2015*").

Euro High Tech Mexico Investment Agreement

On May 17, 2017 the Issuer, Eurotranciatura S.p.A. and Simest, a company external to the Group and owned by Cassa Depositi e Prestiti S.p.A. entered into an investment agreement (the "**Euro High Tech Mexico Investment Agreement**") concerning Simest's investment, both directly on its own account and on behalf of its FVC fund intended to support internationalization of Italian companies ("**FVC**"), in Euro High Tech Mexico SA de CV ("**Euro High Tech Mexico**"), a subsidiary of the Group, through the subscription of a stake equal to 29.10% of the Euro High Tech Mexico share capital, for a total cost of €4,826,332.92 (the "**Euro High Tech Mexico Capital Increase**"). In particular, Simest subscribed (i) directly on its own account 23.28% of the Euro High Tech Mexico Capital Increase for an amount of MXN77,880,101.38 (cost sustained by Simest directly on its own account equal to €3,861,066.16) (the "**Simest Euro High Tech Mexico Shareholding**") and (ii) on behalf of FVC the remaining 5.82% of the Euro High Tech Mexico Capital Increase for an amount of MXN19,470,025.35 (cost sustained by Simest on behalf of FVC equal to €965,266.76) (the "**FVC Euro High Tech Mexico Shareholding**" and, together with the Simest Euro High Tech Mexico Shareholding, the "**Euro High Tech Mexico Shareholding**").

In accordance with the provisions of the Euro High Tech Mexico Investment Agreement, the proceeds from Simest's subscription of the Euro High Tech Mexico Capital Increase were exclusively intended for (i) execution of certain commercial agreements with a Group's major customer relating to the production of stators and rotors and for (ii) execution of the commercial agreement entered into with the Group's strategic partner Kuroda Precision Industries Ltd on September 30, 2014, which has been renewed on November 4, 2022 for further 8 years, relating to the granting of a license to use the Glue Fastec® technology for the assembly of laminated packs, as better described below (See "*Kuroda License Agreement*").

The Euro High Tech Mexico Investment Agreement contains customary provisions relating to, *inter alia*, corporate governance, reserved matters, representations and warranties, co-sale, information undertakings, indemnity provisions (*inter alia*, in case the transfer of Euro High Tech Mexico Shareholding cannot be executed or it is not possible for any reasons whatsoever and in case of breach of customary representations and warranties) as well as termination and withdrawal.

Pursuant to the Euro High Tech Mexico Investment Agreement, the Issuer undertook to (i) pay an yearly 5.25% equity remuneration calculated on the subscription price of the Simest Euro High Tech Mexico Shareholding (corresponding to the equity injections made by Simest directly on its own account under the Euro High Tech Mexico Capital Increase) plus an additional yearly 1% equity remuneration calculated on the subscription price of the FVC Euro High Tech Mexico Shareholding (corresponding to the equity injections made by Simest on behalf of FVC under the Euro High Tech Mexico Capital Increase) to be paid on June 30 of each year from June 30, 2018 until June 30, 2025, and (ii) purchase from Simest the Euro High Tech Mexico Shareholding by June 30, 2025 (however, effective from June 30, 2022 onwards, Eurotranciatura and Simest shall be entitled to anticipate such buy-back/sale-back by exercising, respectively, a call option (the "**Euro High Tech Mexico Call Option**") and a put option over the Euro High Tech Mexico Shareholding); (iii) pay to Simest a price equal to the higher of (a) the price paid by Simest for the release of the Euro High Tech Mexico Shareholding or subscribed; (b) the amount in euros corresponding to the net equity accounting value of Euro High Tech Mexico at the time when the obligation to transfer the Euro High Tech Mexico Shareholding arises, related to the amount of the participation to be transferred; (c) where applicable, the average official listing value of Euro High Tech Mexico shares in the 90 calendar days prior to the transfer date. Pursuant to the Euro Group Asia Investment Agreement described above (*see* "*Euro Group Asia Limited Investment Agreements*" described above), the Euro High Tech Mexico Call Option shall be deemed lapsed and no longer exercisable and the purchase price of Euro High Tech Mexico Shareholding shall be considered capped at 104% of the price originally paid by Simest for the acquisition of the same.

Kuroda License Agreement

On September 30, 2014 Kuroda Precision Industries Ltd and the Issuer entered into a license agreement relating to use the use the Glue Fastec® technology for the assembly of laminated packs (the "**Kuroda License Agreement**"). The Kuroda License Agreement has been renewed on November 4, 2022 for additional 8 years until October 1, 2030 and the Issuer is entitled to require the extension of such term for an additional period of 8 years with the licensor's consent.

The Kuroda License Agreement provides, *inter alia*, that: (a) the license to use the Glue Fastec® technology is granted to the Issuer on an exclusive basis: (i) within the countries of the European geographic area, excluding Russia, Middle East, Africa, the United States of America, Mexico and Canada (the "**Exclusive Countries**") and (ii) outside the Exclusive Countries, limited to the manufacturing and selling of the stator and rotor lamination stacks though the Glue Fastec® technology (the "**Cores**") to clients having their principal seat in the Exclusive Countries and their second place of business outside the Exclusive Countries; (b) Kuroda's and its officers or employees' maximum liability is capped to the royalties and fix payment received under the Kuroda License Agreement; (c) Kuroda is entitled to immediately terminate the agreement in case certain events occur, such as, among others, the breach by the Issuer of payment obligations, representations and warranties, and the Issuer being subject to a bankruptcy, liquidation, civil rehabilitation or any other proceedings under the applicable bankruptcy system; (d) the Issuer shall use the dies and other devices, used for the production of the Cores, manufactured and purchased from Kuroda, and it shall not manufacture them for 8 years from October 1, 2022, and after the 8 year period the Issuer may continue either to purchase such dies and devices from Kuroda or manufacture them on its own, in accordance with the terms and conditions to be determined between the parties. Moreover, the Kuroda License Agreement grants to the Issuer the co-ownership, along with the licensor, of the relevant IP rights relating to the improvements of the Glue Fastec® technology jointly and/or by the Issuer developed, nonetheless the Issuer shall not make any applications for IP rights (including patent rights and utility model rights) in respect of any improvements without the prior written consent of the licensor.

Eurotranciatura Tunisie Investment Agreement

In 2018 the Issuer, Eurotranciatura S.p.A and Simest, a company external to the Group and owned by Cassa Depositi e Prestiti S.p.A. entered into an investment agreement (the "**Eurotranciatura Tunisie Investment Agreement"**) concerning Simest investment, both directly on its own account and on behalf of its FVC fund intended to support internationalization of Italian companies ("**FVC**"), in Eurotranciatura Tunisie S.a.r.l. ("**Eurotranciatura Tunisie**"), a subsidiary of the Group, through the subscription of a stake equal to 49% of the share capital Eurotranciatura Tunisie, for a total counter value of €4,000,000 (the "**Eurotranciatura Tunisie Capital Increase**"). In particular, Simest subscribed (i) directly on its own account 36.75% of the Eurotranciatura Tunisie Capital Increase for an amount of DT9,975,000 (cost sustained by Simest directly on its own account equal to €3,000,000) (the "**Simest Eurotranciatura Tunisie Shareholding**") and (ii) on behalf of FVC the remaining 12.25% of the Eurotranciatura Tunisie Capital Increase for an amount of DT3,325,000 (cost sustained by Simest on behalf of FVC equal to €1,000,000) (the "**FVC Eurotranciatura Tunisie Shareholding**" and, together with the Simest Shareholding, the "**Eurotranciatura Tunisie Shareholding**").

In accordance with the provisions of the Eurotranciatura Tunisie Investment Agreement, the resources deriving from Simest's subscription of the Eurotranciatura Tunisie Capital Increase were exclusively intended for (i) the increase of products supplied to Eurotranciatura Tunisie customers'; (ii) development of activities in prospect markets; (iii) the expansion in the European market and (iv) acquisition of new customers also thanks to the accreditation to IEC standards.

The Eurotranciatura Tunisie Investment Agreement contains customary provisions relating to, *inter alia*, corporate governance, reserved matters, representations and warranties, co-sale, information undertakings, indemnity provisions (*inter alia*, in case the transfer of Eurotranciatura Tunisie Shareholding cannot be executed or it is not possible for any reasons whatsoever and in case of breach of customary representations and warranties) as well as termination and withdrawal.

Pursuant to the Eurotranciatura Tunisie Investment Agreement, the Issuer undertook to (i) pay an upfront fee of 0.75% calculated on the amount of €4,000,000.00; (ii) pay an yearly 5.25% equity remuneration calculated on the subscription price of the Simest Eurotranciatura Tunisie Shareholding (corresponding to the equity injections made by Simest directly on its own account under the Eurotranciatura Tunisie Capital Increase) plus an additional yearly 1% equity remuneration calculated on the subscription price of the FVC Eurotranciatura Tunisie Shareholding (corresponding to the equity injections made by Simest on behalf of FVC under the Eurotranciatura Tunisie Capital Increase) to be paid on June 30 and on December 31 of each year from December 31, 2018 until June 30, 2026; (iv) purchase from Simest the Eurotranciatura Tunisie Shareholdings by June 30, 2026 (however, effective from June 30, 2023 onwards, the Issuer and Simest shall be entitled to anticipate such buy-back/sale-back by exercising, respectively, a call option and a put option over the Eurotranciatura Tunisie Shareholding (the "**Eurotranciatura Tunisie Call Option**"); (v) pay to Simest a price equal to the higher of (a) the price paid by Simest for the release of the Eurotranciatura Tunisie Shareholding or subscribed; (b) the amount in euros corresponding to the net equity accounting value of Eurotranciatura Tunisie at the time when the obligation to transfer the Eurotranciatura Tunisie Shareholding arises, related to the amount of the participation to be transferred; (c) where applicable, the average official listing value of Eurotranciatura Tunisie shares in the 90 calendar days prior to the transfer date. In any case, the purchase price for the Eurotranciatura Tunisie Shareholding is capped at 104% of the price originally paid by Simest for the acquisition of the same.

Agreements signed with Marubeni-Itochu Steel Inc.

Joint venture agreement dated December 8, 2015

On December 8, 2015, the Issuer, its subsidiary Eurotranciatura S.p.A. ("**ET**") and Marubeni-Itochu Steel Inc. ("**MISI**"), a company external to the Group and operating in the business of processing, import, export and sale of various electrical steel products on a worldwide level (MISI, ET and the Issuer collectively the "**Shareholders**"), signed with Eurotranciatura Mexico S.A. DE C.V. ("**ETM**") a joint venture agreement, governed by Mexican law (the "**JVA**" or "**Joint Venture Agreement**"), for the purpose of the acquisition by MISI of 19.1125000009% of the shares of ETM, aimed at expanding the future market for electrical steel laminations loose or stacked for electrical machines as well as for carbide dies, die-cast moulds for rotors and die cast rotors for electrical motors (the "**Products**") in the United States of America, Canada and Mexico (the "**Territory**").

As a condition precedent to the Joint Venture Agreement, MISI agreed to purchase from ET (i) the shares representing 12.4000000436% of ETM at the price of six million four hundred thousand United States Dollars (US$ 6,400,000) pursuant to the stock purchase agreement executed on December 16, 2015 (the "**First Acquisition**") described below (the shareholding has been purchased by MISI on December 18, 2015. *See* "*—Stock purchase agreement dated December 16, 2015*"); and (ii) additional shares representing 6.7124999573% of ETM at a price of US$3,500,000, only in the event that ETM achieves certain targets in terms of profit after tax and MISI receives all necessary governmental, regulatory and other approvals which may be required (the "**Second Acquisition**").

Provided that there is no specific term by which the Second Acquisition shall occur, as of the Prospectus Date the conditions to the Second Acquisition have not been satisfied and, therefore, the Second Acquisition has not taken place yet. Should the Second Acquisition take place, the Issuer, MISI and ET will hold respectively 2.7175606740%, 19.1125000009% and 78.16993932510% of ETM shares.

The Joint Venture Agreement contains customary provisions relating to, *inter alia*, conduct of business, corporate governance, reserved matters, non-compete undertakings, dividend distributions, transfer of shares, dissolution as well as termination. The JVA also provides for call/put option rights in favour of ET and MISI in the event a deadlock occurs and the parties are unable to resolve it in accordance with the terms specified in the agreement.

Stock purchase agreement dated December 16, 2015

On December 16, 2015, Marubeni-Itochu Steel Inc. ("**MISI**"), a company external to the Group, and Eurotranciatura S.p.A. ("**ET**") entered into a share purchase agreement, for the purchase by MISI of ordinary shares representing 12.4000000436% of the share capital of Eurotranciatura Mexico S.A. DE C.V. ("**ETM**" or the "**Target Company**"), for consideration of US$ 6,400,000 ("**Stock Purchase Agreement**").

The transaction closed on December 18, 2015 ("**Closing**"), following the fulfillment of certain conditions precedent provided for under the Stock Purchase Agreement, including, *inter alia*, (i) the signing of the Joint Venture Agreement dated December 8, 2018 described above (*see* "*Joint venture agreement dated December 8, 2015*") and (ii) the completion of the procedures relating to the share certificates representing the shares to ensure the proper transfer of the shares.

As part of the Stock Purchase Agreement, representations and warranties were made in line with market practice for similar transactions (e.g., (i) capacity and authority, (ii) due incorporation; (iii) compliance and consents; (iv) maintenance of books and records; (v) tax; (vi) environmental and health safety matters; (vi) intellectual property and (vii) assets). Pursuant to the Stock Purchase Agreement, the parties have also undertaken indemnification obligations in the event of breach of the representations and warranties made, and agreed provisions concerning the limitation of ET's liability such as, *inter alia*, the inability to make any claim against ET in respect of any loss recovered by MISI under an insurance policy or from any third party as well as the inability to hold ET liable in respect of a warranty claim which and/or indemnity undertaking arises solely because of any act or thing done or omitted to be done at any time before Closing with the express permission of the MISI.

In addition to the foregoing, the Stock Purchase Agreement provides, *inter alia*: (i) a maximum aggregate amount of three million two hundred thousand United States Dollars (US$ 3,200,000) (the "*cap"*) as ET's maximum aggregate liability in respect of all warranty claims and indemnities; (ii) customary limitations in line with market practice for similar transactions; in particular, ET shall not be liable in respect of a warranty claim or indemnity demand unless the total amount of each warranty claim or of each indemnity demand exceeds fifty thousand United States Dollars (US$ 50,000), in which case MISI is entitled to claim the total amount of the warranty claim and not only the excess (the "*de minimis*").

Under the terms of the Stock Purchase Agreement, certain confidentiality undertakings are also provided with respect to the contents of the Stock Purchase Agreement.

Joint venture agreement dated February 14, 2020

On February 14, 2020, Euro Group Asia signed with Marubeni-Itochu Steel Inc., a company external to the Group ("**MISI**" or the "**Manufacturer**" and, together with Euro Group Asia, the "**Parties**"), a joint venture agreement, governed by German law (the "**JVA**" or "**Joint Venture Agreement**") concerning the acquisition by Euro Group Asia from MISI of a part of its participation in Euro-Misi Laminations Jiaxing Co. Ltd. ("**Euro-Misi**") equal to 9.32% for a consideration of US$1.00. The Joint Venture Agreement governs the operation of Euro-Misi for the manufacture and sale of certain electrical steel laminations for electrical machines, carbide dies, die-cast moulds for rotors and die cast rotors for electrical motors and generators lamination (the "**Products**") in the Chinese market excluding Hong Kong, Macau and Taiwan (the "**Territory**"). The JVA replaces previous joint venture agreements entered into on July 6, 2012 and December 8, 2015.

In 2020, Euro-Misi resolved a capital increase which was subscribed by Euro Group Asia. As a result of this subscription Euro-Misi became a subsidiary of the Group. As of the Prospectus Date, Euro Group Asia and MISI hold respectively 69% and 31% of Euro-Misi's share capital.

Ancillary agreements between the parties include: (i) a sale and purchase agreement between MISI and Euro-Misi under which the Manufacturer agrees to sell to Euro-Misi the material to manufacture the Products and (ii) a service agreement executed on January 1, 2014 between the Issuer and MISI (the "**Service Agreement**") pursuant to which (a) the Issuer licenses to Euro-Misi the appropriate know-how and sells the associated technology required to manufacture the Products and (b) if, for each year of the period of the ten (10) Fiscal Years after the execution of the service agreement, the EBIT of Euro-Misi is at least US$1 million, the Issuer is entitled to receive an annual royalty as set forth in the agreement.

The Joint Venture Agreement contains customary provisions relating to, *inter alia*, corporate governance, reserved matters and deadlocks, non-compete undertakings as well as termination. The JVA also provides for call/put option rights in favour of the Parties in the event a deadlock occurs and the Parties are unable to resolve it in accordance with the terms specified in the agreement.

Joint venture agreement dated December 16, 2022

On December 16, 2022, Euro Group Asia signed with Marubeni-Itochu Steel Inc. ("**MISI**" or the "**Manufacturer**" and, together with Euro Group Asia, the "**Parties**"), a joint venture agreement, governed by German law (the "**JVA**" or "**Joint Venture Agreement**") concerning a capital contribution from MISI into Euro Misi High-Tech ("**EMHT**"), a company incorporated by Euro Group Asia on March 11, 2022 for the purpose of establishing a processing facility of the products of Euro-Misi Laminations Jiaxing Co. Ltd. ("**Euro-Misi**") (the "**Products**", as defined in the paragraph above "*Joint venture agreement dated*

February 14, 2020”). According to the provisions set forth herein, the JVA shall prevail over any other agreement entered into by the Parties.

Pursuant to the JVA, MISI agreed to subscribe for 31% of EMHT’s share capital for an amount of US$7,750,000 (the "**Transfer**") through an equity transfer agreement executed by the Parties on December 16, 2022 (the "**Equity Transfer Agreement**"). Following the completion of the Transfer, Euro Group Asia and MISI hold respectively 69% and 31% of EMHT’s share capital.

Ancillary agreements between the Parties include: (i) a sale and purchase agreement between MISI and Euro-Misi under which the Manufacturer agrees to sell to Euro-Misi the material to manufacture the Products and (ii) a service agreement executed between Euro Group Asia and Euro-Misi, which (a) replaces and/or updates the Service Agreement executed on January 1st 2014 between the Issuer and MISI described in the paragraph above “*Joint venture agreement dated February 14, 2020*”, and (b) shall also apply to the net sales of Euro-Misi related to the products manufactured and supplied by EMHT (excluding the sales of Euro-Misi to EMHT related to the materials to manufacture the products).

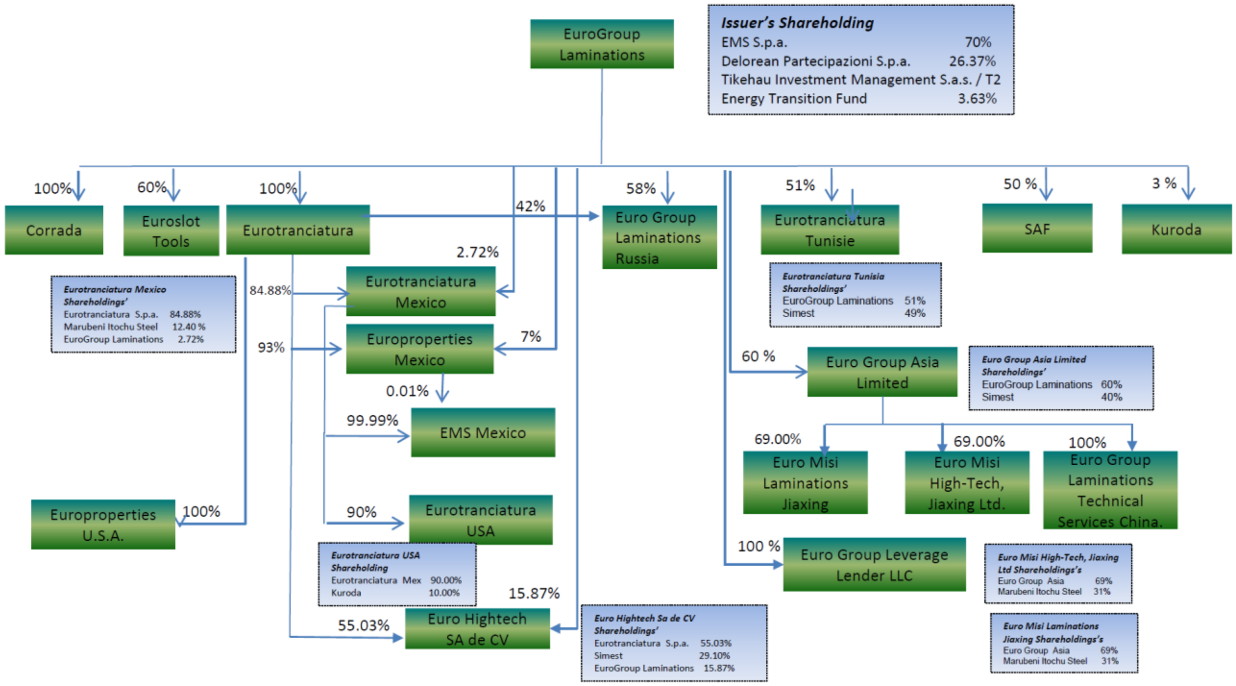
The Joint Venture Agreement contains customary provisions relating to, *inter alia*, corporate governance, reserved matters and deadlocks, non-compete undertakings as well as termination. The JVA also provides for call/put option rights in favour of the Parties in the event a deadlock occurs and the parties are unable to resolve it in accordance with the terms specified in the agreement.

Eurotranciatura USA Operating Agreement

On January 3, 2014, Eurotranciatura Mexico S.A. de C.V. (“**ETM**”) and Kuroda Precision Industries Ltd., a Company external to the Group, (“**Kuroda**”) entered into an operating agreement concerning Eurotranciatura USA LLC, a limited liability company formed in January 2014 (“**Eurotranciatura USA**”) in which ETM and Kuroda hold, respectively, 90% and 10% of the membership interest, and primarily involved in (i) the production of carbide dies, electrical laminations, assembled cores and die cast rotors for electrical rotating machines and finished electric motors and (ii) coil winding. The operating agreement of Eurotranciatura USA (the “**Eurotranciatura USA Operating Agreement**”), whose main purpose is to manage the relationships between ETM and Kuroda as members of Eurotranciatura USA, includes customary provisions relating to, *inter alia*, Kuroda’s rights in connection with Eurotranciatura USA’s business, exclusivity obligations for the Issuer (through its subsidiary Corrada S.p.A.) and Kuroda towards Eurotranciatura concerning the sale of carbide dies and tooling to competitors, corporate governance, pre-emptive rights, non-compete undertakings as well as termination of membership.

GROUP STRUCTURE

The chart below sets out the Group's structure as of the Prospectus Date, showing the main companies controlled by the Group and the Company's shareholding, directly or indirectly, in each of them as of the Prospectus Date.



As of the Prospectus Date, the Company is subject to management and coordination by Euro Management Services S.p.A. pursuant to Article 2497 *et seq*. of the Italian Civil Code. However, as acknowledged by the Company's Board of Directors on November 18, 2022, and January 18, 2023 effective from the First Trading Date, the Company will cease to be subject to management and coordination by Euro Management Services S.p.A.. In particular: (i) the main decisions relating to the Company's business will be taken by its corporate bodies, and, more specifically, the Company's Board of Directors will be solely responsible for the approval of its strategic, industrial and financial plans and budgets, as well as for the assessment of the adequacy of its organizational, administrative and accounting structure with no influence being exercised by Euro Management Services S.p.A.; (ii) the Company will have full operational autonomy and an independent negotiating capacity in its relations with customers and suppliers; (iii) Euro Management Services S.p.A. will not carry out any centralised treasury function for the Company; and (iv) the Company will not be subject to Group regulations or directives or instructions issued by Euro Management Services S.p.A. concerning, *inter alia*, extraordinary transactions or the definition of Group strategies. In its assessment the Board of Directors also took into account the changes in the corporate governance which will be effective as of the First Trading Date, including, inter alia, (a) the adoption of the Market Abuse Procedures and of the Related Party Transactions Procedure (see "Management, Employees and Corporate Governance"), (b) the adoption of a regulation, effective as of the First Trading Date, which governs the proceedings of the Ordinary and Extraordinary Shareholders' Meetings, (c) the adoption of the Post-IPO By-laws, (d) the appointment of independent directors pursuant to art. 147-ter, paragraph 4, and art. 148, paragraph 3 of the Consolidated Financial Act and art. 2 of the Corporate Governance Code, and (e) the establishment, of the Control, Risks and Sustainability Committee and of the Appointments and Remuneration Committee see "Management, Employees and Corporate Governance") composed of a majority of independent directors, and of the Related Party Transactions Committee, entirely composed of independent directors. For further information on the Issuer's shareholding structure, see "*Principal and Selling Shareholders—Shareholding Structure*".

Moreover, as of the Prospectus Date, the Company carries out management and coordination activities, pursuant to Articles 2497 *et seq*. of the Italian Civil Code, with respect to the companies belonging to the Group and directly or indirectly controlled by it, exercising control over them pursuant to Article 2359 of the Italian Civil Code and consolidating their financial statements. Management and coordination activities with respect to the aforementioned companies are exercised by the Company, *inter alia*, through the approval of industrial, financial and strategic plans with group-wide scope, the development of Group directives, procedures and guidelines, as well as the appointment of their corporate bodies.

The provisions of chapter IX of title V, Book V of the Italian civil code (Articles 2497 et seq. of the Civil Code) provide for the direct liability of the company exercising management and coordination activities with regard to the shareholders and the creditors of the companies subject to management and coordination, in the event that the company exercising such activities, acting in its own or another person's entrepreneurial interest in violation of the principles of proper corporate and entrepreneurial management of those companies, causes damage to the profitability and value of the company's equity investment or causes damage to the integrity of the company's assets against the company's creditors. Such liability ceases when the damage is: (i) missing in light of the overall result of the management and coordination activity; or (ii) entirely eliminated also as a result of transactions directed to that end.

Moreover, the direct liability of a company exercising management and coordination activities is subsidiary and may be extended, jointly and severally, to those who have in any event taken part in the damaging event and, within the limits of the advantage obtained, to those who knowingly benefited from it. Accordingly, the aforementioned liability may be asserted only if the shareholder and the creditor have not been satisfied by the company subject to management and coordination activities.

Liability is also provided for of the directors of the company subject to management and coordination, who fail to comply with the disclosure requirements set forth in Article 2497-*bis* of the Italian Civil Code, for any damage caused to shareholders or third parties as a result of their failure to be aware of such facts. Specific cases of withdrawal are also provided for in favour of shareholders of companies subject to management and coordination (see Article 2497-*quater* of the Italian Civil Code). In particular, the shareholder of a company subject to management and coordination activities may withdraw if the company exercising management and coordination activities has resolved on a transformation involving a change in the company's purpose or a change in its corporate object, allowing the exercise of activities that significantly and directly alter the economic and financial conditions of the company subject to management and coordination activities.

The following should be noted with regard to loans made to companies by those exercising management and coordination activities over them or by other parties subject to them: (i) loans, in whatever form they are made, are subordinated in case are granted when there is an excessive imbalance of indebtedness in relation to the company's equity or a financial situation of the company in which a conferral would be needed, consequently, the repayment should be subordinated to the satisfaction of other creditors and (ii) if the repayment of the aforementioned loans takes place in the year preceding the declaration of bankruptcy, the loans must be repaid.

The table below sets out an overview of the Group’s material subsidiaries as of the Prospectus Date. The middle column indicates the percentage of capital held, directly and indirectly, both in terms of economic and voting rights.

Material subsidiary	**Economic interest and voting rights**	**Jurisdiction of incorporation**

Eurotranciatura S.p.A.	100.00%	Italy
Corrada S.p.A.	100.00%	Italy
Euroslot Tools S.r.l.	60.00%	Italy
Eurotranciatura Tunisie S.a.r.l.	51.00%	Tunisie
Euro Group Laminations Russia L.L.C.	100.00%	Russia
Eurotranciatura Mexico S.A. de C.V.	87.60%	Mexico
Euro High Tech Mexico S.A. de C.V.	70.90%	Mexico
Europroperties Mexico S.A. de C.V.	100.00%	Mexico
Euro Group Leverage Lender L.L.C.	100.00%	United States
Euro Group Asia Ltd..	60%	Hong Kong
S.A.F. S.p.A.	50.00%	Italy
Europroperties USA..	100.00%	United States
Euro Management Services Mexico S.A. de C.V.	87.60%	Mexico
Eurotranciatura U.S.A. L.L.C.	78.84%	United States
Euro Misi Laminations Jiaxing Co. Ltd	69.00%	China
Euro Misi High Tech, Jiaxing Co Ltd	69.00%	China
Euro Group Laminations Technical Services China	100.00%	China

In its capacity as parent company of companies incorporated and regulated by the laws of non-EU countries, the Company complies with the conditions set forth in Article 15 of the Market Regulation. In particular, the Company intends to make available to the public, as of the First Trading Date, the financial statements of the subsidiaries incorporated and regulated by the law of non-EU countries having "significant relevance" (as identified in accordance with the provisions of Article 15 of the Market Regulation), namely: (i) Eurotranciatura México, S.A. de C.V., (ii) Eurotranciatura USA LLC and (iii) Euro-Misi Laminations Jiaxing Co. Ltd, prepared for the purpose of drafting the consolidated financial statements, including the balance sheet and income statement, by filing them at the company's registered office and/or publishing them on its website.

As of the Prospectus Date, the Company has no equity interests in joint ventures and companies that may have a material effect on the valuation of the Company’s assets and liabilities, financial position, or profits and losses.

INSURANCE

As part of its insurance program, the Group has insurance policies in place that provide coverage for third-party claims for damages arising from general liability, product liability, professional liability and environmental liability. The insurance policies also provide coverage for damage incurred by the Group, such as property damage (related to buildings, equipment, inventory or goods), business interruption or losses resulting therefrom.

The Group's insurance policies are summarized below.

Policyholder	Additional insured	Coverage	Insurance company	Effective date/ expiration	Premium (in EUR)
EuroGroup Laminations S.p.A.	Eurotranciatura S.p.A.; Corrada S.p.A.; Euroslot Tools S.r.l.; Eurotranciatura Mexico S.A. de C.V.; Euro Misi Laminations Jiaxing Co. Ltd; Eurotranciatura Tunisie S.a.r.l.; Euro Group Laminations Russia L.L.C.	Third-party liability; Employers' liability; Products liability	Swiss Re International SE, Rappresentanza per l'Italia	31/12/2022	€429,999.70
Eurotranciatura S.p.A.	n.a.	All risks policy covering all company locations; All risks fire; Theft and robbery machine breakdown	AXA Assicurazione S.p.A.	31/12/2022	€63,354.00
Eurotranciatura Tunisie S.a.r.l	n.a.	Civil liabity	Upcar	31/12/2022	€2,642.85
Eurotranciatura Tunisie S.a.r.l	n.a.	Fire	ABI Assurance	24/03/2023	€2,629.00
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Property all risk insurance	Tokio Marine & Nichido Fire insurance company (China) Limited Zhejiang Branch	31/12/2022	€13,918.68
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Machinery Breakdown insurance	Tokio Marine & Nichido Fire insurance company (China) Limited Zhejiang Branch	31/12/2022	€23,922.85
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Public Liability Insurance	Tokio Marine & Nichido Fire insurance company (China) Limited Zhejiang Branch	31/12/2022	€458.60

Policyholder	Additional insured	Coverage	Insurance company	Effective date/ expiration	Premium (in EUR)
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Employer's Liability Insurance	Tokio Marine & Nichido Fire insurance company (China) Limited Zhejiang Branch	31/12/2022	€12,878.17
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Money Insurance	Tokio Marine & Nichido Fire insurance company (China) Limited Zhejiang Branch	31/12/2022	€1,834.00
Euro Misi Laminations Jiaxing Co. Ltd	n.a.	Public and Products Liability Insurance	China Pacific Property Insurance Company limited Suzhou Branch	31/12/2022	€2,768.62
Eurotranciatura U.S.A. L.L.C	n.a.	Property	Cincinnati Insurance Co	03/01/2023	€76,212.91
Eurotranciatura U.S.A. L.L.C	n.a.	Commercial Auto	Cincinnati Insurance Co	03/01/2023	€105,397.05
Eurotranciatura U.S.A. L.L.C	n.a.	Crime	Cincinnati Insurance Co	03/01/2023	€64,315.00
Eurotranciatura U.S.A. L.L.C	n.a.	General liability	Cincinnati Insurance Co	03/01/2023	€44,373.35
Eurotranciatura U.S.A. L.L.C	n.a.	Inland Marine	Cincinnati Insurance Co	03/01/2023	€1,610.43
Eurotranciatura U.S.A. L.L.C	n.a.	Umbrella	Cincinnati Insurance Co	03/01/2023	€31,657.56
Eurotranciatura U.S.A. L.L.C	n.a.	Cyber	Cincinnati Insurance Co	03/01/2023	€33,640.00
Eurotranciatura U.S.A. L.L.C	n.a.	Excess Liability	Travelers Insurance Co.	03/01/2023	€12,781.23
Eurotranciatura U.S.A. L.L.C	n.a.	Workers compensation	Accident Fund Insurnace Co.	03/01/2023	€140,823.54
Eurotranciatura U.S.A. L.L.C	n.a.	Employment Practices Liability	Travelers Insurance Co.	03/01/2023	€20,823.17
Eurotranciatura Mexico S.A. de C.V	n.a.	Inventory, building, machineries	Tokyo Marine	15/06/2023	€69,200.00

Policyholder	Additional insured	Coverage	Insurance company	Effective date/ expiration	Premium (in EUR)
Eurotranciatura Mexico S.A. de C.V	n.a.	Transport, Raw material, machineries	Zurich	03/01/2023	€142,857.00
Eurotranciatura Mexico S.A. de C.V	n.a.	Civil liabity	Swiss Re	31/12/2023	€23,773.00

The insurance policies expired in December 2022 and January 2023 are being renewed under the same terms and conditions (the majority of which pursuant to the automatic renewal clauses provided for therein). Upon renewal the related premiums may be subject to adjustments.

The Company believes that the insurance policies that the Group has in place cover the main risks associated with its business. The Group also believes that the policy limits and the terms and conditions of such policies are appropriate for the risks covered by those policies. During the 2019-2021 period and through the Prospectus Date, the insurance policies of the Group have been activated primarily in connection with minor injuries on the work place occurred in the ordinary course of business of the Group and they have always proven to be adequate.

As of the Prospectus Date, the Group is not involved in any material proceedings in connection with its insurance policies.

In addition, the Group has also additional policies for the benefit of its employees covering, *inter alia*, (i) risks arising from business travel (e.g., coverage of medical expenses and assistance abroad), (ii) disputes arising in connection with their responsibilities; (iii) accident, disability, and/or illness, as well as (iv) life insurance policies, (v) supplemental severance pay policies, and (vi) supplemental policies for reimbursement of medical/health care expenses.

LEGAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), during the 12 months preceding the Prospectus Date which may have, or have had, significant effects on the Group's financial position.

On July 15, 2022, the Italian Revenue Agency - Provincial Directorate II of Milan (*Agenzia delle Entrate – Direzione Provinciale di Milano – Ufficio Controlli – Area Imprese Minori*) (the "**Tax Office**") notified a final audit report (*processo verbale di constatazione*) to the Issuer with respect to the 2016 fiscal year (the "**Report**") alleging violations relating to (i) the misapplication of the VAT pro-rata rule for about €30 thousand, and (ii) the non-deductibility of the amortization for IRES and IRAP purposes of certain intangible assets ("**Intangible Assets**") for about €500 thousand.

On November 10 and on November 11, 2022, in relation to these alleged violations, the Tax Office issued the relevant notices of assessment (*avvisi di accertamento*, one for each assessed tax, i.e. VAT, IRES, and IRAP) in which the Tax Office claimed that the Company owned additional aggregate taxes of € 199 thousand and of €185 thousand of penalties (the "**Notices of Assessment**"). On January 8, 2023, the Issuer filed a request for a settlement with respect to the Notices of Assessment pursuant to the procedure under Legislative Decree No. 218 of June 19, 1997, which provides a 90-day period for the taxpayer and the tax authorities to reach a settlement.

Since the Issuer has also deducted the amortization of the Intangible Assets – which are not deductible according to the Notices of Assessment - for periods following 2016, the Tax Office may serve notices on the Company with similar findings for additional tax periods. Although the Issuer believes its application of the relevant tax rules is valid, given the notices received, it recorded in the Interim Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2022 a provision of €1,654 thousand (of which €820 thousand in the other expenses and for €834 thousand in the tax for previous years) relating to the Notices of Assessment.

REGULATORY

The following paragraphs provide a short description of the key industry regulations that apply to the business of the Group in the main countries where it operates and, in particular, to the production, assembly and sale of tools for progressive moulding and/or for notching, and/or of die cast moulds, rotors and stators in electrical steel lamination, of rotors and stators for electric motors and/or generators, of die cast rotors, as well as in the production and distribution of moulded parts and assemblies for electrical machines and generators, and in the segment of motors for the automotive industry, the generation of energy, HVAC, pumps, home automation, domestic appliances, industrial motors and generators for the renewable energy industry (hereinafter, the "**Products**").

To the extent of its knowledge, the Issuer believes to operate in compliance with the applicable industry laws and regulations that are briefly listed below.

Without prejudice for what indicated in paragraph "*Policies and government decisions that have had, or might have, direct or indirect material impact on the business of the Group*" below regarding the governmental policies and subsidies which impacted, and may impact in the future, on, *inter alia*, the BEV market and, therefore, on the request of the products of the Group, as of the Prospectus Date, there is no governmental, economic, budgetary, monetary or political factor or policy that has had or may have, directly or indirectly, a significant impact on the Issuer's business. Moreover, as of the Prospectus Date, the Issuer is not aware of any possible regulatory changes that may significantly affect the Group's business.

Applicable legal framework

European Union

As the Group is active in the production and distribution of stators and rotors for electric motors and generators, any one or more of the following EU regulations and directives might apply:

- Regulation (EC) no. 1907/2006 concerning the registration, evaluation, authorization and restriction of chemicals ("**REACH Regulation**"). One of the purposes of REACH Regulation is to generate information on all chemicals used in the EU to ensure their safe use and eliminate the most dangerous ones. REACH Regulation established the European Chemicals Agency ("**ECHA**"), which plays a technical and scientific coordination role in activities under REACH Regulation and organizes a database to collect and manage data provided by industry through substances registration. REACH Regulation introduced an authorization system aiming to ensure that substances of very high concern ("**SVHC**") are properly controlled, and gradually replaced by safer substances or technologies or only used where there is an overall advantage for society of using them. Once these substances will be included in Annex XIV to REACH Regulation, the industry will have to submit applications to ECHA on authorization for continued use of the SVHC which are otherwise forbidden. As of the Prospectus Date, the Group does not hold any authorizations under the REACH Regulation;
- Directive 2010/75/EU on industrial emissions ("**Industrial Emissions Directive**"), which provides for an integrated approach to prevention and control of emissions into air, water and soil, to waste management, to energy efficiency and to accident prevention. Such an approach also contributes to the achievement of a level playing field in the Union by aligning environmental performance requirements for industrial installations;
- Directive 2006/42/EC defining the essential safety requirements applicable to machinery and health protection requirements (as identified in the Directive itself) (the "**EU Machinery Directive**"). The EU Machinery Directive provides the legal framework for the harmonization of the fundamental health and safety standards for machinery. The Issuer ensures compliance with the applicable legal requirements for the protection of the health and safety of people involved in its operations, in particular as regards the manufacture of rotors for electric motors and generators;

- Directive 2021/19/EU on waste electrical and electronic equipment ("**WEEE**"), having the purpose to contribute to sustainable production and consumption by, as a first priority, the prevention of WEEE and, in addition, by the re-use, recycling and other forms of recovery of such wastes so as to reduce the disposal of waste and to contribute to the efficient use of resources and the retrieval of valuable secondary raw materials;
- Directive 2011/65/EU on the use restrictions of certain hazardous substances in electrical and electronic equipment (the "**RoHS Directive**") sold in the European Union. The reason for restricting these substances is that they may be released into the environment and pose a threat to human, animal and environmental health, especially when the waste treatment stage is reached.

Moreover, in Italy, the Issuer is also required to comply with the following key legal provisions on environmental protection and safety at work:

- Legislative Decree no. 152 of April 3, 2006 (the Environmental Code) concerning the protection and improvement of environmental conditions and the prudent and rational use of national resources;
- Legislative Decree no. 81 of April 9, 2008, the consolidated law on health and safety at work. The purpose of this consolidated law is to establish rules, procedures and preventive measures to be taken to make workplaces safer. The objective is to prevent or otherwise minimize workers' exposure to work-related risks in order to avoid injuries or accidents or, worse, contracting an occupational disease;
- Legislative Decree no. 231 of June 8, 2001 (the "**Legislative Decree 231/2001**"**)**, regulating the administrative liability of legal persons, companies and associations, with or without legal personality in case of criminal offenses committed by subjects that act on behalf of such legal entities, such as representatives, executives, directors, subordinates, and persons who – even *de facto* – perform management or control activities. Pursuant to the Legislative Decree 231/2001, companies may be held liable for a specific list of crimes committed or attempted in the interest or for the benefit of the entity. In the event that one of the offences listed in the decree is committed, both natural person who committed the offence, and legal person in which interest/benefit the offence was committed, will be prosecuted. Therefore, the proceeding will result in the ascertainment of the individual's criminal liability as well as the administrative liability of the company. For more information on the Model 231 that the Issuer has adopted, see "*Management, employees and corporate governance – Model 231*"; and
- Law no. 447 of October 26, 1995, and Lombardy Region Law no. 10 of August 2001 on noise pollution.

In Europe the Group might be impacted by the European laws and regulations in force concerning dual-use items, as contemplated in Regulation (EU) 2021/821 of the European Parliament and of the Council of May 20, 2021 setting up an EU regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items. However, as of the Prospectus Date, none of the companies of the Group has had to request authorizations to export goods under the above-mentioned regulation.

United States of America

As far as export control is concerned, whenever appropriate, the Group assesses the feasibility of its commercial transactions by performing dedicated due diligence that accounts for the provisions set out in the US control lists (such as, for example, the SDN List, Entity List, SSI List), enacted, among others, by the Office of Foreign Assets Control (OFAC) and the Bureau of Industry and Security (BIS), and for the legislative provisions regulating the export of products at various titles subject to the Export Administration Regulations (EAR).

In the US, the Group might be required to comply with the import and export regulations enacted by the United States Department of Homeland Security, U.S. Customs & Border Protection Division, including with the Customs Modernization Act (107 Stat. 2057 *et seq.*).

As far as environmental matters are concerned, in the United States of America the Group complies with the provisions enacted by the United States Environmental Protection Agency ("**EPA**"), the agency in charge of protecting the environment and human health, and in particular with the National Pollution Discharge Elimination System (NPDES) and the Clean Air Act Permits (CAA Permits). With regard to both the programs of the EPA, the American plant is due to comply with the requirements for the granting of the relevant authorizations, which certify that the company meets the criteria requested from time to time.

Mexico, China and other relevant legislation

In Mexico the Group leverages several benefit plans granted by the Mexican government regarding the export of certain products and components. In particular, the Group benefits from (i) tax and duty exemptions under the IMMEX Maquiladora program for the import of raw materials and components required to export end products out of Mexico, and (ii) special rates under the *Programa de Promoción Sectorial* ("**PROSEC**") for imports needed for the production in the automotive and steel industries.

Set out below are the primary Mexican laws and regulations that are relevant for the Group's business:

- Federal Regulation on Safety and Health at Work Nom-001 to 116 – Stps;
- Law of Regulation of the General Civil Protection for Municipality of Querétaro;
- Law of Environmental Protection for the Sustainable Development of the State of Querétaro;
- Regulation of Law of General Ecological Balance and Environmental Protection of Emission; and
- Federal Labour Law.

As suppliers of components dedicated to the automotive industry, the Group is subject to the Global Automotive Declarable Substance List ("**GADSL**"), a list of "prohibited" substances and substances "to declare" under several European and global regulations that might be contained in automotive components.

In conducting business in China, the subsidiaries of the Group comply with the environmental regulations contained in the following Chinese standards:

- Comprehensive Standards for Air Pollutants (II) – Standard GB16297-1996;
- Air Pollutants Emission Standards for Industrial Furnaces (II) – Standard GB9078-1996;
- Environmental Noise Emission Standard for Industrial Enterprise Boundary – Standard GB12348-2008;
- Comprehensive Wastewater Discharge Standard – Standard GB8978-1996;
- Foundry Industry Air Pollutant Emission Standard – Standard GB 39726-2020;
- Implementation Plan for Comprehensive Control of Air Pollution in Industrial Furnaces and Kilns in Zhejiang Province; and
- Pollutant Discharge Standards for Urban Sewage Treatment Plants – Standard GB18198-2002;
- Measures for Implementation of the Regulations of the People's Republic of China on the Administration of the Production License for Industrial Products, which sets out the requirements and procedures in relation to the application of and the management rules on the production licenses – certification TS16949 which is required for automotive part manufacturers.

In Russia the Group owns a plant where all operations have been interrupted as a result of the introduction by the European Union of sanctions against Russia.

In Tunisia the Group complies with the regulations contained in the decree no. 2010-2519 of September 28, 2010 on air pollution.

Intellectual property

The Group complies with the different applicable regulations in the various jurisdictions in which it operates and relies upon the international procedures for trademark and patent registration made available by the World Intellectual Property Organization (WIPO) headquartered in Geneva (Switzerland).

The following are the primary laws and regulations applicable to trademarks and patents:

- The TRIPS Agreement of April 15, 1994, which establishes common provisions among participating states for the protection of intellectual property rights and the circulation of goods incorporating or produced using those rights. Such Agreement is particularly relevant since it also deals with the circulation of goods and addresses counterfeiting;
- The European Patent Convention of October 5, 1973, as amended and supplemented on November 29, 2000, which provides for a single procedure to apply for and obtain a patent in all EU States that have joined the convention; and
- Council Regulation (EC) no. 207/2009, as amended and supplemented by Regulation (EU) 2015/2424, on the Community trademark, which allows the holder of a trademark to obtain protection of that trademark throughout the entire area of the European Union by registration with the Office for Harmonization in the Internal Market.

Furthermore, Legislative Decree no. 30 of February 10, 2005 (known as the "Intellectual Property Code"), as later amended and supplemented, applies to the Group in Italy with respect to patents, trademarks, distinctive marks and utility models.

In non-EU countries, not all the Group's patents and trademarks are regulated and classified in the same way.

Golden Power legislation

Because of its activities, the Group might be considered subject to the Italian Golden Power Legislation, pursuant to which the Italian Golden Power Authority may prohibit or impose conditions, or limitations on, among others, (i) the acquisition of interests in companies having assets and relationships in strategic sectors (*e.g.*, defense and national security, energy, transport, communications, healthcare, supply of critical input to the steel industry, *etc*.) and (ii) resolutions, acts or transactions approved by or involving companies having assets and relationships in strategic sectors and resulting in a change in ownership, control, possession or intended use of such assets or relationships.

In particular, except for the defense and national security sectors where lower thresholds and different subjective criteria apply, direct or indirect acquisitions of companies in strategic industries (i) by non-Italian individuals or entities in the European Union, of controlling interests and (ii) by individuals or entities outside the European Union, of interests representing at least 10% of the voting rights or share capital (if the value of the investment is equal to at least €1 million) taking into account the shares/voting rights already directly or indirectly owned, must be reported to the Italian Golden Power Authority for the possible exercise of the veto right or the application of conditions, or limitations. Acquisitions of shares in excess of the 15%, 20%, 25% and 50% thresholds are also subject to a reporting obligation and the possible exercise of the veto right or the application of conditions or limitations.

Except for the defense and national security sectors, where the current lower thresholds and different subjective criteria continue to apply, since January 1, 2023, acquisitions of controlling interests by individuals or entities belonging to the European Union (including Italian) are subject to the Italian Golden Power Legislation only if related to companies operating in the communications, energy, transport, healthcare, agri-food and financial sectors. Resolutions, acts or transactions approved by a company having assets and relationships in strategic sectors that give rise to changes in the ownership, control, possession or intended use of such assets and relationships must also be reported within ten days, and in any case prior to their implementation, to the Italian Golden Power Authority. Since January 1, 2023, resolutions, acts or transactions that would result in the transfer of ownership, control, possession or intended use of strategic assets and relationships in favor of individuals or entities in the European Union (including Italy) are subject to the Italian Golden Power Legislation only if they involve companies operating in the defense and national security, communications, energy, transport, healthcare, agri-food and financial sectors.

As of the Prospectus Date, it is uncertain whether a specific clearance of the Italian Golden Power Authority is required under the Italian Golden Power Legislation for the granting of pledges over the shares of companies having assets and relationships in strategic sectors or over such assets (and, subsequently, for any transfer and/or assignment of the rights of the relevant secured creditors to other secured creditors).

Following receipt of a complete notification, the Italian Golden Power Authority has 45 days to decide whether or not to veto or impose conditions, undertakings or similar measures on the relevant acquisition, transaction, act or resolution. Such term can be suspended (i) once to request additional information to the notifying parties which shall be provided within up to 10 days from the request, (ii) once, to request additional information to third parties which shall be provided within up to 20 days from the request, and (iii) normally up to 45 days if the European Commission or other Member States declare their intention to issue opinions or observations on the acquisition, transaction, act or resolution, or request further information under the European cooperation mechanism governed by Regulation (EU) 2019/452. If the Italian Golden Power Authority does not issue a decision within the above deadline, the relevant acquisition, transaction, act or resolution is to be considered authorized (based on the principle of consent by silence, although practice has shown that the Italian Golden Power Authority does not rely on such principle and typically issues explicit decisions).

Where there is doubt as to whether an acquisition, transaction, act or resolution falls within the scope of the Italian Golden Power Legislation a company may file a pre-notificarion of such action before it is executed within 30 calendar days from filing, the Italian Golden Power Authority informs the applicants of whether: (i) the Italian Golden Power Legislation does not apply, and no formal notification is due unless required by a party to the transaction or one or more members of the Italian Golden Power Authority in the three calendar days following the pre-notification period, (ii) the Italian Golden Power Legislation might apply but the transaction is manifestly uncapable of triggering the application of the special powers of the Italian Government (in such case, no standard notification is due unless required by a party to the transaction or one or more members of the Italian Golden Power Authority in the next three calendar days, or (iii) the Italian Golden Power Legislation applies and a standard post-signing notification is required. In the events under (ii) and (iii), the Italian Golden Power Authority might also provide for recommendations. If the Italian Golden Power Authority does not reply in 30 calendar days, a post-signing standard notification is required.

Failure to comply with the reporting obligation provided by Italian Golden Power Legislation or with any veto or conditions, undertakings or similar measures imposed by the Italian Golden Power Authority under the Italian Golden Power Legislation may result in the relevant transaction, act or resolution being unwound or declared null and void, and in the perpetrators being subject to monetary fines up to twice the deal value and not lower than 1% of the aggregate turnover of the involved companies in the last financial year.

Policies and government decisions that have had, or might have, direct or indirect material impact on the business of the Group

Demand for the products offered by the Group is influenced by the economic performance, business trends and the business environment in the countries and markets in which the Group operates, as well as customers' investment plans and production levels. As a consequence the Group's business and the market in which it operates are subject to a number of macroeconomic factors that the Issuer is unable to predict, such as, *inter alia*, (i) the high degree of geopolitical uncertainty that - as of the Prospectus Date - continues to characterize certain emerging countries of interest to the Group; (ii) growing protectionist tendencies by, among others, the United States of America that could lead to significant changes in terms of customs, tax, and regulatory policies as well as reduce the importance of current free trade areas; (iii) the prosecution or further worsening of Italy's financial conditions or a prolonged political instability thereof; (iv) growing instability in the relationship between China, U.S. and EU and threats to China's economy, which may radicalize the isolation of China; and (v) the outcome of the United Kingdom's procedure to withdraw from the EU under Article 50 of the Treaty on European Union. Of particular note is the recent imposition by the U.S. government of customs duties related to the export of metals (electrical steel and aluminium) to, among others, the European Union – which, in response, adopted safeguard measures – that have entailed the setting of an import quota on certain electrical steel products within the European Union by applying a 25% charge when certain thresholds are exceeded. Similarly, the European Union issued a sanction package against Russia entailing import and export bans on electrical steel products originating from Russia, from and to the European Union.

Climate laws and regulations adopted by several countries at a global scale and in which the Group operates set the achievement of certain targets that might impact the business of the Group in the traditional automotive industry as well as in the industry of electric vehicles ("**EVs**") on which the activity of the Group is primarily focused.

The European Union has adopted the "Fit-for-55" climate package aiming at cutting net greenhouse gas emissions by at least 55% by 2030. Recently, in implementation of such climate package, the European Parliament agreed to a ban, starting from 2035, to introduce cars or vans with internal combustion engines on the European Union market. The President of the United States also recently signed an executive order, stating that 50% of all new vehicles sold in 2030 are to be zero-emission vehicles. Instead, China adopted the New Energy Automobile Industry Development Plan (2021-2035) which has entered into force in 2020. Such plan aims at building a green, solid and internationally competitive automotive industry by setting new targets for the sale of new vehicles: by 2025, approximately 20% of the sales must derive from "new energy vehicles" ("**NEVs**").

CAPITALIZATION AND INDEBTEDNESS

The following tables set forth the Group's consolidated capitalization and indebtedness as of November 30, 2022, on an actual basis, and as adjusted to reflect the issue of the New Offer Shares assuming an Offer Price equal to the minimum of the Offer Price Range.

	As of November 30, 2022	Adjustments(i)	As adjusted
		(in thousands of Euro)	
Current portion of non-current financial debt (ii)	**141,630**	**-**	**141,630**
Guaranteed	9,875	-	9,875
Secured	3,757	-	3,757
Unguaranteed/Unsecured	127,998	-	127,998
Non-current financial debt (excluding current portion and debt instruments) (iii)	**235,215**	**-**	**235,215**
Guaranteed	116,375	-	116,375
Secured	4,811	-	4,811
Unguaranteed/Unsecured	114,029	-	114,029
Total Equity	**182,979**	**236,150**	**419,129**
Equity attributable to the owners of the Company	159,557	236,150	395,707
Equity attributable to the non-controlling interests	23,422	-	23,422
Total	**559,824**	**236,150**	**795,974**

(i) Net proceeds from the Offer, calculated net of expenses related to the Offer and Admission and the underwriting commission payable by the Issuer equal to €13,850 thousands;

(ii) The item includes the current financial liabilities and borrowings and current lease liabilities;

(iii) This item includes the non-current financial liabilities and borrowings and non-current lease liabilities.

The table below sets out the Group's indebtedness as of November 30, 2022:

	As of November 30, 2022	Adjustments (i)	As adjusted
		(in thousands of Euro)	
A. Cash (ii)	65,290	236,150	301,440
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquidity (A+B+C)	**65,290**	**236,150**	**301,440**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-
F. Current portion of non-current financial debt (iii)	(141,630)	-	(141,630)
G. Current financial indebtedness (E+F)	**(141,630)**	**-**	**(141,630)**
H. Net current financial indebtedness (G-D)	**(76,340)**	**236,150**	**159,810**
I. Non-current financial debt (excluding current portion and debt instruments) (iv)	(235,215)	-	(235,215)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	**(235,215)**	**-**	**(235,215)**
M. Net Financial Indebtedness (H+L)	**(311,555)**	**236,150**	**(75,405)**

(i) Net proceeds from the Offer, calculated net of expenses related to the Offer and Admission and the underwriting commission payable by the Issuer equal to €13,850 thousands;

(ii) The item corresponds to the cash and cash equivalents;

(iii) The item includes the current financial liabilities and borrowings and current lease liabilities;

(iv) This item includes the non-current financial liabilities and borrowings and non-current lease liabilities.

There has been no material change in the Group's capitalization or indebtedness since November 30, 2022.

Working Capital Statement

In the opinion of the Company, the Group's working capital is sufficient to meet its present requirements over at least the next twelve months following the Prospectus Date.

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth the summary financial information and other data as of and for the periods indicated. The following summary consolidated financial information as of and for the nine months period ended September 30, 2022 and 2021 has been derived from, and should be read in conjunction with, the Interim Condensed Consolidated Financial Statements. The following summary consolidated financial information as of and for the years ended December 31, 2021, 2020 and 2019 has been derived from, and should be read in conjunction with, the Consolidated Financial Statements, which were prepared in accordance with IFRS. The section also contains financial and operating indicators, which are used by the Company to monitor the Company's economic, financial and operating performance. See also "*Capitalization and indebtedness*", "*Presentation of Financial and Other Information*" and "*Operating and financial review*".

Summary Consolidated Statement of profit or loss Information

The following table shows the Interim Condensed Consolidated statement of profit or loss and the Interim Condensed Consolidated statement of comprehensive income or loss for the periods indicated:

	For the nine months ended September 30,	
	2022	**2021**
	(in thousands of Euro)	
Revenues	651,120	391,958
Other income	46	518
Change in work in progress, semi-finished and finished product inventories	34,115	(616)
Costs for purchases of raw materials	(452,433)	(236,338)
Costs for external services	(72,176)	(49,687)
Personnel costs	(80,214)	(61,270)
Other expenses	(3,802)	(1,127)
Share of results of associates	-	2,846
Impairment of assets	(4,773)	-
Depreciation and amortization expenses	(18,901)	(16,759)
Operating Profit	**52,982**	**29,525**
Financial income	1,612	213
Financial costs	(10,735)	(5,472)
Exchange gains	5,139	60
Profit before tax	**48,998**	**24,326**
Income taxes	(16,709)	(7,104)
Profit for the period	**32,289**	**17,222**
Attributable to:		
owners of the Company	29,771	15,791
non-controlling interests	2,518	1,431
Earnings per share basic and diluted	4.87	2.58

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Profit for the period	**32,289**	**17,222**
Items that may be reclassified subsequently to profit or loss	**8,088**	**551**
Foreign exchange gain on translating foreign operations	9,837	714
Fair value (loss) on equity instruments measured at FVTOCI	(2,125)	(203)
Tax effects of fair value gain on equity instruments measured at FVTOCI	510	49
Fair value (loss) arising on hedging instruments during the period	(176)	(12)
Tax effects relating to items that may be reclassified subsequently to profit or loss	42	3
Items that will not be reclassified subsequently to profit or loss	**664**	**163**
Remeasurement of defined benefit plan	874	214
Tax effects relating to items that will not be reclassified subsequently to profit or loss	(210)	(51)
Other comprehensive income for the period, net of tax	**8,752**	**714**
Attributable to:		
owners of the Company	36,283	16,440
non-controlling interests	4,803	1,496
Total comprehensive income for the period	**41,041**	**17,936**

The following table shows the Consolidated statements of profit or loss and the Consolidated statement of comprehensive income for the years indicated:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Revenues	556,904	373,290	352,074
Other income	2,211	1,826	1,663
Change in work in progress, semi-finished and finished product inventories	10,628	(4,137)	2,297
Costs for purchases of raw materials	(351,737)	(223,932)	(211,129)
Costs for external services	(71,522)	(51,856)	(48,559)
Personnel costs	(88,551)	(71,429)	(67,668)
Other expenses	(2,091)	(3,838)	(1,381)
Share of results of associates	2,846	(190)	(1,121)
Depreciation and amortization expenses	(23,269)	(18,313)	(17,566)
Operating Profit	**35,419**	**1,421**	**8,610**
Financial income	849	1,436	709
Financial costs	(7,676)	(6,257)	(5,342)
Exchange gains/(losses)	1,081	(1,362)	17
Profit / (Loss) before tax	**29,673**	**(4,762)**	**3,994**
Income taxes	(8,982)	7,084	26
Profit for the year	**20,691**	**2,322**	**4,020**
Attributable to:			
owners of the Company	*18,752*	*2,200*	*3,660*
non-controlling interests	*1,939*	*122*	*360*
Earnings per share basic and diluted	3.07	0.41	0.81

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Profit for the year	**20,691**	**2,322**	**4,020**
Items that may be reclassified subsequently to profit or loss	**11,677**	**(4,130)**	**1,449**
Foreign exchange gain/(loss) on translating foreign operations	6,506	(5,968)	1,315
Fair value gain on equity instruments measured at FVTOCI	6,820	2,420	176
Tax effects of fair value gain/(loss) on equity instruments measured at FVTOCI	(1,636)	(581)	(42)
Fair value (loss) arising on hedging instruments during the period	(17)	-	-
Tax effects relating to items that may be reclassified subsequently to profit or loss	4	-	-
Items that will not be reclassified subsequently to profit or loss	**60**	**(164)**	**(338)**
Remeasurement of defined benefit plan	79	(216)	(445)
Tax effects relating to items that will not be reclassified subsequently to profit or loss	(19)	52	107
Other comprehensive income for the year, net of tax	**11,737**	**(4,293)**	**1,111**
Attributable to:			
owners of the Company	29,906	(1,557)	4,695
non-controlling interests	2,522	(415)	436
Total comprehensive income for the year	**32,428**	**(1,972)**	**5,131**

Summary Consolidated Statement of Financial Position Information

The following table shows the Interim Condensed Consolidated statement of financial position and the Interim Condensed Consolidated statement of change in equity as of September 30, 2022 and the Consolidated statement of financial position and the Consolidated statement of change in equity as of December 31, 2021, 2020 and 2019:

	As of September 30,	As of December 31,		
	2022	2021	2020	2019
		(in thousands of Euro)		
Intangible assets	2,589	2,440	2,142	1,498
Property, plant and equipment	204,475	145,507	115,043	89,028
Right-of-use assets	57,691	61,993	44,004	23,811
Investments in associates	-	-	12,015	11,305
Non-current financial assets	9,611	17,797	12,883	9,901
Deferred tax assets	20,523	23,025	22,410	10,252
Other non-current assets	2,300	1,907	890	1,631
Total Non-Current Assets	**297,189**	**252,669**	**209,387**	**147,426**
Inventories	355,457	219,948	132,746	127,874
Trade receivables	164,791	97,019	59,728	66,209
Current financial assets	-	-	-	4,976
Other current assets	37,193	27,094	12,903	10,554
Current tax receivables	4,597	1,896	2,730	5,208
Cash and cash equivalents	64,581	137,662	107,655	44,839
Total Current Assets	**626,619**	**483,619**	**315,762**	**259,660**
TOTAL ASSETS	**923,808**	**736,288**	**525,149**	**407,086**
Share capital	6,112	6,112	6,112	4,500
Share premium reserve	34,410	34,410	34,410	-
Other Reserves	11,671	5,204	(5,950)	(2,228)
Retained Earnings	108,831	81,829	63,077	60,912
Equity attributable to the owners of the Company	**161,024**	**127,555**	**97,649**	**63,184**
Equity attributable to non-controlling interests	23,522	19,772	6,307	4,798
Total Equity	**184,546**	**147,327**	**103,956**	**67,982**
Non-current financial liabilities and borrowings	186,419	134,997	129,548	75,546
Non-current lease liabilities	43,690	47,568	36,564	19,485
Employee benefits	4,033	4,809	5,080	5,087
Deferred tax liabilities	11,960	8,088	4,296	3,462
Provisions	1,500	402	384	384
Other non-current liabilities	4,292	9,906	4,785	2,229
Total Non-Current Liabilities	**251,894**	**205,770**	**180,657**	**106,193**
Current financial liabilities and borrowings	132,877	97,535	85,182	114,143
Current lease liabilities	7,726	7,768	4,763	2,902
Trade payables	319,133	240,210	129,214	100,621
Other current liabilities	24,180	35,263	21,122	14,513
Current tax liabilities	3,452	2,415	255	732
Total Current Liabilities	**487,368**	**383,191**	**240,536**	**232,911**
TOTAL EQUITY AND LIABILITIES	**923,808**	**736,288**	**525,149**	**407,086**

	Share capital	Share premium reserve	Other Reserves: Legal reserve	Other Reserves: IFRS transition reserve	Other Reserves: Foreign exchange translation	Other Reserves: Other comprehensive income	Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
					(in thousands of Euro)					
December 31, 2020	**6,112**	**34,410**	**648**	**(3,875)**	**(4,215)**	**1,492**	**63,077**	**97,649**	**6,307**	**103,956**
Change in scope of consolidated companies									13,462	13,462
Profit for the period							15,791	15,791	1,431	17,222
Actuarial gain						161	-	161	2	163
Fair value gain on equity instruments measured at FVTOCI						(154)	-	(154)	-	(154)
Fair value (loss) arising on hedging instruments during the period						(9)	-	(9)		(9)
Exchange foreign gains					651		-	651	63	714
Total other comprehensive income for the period					651	(2)	15,791	16,440	1,496	17,936
September 30, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**(3,564)**	**1,490**	**78,868**	**114,089**	**21,265**	**135,354**
December 31, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**1,714**	**6,717**	**81,829**	**127,555**	**19,772**	**147,327**
Dividends paid							(2,769)	(2,769)	(1,053)	(3,822)
Change in scope of consolidated companies										
Profit for the period							29,771	29,771	2,518	32,289
Actuarial gain						639		639	25	664
Fair value gain on equity instruments measured at FVTOCI						(1,615)		(1,615)		(1,615)
Fair value (loss) arising on hedging instruments during the period						(134)		(134)		(134)
Exchange foreign gains					7,577			7,577	2,260	9,837
Total other comprehensive income for the period					7,577	(1,110)	29,771	36,238	4,803	41,041
September 30, 2022	**6,112**	**34,410**	**648**	**(3,875)**	**9,291**	**5,607**	**108,831**	**161,024**	**23,522**	**184,546**

	Share capital	Share premium reserve	Other Reserves: Legal reserve	Other Reserves: IFRS transition reserve	Other Reserves: Foreign exchange translation	Other Reserves: Other comprehensive income	Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
					(in thousands of Euro)					
December 31, 2019	**4,500**	**-**	**613**	**(3,875)**	**1,227**	**(193)**	**60,912**	**63,184**	**4,798**	**67,982**
Allocation of year-end profit			35				(35)	-	-	-
Issue of share capital increase	1,612	34,410						36,022		36,022
Dividends paid									(42)	(42)
Change in scope of consolidated companies									1,966	1,966
Profit for the year							2,200	2,200	122	2,322
Actuarial (loss)						(153)		(153)	(11)	(164)
Fair value gain on equity instruments measured at FVTOCI						1,838		1,838		1,838
Exchange foreign (losses)					(5,442)			(5,442)	(526)	(5,968)
Total other comprehensive income for the year	-	-		-	(5,442)	1,685	2,200	(1,557)	(415)	(1,972)
December 31, 2020	**6,112**	**34,410**	**648**	**(3,875)**	**(4,215)**	**1,492**	**63,077**	**97,649**	**6,307**	**103,956**
Dividends paid									(2,519)	(2,519)
Change in scope of consolidated companies									13,462	13,462
Profit for the year							18,752	18,752	1,939	20,691
Actuarial gain						54		54	6	60
Fair value gain on equity instruments measured at FVTOCI						5,184		5,184	-	5,184
Fair value (loss) arising on hedging instruments during the period						(13)		(13)		(13)
Exchange foreign gains					5,929			5,929	577	6,506
Total other comprehensive income for the year					5,929	5,225	18,752	29,906	2,522	32,428
December 31, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**1,714**	**6,717**	**81,829**	**127,555**	**19,772**	**147,327**

Summary Consolidated Statement of Cash Flows information

The following table shows certain information from the Interim Condensed Consolidated statement of cash flows for the nine months period ended September 30, 2022 and 2021. You should read this discussion in conjunction with the Interim Condensed Consolidated Financial Statements.

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Cash and Cash Equivalents at the beginning of the period	**137,662**	**107,655**
Net cash flow (used in) operating activities (A)	(73,188)	(20,031)
Net cash flow (used in) investment activities (B)	(63,054)	(8,745)
Net cash from/(used in) financing activities (C)	60,662	(18,776)
Net increase/(decrease) in Cash and Cash Equivalents (A ± B ± C)	**(75,580)**	**(47,552)**
Effect of changes in exchange rates	2,499	4,303
Cash and Cash Equivalents at the end of the period	**64,581**	**64,406**

The following table shows certain information from the consolidated statement of cash flows for the years ended December 31, 2021, 2020 and 2019. You should read this discussion in conjunction with the Consolidated Financial Statements.

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Cash and Cash Equivalents at the beginning of the year	**107,655**	**44,839**	**24,478**
Net cash flow from operating activities (A)	48,409	56,211	26, 879
Net cash flow (used in) investment activities (B)	(15,339)	(22,420)	(27,294)
Net cash (used in)/from financing activities(C)	(4,939)	33,984	18,648
Net increase in Cash and Cash Equivalents (A ± B ± C)	**28,131**	**67, 775**	**18,233**
Effect of changes in exchange rates	1,876	(4,959)	2,128
Cash and Cash Equivalents at the end of the year	**137,662**	**107,655**	**44,839**

Based on the Group's Estimates, for the financial year 2022 the Group will have a negative cash flow as a result of the high capital expenditure required to support the Group's growth, in line with the trend registered in the nine-months period ended September 30, 2022 (cash flow used in investment activities amounted to €63,054 thousand as of September 30, 2022). According to the Forecast Data, the Group cash flow may continue to be negative also in the financial year 2023 with the expectation to turn positive in the financial year 2024.

Other financial data

This Prospectus contains financial measures that are not recognized by IFRS, in accordance with the ESMA/2015/1415 guidelines of October 5, 2015 (entered into force on July 3, 2016). For further information please see "*Important Information - Presentation of financial and other information—Definition of Non-IFRS measures*".

The tables below set forth economic and financial indicators used by the Management to monitor the financial and operating performance for the nine months ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2022	2021	2021	2020	2019
	(in thousands of Euro unless otherwise indicated)				
EBIT [1]	58,121	29,585	36,500	59	8,627
EBIT Margin [2]	8.9%	7.5%	6.6%	0.0%	2.5%
EBITDA [3]	77,022	46,344	59,769	18,372	26,193
EBITDA Margin [4]	11.8%	11.8%	10.7%	4.9%	7.4%
Return on Equity (ROE) [5]	n/a	n/a	14.0%	2.2%	5.9%
Return on Capital Employed (ROCE) [6]	n/a	n/a	11.8%	0.6%	3.7%
Net Fixed Assets [7]	275,404	n/a	230,972	196,350	137,772
Net Trade Working Capital [8]	201,115	n/a	76,757	63,260	93,462
Net Working Capital [9]	215,273	n/a	68,069	57,516	93,979
Net Invested Capital [10]	490,677	n/a	299,041	253,866	231,751
Net Financial Indebtedness [11]	(306,131)	n/a	(151,714)	(149,910)	(163,769)
Capital Expenditure [12]	63,242	n/a	37,412	25,319	23,256
Inventory Turnover [13]	2.3	n/a	2.5	2.8	2.8
Days of Inventory (DOI) [14]	159	n/a	144	130	133
Trade Receivables Turnover [15]	5.0	n/a	5.7	6.2	5.3
Days Sales Outstanding (DSO) [16]	74	n/a	64	58	69
Trade Payables Turnover [17]	1.5	n/a	1.5	2.1	2.6
Days Payables Outstanding (DPO) [18]	243	n/a	245	175	143
Cash Generation [19]	n/a	n/a	22,357	(6,947)	2,937
Cash Conversion Rate [20]	n/a	n/a	37.4%	(37.8%)	11.2%
Gearing Ratio [21]	1.7	n/a	1.0	1.4	2.4

(1) For the definition of EBIT please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of EBIT for the nine months ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Profit for the period	32,289	*5.0%*	17,222	*4.4%*	15,067	*87.5%*
Income taxes	16,709	*2.6%*	7,104	*1.8%*	9,605	*>100.0%*
Financial costs	10,735	*1.6%*	5,472	*1.4%*	5,263	*96.2%*
Financial income	(1,612)	*(0.2%)*	(213)	*(0.1%)*	(1,399)	*>100.0%*
EBIT	**58,121**	***8.9%***	**29,585**	***7.5%***	**28,536**	***96.5%***

EBIT for the nine months ended September 30, 2022 amounted to €58,121 thousand compared to €29,585 thousand for the nine months ended September 30, 2021.

The change in EBIT was mainly due to an increase of revenues attributable to the higher volume of business, as well as to the increase in sales prices, partially offset by the increase in the cost of raw materials, costs for energy and personnel costs. In addition, EBIT was affected by the impairment of assets related to the Russian subsidiary for €4,773 thousand.

For further information, please see "*Operating and financial review— Results of operations for the nine monts ended September 30, 2022 and 2021*".

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Profit for the year	20,691	*3.7%*	2,322	*0.6%*	4,020	*1.1%*	18,369	*>100.0%*	(1,698)	*(42.2%)*
Income taxes	8,982	*1.6%*	(7,084)	*(1.9%)*	(26)	*0.0%*	16,066	*(>100.0%)*	(7,058)	*>100.0%*
Financial costs	7,676	*1.4%*	6,257	*1.7%*	5,342	*1.5%*	1,419	*22.7%*	915	*17.1%*
Financial income	(849)	*(0.2%)*	(1,436)	*(0.4%)*	(709)	*(0.2%)*	587	*(40.9%)*	(727)	*>100.0%*
EBIT	**36,500**	**6.6%**	**59**	**0.0%**	**8,627**	**2.5%**	**36,441**	***>100.0%***	**(8,568)**	***(99.3%)***

2021 vs 2020

EBIT for the year ended December 31, 2021 amounted to €36,500 thousand compared to €59 thousand for the year ended December 31, 2020.

The change in EBIT was mainly due to higher sales volume as well as to the increase in sales prices partially offset by the increase of the cost of raw materials, costs for energy and personnel costs.

For further information, please see "*Operating and financial review—Results of operations for the year ended December 31, 2021, 2020 and 2021*".

2020 vs 2019

EBIT for the year ended December 31, 2020 amounted to €59 thousand compared to €8,627 thousand for the year ended December 31, 2019.

The decrease in EBIT was mainly due to the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic that led to a significant increase in price of such materials that negatively affected the marginality, partially offset by higher revenue of €21,216 thousand as a result of the increase in the volume of business realized in the EV & Automotive segment.

(2) For the definition of EBIT Margin please see "*Presentation of financial and other information—Definition of Non-IFRS measures*".

The following tables provide the calculation of EBIT Margin for the nine months ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019:

	For the nine months ended September 30,				**Changes**	
	2022	**% On Revenues**	**2021**	**% On Revenues**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)					
A. EBIT	58,121	*8.9%*	29,585	*7.5%*	28,536	*96.5%*
B. Revenues	651,120	*100.0%*	391,958	*100.0%*	259,162	*66.1%*
C. EBIT Margin (A/B)	**8.9%**		**7.5%**		**1.4%**	

EBIT Margin for the nine months ended September 30, 2022 amounted to 8.9% compared to 7.5% for the nine months ended September 30, 2021.

The change in EBIT Margin was mainly due to the combined effect of an increase in change in work in progress, semi-finished and finished product inventories, partially offset by an increase in the costs for purchases of raw materials, costs for energy and personnel costs.

For further information, please see "*Operating and financial review— Results of operations for the nine months ended September 30, 2022 and 2021*".

	For the year ended December 31,						**Changes**			
	2021	**% On Revenues**	**2020**	**% On Revenues**	**2019**	**% On Revenues**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)									
A. EBIT	36,500	6.6%	59	0.0%	8,627	2.5%	36,441	*>100. 0%*	(8,68)	*(99.3%)*
B. Revenues	556,904	*100.0%*	373,290	*100.0%*	352,074	*100.0%*	183,614	*49.2%*	21,216	*6.0%*
C. EBIT Margin (A/B)	**6.6%**		**0.0%**		**2.5%**		**6.6%**		**(2.5%)**	

2021 vs 2020

EBIT Margin for the year ended December 31, 2021 amounted to 6.6% compared to 0.0% for the year ended December 31, 2020.

The change in EBIT Margin was mainly due to the combined effect of an increase in change in work in progress, semi-finished and finished product inventories, partially offset by an increase in the costs for purchases of raw materials, costs for energy and personnel costs.

For further information, please see "*Operating and financial review—Results of operations for the year ended December 31, 2021, 2020 and 2021*".

2020 vs 2019

EBIT Margin for the year ended December 31, 2020 amounted to 0.0% compared to 2.5% for the year ended December 31, 2019.

The change in EBIT Margin was mainly due to a decrease in change in work in progress, semi-finished and finished product inventories related to the combined effect of lower volume of goods produced due to Covid-related restrictions imposed on operating activities in all of the Group's production plant in 2020 and the shortage of raw materials and higher volume of stock in 2019 to support the sales of the following year.

(3) For the definition of EBITDA please see "*Presentation of financial and other information—Definition of Non-IFRS measures*".

The following tables provide the calculation of EBITDA for the nine months ended September 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019:

	For the nine months ended September 30,				**Changes**	
	2022	**% On Revenues**	**2021**	**% On Revenues**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)					
Profit for the period	32,289	*5.0%*	17,222	*4.4%*	15,067	*87.5%*
Income taxes	16,709	*2.6%*	7,104	*1.8%*	9,605	*>100.0%*
Financial costs	10,735	*1.6%*	5,472	*1.4%*	5,263	*96.2%*
Financial income	(1,612)	*(0.2%)*	(213)	*(0.1%)*	(1,399)	*>100.0%*
Depreciation and amortization expenses	18,901	*2.9%*	16,759	*4.3%*	2,142	*12.8%*
EBITDA	**77,022**	***11.8%***	**46,344**	***11.8%***	**30,678**	***66.2%***

For the information about EBITDA please see "*Operating and financial review— Selected key metrics*".

	For the year ended December 31,						**Changes**			
	2021	**% On Revenues**	**2020**	**% On Revenues**	**2019**	**% On Revenues**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)									
Profit for the year	20,691	*3.7%*	2,322	*0.6%*	4,020	*1.1%*	18,369	*>100.0%*	(1,698)	*(42.2%)*
Income taxes	8,982	*1.6%*	(7,084)	*(1.9%)*	(26)	*0.0%*	16,066	*(>100.0%)*	(7,058)	*>100.0%*
Financial costs	7,676	*1.4%*	6,257	*1.7%*	5,342	*1.5%*	1,419	*22.7%*	915	*17.1%*
Financial income	(849)	*(0.2%)*	(1,436)	*(0.4%)*	(709)	*(0.2%)*	587	*(40.9%)*	(727)	*>100.0%*
Depreciation and amortization expenses	23,269	*4.2%*	18,313	*4.9%*	17,566	*5.0%*	4,956	*27.1%*	747	*4.3%*
EBITDA	**59,769**	**10.7%**	**18,372**	**4.9%**	**26,193**	**7.4%**	**41,397**	***>100.0%***	**(7,821)**	***(29.9%)***

For the information about EBITDA please see "*Operating and financial review— Selected key metrics*".

(4) For the definition of EBITDA Margin please see “*Presentation of financial and other information—Definition of Non-IFRS measures*”.

The following tables provide the calculation of EBITDA Margin for the nine months ended September 30, 2022 and 2021, for the years ended December 31, 2021, 2020 and 2019:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
A. EBITDA	77,022	*11.8%*	46,344	*11.8%*	30,678	*66.2%*
B. Revenues	651,120	*100.0%*	391,958	*100.0%*	259,162	*66.1%*
C. EBITDA Margin (A/B)	**11.8%**		**11.8%**		**0.0%**	

EBITDA Margin is the same for the nine months ended September 30, 2022 and for the nine months ended September 30, 2021, this is due to the combined effect of higher change in work in progress, semi-finished and finished product inventories partially offset by an increase of the costs for purchases of raw materials, costs for energy and personnel costs.

For further information, please see “*Operating and financial review—Results of operations for the nine monts ended September 30, 2022 and 2021*”.

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
A. EBITDA	59,769	*10.7%*	18,372	*4.9%*	26,193	*7.4%*	41,397	>*100.0%*	(7,821)	*(29.9%)*
B. Revenues	556,904	*100.0%*	373,290	*100.0%*	352,074	*100.0%*	183,614	*49.2%*	21,216	*6.0%*
C. EBITDA Margin (A/B)	**10.7%**		**4.9%**		**7.4%**		**5.8%**		**(2.5%)**	

2021 vs 2020

EBITDA Margin for the year ended December 31, 2021 amounted to 6.6% compared to 0.0% for the year ended December 31, 2020.

The change in EBITDA Margin was mainly due to the combine effect of higher change in work in progress, semi-finished and finished product inventories partially offset by an increase of the costs for purchases of raw materials, costs for energy and personnel costs.

For further information, please see “*Operating and financial review—Results of operations for the year ended December 31, 2021, 2020 and 2021*”.

2020 vs 2019

EBITDA Margin for the year ended December 31, 2020 amounted to 0.0% compared to 2.5% for the year ended December 31, 2019.

The change in EBITDA Margin was mainly due to a decrease in change in work in progress, semi-finished and finished product inventories of €6,434 thousand related to the combined effect of lower volume of goods produced due to Covid-related restrictions imposed on operating activities in all of the Group’s production plant in 2020 and the shortage of raw materials and higher volume of stock in 2019 to support the sales of the following year.

(5) For the definition of Return on Equity (ROE) please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Return on Equity (ROE) as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			**Changes**			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
			(in thousands of Euro or percentage)				
A. Profit for the year	20,691	2,322	4,020	18,369	*>100.0%*	(1,698)	*(42.2%)*
B. Total Equity...................................	147,327	103,956	67,982	43,371	*41.7%*	35,974	*52.9%*
C. Return on Equity (ROE) (A/B)...	**14.0%**	**2.2%**	**5.9%**	**11.8%**		**(3.7%)**	

2021 vs 2020

Return on Equity (ROE) for the year ended December 31, 2021 amounted to 14.0% compared to 2.2% for the year ended December 31, 2020. The increase is mainly due to the improvement of marginality of the Group and the recovery after the Covid-19 pandemic.

2020 vs 2019

Return on Equity (ROE) for the year ended December 31, 2020 amounted to 2.2% compared to 5.9% for the year ended December 31, 2019. The decrease is mainly attributable to the negative impact of the Covid-19 pandemic.

(6) For the definition of Return on Capital Employed (ROCE) please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of Return on Capital Employed (ROCE) as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			**Changes**			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
			(in thousands of Euro or percentage)				
A. Operating Profit.............................	35,419	1,421	8,610	33,998	*>100.0%*	(7,189)	*(83.5%)*
B. Net Invested Capital	299,041	253,866	231,751	45,175	*17.8%*	22,115	*9.5%*
C. Return on Capital Employed (ROCE) (A/B)	**11.8%**	**0.6%**	**3.7%**	**11.2%**		**(3.1%)**	

(7) For the definition of Net Fixed Assets please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following table provide the calculation of Net Fixed Assets as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes 2022 vs 2021	%
	(in thousands of Euro or percentage)			
Non-Current Assets	297,189	252,669	44,520	*17.6%*
Non-Current Liabilities	(251,894)	(205,770)	(46,124)	*22.4%*
Non-Current Assets and Liabilities	**45,295**	**46,899**	**(1,604)**	***(3.4%)***
Less:				
Non-current financial liabilities and borrowings	(186,419)	(134,997)	(51,422)	*38.1%*
Non-current lease liabilities	(43,690)	(47,568)	3,878	*(8.2%)*
Payables for shareholder dividends [(i)]	-	(1,508)	1,508	*(100.0%)*
Net Fixed Assets	**275,404**	**230,972**	**44,432**	***19.2%***

[(i)] The item is included in the "Other non-current liabilities" of the Consolidated Statement of Financial Position.

	As of December 31, 2021	2020	2019	Changes 2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Non-Current Assets	252,669	209,387	147,426	43,282	*20.7%*	61,961	*42.0%*
Non-Current Liabilities	(205,770)	(180,657)	(106,193)	(25,113)	*13.9%*	(74,464)	*70.1%*
Non-Current Assets and Liabilities	**46,899**	**28,730**	**41,233**	**18,169**	***63.2%***	**(12,503)**	***(30.3%)***
Less:							
Non-current financial liabilities and borrowings	(134,997)	(129,548)	(75,546)	(5,449)	*4.2%*	(54,002)	*71.5%*
Non-current lease liabilities	(47,568)	(36,564)	(19,485)	(11,004)	*30.1%*	(17,079)	*87.7%*
Payables for shareholder dividends [(i)]	(1,508)	(1,508)	(1,508)	-	*0.0%*	-	0.0%
Net Fixed Assets	**230,972**	**196,350**	**137,772**	**34,622**	***17.6%***	**58,578**	***42.5%***

[(i)] The item is included in the "Other non-current liabilities" of the Consolidated Statement of Financial Position.

(8) For the definition of Net Trade Working Capital please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of Net Trade Working Capital as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes 2022 vs 2021	%
	(in thousands of Euro or percentage)			
Current Assets	626,619	483,619	143,000	29.6%
Current Liabilities	(487,368)	(383,191)	(104,177)	27.2%
Working Capital	**139,251**	**100,428**	**38,823**	**38.7%**
Less:				
Other current assets	37,193	27,094	10,099	37.3%
Current tax receivables	4,597	1,896	2,701	>100.0%
Cash and cash equivalents	64,581	137,662	(73,081)	(53.1%)
Current financial liabilities and borrowings	(132,877)	(97,535)	(35,342)	36.2%
Current lease liabilities	(7,726)	(7,768)	42	(0.5%)
Other current liabilities	(24,180)	(35,263)	11,083	(31.4%)
Current tax liabilities	(3,452)	(2,415)	(1,037)	42.9%
Net Trade Working Capital	**201,115**	**76,757**	**124,358**	**>100.0%**
Of which Inventories	*355,457*	*219,948*	135,509	61.6%
Of which Trade receivables	*164,791*	*97,019*	67,772	69.9%
Of which Trade payables	*(319,133)*	*(240,210)*	(78,923)	32.9%

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Current Assets	483,619	315,762	259,660	167,857	53.2%	56,102	21.6%
Current Liabilities	(383,191)	(240,536)	(232,911)	(142,655)	59.3%	(7,625)	3.3%
Working Capital	**100, 428**	**75,226**	**26,749**	**25,202**	**33.5%**	**48,477**	**>100.0%**
Less:							
Current financial assets	-	-	4,976	-	*0.0%*	(4,976)	*(>100.0%)*
Other current assets	27,094	12,903	10,554	14,191	>100.0%	2,349	22.3%
Current tax receivables	1, 896	2,730	5,208	(834)	(30.5%)	(2,478)	(47.6%)
Cash and cash equivalents	137, 662	107,655	44, 839	30,007	27.9%	62,816	>100.0%
Current financial liabilities and borrowings	(97,535)	(85,182)	(114,143)	(12,353)	14.5%	28,961	(25.4%)
Current lease liabilities	(7,768)	(4,763)	(2,902)	(3,005)	63.1%	(1,861)	64.1%
Other current liabilities	(35,263)	(21,122)	(14,513)	(14,141)	66.9%	(6,609)	45.5%
Current tax liabilities	(2,415)	(255)	(732)	(2,160)	>100.0%	477	(65.2%)
Net Trade Working Capital	**76,757**	**63,260**	**93,462**	**13,497**	***21.3%***	**(30,202)**	***(32.3%)***
Of which Inventories	*219,948*	*132,746*	*127,874*	*87,202*	*65.7%*	*4,872*	*3.8%*
Of which Trade receivables	*97, 019*	*59, 728*	*66,209*	*37,291*	*62.4%*	*(6,481)*	*(9.8%)*
Of which Trade payables	*(240,210)*	*(129,214)*	*(100,621)*	*(110,996)*	*85.9%*	*(28,593)*	*28.4%*

For the information about Net Trade Working Capital please see "*Operating and financial review— Liquidity and capital resources*".

(9) For the definition of Net Working Capital please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of Net Working Capital as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes	
			2022 vs 2021	%
	(in thousands of Euro or percentage)			
Current Assets	626,619	483,619	143,000	*29.6%*
Current Liabilities	(487,368)	(383,191)	(104,177)	*27.2%*
Working Capital	**139,251**	**100,428**	**38,823**	***38.7%***
Less:				
Cash and cash equivalents	64,581	137,662	(73,081)	*(53.1%)*
Current financial liabilities and borrowings	(132,877)	(97,535)	(35,342)	*36.2%*
Current lease liabilities	(7,726)	(7,768)	42	*(0.5%)*
Net Working Capital	**215,273**	**68,069**	**147,204**	***>100.0%***

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Current Assets	483, 619	315,762	259,660	167, 857	53.2%	56,102	21.6%
Current Liabilities	(383,191)	(240,536)	(232,911)	(142,655)	59.3%	(7,625)	3.3%
Working Capital	**100,428**	**75,226**	**26,749**	**25,202**	**33.5%**	**48,477**	**>100.0%**
Less:							
Current financial assets	-	-	4,976	-	*0.0%*	(4,976)	*(>100.0%)*
Cash and cash equivalents	137, 662	107,655	44,839	30,007	27.9%	62,816	>100.0%
Current financial liabilities and borrowings	(97,535)	(85,182)	(114,143)	(12,353)	14.5%	(28,961)	(25.4%)
Current lease liabilities	(7,768)	(4,763)	(2,902)	(3,005)	63.1%	(1,861)	64.1%
Net Working Capital	**68,069**	**57,516**	**93,979**	**10,553**	***18.3%***	**(36,463)**	***(38.8%)***

For the information about Net Working Capital please see "*Operating and financial review— Capital resources of the Group*".

(10) For the definition of Net Invested Capital please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of Net Invested Capital as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes	
			2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Net Fixed Assets	275,404	230,972	44,432	19.2%
B. Net Working Capital	215,273	68,069	147,204	>100.0%
C. Net Invested Capital (A+B)	**490,677**	**299,041**	**191,636**	**64.1%**

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Net Fixed Assets	230,972	196,350	137,772	34,622	*17.6%*	58,578	*42.5%*
B. Net Working Capital	68,069	57,516	93,979	10,553	*18.3%*	(36,463)	*(38.8%)*
C. Net Invested Capital (A+B)	**299,041**	**253,866**	**231,751**	**45,175**	***17.8%***	**22,115**	***9.5%***

For the information about Net Invested Capital please see "*Operating and financial review—Capital resources of the Group*".

(11) For the definition of Financial Indebtedness please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following tables provide the calculation of Net Financial Indebtedness as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes	
			2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Cash [(i)]	64,581	137,662	(73,081)	*(53.1%)*
B. Cash equivalents	-	-	-	-
C. Other current financial assets	-	-	-	-
D. Liquidity (A+B+C)	**64,581**	**137,662**	**(73,081)**	***(53.1%)***
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-
F. Current portion of non-current financial debt [(ii)]	(140,603)	(105,303)	(35,300)	*33.5%*
G. Current financial indebtedness (E+F)	**(140,603)**	**(105,303)**	(35,300)	***33.5%***
H. Net current financial indebtedness (G-D)	**(76,022)**	**32,359**	**(108.381)**	***(>100.0%)***
I. Non-current financial debt (excluding current portion and debt instruments) [(iii)]	(230,109)	(182,565)	(47,544)	*26.0%*
J. Debt instruments	-	-	-	-
K. Non-current trade and other payables [(iv)]	-	(1,508)	1,508	*(100.0%)*
L. Non-current financial indebtedness (I+J+K)	**(230,109)**	**(184,073)**	**(46,036)**	***25.0%***
M. Net Financial Indebtedness (H+L)	**(306,131)**	**(151,714)**	**(154,417)**	***>100.0%***

[(v)] The item corresponds to the "Cash and cash equivalents" in the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(i) The item includes the: “Current financial liabilities and borrowings” “Current lease liabilities” of the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(ii) The item includes the: “Non-current financial liabilities and borrowings” and “Non-current lease liabilities” of the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(iii) The item corresponds to the payables for shareholder dividends included in “Other non-current liabilities” of the Consolidated Statement of Financial Position.

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Cash (i)	137,662	107,655	44,839	30,007	*27.9%*	62,816	*>100%*
B. Cash equivalents	-	-	-	-	-	-	-
C. Other current financial assets (ii)	-	-	4,976	-	-	(4,976)	*(100.0%)*
D. Liquidity (A+B+C)	**137, 662**	**107,655**	**49,815**	**30,007**	***27.9%***	**57,840**	***>100%***
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-	-	-	-
F. Current portion of non-current financial debt (iii)	(105,303)	(89,945)	(117,045)	(15,358)	*17.1%*	27,100	*(23.2%)*
G. Current financial indebtedness (E+F)	**(105,303)**	**(89,945)**	**(117,045)**	**(15,358)**	***17.1%***	**27,100**	***(23.2%)***
H. Net current financial indebtedness (G-D)	**32, 359**	**17, 710**	**(67,230)**	**14,649**	***82.7%***	**84,940**	*(100.0%)*
I. Non-current financial debt (excluding current portion and debt instruments) (iv)	(182, 565)	(166,112)	(95,031)	(16,453)	*9.9%*	(71,081)	*74.8%*
J. Debt instruments	-	-	-	-	-	-	-
K. Non-current trade and other payables (v)	(1,508)	(1,508)	(1,508)	-	*0.0%*	-	*0.0%*
L. Non-current financial indebtedness (I+J+K)	**(184,073)**	**(167,620)**	**(96, 539)**	**(16,453)**	***9.8%***	**(71,081)**	***73.6%***
M. Net Financial Indebtedness (H+L)	**(151,714)**	**(149,910)**	**(163,769)**	**(1,804)**	***1.2%***	**13,859**	***(8.5%)***

(i) The item corresponds to the “Cash and cash equivalents” in the Consolidated Statement of Financial Position;

(ii) The item corresponds to the “Current financial assets” in the Consolidated Statement of Financial Position;

(iii) The item includes the: “Current financial liabilities and borrowings” and “Current lease liabilities” of the Consolidated Statement of Financial Position;

(iv) The item includes the: “Non-current financial liabilities and borrowings” and “Non-current lease liabilities” of the Consolidated Statement of Financial Position;

(v) The item corresponds to the payables for shareholder dividends included in “Other non-current liabilities” of the Consolidated Statement of Financial Position.

For the information about Net Financial Indebtedness please see “*Operating and financial review—Net financial indebtedness*”.

(12) For the definition of Capital Expenditure (CAPEX) please see “*Presentation of financial and other information— Definition of Non-IFRS measures*”.

The following table provides the calculation of Capital Expenditure for the nine months ended September 30, 2022 and the year ended December 31, 2021:

	For the nine months ended September 30,	For the year ended December 31,	Changes	
	2022	2021	2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Additions of Intangible Assets	411	319	92	*28.8%*
B. Additions of Property, plant and equipment	62,831	37,093	25,738	*69.4%*
C. Capital Expenditure (A+B)....................	**63,242**	**37, 412**	**25,830**	**69.0%**

The following table provides the calculation of Capital Expenditure for the year ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
			(in thousands of Euro or percentage)				
A. Additions of Intangible Assets	319	543	589	(224)	*(41.3%)*	(46)	*(7.8%)*
B. Additions of Property, plant and equipment..	37,093	24,776	22,667	12,317	*49.7%*	2,109	*9.3%*
C. Capital Expenditure (A+B).........	**37,412**	**25,319**	**23, 256**	**12,093**	**47.8%**	**2,063**	***8.9%***

For the information about Capital Expenditure please see "*Operating and financial review—Capital Expenditures and Investments*".

(13) For the definition of Inventory Turnover please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Inventory Turnover as of and for the twelve months ended September 30, 2022 and the year ended December 31, 2021:

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	2021	2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Inventories..................................	355,457	219,948	135,509	61.6%
B. Revenues [(i)]	816,066	556,904	259,162	46.5%
C. Inventory Turnover (B/A)	**2.3**	**2.5**	**(0.2)**	**(8.2%)**

(i) In order to show comparable results, revenues for the twelve months ended September 30, 2022 are calculated by subtracting the revenues for the nine-months period ended September 30, 2021, equal to €391,958 thousand, from the revenues for the year ended December 31, 2021 of €556,904 thousand thousand and then by adding the revenues for the nine-months period ended September 30, 2022 equal to €651,120 thousand.

The following table provides the calculation of Inventory Turnover as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
			(in thousands of Euro or percentage)				
A. Inventories.......................................	219,948	132,746	127,874	87,202	*65.7%*	4,872	*3.8%*
B. Revenues	556,904	373,290	352,074	183,614	*49.2%*	21,216	*6.0%*
C. Inventory Turnover (B/A)	**2.5**	**2.8**	**2.8**	**(0.3)**	***(10.7%)***	**0**	***0.0%***

For the information about Inventory Turnover please see "*Operating and financial review—Capital resources of the Group*".

(14) For the definition of Days of Inventory (DOI) please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Days of Inventory (DOI) as of and for the twelve months ended September 30, 2022 and the year ended December, 31 2021:

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	**2021**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)			
A. Inventories	355,457	219,948	135,509	61.6%
B. Revenues [i]	816,066	556,904	259,162	46.5%
C. Days of Inventory (DOI) (A/B*365)	**159**	**144**	**15**	***10.4%***

[i] In order to show comparable results, revenues for the twelve months ended September 30, 2022 are calculated by subtracting the revenues for the nine-months period ended September 30, 2021, equal to €391,958 thousand, from the revenues for the year ended December 31, 2021 of €556,904 thousand and then by adding the revenues for the nine-months period ended September 30, 2022 equal to €651,120 thousand.

The following table provides the calculation of Days of Inventory (DOI) as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			Changes			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)						
A. Inventories	219,948	132,746	127,874	87,202	*65.7%*	4,872	*3.8%*
B. Revenues	556,904	373,290	352,074	183,614	*49.2%*	21,216	*6.0%*
C. Days of Inventory (DOI) (A/B*365)	**144**	**130**	**133**	**14**	***10.8%***	**(3)**	***(2.3%)***

For the information about Days of Inventory (DOI) please see "*Operating and financial review— Capital resources of the Group*".

(15) For the definition of Trade Receivables Turnover please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Trade Receivables Turnover as of and for the twelve months ended September 30, 2022 and the year ended December 31, 2021:

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	**2021**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)			
A. Trade receivables	164,791	97,019	67,772	69.9%
B. Revenues [i]	816,066	556,904	259,162	46.5%
C. Trade Receivables Turnover (B/A)	**5.0**	**5.7**	**(0.7)**	**(13.1%)**

[i] In order to show comparable results, revenues for the twelve months ended September 30, 2022 are calculated by subtracting the revenues for the nine-months period ended September 30, 2021, equal to €391,958 thousand, from the revenues for the year ended December 31, 2021 of €556,904 thousand and then by adding the revenues for the nine-months period ended September 30, 2022 equal to €651,120 thousand.

The following table provides the calculation of Trade Receivables Turnover as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			Changes			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)						
A. Trade receivables..............................	97,019	59,728	66,209	37,291	*62.4%*	(6,481)	*(9.8%)*
B. Revenues...	556,904	373,290	352,074	183,614	*49.2%*	21,216	*6.0%*
C. Trade Receivables Turnover (B/A)	**5.7**	**6. 2**	**5.3**	**(0.5)**	***(8.1%)***	**0.9**	***(17.0%)***

For the information about Trade Receivables Turnover please see "*Operating and financial review— Capital resources of the Group*".

(16) For the definition of Days Sales Outstanding (DSO) please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Days Sales Outstanding (DSO) as of and for the twelve months ended September 30, 2022 and the years ended December 31, 2021:

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	**2021**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)			
A. Trade receivables..........................	164,791	97,019	67,772	69.9%
B. Revenues [(i)]	816,066	556,904	259,162	46.5%
C. Days Sales Outstanding (DSO) (A/B*365)	**74**	**64**	**10**	**15.2%**

[(i)] In order to show comparable results, revenues for the twelve months ended September 30, 2022 are calculated by subtracting the revenues for the nine-months period ended September 30, 2021, equal to €391,958 thousand, from the revenues for the year ended December 31, 2021 of €556,904 thousand and then by adding the revenues for the nine-months period ended September 30, 2022 equal to €651,120 thousand.

The following table provides the calculation of Days Sales Outstanding (DSO) as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			Changes			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)						
A. Trade Receivables	97,019	59,728	66,209	37,291	*62.4%*	(6,481)	*(9.8%)*
B. Revenues...	556,904	373,290	352,074	183,614	*49.2%*	21,216	*6.0%*
C. Days Sales Outstanding (DSO) (A/B*365)	**64**	**58**	**69**	**6**	***10.3%***	**(11)**	***(15.9%)***

For the information about Days Sales Outstanding (DSO) please see "*Operating and financial review— Capital resources of the Group*".

(17) For the definition of Trade Payables Turnover please see "*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*".

The following table provides the calculation of Trade Payables Turnover as of and for the twelve months ended September 30, 2022 and the year ended December 31, 2021:

	As of and for the twelve months ended September 30, 2022	As of and for the year ended December 31, 2021	Changes 2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Cost for purchase of raw materials[(i)]	567,832	351,737	216,095	61.4%
B. Cost for commercial services[(ii)]	89,205	66,729	22,476	33.7%
C. Changes in raw materials and consumables[(iv)]	(176,543)	(61,105)	(115,438)	>100.0%
D. Provision for inventory obsolescence [(iii)]	(1,310)	(20)	(1,290)	>100.0%
E. Trade payables	319,133	240,210	78,923	32.9%
F. Trade Payables Turnover ((A+B+C+D)/E)	**1.5**	**1.5**	**(0.0)**	**(2.8%)**

(i) In order to show comparable results, Cost for purchase of raw materials for the twelve months ended September 30, 2022 are calculated by subtracting the Cost for purchase of raw materials for the nine-months period ended September 30, 2021, from the Cost for purchase of raw materials for the year ended December 31, 2021 and then by adding the Cost for purchase of raw materials for the nine-months period ended September 30, 2022;

(ii) Cost for commercial services includes the line-item "Costs for external services", net of the "Directors' remunerations" and "Insurance". In order to show comparable results, Cost for commercial services for the twelve months ended September 30, 2022 are calculated by subtracting the Cost for commercial services for the nine-months period ended September 30, 2021, from the Cost for commercial services for the year ended December 31, 2021 and then by adding the Cost for commercial services for the nine-months period ended September 30, 2022;

(iii) "Provision for inventory obsolescence" is classified in the line item "Costs for purchases of raw materials"; in order to show comparable results, Provision for inventory obsolescence for the twelve months ended September 30, 2022 are calculated by subtracting the Provision for inventory obsolescence for the nine-months period ended September 30, 2021, from the Provision for inventory obsolescence for the year ended December 31, 2021 and then by adding the Provision for inventory obsolescence for the nine-months period ended September 30, 2022.

(iv) "Change in raw materials and consumables" is classified in the line item "Costs for purchases of raw materials". In order to show comparable results, Change in raw materials and consumables for the twelve months ended September 30, 2022 are calculated by subtracting the Change in raw materials and consumables for the nine-months period ended September 30, 2021, from the Change in raw materials and consumables for the year ended December 31, 2021 and then by adding the Change in raw materials and consumables for the nine-months period ended September 30, 2022

The following table provides the calculation of Trade Payables Turnover as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31, 2021	2020	2019	Changes 2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Cost for purchase of raw materials	351,737	223,932	211,129	127,805	*57.1%*	12,803	*6.1%*
B. Cost for commercial services[(i)]	66,729	48,487	45,484	18,242	*37.6%*	3,003	*6.6%*
C. Changes in raw materials and consumables[(iii)]	(61,105)	(2,608)	836	(58,497)	*>100.0%*	(3,444)	*(>100.0%)*
D. Provision for inventory obsolescence [(ii)]	(20)	(24)	(32)	4	*(16.7%)*	8	*(25.0%)*
E. Trade payables	240,210	129,214	100,621	110,996	*85.9%*	28,593	*28.4%*
F. Trade Payables Turnover ((A+B+C+D)/E)	**1.5**	**2.1**	**2.6**	**(0.6)**	***(28.6%)***	**(0.5)**	***(19.2%)***

(i) Cost for commercial services includes the line-item "Costs for external services", net of the "Directors' remunerations"

and “Insurance”;
(ii) “Provision for inventory obsolescence” is classified in the line item “Costs for purchases of raw materials”;
(iii) “Change in raw materials and consumables” is classified in the line item “Costs for purchases of raw materials”.

For the information about Trade Payables Turnover please see “*Operating and financial review—Capital resources of the Group*”.

(18) For the definition of Days Payables Outstanding (DPO) please see “*Presentation of financial and other information— Definition of Other Financial Metrics and Other IFRS measures*”.

The following table provides the calculation of Days Payables Outstanding (DPO) as of and for the twelve months ended September 30, 2022 and the year ended December 31, 2021:

	As of and for the twelve months ended September 30,	**As of and for the year ended December 31,**	**Changes**	
	2022	**2021**	**2022vs 2021**	**%**
	(in thousands of Euro or percentage)			
A. Cost for purchase of raw materials(i)	567,832	351,737	216,095	61.4%
B. Cost for commercial services(ii)	89,205	66,729	22,476	33.7%
C. Changes in raw materials and consumables(iv)	(176,543)	(61,105)	(115,438)	>100.0%
D. Provision for inventory obsolescence (iii)	(1,310)	(20)	(1,290)	>100.0%
E. Trade payables	319,133	240,210	78,923	32.9%
F. Days Payables Outstanding (DPO) ((E/(A+B+C+D))*365)	**243**	**245**	**(2)**	***(0.9%)***

(i) In order to show comparable results, Cost for purchase of raw materials for the twelve months ended September 30, 2022 are calculated by subtracting the Cost for purchase of raw materials for the nine-months period ended September 30, 2021, from the Cost for purchase of raw materials for the year ended December 31, 2021 and then by adding the Cost for purchase of raw materials for the nine-months period ended September 30, 2022;

(ii) Cost for commercial services includes the line-item “Costs for external services”, net of the “Directors’ remunerations” and “Insurance”. In order to show comparable results, Cost for commercial services for the twelve months ended September 30, 2022 are calculated by subtracting the Cost for commercial services for the nine-months period ended September 30, 2021, from the Cost for commercial services for the year ended December 31, 2021 and then by adding the Cost for commercial services for the nine-months period ended September 30, 2022;

(iii) “Provision for inventory obsolescence” is classified in the line item “Costs for purchases of raw materials”; in order to show comparable results, Provision for inventory obsolescence for the twelve months ended September 30, 2022 are calculated by subtracting the Provision for inventory obsolescence for the nine-months period ended September 30, 2021, from the Provision for inventory obsolescence for the year ended December 31, 2021 and then by adding the Provision for inventory obsolescence for the nine-months period ended September 30, 2022.

(iv) “Change in raw materials and consumables” is classified in the line item “Costs for purchases of raw materials”. In order to show comparable results, Change in raw materials and consumables for the twelve months ended September 30, 2022 are calculated by subtracting the Change in raw materials and consumables for the nine-months period ended September 30, 2021, from the Change in raw materials and consumables for the year ended December 31, 2021 and then by adding the Change in raw materials and consumables for the nine-months period ended September 30, 2022.

The following table provides the calculation of Days Payables Outstanding (DPO) as of and for the years ended December 31, 2021, 2020 and 2019:

	As of and for the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Cost for purchase of raw materials	351,737	223,932	211,129	127,805	*57.1%*	12, 803	*6.1%*
B. Cost for commercial services[(i)]	66,729	48,487	45,484	18,242	*37.6%*	3,003	*6.6%*
C. Changes in raw materials and consumables [(iii)]	(61,105)	(2,608)	836	(58,497)	*>100.0%*	(3,444)	*(>100.0%)*
D. Provision for inventory obsolescence [(ii)]	(20)	(24)	(32)	4	*(16.7%)*	8	*(25.0%)*
E. Trade payables	240,210	129,214	100,621	110,996	*85.9%*	28,593	*28.4%*
F. Days Payables Outstanding (DPO) ((E/(A+B+C+D))*365)	**245**	**175**	**143**	**71**	***40.4%***	**32**	***22.4%***

(i) Cost for commercial services includes the line-item "Costs for external services", net of the "Directors' remunerations" and "Insurance";
(ii) "Provision for inventory obsolescence" is classified in the line item "Costs for purchase of raw materials";
(iii) "Change in raw materials and consumables" is classified in the line item "Costs for purchases of raw materials".

For the information about Days Payables Outstanding (DPO) please see "*Operating and financial review— Capital resources of the Group*".

(19) For the definition of Cash Generation please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following table provides the calculation of Cash Generation for the year ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Operating cash flows before movements in working capital	**65,491**	**20,512**	**27,411**	**44,979**	***>100.0%***	**(6, 899)**	***(25.2%)***
Difference between pension funding contributions paid and the pension cost charge	444	171	107	273	*>100.0%*	64	*59.8%*
(Gain) on disposal of property, plant and equipment...	44	357	44	(313)	*(87.7%)*	313	*>100.0%*
Allocation to the provision for obsolete inventory	(5,453)	(824)	(345)	(4,629)	*>100.0%*	(479)	*>100.0%*
Allocation to the provision for doubtful debt provision.......................................	114	(1,283)	114	1,169	*(>100.0%)*	(1,169)	*(>100.0%)*
Share award expenses............................	(3,698)	(1,271)	(356)	(2,427)	*>100.0%*	(915)	*>100.0%*
Share of results of associates.................	2,846	710	(1,121)	2,136	*>100.0%*	1,831	*(>100.0%)*
Net change in Provision	(18)	-	339	(18)	*100.0%*	(339)	*(100.0%)*
A. EBITDA	**59,769**	**18,372**	**26,193**	**41,397**	***>100.0%***	**(7,821)**	***(29.9%)***
Additions of Intangible Assets	319	543	589	(224)	*(41.3%)*	(46)	*(7.8%)*
Additions of Property, plant and equipment...	37,093	24,776	22,667	12,317	*49.7%*	2,109	*9.3%*
B. Capital Expenditure	**37,412**	**25,319**	**23,256**	**12,093**	***47.8%***	**2,063**	***8.9%***
C. Cash Generation (A-B)...................	**22,357**	**(6,947)**	**2,937**	**29,304**	***>100.0%***	**(9,884)**	***(>100.0%)***

For futher information about EBITDA and Capital Expenditure please see respectively "*Operating and financial review— Selected key metrics*" and "*Operating and financial review— Capital Expenditures and Investments*".

(20) For the definition of Cash Conversion Rate please see "*Presentation of financial and other information— Definition of Non-IFRS measures*".

The following table provides the calculation of Cash Conversion Rate for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Cash Generation	22,357	(6,947)	2,937	29,304	*>100.0%*	(9,884)	*(>100.0%)*
B. EBITDA	59,769	18,372	26,193	41,397	*>100.0%*	(7,821)	*(29.9%)*
C. Cash Conversion Rate (A/B)	**37.4%**	**(37.8%)**	**11.2%**	**75.2%**		**(49.0%)**	

2021 vs 2020

Cash Conversion Rate as of December 31, 2021 amounted to 37.4% compared to (37.8%) as of December 31, 2020. The increase is related to higher sales volume, mainly driven by the "Energy transition" and co-development of innovative products through partnership with clients, other than stable, long-term relationships with leading customers, as well as to the increase in sales prices to reflect the higher cost of raw materials.

2020 vs 2019

Cash Conversion Rate as of December 31, 2020 amounted to (37.8%) compared to 11.2% as of December 31, 2019. The decrease is related to the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic that led to a significant increase in price of such materials that negatively affected the marginality.

(21) For the definition of Gearing Ratio please see "*Presentation of financial and other information—Definition of Non-IFRS measures*".

The following table provides the calculation of Gearing Ratio as of September 30, 2022 and as of December 31, 2021:

	As of September 30,	As of December 31,	Changes	
	2022	2021	2022 vs 2021	%
	(in thousands of Euro or percentage)			
A. Net Financial Indebtedness	306,131	151,714	154,417	*>100.0%*
B. Total Equity	184,546	147,327	37,219	25.3%
C. Gearing Ratio (A/B)	**1.7**	**1.0**	**0.7**	**70.0%**

The following table provides the calculation of Gearing Ratio as of December 31, 2021, 2020 and 2019:

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
A. Net Financial Indebtedness	151,714	149,910	163,769	1,804	*1.2%*	(13,859)	*(8.5%)*
B. Total Equity	147,327	103,956	67,982	43,371	*41.7%*	35,974	*52.9%*
C. Gearing Ratio (A/B)	**1.0**	**1.4**	**2.4**	**(0.4)**	**(4.0%)**	**(1.0)**	**(41.7%)**

OPERATING AND FINANCIAL REVIEW

The following is a discussion and analysis of the Group's results of operations and financial conditions as of and for the nine months ended September 30, 2022 and 2021 and as of and for the years ended December 31, 2021, 2020 and 2019. The discussion of the Group's result of operations reported in this chapter is based on financial information extracted without adjustments from the Interim Condensed Consolidated Financial Statements and the Consolidated Financial Statements. Factors that could cause or contribute to these results include, but are not limited to, those discussed below and elsewhere in this Prospectus.

The following discussion of the financial condition and results of operation of the Group should be read in conjunction with the rest of this Prospectus, including the information set forth in "Selected Financial Information" and the Interim Condensed Consolidated Financial Statements beginning on page F-2 of this Prospectus and the Consolidated Financial Statements beginning on page F-36 of this Prospectus.

For further information on the critical accounting judgements and key sources of estimation uncertainty, please see the Notes to the Interim Condensed Consolidated Financial and the Consolidated Financial Statements.

For a discussion of the presentation of the Group's historical information included in this Prospectus, see "*Important Information – Presentation of financial and other information*". For a reconciliation of Non-IFRS Measures to their most directly comparable IFRS measure, see *"Selected Financial and Other Information – Non-IFRS Measures and other metrics*".

Overview

The Group is a world leader in the design, production and distribution of the motor core (stators and rotors) for electric motors and generators. The Group's business is organized along two segments: (i) EV & Automotive, which produces the motor core of electric motors used in (a) electric vehicles traction (representing approximately 15-20% of the overall cost of electric motors according to Company estimates) and (b) a wide range of non-traction automotive applications; and (ii) Industrial, dedicated to products used in various applications including, among others, industrial applications, home automation, HVAC equipment, wind energy, logistics and pumps. The Group is also vertically integrated in the design and production of blanking dies and die-casting moulds that are used in the production of its own products and products sold to third parties.

The following table contains the Group's key consolidated financial results nine months ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019:

	For the nine months ended September 30, 2022	**For the year ended December 31, 2021**	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
			(*in thousands of Euro*)	
Revenues	651,120	556,904	373,290	352,074
Operating profit	52,982	35,419	1,421	8,610
Profit before tax	48,998	29,673	(4,762)	3,994
Net cash flow from operating activities	73,188	48,409	56,211	26, 879
EBITDA	77,022	59,769	18,372	26,193
EBIT	58,121	36,500	59	8,627

Segment information

The Group is organized in two operating and reportable segments, based on an application perspective, as described below:

- EV & Automotive is a segment introduced in recent years, and it includes products used for electric motors for the traction of electric vehicles as well as for a wide range of non-traction automotive applications;
- Industrial is a segment with products used in various industries including, among others, generators, home automation, transportation, domestic appliances, industrial motors, pumps, power tools and fans.

The following breakdown of revenues by segment for the past three fiscal years shows that revenues from the Industrial segment have historically represented the majority of the Group's revenues.

As of September 30, 2022, the Group operated through 12 production plants in five countries of which seven are located in Italy, with the remaining five in Mexico, Tunisia, the United States and China (as of the Prospectus Date, the Russian plant's activities – which accounted for 1.4% of the Group's revenues for the year ended December 31, 2021 - have been suspended due to the sanctions imposed against Russia in the context of the conflict between Russia and Ukraine).

The following tables set forth revenues and EBITDA by segment for periods indicated:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
EV & Automotive	217,993	33.5%	146,758	37.4%	71,235	48.5%
Industrial	433,127	66.5%	245,200	62.6%	187,926	76.6%
Revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**259,162**	**66.1%**

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
EV & Automotive	195,596	35.1%	147,580	39.5%	112,204	31.9%	48,016	32.5%	35,376	31.5%
Industrial	361,308	64.9%	225,710	60.5%	239,870	68.1%	135,598	60.1%	(14,160)	(5.9%)
Revenues	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**	**183,614**	**49.2%**	**21,216**	**6.0%**

	For the nine months ended September 30,				Changes	
	2022	% on Revenues	2021	% on Revenues	2022 vs 2021	% on Revenues
	(in thousands of Euro or percentage)					
EV & Automotive	27,655	4.2%	16,576	4.2%	11,079	66.8%
Industrial	49,367	7.6%	29,768	7.6%	19,599	65.8%
Total EBITDA	**77,022**	**11.8%**	**46,344**	**11.8%**	**30,678**	**66.2%**

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
EV & Automotive	20,610	3.7%	7,538	2.0%	9,804	2.8%	13,072	>100.0%	(2,266)	(23.1%)
Industrial	39,159	7.0%	10,834	2.9%	16,389	4.6%	28,325	>100.0%	(5,555)	(33.9%)
EBITDA	**59,769**	**10.7%**	**18,372**	**4.9%**	**26,193**	**7.4%**	**41,397**	**>100.0%**	**(7,821)**	**(29.9%)**

The Group's revenues come from three geographical areas: EMEA, North America and Asia. The following breakdown of consolidated revenues by geographic areas for nine months ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019 shows that revenues from EMEA historically represented the majority of the Group's revenues.

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
			(in thousands of Euro or percentage)			
EMEA	379,018	58.2%	223,126	56.9%	155,892	69.9%
Of which in Italy.	*367,843*	*56.5%*	*213,228*	*54.4%*	*154,615*	*72.5%*
North America.	236,967	36.4%	150,687	38.4%	86,280	57.3%
Of which in Mexico	*148,841*	*22.9%*	*95,983*	*24.5%*	*52,858*	*55.1%*
Of which in United States	*88,126*	*13.5%*	*54,704*	*14.0%*	*33,422*	*61.1%*
Asia	35,135	5.4%	18,145	4.6%	16,990	93.6%
Of which in China	*35,135*	*5.4%*	*18,145*	*4.6%*	*16,990*	*93.6%*
Revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**259,162**	**66.1%**

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
				(in thousands of Euro or percentage)						
EMEA	322,340	57.9%	218,549	58.5%	211,365	60.0%	103,791	47.5%	7,184	3.4%
Of which in Italy	*303,000*	54.4%	*209,807*	56.2%	*200,796*	57.0%	*93,193*	44.4%	*9,011*	4.5%
North America	206,866	37.1%	143,918	38.6%	140,236	39.8%	62,948	43.7%	3,682	2.6%
Of which in Mexico	*140,669*	*25.3%*	*100,743*	*27.0%*	*85,544*	*24.3%*	*39,926*	39.6%	*15,199*	17.8%
Of which in United States	*66,197*	*11.9%*	*43,175*	*11.6%*	*54,692*	*15.5%*	*23,022*	53.3%	*(11,517)*	(21.1%)
Asia	27,698	5.0%	10,823	2.9%	473	0.1%	16,875	>100.0%	10,350	>100.0%
Of which in China	*27,698*	*5.0%*	*10,823*	*2.9%*	*473*	*0.1%*	*16,875*	>100.0%	*10,350*	>100.0%
Revenues	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**	**183,614**	**49.2%**	**21,216**	**6.0%**

Future developments and R&D activities

The Group expects a continued growth in the markets in which it operates, both for EV & Automotive and Industrial business segment. The Group is exposed to powerful positive trends including (i) increased global focus on sustainability and zero-carbon objectives, (ii) energy transition leading to increasing use of renewables, (iii) supportive regulatory framework for the adoption of EVs paired with consumers' increasing acceptance of these vehicles, (iv) energy efficiency requirements for the Industrial segments as well as a shift from hydraulic and pneumatic to electric actuators.

The business strategies to be pursued by the Group are the following:

- *EV & Automotive*: (i) expanding the existing Order Book and additional Pipeline of orders under discussion worldwide (namely, Europe, Asia, and the United States) with an estimated value of approximately €5 billion and approximately €2.5 billion respectively as of the Prospectus Date, which is expected to generate revenues and cash-flow in the coming years, with additional projects and initiatives currently being evaluated and implemented; (ii) exploiting its successful track record and excellent reputation in the industry, enabling the Group to take advantage of additional opportunities for additional growth in the electric vehicle market; (iii) leveraging on long-standing relationships with key customers (both OEM and Tier 1) to retain and further consolidate its leadership in Europe and North America; (iv) achieving a leadership position in Asia through continued growth of the current customer base, increased market penetration and creating a benchmark for Asian operators; (v) evaluating potential strategic initiatives with Asian players to further increase growth and penetration in Asian markets through M&A and industrial partnerships; (vi) continuing to invest in research and development to strengthen its technological leadership through continuous innovation and maintain its competitive advantage; and (vii) improving the efficiency of production processes to manage growing volumes as well as to sustain and further increase profitability.

- *Industrial*: (i) leveraging on green electrification and energy efficiency trends in various industries; (ii) exploiting potential synergies with the EV & Automotive segment by sharing experience, technology and process automation; (iii) focusing on product innovation to further consolidate existing multi-year relationships with the Group's major customers and acquire new customers; (iv) pursuing geographic, product and end-market diversification, in order to ensure highly diversified and stable revenues stream; (v) becoming the supplier of choice and increase market share by developing turnkey technical solutions through collaborations with existing customers; (vi) improving operational efficiency through new automation systems to reduce costs and time to market; and (vii) leveraging its know-how and experience to develop new products with higher added value.

The key strategic assets on which the Company relies to achieve the objectives are as follows:

- leadership position in the EV & Automotive segment which allows to have a strong capability to predict future revenues and cash flows thanks to a strong pipeline and backlog;
- capability to understand customer needs and develop cutting-edge products and new technologies;
- large installed base strategically distributed across all continents and longtime relationships with key customers and partners;
- experienced management team leading strong organizational structure and experienced personnel operating internationally.

In the past years, the automotive market has been affected by external elements favouring the diffusion of electric vehicles; first and foremost are government initiatives and regulatory standards supporting and promoting energy transition for manufacturers (including tax credits and subsidies), which encourage increased spending on research and development by car manufacturers, as well as strong government investment to support the construction and installation of the electric vehicle's charging infrastructure (for additional information see "*Business - Market and Competition*"). Over the next decade, the automotive industry will be characterized by the main trends affecting sector operators: (i) the growing implementation of artificial intelligence and new technologies in vehicles: within 10 years, connected cars are expected to be common in mature markets; and (ii) self-driving cars are expected to develop and increase due to the expansion of electric vehicle because they will have to leverage the electrical subsystem of EV vehicles due to the massive usage of advanced computing hardware and multiple sensors. Between 2022 and 2026, the E-Traction motors market is expected to increase (in terms of vehicle units) from 20.6 million vehicles in 2022 to 50.7 million vehicles in 2026 at a 25.3% CAGR in the period, thus characterizing the future of the Group's EV & Automotive segment and driving its overall growth.

In order to support this significant growth, the Company will sustain significant R&D costs and Growth investments to co-develop new products supporting customers in satisfying latent needs of final users with an "exploration" approach involving suppliers, start up incubators, universities and research centre allowing to consolidate a position as market leader and accumulate important know-how to satisfy an increasing number of customers. For additional information see "*Business - Research and development*".

Trend information

Since September 30, 2022, despite the conflict between Russia and Ukraine, there have not been any significant changes in the Group's production, sales and inventory nor in the prices at which it purchases raw materials or sells its products, which could significantly affect its business and results of operations.

In particular, the Issuer has not been materially impacted by fluctuations in raw material prices as a result of the price-adjustment clauses contained in its contracts with customers. In fact, the Group periodically performs an estimate of the raw materials requirements based on the expected volumes of production, in order to guarantee a constant availability of the raw materials needed for its production capacity.

Since September 30, 2022, the increase in energy prices has not significantly affected the Group's financial condition, with energy costs as a percentage of revenue remaining substantially in line with that for the nine months period ended September 30, 2022. For the nine months period ended September 30, 2022, energy prices increased significantly and the Group recorded energy costs of €17,972 thousand for that period, compared to €7,030 thousand for the nine month period ended September 30, 2021, equal to the 2.8% of revenues recorded for the same period (compared to 1.8% for the nine months period ended September 30, 2021). Energy costs for the nine months ended September 30, 2022 were also higher than those recorded for the years ended December 31, 2021, 2020 and 2019, which were 2.1%, 1.8% and 2.0%, respectively, of Group revenues.

To the Issuer's knowledge, as of the Prospectus Date (i) there are no significant changes in the Issuer's financial condition since September 30, 2022 until the Prospectus Date and (ii) there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

Opt out from the Tax Consolidation

Corrada S.p.A. and Eurotranciatura S.p.A., as consolidated companies, have been part of the Tax Consolidation.

Effective from January 1, 2022, Euro Management Services S.p.A. has opted out of the Tax Consolidation. As a result:

- the Company and its subsidiaries are not included in any tax consolidation as from fiscal year 2022;
- the IRES tax credit of the tax consolidation existing as of December 31, 2021 were reallocated by Euro Management Services S.p.A. to certain companies included in the Tax Consolidation until its interruption;
- The Company, Corrada S.p.A. and Eurotranciatura S.p.A. made the IRES advance tax payments for fiscal year 2022 on a stand-alone basis in due time.
- The credit and debit positions existing between Euro Management Services S.p.A., the Company, Corrada S.p.A. and Eurotranciatura S.p.A. arising in connection with the Tax Consolidation – as reflected in its financial situation as ofat September 30, 2022 – were settled by December 31, 2022.

Key factors affecting the Group's performance

The following are the main key factors that affect, or have recently affected, the Group's performance.

"Energy transition" and co-development of innovative products through partnership with clients

Over the last three years, the Group's performance has improved significantly due to the demand for hybrid and full electric vehicles created by the so-called "energy transition" to renewable and carbon neutral sources. The Group has supported its customers in this transition by selling new products and technologies to satisfy customers goals in energy efficiency and savings. The Group's performance has also been supported by favorable regulatory frameworks in many jurisdictions focused on sustainability and supporting the energy transition.

During the last three years, the Group gained a competitive advantage thanks to the long-term partnership-like relationships with its customers which have led to the co-development of products and the tools to be used in the manufacturing process. The Group's well-established relationships with leading car manufacturers and Tier 1 suppliers of automotive components enable the Group to seize the market growth opportunities and to strengthen the Group's reputation within the electric vehicles manufacturing industry over time. The co-development of products strengthens the commercial relationship between the Group and its customers, which recognize the Group as a trusted and key supplier for the design and production of components, both in the EV & Automotive and in the Industrial segment.

The Groups' Industrial segment is expected to leverage on green electrification and energy efficiency trends in various industries and exploit potential synergies with the EV & Automotive segment to sustain the further development of its product lines Energy or Industrial Applications.

For the nine months period ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019, revenues from the sales of products directly related to the Energy transition amounted to €297,669 thousand, €273,884 thousand, €199,977 thousand and €161,935 thousand respectively, equal to the 45.7%, 49.2%, 53.6% and 46.0% of the total revenues.

Outsourcing opportunities

Revenue growth, particularly with reference to the Industrial segment was driven by customers who have an increasing inclination to outsource the production of a large quantity of components. This trend is mainly due to: (i) the underutilization of production capacity due to the technological obsolescence and/or lack of production flexibility, (ii) the concentration on developing only productive activities deemed essential from the clients, (iii) the ability to free up financial and managerial resources and productions areas for other uses, and (iv) the ability to free up production areas.

Due to the Group's know-how and established relationships with the customers, the Group believes it to be a key partner for those customers seeking to outsource part of their production. From 2019 to 2021, the Group has been able to take advantage of these opportunities by the signing of important outsourcing agreements with the major players in the industrial market which contributed, in 2021, to an increase in revenue of €1,181 thousand.

For the years ended December 31, 2021, 2020 and 2019, revenues from the sales of products directly related to outsourcing contracts amounted respectively to €10,144 thousand, €8,963 thousand and €3,171 thousand, respectively equal to the 1.8%, 2.4% and 0.9% of the total revenues.

Stable, Long-term Relationships with Leading Customers

The Group has established stable and long-term relationships with its customers due to: (i) the worldwide leadership in the design and production of stators and rotors for electric motors and generators, (ii) the technological leadership recognized worldwide in the production and distribution of the motor core (stators and rotors) for electric motors and generators and (iii) the proximity of the Group's state-of-the-art production facilities are strategically located around the world to ensure proximity to major customers.

In particular, the Industrial segment is characterized by long-standing relationships with the leading manufacturers of electric motors and generators which are used across a broad range of industrial applications. Moreover, the installed capacity of state-of-the-art production facilities provides the Group with significant economies of scale and represents a significant competitive advantage compared to other operators as it would require significant investments.

In particular, for more than 55 years, the Group has gained significant experience and know-how in the processes of lamination blanking and production of stators and rotors, which has contributed to the consolidation of the relations with leading customers, and it has allowed the Group to maintain a stable and long-term relationship with them.

For the nine months period ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019, revenues from the sales of products directly to the four (4) long-standing customers with whom the Group had a relationship for more than 15 years represent respectively the 9.8%, 10.0%, 13.3% and 16.4% of the total revenues.

Increased costs for purchases of raw materials and energy prices

The increase in costs for purchase of raw materials, mainly attributable to electrical steel, did not have a material impact on Operating profit considering that such costs are generally passed on to the Group's customers. For the nine months ended September 30, 2022 and the years ended December 31, 2021, 2020 and 2019, the increases in the price of raw materials were equal to 18.0%, 45.0%, 1.0% and 4.0%, respectively.

Following the start of the war in Ukraine, European energy prices have reached historical highs. This added further pressure to energy prices which had already experienced peaks following the lifting of lockdowns globally which resulted in a surge in global energy demand as countries began to emerge from the COVID-19 pandemic. For the nine months period ended September 30, 2022 and the years ended, the increase in energy prices was equal to €10,942 thousand (>100.0% in comparison with the nine-months period ended September 30, 2021).

Spread of the Covid-19 pandemic

During the year ended December 31, 2020, the Group faced the emergency caused by the spread of the Covid-19 pandemic. Despite the slight increase in comparison with the year ended December 31, 2019 the pandemic brought a negative effect, in terms of revenues, EBITDA and profit for the year compared to the management's estimates. The Group implemented and maintained all the health measures necessary to deal with the pandemic including, in particular the smart working and the adaptation of workspaces and procedures in order to prevent the risk of contagion. The worldwide spread of the pandemic had an impact on the Group's production, first in Asia (in February 2020), then in EMEA (from March to May 2020) and finally in North America.

For the year ended December 31, 2020, the abovementioned effects generated: (i) a negative impact on revenues for approximately €20,000 thousand; and (ii) a negative impact on EBITDA and profit for approximately €3,000 thousand. The reasons are mainly attributable to: (i) Covid-related restrictions imposed on operating activities in all of the Group's production plants in 2020, (ii) the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic, (iii) additional transport costs to ensure the supply for the production lines of the main clients, and (iv) other additional costs related to ensure safety on the workplace.

There was no significant impact for the nine months ended September 30, 2022 and for the year ended December 31, 2021.

Conflict between Russia and Ukraine

In February 2022, the Russian-Ukrainian military conflict heightened following the invasion of Ukraine by Russia. Given the significant role that Russia and Ukraine play in the international economy, the political and military tension generated by the conflict and the consequent economic sanctions adopted by the international community against Russia have had significant effects, creating turbulence in the financial markets as well as impacting the price and export of raw materials.

The Group suspended production at its subsidiary, Euro Group Russia Laminations, at the end of 2021, as its main customer cancelled orders to be delivered in the first half of 2022. This subsidiary's revenues represented 1.4%, 1.3% and 0.3% of the Group's total revenues for the years ended December 31, 2021, 2020 and 2019 respectively. Initially, in order to allow a rapid resumption of activities, in the first months of the 2022, the Group has continued to financially support its subsidiary by paying the salaries of trained technical staff and the minimum amount of fixed costs necessary to keep the entity active (rents, utilities and small maintenance). These costs are currently paid either by using cash deposited at the local bank, which, as of December 31, 2021 amounted to €573 thousand, or through the proceeds received in payment of accounts receivable.

The continuation of the current crisis and the application of related restrictive measures connected to it could force the Group to terminate existing partnerships or forego future business opportunities in Russia or require it to obtain and operate within the limits of specific government approvals, with a consequent adverse effect on the Russian subsidiary's assets. In particular, since no recovery forecasts are available, the Group has impaired the Russian assets and recorded a write-down of €4,773 thousand for the nine months ended September 30, 2022 that are related to property, plant and equipment for € 3,764 thousand and to right of use assets for € 1,009 thousand.

Agreements with Simest

The Group entered into several investment agreements with Simest S.p.A., a financial institution owned by Cassa Depositi e Prestiti, whose main corporate purpose is to promote the internazionalitation of the Italian companies ("**Simest**"), pursuant to which, at the expiration of each relevant agreement, the Company has an obligation to buy back the shares held by Simest for a predetermined redemption amount (for additional information *see "Business – Material Agreements*"). Simest is entitled to receive a fixed remuneration during the terms of the agreement and any dividends distributed to it are then returned to the Group. The Group performed an assessment regarding the existence of a present ownership interest, by assessing factors such as pricing of the redemption amount, voting rights and dividends rights, and recognized this as financial liability under IAS 32 since the contractual obligation to purchase non-controlling interests – such as a put option granted to non-controlling interests – gives rise to a financial liability measured at the present value of the redemption amount.

The arrangements with Simest impacted on both Consolidated Statement of Financial Position as well as Consolidated Statement of Profit and Loss.

In particular, with regards to the Consolidated Statement of Financial Position, as of September 30, 2022 and December 31, 2021, Payables to other investors were mainly attributable to: i) €5,642 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,856 as of December 31, 2021), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie S.A.R.L. (same amount as of December 31, 2021), (iii) €3,550 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€3,056 thousand as of December 31, 2021). In addition, as of September 30, 2022 this item includes €3,701 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€3,185 thousand as of December 31, 2021).

As of December 31, 2021, Payables to other investors were mainly attributable to: i) €4,856 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,482 thousand as of December 31, 2020), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie S.A.R.L. (same amount as of December 31, 2020), (iii) €3,056 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€2,820 thousand as of December 31, 2021). As of December 31, 2020, the item included €1,843 thousand related to the shares acquired by SIMEST in Euro Tranciatura Mexico S.A. de C.V. In addition, as of December 31, 2021 the item includes €3,185 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€3,310 thousand as of December 31, 2020).

As of December 31, 2020, Payables to other investors are mainly attributable to: i) €4,482 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,895 thousand as of December 31, 2019), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie

S.A.R.L. (same amount as of December 31, 2020), (iii) €2,820 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€3,081 thousand as of December 31, 2021), and (iv) €1,843 thousand related to the shares acquired by SIMEST in Euro Tranciatura Mexico S.A. de C.V (€2,120 thousand as of December 31, 2019). In addition, as of December 31, 2020, the item includes €3,310 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€4,053 thousand as of December 31, 2019).

Moreover, the table below show the impact on the Consolidated Statement of profit or loss of the dividend related to SIMEST agreements for the years ended December 31, 2021, 2020 and 2019.

	For the nine months ended September 30,	
	2022	**2021**
	(in thousands of Euro)	
Interest expenses	(955)	(628)
Fair value adjustement	(3,628)	(780)
Financial expenses from other investor	**(4,583)**	**(1,408)**

	For the years ended December 31,		
	2021	**2020**	**2019**
		(in thousands of Euro)	
Dividends	(117)	(247)	(370)
EURO HIGHTECH MEXICO S.A. DE C.V	*(92)*	*(55)*	*(78)*
EUROTRANCIATURA MÉXICO, S. A. DE C. V	*(25)*	*(192)*	*(292)*
Interest expenses	(710)	(791)	(707)
	(828)	-	(270)
Financial expenses from other investor	**(1,655)**	**(1,038)**	**(1,347)**
Fair value adjustement	-	952	-
Financial income from other investor	**-**	**952**	**-**

Acquisition of subsidiaries and Changes in the Consolidation Perimeter

The Group's results for the periods presented were affected by consolidating the results of Euro Misi Laminations Jiaxing and SAF S.p.A. and, in particular, due to revenue generated and costs incurred by these two businesses of which the Group acquired control in 2020 and 2021, respectively.

Acquisition of Euro Misi Laminations Jiaxing.

In 2020, Marubeni Itochu Steel Inc. transferred to Euro Group Asia 9.32% of the registered capital held by Marubeni in Euro Misi Laminations Jiaxing for a total consideration of \$1. After the transfer, the shareholders have agreed to increase the share capital of Euro Misi for an equivalent amount of €4,388 thousand (or \$5,900 thousand, of which \$2,950 thousand through the waiver of an intragroup loan) following which Euro Group Asia held 69% of Euro Misi.

The Group has assessed that because of the link between these transactions, the control over the former associate has been achieved at the completion of the capital increase, giving rise to a business combination achieved in steps.

In addition to the impact on the Group's revenues and costs, as a result of the consolidation of the results of Euro Misi Laminations Jiaxing, the Group has also recognized a loss for remeasurement. In particular, the application of the acquisition accounting required that, upon achievement of control identified by the Directors on April 30, 2020, the Group measured at fair value i) the total consideration transferred and, ii) the previously held interest in Euro Misi. The fair value of the previously held interest has been determined taking into account the consideration paid for the acquisition of the stake from the other investor and the consideration given for the capital increase. Because the fair value of the previously held interests was lower than the related carrying amount, a loss from remeasurement has been recognised in profit or loss.

For the period between the date of consolidation and December 31, 2020, Euro Misi Laminations Jiaxing contributed to the Group's revenue and profit in an amount equal to €14,566 thousand and €(1,044) thousand, respectively.

Acquisition of control over SAF S.p.A.

As a result of changes to the shareholders agreement relating to SAF S.p.A., on June 25, 2021,the board of director of SAF S.p.A., granted to the Group, for a period of five years, the right to appoint the majority of the members who sits in the board of directors of SAF S.p.A. assigning to them the power for the definition of strategies, budget and plans of the company. As a result, the Group determined that it had achieved the power to direct the relevant activities of SAF S.p.A.. Similarly to the consolidation of Euro Misi Laminations Jiaxing, the consolidation of SAF S.p.A. has contributed to the increase in revenue and costs of the Group.

The application of the acquisition accounting required that, upon achievement of control identified by the Directors on June 25, 2021, the Group measured the "deem" fair value of the consideration transferred, being a business combination with no transfer of consideration, by reference to the previously held interest in SAF S.p.A..

Subsequently, Euro Group did not provide any pro-forma financial data as of December 31, 2021, because the main financial figures did not exceed the thresholds to be considered a "significant gross change" pursuant to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and the operation did not result significant for the Prospectus according to the *Final Report* of ESMA 31-62-1426 July 15, 2020 "Guidelines on disclosure requirements under the Prospectus Regulation".

For the period between the date of consolidation and December 31, 2021, SAF S.p.A. contributed to the Group's revenue and profit in an amount equal to €15,893 thousand and €2,804 thousand, respectively.

RESULT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

The table below shows the interim condensed consolidated statement of profit or loss for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Revenues	651,120	391,958
Other income	46	518
Change in work in progress, semi-finished and finished product inventories	34,115	(616)
Costs for purchases of raw materials	(452,433)	(236,338)
Costs for external services	(72,176)	(49,687)
Personnel costs	(80,214)	(61,270)
Other expenses	(3,802)	(1,127)
Share of results of associates	-	2,846
Impairment of assets	(4,773)	-
Depreciation and amortization expenses	(18,901)	(16,759)
Operating Profit	**52,982**	**29,525**
Financial income	1,612	213
Financial costs	(10,735)	(5,472)
Exchange gains	5,139	60
Profit / (Loss) before tax	**48,998**	**24,326**
Income taxes	(16,709)	(7,104)
Profit for the period	**32,289**	**17,222**
Attributable to:		
owners of the Company	29,771	15,791
non-controlling interests	2,518	1,431
Earnings per share basic and diluted	4.87	2.58

Revenues

The Group generates revenue primarily from the sale of rotors, spare parts and tooling. Revenue is recognised at a point in time when control over a product is transferred to a customer; typically, it occurs upon delivery of the goods based on the standard incoterms included in the contracts.

Revenue is measured at the transaction price which is based on the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives, rebates or discounts.

The Group is organized in two operating and reportable segments, based on an application perspective: (i) EV & Automotive and (ii) Industrial.

The table below shows the breakdown by segment of revenues for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
EV & Automotive	217,993	33.5%	146,758	37.4%	71,235	48.5%
Industrial	433,127	66.5%	245,200	62.6%	187,927	76.6%
Revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**259,162**	**66.1%**

Revenues are generated in three geographical areas: EMEA, North America and Asia. As the following breakdown shows, revenues from EMEA historically represented the majority of the Group's revenues.

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
EMEA	379,018	58.2%	223,126	56.9%	155,892	69.9%
Of which in Italy	*367,843*	*56.5%*	*213,228*	*54.4%*	*154,615*	*72.5%*
North America	236,967	36.4%	150,687	38.4%	86,280	57.3%
Of which in Mexico	*148,841*	*22.9%*	*95,983*	*24.5%*	*52,858*	*55.1%*
Of which in United States	*88,126*	*13.5%*	*54,704*	*14.0%*	*33,422*	*61.1%*
Asia	35,135	5.4%	18,145	4.6%	16,990	93.6%
Of which in China	*35,135*	*5.4%*	*18,145*	*4.6%*	*16,990*	*93.6%*
Revenues	**651,120**	**100.0%**	**391,958**	**100.0%**	**259,162**	**66.1%**

Revenues increased by €259,162 thousand or 66.1%, from €391,958 thousand for the nine months ended September 30, 2021 to €651,120 thousand for the nine months ended September 30, 2022.

The Industrial segment's revenues increased by €187,927 thousand, or 76.6%, from €245,200 thousand for the nine months ended September 30, 2021 to €433,127 thousand for the nine months ended September 30, 2022, while the EV & Automotive segment's revenues increased by €71,235 thousand, or 48.5%, from €146,758 thousand for the nine months ended September 30, 2021 to €217,993 thousand for the nine months ended September 30, 2022.

The increase in Industrial segment revenues by €187,927 thousand was driven by: (i) the increase in sales price reflecting higher raw materials prices of €186,635 thousand; (ii) the increase in sales volumes by €6,446 thousand, partially offset by (iii) a €5,154 thousand decrease by Euro Group Laminations Russia.

The increase in EV & Automotive revenues is attributable to the higher volume of business occurred in 2022 following the increasing demand of EV traction products, supported by the favourable regulatory environment worldwide as well as the increase in sales price reflecting higher raw material prices.

By geographical area, revenues increased: (i) by €155,892 thousand in EMEA; (ii) by €86,280 thousand in North America; and (iii) by €16,990 thousand in Asia.

The trend in revenues in EMEA area is mainly attributable to the growth attributable to the increase in sales price reflecting higher raw materials prices related to the Industrial segment as well as higher quantities of goods sold in comparison with the previous period both in EV & Automotive and Industrial segments.

The increase in revenues in North America is mainly due to an increase in revenue of €52,858 thousand in Mexico and €33,422 thousand in the United States driven by higher volume of sales to an important customer that is a leading player in the EV market.

The increase in revenues in Asia is mainly due to the organic growth of €16,990 thousand attributable to the successful performance achieved with Western customers in China, which further increased our visibility in this geographical area previously dominated by regional players.

Change in work in progress, semi-finished and finished product inventories

Change in work in progress, semi-finished and finished product inventories amounted to €34,115 thousand and €(616) thousand respectively in the periods ended September 30, 2022 and 2021. The increase between 2022 and 2021 was mainly due to (i) the increase in demand and in the order book that led to an increase in production and lead time, and, consequently, (iii) the increase in stock in order to avoid any disruption of the business.

Costs for purchases of raw materials

Costs for purchases of raw materials, net of changes in inventories of raw materials, amounted to €452,433 thousand and €236,338 thousand respectively in 2022 and 2021, with an increase of €216,095 thousand (91.4%). This trend is due to (i) the increase in sales volumes, (ii) the increase in the price of raw materials, which, in turn, was driven by the worldwide shortage of strategic materials such as electrical steel, and to the increase in raw materials purchases at a higher cost from Chinese suppliers instead of Russian business partners; partially offset by an increase in proceeds from the sale of scrap by €17,965 thousand.

Costs for external services

The table below shows the breakdown of Costs for external services for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Maintenance	12,739	2.0%	9,877	2.5%	2,862	29.0%
Outsourced work	8,990	1.4%	9,623	2.5%	(633)	(6.6%)
Energy	17,972	2.8%	7,030	1.8%	10,942	>100.0%
Transport	9,928	1.5%	7,386	1.9%	2,542	34.4%
General expenses	3,658	0.6%	3,161	0.8%	497	15.7%
Directors' remunerations	2,345	0.4%	2,482	0.6%	(137)	(5.5%)
Recruitment cost	3,028	0.5%	2,337	0.6%	691	29.6%
Rents and leases	1,140	0.2%	328	0.1%	812	>100.0%
Of which short-term	*752*	*0.1%*	*272*	*0.1%*	*480*	*>100.0%*
Of which low values	*388*	*0.1%*	*56*	*0.0%*	*332*	*>100.0%*
Consultancy fees	2,585	0.4%	2,460	0.6%	125	5.1%
Legal, notary and administrative expenses	3,946	0.6%	1,028	0.3%	2,918	>100.0%
Commissions	2,193	0.3%	1,268	0.3%	925	72.9%
Insurance	1,199	0.2%	1,049	0.3%	150	14.3%
Other costs for external services	2,453	0.4%	1,658	0.4%	795	47.9%
Costs for external services	**72,176**	**11.1%**	**49,687**	**12.7%**	**22,489**	**45.3%**

The Costs for external services increased by €22,489 thousand or by 45.3%, from €49,687 thousand in 2021 to €72,176 thousand in 2022. The increase was mainly due to: (i) an increase in energy costs by €10,942 thousand; (ii) an increase in maintenance costs by €2,862 thousand, mainly attributable to higher maintenance activities performed in the Mexican plants; (iii) higher legal, notary and administrative expenses by €2,918 thousand, mainly related to the Offer; (iv) higher transport costs of €2,542 thousand, mainly attributable to higher sales volumes.

Personnel costs

The table below shows Personnel costs for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Wages and salaries	63,467	9.7%	48,756	12.4%	14,711	30.2%
Social security costs	12,534	1.9%	10,519	2.7%	2,015	19.2%
Allocation of Defined Benefit Plan	1,824	0.3%	1,677	0.4%	147	8.8%
Share award expenses	2,161	0.3%	182	0.0%	1,979	>100.0%
Other payroll costs	228	0.0%	136	0.0%	92	67.6%
Personnel costs	**80,214**	**12.3%**	**61,270**	**15.6%**	**18,944**	**30.9%**

Personnel costs increased by €18,944 thousand, or 30.9%, from €61,270 thousand for the nine months ended September 30, 2021 to €80,214 thousand for the nine months ended September 30, 2022. The increase in wages and salaries and social security costs respectively is mainly attributable to (i) the higher average number of employees, which increased from 2,199 for the nine months ended September 30, 2021 to 2,332 for the nine months ended September 30, 2022; (ii) the increase in wages adjusted for inflation; and (iii) the expenses of €1,979 thousand relating to the amendments to the contract granting certain key management personnel a stake in E.M.S., as described in "*Related party transactions— Key Management Personnel*".

Other expenses

The table below shows Other expenses for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Impairment/Release of receivables	1,354	0.2%	(61)	0.0%	1,415	(>100.0%)
Penalty Charges	160	0.0%	116	0.0%	44	37.9%
Prior year expenses	559	0.1%	352	0.1%	207	58.8%
Provision for risks	314	0.0%	90	0.0%	224	>100.0%
Consumption taxes and excise duties	345	0.1%	238	0.1%	107	45.0%
Other	219	0.0%	49	0.0%	170	>100.0%
Capital loss from asset disposals	31	0.0%	79	0.0%	(48)	-60.8%
Other provisions	820	0.1%	264	0.1%	556	>100.0%
Other expenses	**3,802**	**0.6%**	**1,127**	**0.3%**	**2,675**	**>100.0%**

Other expenses increased by €2,675 thousand, or more than 100.0%, from €1,127 thousand for the nine months ended September 30, 2021 to €3,802 thousand for the nine months ended September 30, 2022. This result is mainly attributable to: (i) the changes in impairment/release of receivables by €1,415 thousand, (ii) the increase in accrual for other provisions by €556 thousand, (iii) the higher provision for risks of €224 thousand and (iv) the increase in prior year expenses of €207 thousand.

Impairment of assets

Due to the conflict between Russia and Ukraine, the Group suspended production at its subsidiary, Euro Group Russia Laminations, at the end of 2021, as its main customer cancelled orders to be delivered in the first half of 2022.

The continuation of the current crisis and the application of related restrictive measures connected to it could force the Group to terminate existing partnerships or forego future business opportunities in Russia or require it to obtain and operate within the limits of specific government approvals, with a consequent adverse effect on the Russian subsidiary's assets. As a result of this, since no recovery forecasts are available, the group has impaired the Russian assets and recorded a write-down of €4,773 thousand for the nine months ended September 30, 2022 that are related to property, plant and equipment for €3,764 thousand and to right of use assets for €1,009 thousand.

Depreciation and amortization expenses

The table below shows depreciation and amortization expenses for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Property, plant and equipment	13,023	2.0%	12,475	3.2%	548	4.4%
Right-of-use assets	5,616	0.9%	4,063	1.0%	1,553	38.2%
Intangible assets with a finite useful life	262	0.0%	221	0.1%	41	18.6%
Total Depreciation and amortization expenses	**18,901**	**2.9%**	**16,759**	**4.3%**	**2,142**	**12.8%**

Depreciation and amortization expenses increased by €2,142 thousand, or 12.8%, from €16,759 thousand for the nine months ended September 30,2021 to €18,901 thousand for the nine months ended September 30, 2022. This increase is attributable to: (i) the higher investment in right-of-use assets, mainly related to buildings and commercial and industrial equipment; (ii) the higher investment in property, plant and equipment, mainly attributable to new machinery.

Financial income and costs

The table below shows financial income and costs for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Derivative financial instruments FVTPL	1,429	0.2%	-	-	1,429	100.0%
Other financial income	72	0.0%	161	0.0%	(89)	(55.3%)
Financial income from Parent Company	63	0.0%	-	-	63	100.0%
Interest income from banks	48	0.0%	52	0.0%	(4)	(7.7%)
Total Financial income	1,612	0.2%	213	0.1%	1,399	>100.0%
Interest on borrowings	3,423	0.5%	2,380	0.6%	1,043	43.8%
Financial expenses from other investors	4,583	0.7%	1,408	0.4%	3,175	>100.0%
Interest expenses to factors	1,257	0.2%	779	0.2%	478	61.4%
Interest for lease liabilities	639	0.1%	551	0.1%	88	16.0%
Derivative financial instruments	246	0.0%	182	0.0%	64	35.2%
Other financial costs	587	0.1%	172	0.0%	415	>100.0%
Total Financial costs	**10,735**	**1.6%**	**5,472**	**1.4%**	**5,263**	**96.2%**
Financial income/(costs)	**(9,123)**	**(1.4%)**	**(5,259)**	**(1.3%)**	**(3,864)**	**73.5%**

The financial income and costs increased by €3,864 thousand to €9,123 thousand for the nine months ended September 30, 2022, compared to €5,259 thousand compared to the nine months ended September 30, 2021. This trend is mainly due to (i) increased financial expenses from other investors of €3,175 thousand, which is related to the fair value of the financial liabilities with SIMEST S.p.A.; (ii) higher interest on borrowings of €1,043 thousand, partially offset by (iii) an increase in the fair value of derivative financial instruments of €1,429 thousand.

Income taxes

Income taxes for the nine months ended September 30, 2022 and 2021 are shown in the table below:

	For the nine months ended September 30,				Changes	
	2022	**% On Revenues**	**2021**	**% On Revenues**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)					
IRES Italian Income taxes....................	7,775	1.2%	1,353	0.3%	6,422	>100.0%
Deferred tax...	6,404	1.0%	3,279	0.8%	3,125	95.3%
IRAP Regional Income taxes	1,706	0.3%	2,457	0.6%	(751)	(30.6%)
Taxes other countries	931	0.1%	15	0.0%	916	>100.0%
Tax previous years	(107)	0.0%	-	-	(107)	(100.0%)
Income taxes	**16,709**	**2.6%**	**7,104**	**1.8%**	**9,605**	**>100.0%**

Income taxes increased by €9,605 thousand, or more than100.0%, from €7,104 thousand for the nine months ended September 30, 2021 to €16,709 thousand for the nine months ended September 30, 2022. This result is mainly due to the higher profit before tax recorded by the Group during 2022.

Profit for the period

As result of the trends discussed above, the profit for the period increased by €15,067 thousand, or 87.5%, from €17,222 thousand for the nine months ended September 30, 2021 to €32,289 thousand for the nine months ended September 30, 2022. For the nine months ended September 30, 2022, profit related to the owners of the Company amounted to €29,771 thousand (€15,791 thousand for the nine months ended September 30, 2021), while profit related to non-controlling interests amounted to €2,518 thousand (€1,431 thousand for the nine months ended September 30, 2021).

RESULT OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

The table below shows the consolidated statement of profit or loss for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Revenues	556,904	373,290	352,074
Other income	2,211	1,826	1,663
Change in work in progress, semi-finished and finished product inventories	10,628	(4,137)	2,297
Costs for purchases of raw materials	(351,737)	(223,932)	(211,129)
Costs for external services	(71,522)	(51,856)	(48,559)
Personnel costs	(88,551)	(71,429)	(67,668)
Other expenses	(2,091)	(3,838)	(1,381)
Share of results of associates	2,846	(190)	(1,121)
Depreciation and amortization expenses	(23,269)	(18,313)	(17,566)
Operating Profit	**35,419**	**1,421**	**8,610**
Financial income	849	1,436	709
Financial costs	(7,676)	(6,257)	(5,342)
Exchange gains/(losses)	1,081	(1,362)	17
Profit / (Loss) before tax	**29,673**	**(4,762)**	**3,994**
Income taxes	(8,982)	7,084	26
Profit for the year	**20,691**	**2,322**	**4,020**
Attributable to:			
owners of the Company	18,752	2,200	3,660
non-controlling interests	1,939	122	360
Earnings per share basic and diluted	3.07	0.41	0.81

Revenues

The table below shows the breakdown by segment of revenues for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
EV & Automotive	195,596	35.1%	147,580	39.5%	112,204	31.9%	48,016	32.5%	35,376	31.5%
Industrial	361,308	64.9%	225,710	60.5%	239,870	68.1%	135,598	60.1%	(14,160)	(5.9%)
Revenues	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**	**183,614**	**49.2%**	**21,216**	**6.0%**

As noted above, revenues from EMEA historically represented the majority of the Group's revenues.

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
EMEA	322,340	57.9%	218,549	58.5%	211,365	60.0%	103,791	47.5%	7,184	3.4%
Of which in Italy	*303,000*	*54.4%*	*209,807*	*56.2%*	*200,796*	*57.0%*	*93,193*	*44.4%*	*9,011*	*4.5%*
North America	206,866	37.1%	143,918	38.6%	140,236	39.8%	62,948	43.7%	3,682	2.6%
Of which in Mexico	*140,669*	*25.3%*	*100,743*	*27.0%*	*85,544*	*24.3%*	*39,926*	*39.6%*	*15,199*	*17.8%*
Of which in United States	*66,197*	*11.9%*	*43,175*	*11.6%*	*54,692*	*15.5%*	*23,022*	*53.3%*	*(11,517)*	*(21.1%)*
Asia	27,698	5.0%	10,823	2.9%	473	0.1%	16,875	>100.0%	10,350	>100.0%
Of which in China	*27,698*	*5.0%*	*10,823*	*2.9%*	*473*	*0.1%*	*16,875*	>100.0%	*10,350*	>100.0%
Revenues	**556,904**	**100.0%**	**373,290**	**100.0%**	**352,074**	**100.0%**	**183,614**	**49.2%**	**21,216**	**6.0%**

2021 vs 2020

Revenues increased by €183,614 thousand or 49.2%, from €373,290 thousand for the year ended December 31, 2020 to €556,904 thousand for the year ended December 31, 2021.

The Industrial segment's revenues increased by €135,598 thousand or 60.1%, from €225,710 thousand for the year ended December 31, 2020 to €361,308 thousand for the year ended December 31, 2021, while EV & Automotive revenues increased by €48,016 thousand or 32.5%, from €147,580 thousand for the year ended December 31, 2020 to €195,596 thousand for the year ended December 31, 2021.

The increase in Industrial segment revenues is the result of: (i) the increase in sales price due in order to recover the higher costs for purchases of raw materials for €94,275 thousand and (ii) to a lesser extent, the organic growth due to the general increase in volume of business; (ii) the higher volume of business towards leading customers with long-term relationship for €32,398 thousand, and higher volume produced through outsourcing agreement for €1,181 thousand; (iii) inorganic growth for €7,744 thousand related to the change of the consolidation perimeter in 2021 for SAF S.p.A. after the shareholder agreement signed on May 2021 and executed through the board resolution dated 25 June 2021. For further information about the change in the consolidation perimeter please see "Acquisition of subsidiaries net of cash and cash equivalent— Acquisition of control over SAF S.p.A.".

The increase in the EV & Automotive segment's revenues is attributable to the higher volume of business that occurred in 2021 following the increasing demand of EV traction products, supported by the favourable regulatory environment worldwide as well as the increase in sales price reflecting higher raw material prices.

By geographical area, the increase in revenues is related to: (i) an increase of €103,791 thousand in EMEA; (ii) an increase of €62,948 thousand in North America; and (iii) an increase of €16,875 thousand in Asia.

The trend in revenues in EMEA is mainly attributable to the following factors: (i) organic growth, attributable to the 13.1% of higher quantities of goods sold in comparison with the previous year both in EV & Automotive and Industrial segments, other than the increase in sales price due in order to recover the higher costs for purchases of raw materials related to the Industrial segment; (ii) inorganic growth for €7,744 thousand, related to the change of the consolidation perimeter in 2021 for SAF S.p.A..

The increase in revenues in North America is mainly due an increase in revenue of €39,926 thousand in Mexico and €23,022 thousand in the United States, driven by higher volume of sales to an important customer that is a leading player in the EV market.

The increase in revenues in Asia is mainly due to increased revenue of €16,875 thousand, attributable to the successful performance achieved with Western customers in China, which led us to significant increase our visibility in this area.

2020 vs 2019

Revenues increased by €21,216 thousand or 6.0%, from €352,074 thousand for the year ended December 31, 2019 to €373,290 thousand for the year ended December 31, 2020.

By segment, revenues in the EV & Automotive segment increased €35,376 thousand or by 31.5%, from €112,204 thousand for the year ended December 31, 2019 to €147,580 thousand for the year ended December 31, 2020, while revenues in the Industrial segment decreased by €14,160 thousand or by 5.9%, from €239,870 thousand for the year ended December 31, 2019 to €225,710 thousand for the year ended December 31, 2020.

The increase in revenue in EV & Automotive segment is the result of higher sales volumes driven by large players in the Automotive segment, both in EMEA and North America.

The decrease in Industrial revenue is mainly attributable to the negative impact of the global pandemic, in particular, on the Chinese plants, which decreased production during the first quarter of 2020. The Italian plants also slowed production during the period from March to May 2020, while the North American plants recorded lower production volumes during the third quarter of that year. These slowdowns were partially offset by the global economic recovery that occurred during the last quarter of 2020.

By geographical area, revenues increased: (i) by €7,184 thousand in EMEA, (ii) by €3,682 thousand in North America, and (iii) by €10,350 thousand in Asia.

In EMEA, the change in revenues is due to increased sales by the Italian companies driven by important players in the EV & Automotive segment.

In North America, is the increase was mainly due to increased revenues from Mexico of €15,199 thousand, partially offset by a decrease by €11,517 thousand in revenues from United States, due to the Covid-related restrictions imposed on the Group's operating activities there.

Revenues from Asia due to inorganic growth of €4,477 thousand related to the change of the consolidation perimeter in 2020 after the acquisition of the control of Euro Misi Laminations Jiaxing Co. Ltd., and by €5,873 thousand due to increased sales. For further information about the change in the consolidation perimeter, "*—Key factors affecting the Group's performance-- Acquisition of subsidiaries—Acquisition of Euro Misi Laminations Jiaxing.*".

Change in work in progress, semi-finished and finished product inventories

Change in work in progress, semi-finished and finished product inventories amounted to €10,628 thousand, (€4,137) thousand and €2,297 thousand for the years ended December 31, 2021, 2020 and 2019, respectively. The increase by €14,765 thousand between 2020 and 2021 is mainly due to (i) the increase in sales volumes and in the order book, which led to an increase of the production at year-end to support the sales of the following year; (ii) the increase of the price of raw materials; and (iii) the increase of the stock in order to avoid any disruption of the business. The decrease of €6,434 thousand between 2019 and 2020 is mainly attributable to the combined effect of the following factors: (i) lower volume of goods produced due to Covid-related restrictions imposed on operating activities in all of the Group's production plant in 2020 and the shortage of raw materials and (ii) higher volume of stock in 2019 to support the sales of the following year.

Costs for purchases of raw materials

2021 vs 2020

Costs for purchases of raw materials, net of changes in inventories, amounted to €351,737 thousand and €223,932 thousand respectively in 2021 and 2020, with an increase of €127,805 thousand (+57.1%). This trend is due to: (i) the organic growth due to the increase in the volume of business, (ii) the increase of the price of raw materials as a consequence of the worldwide shortage in the production of strategic materials such as electrical steel, and (iii) the inorganic growth for €3,783 thousand, related to the change of the consolidation perimeter in 2021 for SAF S.p.A.

2020 vs 2019

Costs for purchases of raw materials, net of changes in inventories, amounted to €223,932 thousand and €211,129 thousand respectively for the financial years 2020 and 2019, with an increase of €12,803 thousand (+6.1%). This trend is due to: (i) the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic, and (ii) the inorganic growth for €3,539 thousand related to the change of the consolidation perimeter in 2020 for Euro Misi Laminations Jiaxing Co. Ltd..

Costs for external services

The table below shows the breakdown of Costs for external services for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,						Changes			
	2021	**% On Revenues**	**2020**	**% On Revenues**	**2019**	**% On Revenues**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
				(in thousands of Euro or percentage)						
Maintenance	14,344	2.6%	9,699	2.6%	8,258	2.3%	4,645	47.9%	1,441	17.4%
Outsourced work	12,723	2.3%	10,514	2.8%	9,801	2.8%	2,209	21.0%	713	7.3%
Energy	11,938	2.1%	6,603	1.8%	7,143	2.0%	5,335	80.8%	(540)	(7.6%)
Transport	10,011	1.8%	8,125	2.2%	7,278	2.1%	1,886	23.2%	847	11.6%
General expenses	4,218	0.8%	3,858	1.0%	3,443	1.0%	360	9.3%	415	12.1%
Directors' remunerations	3,281	0.6%	2,161	0.6%	1,916	0.5%	1,120	51.8%	245	12.8%
Recruitment cost	3,090	0.6%	2,155	0.6%	1,999	0.6%	935	43.4%	156	7.8%
Rents and leases	572	0.1%	847	0.2%	729	0.2%	(275)	(32.5%)	118	16.2%
Of which short-term	*474*	*0.1%*	*588*	*0.2%*	*504*	*0.1%*	*(114)*	*(19.4%)*	*84*	*16.7%*
Of which low values	*98*	*0.0%*	*259*	*0.1%*	*225*	*0.1%*	*(161)*	*(62.2%)*	*34*	*15.1%*
Consultancy fees	2,891	0.5%	1,930	0.5%	1,146	0.3%	961	49.8%	784	68.4%
Legal, notary and administrative expenses	2,453	0.4%	1,032	0.3%	1,182	0.3%	1,421	>100%	(150)	(12.7%)
Commissions	1,875	0.3%	1,751	0.5%	2,159	0.6%	124	7.1%	(408)	(18.9%)
Insurance	1,512	0.3%	1,208	0.3%	1,159	0.3%	304	25.2%	49	4.2%
Other costs for external services	2,614	0.5%	1,973	0.5%	2,346	0.7%	641	32.5%	(373)	(15.9%)
Costs for external services	**71,522**	**12.8%**	**51,856**	**13.9%**	**48,559**	**13.8%**	**19,666**	**37.9%**	**3,297**	**6.8%**

2021 vs 2020

The Costs for external services increased by €19,666 thousand or by 37.9%, from €51,856 thousand in 2020 to €71,522 thousand in 2021. This trend is mainly due to: (i) higher volume of business that lead to an increase of outsourced work and transport costs respectively for €2,209 thousand and €1,886 thousand; (ii) the increase of the price of Energy cost for €5,335 thousand; (iii) the change of the consolidation perimeter in 2021 for SAF S.p.A. for €1,181 thousand; (iv) the increase of maintenance costs for €4,645 thousand mainly related to the maintenance activities performed in the Mexican plants; (v) higher directors' remuneration for €1,120 thousand; and (vi) higher consultancy and legal, notary and administrative expenses respectively for €961 thousand and €1,421 thousand.

2020 vs 2019

The Costs for external services increased by €3,297 thousand (+6.8%) from €48,559 thousand in 2019 to €51,856 thousand in 2020, mainly due to: (i) the higher volume of business that lead to an increase of outsourced work and transport costs respectively for €713 thousand and €847 thousand; (ii) higher maintenance costs for €1,441 thousand, mainly attributable to Mexican companies of the Group, due to new production processes required by an important client that requires more frequent maintenance activity in order to guarantee higher standard of quality; (iii) the change of the consolidation perimeter in 2020 of Euro Misi Laminations Jiaxing Co. Ltd. for €665 thousand; partially offset by (iv) lower energy costs for €540 thousand.

Personnel costs

The table below shows Personnel costs for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Wages and salaries	67,594	12.1%	55,937	15.0%	52,973	15.0%	11,657	20.8%	2,964	5.6%
Social security costs	14,554	2.6%	12,085	3.2%	10,794	3.1%	2,469	20.4%	1,291	12.0%
Allocation of Defined Benefit Plan	2,486	0.4%	2,043	0.5%	2,036	0.6%	443	21.7%	7	0.3%
Share award expenses	3,698	0.7%	1,271	0.3%	356	0.1%	2,427	>100%	915	>100%
Other payroll costs	219	0.0%	93	0.0%	1.509	0.4%	126	>100%	(1,416)	(93.8%)
Personnel costs	**88,551**	**15.9%**	**71,429**	**19.1%**	**67,668**	**19%**	**17,122**	**24.0%**	**3,761**	**5.6%**

2021 vs 2020

Personnel costs increased by €17,122 thousand (+24.0%), from €71,429 thousand in 2020 to €88,551 thousand in 2021. This result is mainly attributable to the increase in the average number of employees from 1,830 in 2020 to 2,055 in 2021, and of the share award expenses of €2,427 thousand.

2020 vs 2019

Personnel costs increased by €3,761 thousand (+5.6%), from €67,668 thousand in 2019 to €71,429 thousand in 2020. This result is mainly attributable to the increase in the average number of employees from 1,768 in 2019 to 1,830 in 2020, partially offset by the Italian public subsidies for employees ("Cassa Integrazione Guadagni Ordinaria") of €584 thousand, other than €1,249 thousand related to similar contribution in other countries, mainly in the United States and in Mexico.

Other expenses

The following table shows the other expenses for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Prior year expenses	721	0.1%	725	0.2%	344	0.1%	(4)	(0.6%)	381	>100.0%
Penalty charges	420	0.1%	597	0.2%	222	0.1%	(177)	(29.6%)	375	>100.0%
Consumption of excise duties	365	0.1%	299	0.1%	303	0.1%	66	22.1%	(4)	(1.3%)
Other expenses	288	0.1%	279	0.1%	307	0.1%	9	3.2%	(28)	(9.1%)
Other provisions	267	0.0%	538	0.1%	400	0.1%	(271)	(50.4%)	138	34.5%
Provision for risks	94	0.0%	13	0.0%	-	0.0%	81	>100.0%	13	>100.0%
Capital loss from asset disposals	29	0.0%	5	0.0%	3	0.0%	24	>100.0%	2	66.7%
(Reversal)/Allocation to provision for doubtful debt	(93)	0.0%	1,382	0.4%	(198)	(0.1%)	(1,475)	(>100.0%)	1,580	>100.0%
Other expenses	**2,091**	**0.4%**	**3,838**	**1.0%**	**1,381**	**0.4%**	**(1,747)**	**(45.5%)**	**2,457**	**>100%**

2021 vs 2020

Other expenses decreased by €1,747 thousand or by 45.5%, from €3,838 thousand in 2020 to €2,091 thousand in 2021. This result is mainly attributable to: (i) the changes in provision for doubtful debt for €1,475 thousand, (ii) the decrease in accrual for other provision for €271 thousands, and (iii) lower penalty charges for €177 thousand, partially offset by higher provision for risks for €81 thousand.

2020 vs 2019

Other expenses increased by €2,457 thousand, from €1,381 thousand in 2019 to €3,838 thousand in 2020. This result is mainly attributable to the higher accruals for the changes in provision of doubtful debt of €1,580 thousand, to the increase in penalty charges for €375 thousand and to the increase of prior year expenses for €381 thousand.

Share of results of associates

An associate is an entity over which an investor has significant influence, but not control or joint control. The table below shows the details of Share results of associates for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
SAF S.P.A.	2,846	2,150	1,130
EURO MISI LAMINATIONS JIAXING CO. LTD	-	(2,340)	(2,251)
Share of results of associates	**2,846**	**(190)**	**(1,121)**

2021 vs 2020

Share of results of associates increased by €3,036 thousand, from (€190) thousand in 2020 to €2,846 thousand in 2021. This increase is mainly attributable to the change in the consolidation perimeter in 2021 related to Euro Misi Laminations Jiaxing Co. Ltd..

2020 vs 2019

Share of results of associates increased by €931 thousand, from (€1,121) thousand in 2019 to (€190) thousand in 2020. This increase is mainly attributable to the Group's share of the profit or loss of SAF S.p.A..

Depreciation and amortization expenses

The table below shows the Depreciation and amortization expenses for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Property, plant and equipment	16,414	2.9%	13,410	3.6%	13,802	3.9%	3,004	22.4%	(392)	(2.8%)
Right-of-use assets	6,427	1.2%	4,539	1.2%	3,345	1.0%	1,888	41.6%	1,194	35.7%
Intangible assets with a finite useful life	428	0.1%	364	0.1%	419	0.1%	64	17.6%	(55)	(13.1%)
Total Depreciation and amortization expenses	**23,269**	**4.2%**	**18,313**	**4.9%**	**17,566**	**5.0%**	**4,956**	**27.1%**	**747**	**4.3%**

2021 vs 2020

Depreciation and amortization expenses increased by €4,956 thousand (+27.1%), from €18,313 thousand in 2020 to €23,269 thousand in 2021. This increase is attributable to the higher investment in Property, plant and equipment occurred in 2021 compared to the previous year mainly attributable to the purchase of new machineries and to the change of the consolidation perimeter in 2021 related to SAF S.p.A.

2020 vs 2019

Depreciation and amortization expenses increased by €747 thousand (+4.3%), from €17,566 thousand in 2019 to €18,313 thousand in 2020, as a result of: (i) higher depreciation of Right-of-use assets for €1,194 thousand is mainly due to (i) new contracts for buildings and plant and machinery and (ii) the change of the consolidation perimeter in 2021 related to Euro Misi Laminations Jiaxing Co. Ltd., partially offset by (iii) lower investments in Property, plant and equipment in 2020 compared to the previous year as a measure to preserve liquidity following the Covid-19 outbreak.

Financial income and costs

The table below shows Financial income and costs for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Derivative financial instruments FVTPL	462	0.1%	72	0.0%	65	0.0%	390	>100%	7	10.8%
Other financial income	212	0.0%	240	0.1%	503	0.1%	(28)	(11.7%)	(263)	(52.3%)
Financial income from Parent Company	84	0.0%	68	0.0%	84	0.0%	16	23.5%	(16)	(19.0%)
Interest income from banks	68	0.0%	91	0.0%	48	0.0%	(23)	(25.3%)	43	89.6%
Financial income for employee benefit - TFR	23	0.0%	13	0. 0%	9	0.0%	10	76.9%	4	44.4%
Financial income from other investors	-	0.0%	952	0.3%	-	0.0%	(952)	(100.0%)	952	>100.0%
Total Financial income	**849**	**0.2%**	**1,436**	**0.4%**	**709**	**0.2%**	**(587)**	**(40.9%)**	**727**	**>100.0%**
Interest on borrowings	3,692	0.7%	3,537	0.9%	3,151	0.9%	155	4.4%	386	12.3%
Financial expenses from other investors	1,655	0.3%	1,038	0.3%	1,347	0.4%	617	59.4%	(309)	(22.9%)
Interest expenses to factors	1,068	0.2%	335	0.1%	124	0.0%	733	>100%	211	>100.0%
Interest for lease liabilities	769	0.1%	561	0.2%	440	0.1%	208	37.1%	121	27.5%
Derivative financial instruments	263	0.0%	522	0.1%	280	0.1%	(259)	(49.6%)	242	86.4%
Other financial costs	229	0.0%	264	0.1%	-	0.0%	(35)	(13.3%)	264	>100.0%
Total Financial costs	**7,676**	**1.4%**	**6,257**	**1.7%**	**5,342**	**1.5%**	**1,419**	**22.7%**	**915**	**17.1%**
Financial income/(costs)	**(6,827)**	**(1.2%)**	**(4,821)**	**(1.3%)**	**(4,633)**	**(1.3%)**	**(2,006)**	**41.6%**	**(188)**	**4.1%**

2021 vs 2020

The financial income and costs accounted for a negative amount of €6,827 thousand for the fiscal year 2021, with an increase of the net financial costs of €2,006 thousand compared to 2020. This trend is mainly due to (i) lower financial income from other investors that the Group recognized in 2020 for €952 thousand related to the positive change in the fair value of the financial liabilities to SIMEST S.p.A. (in 2021 the Group recognized a financial expense from this financial instrument equal to €828 thousand, classified in the line item "financial expenses from other investors"), (ii) higher interest expenses to factors for €733 thousand and (iii) higher financial expenses from other investors for €617 thousand.

2020 vs 2019

The financial income and costs recorded a negative amount of €4,821 thousand for the fiscal year 2020, with an increase of the financial results of €188 thousand compared to 2019. This trend is mainly due to the higher interests on borrowings and for lease liabilities respectively for €386 thousand and for €121 thousand, other than the negative effect on the fair value of the derivative financial instruments of €242 thousand and higher interest expenses to factors for €211 thousand, partially offset by higher financial income from other investors recognized by the Group in 2020 for €952 thousand.

The table below shows the impact on the Consolidated Statement of profit or loss of the dividend related to Simest agreements for the years ended December 31, 2021, 2020 and 2019.

	For the years ended December 31,		
	2021	2020	2019
		(in thousands of Euro)	
Dividends	(117)	(247)	(370)
EURO HIGHTECH MEXICO S.A. DE C.V	*(92)*	*(55)*	*(78)*
EUROTRANCIATURA MÉXICO, S. A. DE C. V	*(25)*	*(192)*	*(292)*
Interest expenses	(1,538)	(791)	(977)
Financial expenses from other investor	**(1,655)**	**(1,038)**	**(1,347)**
Interest income	-	952	-
Financial income from other investor	**-**	**952**	**-**

Income taxes

Income taxes for the years ended December 31, 2021, 2020 and 2019 are shown in the table below:

	For the year ended December 31						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
				(in thousands of Euro or percentage)						
IRES Italian Income taxes	1,371	0.2%	131	0.0%	1,026	0.3%	1,240	>100.0%	(895)	(87.2%)
IRAP Regional Income taxes	1,097	0.2%	230	0.1%	555	0.2%	867	>100.0%	(325)	(58.6%)
Taxes other countries	3,023	0.5%	4,020	1.1%	1,260	0.4%	(997)	(24.8%)	2,760	>100.0%
Taxes previous years	115	0.0%	(38)	0.0%	(64)	0.0%	153	(>100.0%)	26	(40.6%)
Deferred tax	3,376	0.6%	(11,427)	(3.1%)	(2,803)	(0.8%)	14,803	(>100.0%)	(8,624)	>100.0%
Income taxes	**8,982**	**1.6%**	**(7,084)**	**(1.9%)**	**(26)**	**0.0%**	**16,066**	**(>100.0%)**	**(7,058)**	**>100.0%**

2021 vs 2020

Income taxes increased by €16,066 thousand (>100.0%), from a negative amount of €7,084 thousand in 2020 to €8,982 thousand in 2021. This result is due to the higher profit before tax recorded by the Group during 2021.

2020 vs 2019

Income taxes decreased by €7,058 thousand, from €26 thousand in 2019 to €7,084 thousand in 2020. The negative amount is a consequence of the higher deferred tax assets recognized by the Group for €8,624 thousand, mainly related on property plant and equipment for €6,099 thousand, intangible assets for €1,488 thousand, and tax losses for €1,675 thousand, partially compensated by an increase in income taxes from other countries for €2,760 thousand.

Profit for the year

2021 vs 2020

As result of the trends discussed above, the Profit for the year increased by €18,369 thousand (or more than 100%), compared to 2020, from €2,322 thousand in 2020 to €20,691 thousand in 2021. In 2021, profit related to the owners of the Company amounted to €18,752 thousand (€2,200 thousand in 2020), while profit related to non-controlling interests amounted to €1,939 thousand (€122 thousand in 2020).

2020 vs 2019

As result of the trends discussed above, the Profit for the year decreased by €1,698 thousand, or 42.2%, compared to 2019, from €4,020 thousand in 2019 to €2,322 thousand in 2020. In 2020, profit related to the owners of the Company amounted to €2,200 thousand (€3,660 thousand in 2019), while profit related to non-controlling interests amounted to €122 thousand (€360 thousand in 2019).

Selected key metrics

EBITDA

The following table sets forth EBITDA for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,				Changes	
	2022	% On Revenues	2021	% On Revenues	2022 vs 2021	%
	(in thousands of Euro or percentage)					
Profit for the period	32,289	*5.0%*	17,222	*4.4%*	15,067	*87.5%*
Income taxes	16,709	*2.6%*	7,104	*1.8%*	9,605	*>100.0%*
Financial costs	10,735	*1.6%*	5,472	*1.4%*	5,263	*96.2%*
Financial income	(1,612)	*(0.2%)*	(213)	*(0.1%)*	(1,399)	*>100.0%*
Depreciation and amortization expenses	18,901	*2.9%*	16,759	*4.3%*	2,142	*12.8%*
EBITDA	**77,022**	***11.8%***	**46,344**	***11.8%***	**30,678**	***66.2%***

EBITDA for the nine months ended September 30, 2022 amounted to €77,022 thousand compared to €46,344 thousand for the nine months ended September 30, 2021.

The change in EBITDA was mainly due to higher revenues of €259,162 thousand from higher sales volumes, mainly driven by co-development of innovative products through partnership with clients well as to the increase in sales prices to reflect the higher cost of raw materials, partially offset by an increase in costs related to higher production volumes and the higher cost of raw materials and energy.

The following table sets forth EBITDA for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,						Changes			
	2021	% On Revenues	2020	% On Revenues	2019	% On Revenues	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)									
Profit for the year	20,691	*3.7%*	2,322	*0.6%*	4,020	*1.1%*	18,369	*>100.0%*	(1,698)	*(42.2%)*
Income taxes	8,982	*1.6%*	(7,084)	*(1.9%)*	(26)	*0.0%*	16,066	*>100.0%)*	(7,058)	*>100.0%*
Financial costs	7,676	*1.4%*	6,257	*1.7%*	5,342	*1.5%*	1,419	*22.7%*	915	*17.1%*
Financial income	(849)	*(0.2%)*	(1,436)	*(0.4%)*	(709)	*(0.2%)*	587	*(40.9%)*	(727)	*>100.0%*
Depreciation and amortization expenses	23,269	*4.2%*	18,313	*4.9%*	17,566	*5.0%*	4,956	*27.1%*	747	*4.3%*
EBITDA	**59,769**	**10.7%**	**18,372**	**4.9%**	**26,193**	**7.4%**	**41,397**	***>100.0%***	**(7,821)**	***(29.9%)***

2021 vs 2020

EBITDA for the year ended December 31, 2021 amounted to €59,769 thousand compared to €18,372 thousand for the year ended December 31, 2020.

The change in EBITDA was mainly due to (i) higher revenues of €183,614 thousand from higher sales volume, mainly driven by the "Energy transition" and co-development of innovative products through partnership with clients, other than stable, long-term relationships with leading customers, as well as to the increase in sales prices to reflect the higher cost of raw materials, partially offset by (ii) an increase in costs related to higher volumes of business as well as to the higher costs for purchases of raw materials.

2020 vs 2019

EBITDA for the year ended December 31, 2020 amounted to €18,372 thousand compared to €26,193 thousand for the year ended December 31, 2019.

The decrease in EBITDA was mainly due to: the shortage of raw materials available in the market during the phase of spread of the Covid-19 pandemic that led to a significant increase in price of such materials that negatively affected the marginality, partially offset by higher revenue of €21,216 thousand as a result of the increase in the volume of business realized in the EV & Automotive segment.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal sources of liquidity are cash from operating activities, bank credit lines and other forms of indebtedness, while the primary needs for liquidity are to fund operating working capital, repay debt and make investments to develop its business.

Cash and cash equivalents are equal to €64,581 thousand as of September 30, 2022, €137,662 thousand as of December 31, 2021, €107,655 thousand as of December 31, 2020 and €44,839 thousand as of December 31, 2019. Net Financial Indebtedness was €306,131 thousand as of September 30, 2022, €151,714 thousand as of December 31, 2021, €149,910 thousand as of December 31, 2020 and €163,769 thousand as of December 31, 2019. Current financial indebtedness was €140,603 thousand as of September 30, 2022 and €105,303 thousand, €89,945 thousand and €117,045 thousand as of December 31, 2021, 2020 and 2019, respectively and non-current financial indebtedness was €230,109 thousand as of September 30, 2022 and €184,073 thousand, €167,620 thousand and €96,539 thousand as of December 31, 2021, 2020 and 2019, respectively. In particular, as of September 30, 2022, the Group had credit lines in Euro for €169,133 thousand, of which €68,025 thousand were used. As of December 31, 2021, 2020 and 2019 the Group had credit lines in Euro for €142,332 thousand, €124,980 thousand and €109,900 thousand respectively, which were used for €39,007 thousand, €48,298 thousand and €69,878 thousand as of December 31, 2021, 2020 and 2019, respectively. As a result, credit lines in Euro which can be used as of December 31, 2021, 2020 and 2019 are, respectively, €103,325 thousand, €76,682 thousand and €40,022 thousand.

The Net Trade Working Capital was €201,115 thousand as of September 30, 2022, €76,757 thousand, €63,260 thousand and €93,462 thousand respectively as of December 31, 2021, 2020 and 2019. The increase in Net Trade Working Capital between December 31, 2021 and September 30, 2022 for €124,358 thousand was mainly due to the increase in inventories and trade receivables by respectively €135,509 thousand and €67,772 thousand compared to 2021, partially offset by the increase in trade payables of €78,923 thousand. The increase in Net Trade Working Capital between December 31, 2020 and December 31, 2021 for €13,497 thousand was mainly due to: (i) the increase in inventories and trade receivables by respectively €87,202 thousand and €37,291 thousand compared to 2020, partially offset by (ii) the increase in trade payables of €110,996 thousand. The decrease in Net Trade Working Capital between December 31, 2019 and December 31, 2020 for €30,202 thousand is mainly attributable to the increase in trade payables for €28,593 thousand.

The Group does not currently have any policies in place regarding dividends or the distribution of future dividends. The Company's shareholders' meeting will resolve upon the distribution of dividends from time to time.

The Company believes that the current cash flow from operating activities and existing bank financing provides with sufficient liquidity to meet current operating working capital needs and financial debt repayment.

CAPITAL RESOURCES OF THE GROUP

The following table shows Interim Condensed Consolidated statement of financial position and the Consolidated statement of financial position as of September 30, 2022 and December 31, 2021, 2020 and 2019.

	As of September 30,		As of December 31,					
	2022	**% On Net Invested Capital**	**2021**	**% On Net Invested Capital**	**2020**	**% On Net Invested Capital**	**2019**	**% On Net Invested Capital**
	(in thousands of Euro or percentage)							
Net Fixed Assets	275,404	56.1%	230,972	77.2%	196,350	77.3%	137,772	59.4%
Net Working Capital	215,273	43.9%	68,069	22.8%	57,516	22.7%	93,979	40.6%
Net Invested Capital	**490,677**	**100.0%**	**299,041**	**100.0%**	**253,866**	**100.0%**	**231,751**	**100.0%**
Net Financial Indebtedness	306,131	62.4%	151,714	50.7%	149,910	59.1%	163,769	70.7%
Total Equity	184,546	37.6%	147,327	49.3%	103,956	40.9%	67,982	29.3%
Net Financial Indebtedness and Total Equity	**490,677**	**100.0%**	**299,041**	**100.0%**	**253,866**	**100.0%**	**231,751**	**100.0%**

For further information on the Net Financial Indebtedness please see "*Liquidity and Capital Resources— Net Financial Indebtedness*".

For further information on the Total Equity please see "*Selected financial and other information— Summary Consolidated Statement of Financial Position Information*".

For further information about other current assets, current tax receivables, other current liabilities and current tax liabilities please see the Notes to the Interim Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2022 and the Consolidated Financial Statements as of and for the years ended December 31, 2021, 2020 and 2019.

Net Fixed Assets

The following table provides the calculation of Net Fixed Assets as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	**As of December 31, 2021**	**Changes 2022 vs 2021**	**%**
	(in thousands of Euro or percentage)			
Intangible assets	2,589	2,440	149	6.1%
Property, plant and equipment	204,475	145,507	58,968	40.5%
Right-of-use assets	57,691	61,993	(4,302)	(6.9%)
Non-current financial assets	9,611	17,797	(8,186)	(46.0%)
Deferred tax assets	20,523	23,025	(2,502)	(10.9%)
Other non-current assets	2,300	1,907	393	20.6%
Employee benefits	(4,033)	(4,809)	776	(16.1%)
Deferred tax liabilities	(11,960)	(8,088)	(3,872)	47.9%
Provisions	(1,500)	(402)	(1,098)	>100.0%
Other non-current liabilities	(4,292)	(9,906)	5,614	(56.7%)
Payables for shareholder dividends [i]	-	1,508	(1,508)	(100.0%)
Net Fixed Assets	**275,404**	**230,972**	**44,432**	**19.2%**

[i] The item is included in the "Other non-current liabilities" of the Consolidated Statement of Financial Position.

For further information about Intangible assets, Property, plant and equipment and Right-of-use assets, please see *Operating and financial review— Capital Expenditures and Investments".*

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Intangible assets	2,440	2,142	1,498	298	*13.9%*	644	*43.0%*
Property, plant and equipment	145,507	115,043	89,028	30,464	*26.5%*	26,015	*29.2%*
Right-of-use assets	61,993	44,004	23,811	17,989	*40.9%*	20,193	*84.8%*
Investments in associates	-	12,015	11,305	(12,015)	*(>100.0%).*	710	*6.3%*
Non-current financial assets	17,797	12,883	9,901	4,914	*38.1%*	2,982	*30.1%*
Deferred tax assets	23,025	22,410	10,252	615	*2.7%*	12,158	*>100.0%*
Other non-current assets	1,907	890	1,631	1,017	*>100%*	(741)	*(45.4%)*
Employee benefits	(4,809)	(5,080)	(5,087)	271	*(5.3%)*	7	*(0.1%)*
Deferred tax liabilities	(8,088)	(4,296)	(3,462)	(3,792)	*88.3%*	(834)	*24.1%*
Provisions	(402)	(384)	(384)	(18)	*4.7%*	-	*0.0%*
Other non-current liabilities	(9,906)	(4,785)	(2,229)	(5,121)	*>100%*	(2,556)	*>100%*
Payables for shareholder dividends [(i)]	1,508	1,508	1,508	-	*0.0%*	-	0.0%
Net Fixed Assets	**230,972**	**196,350**	**137,772**	**34,622**	***17.6%***	**58,578**	***42.5%***

(i) The item is included in the "Other non-current liabilities" of the Consolidated Statement of Financial Position.

September 30, 2022 vs December 31, 2021

Net Fixed Assets increased by €44,432 thousand or by 19.2% from €230,972 thousand as of December 31, 2021 to €275,404 thousand as of September 30, 2022. This result is mainly due to: (i) the higher investment in Property, plant and equipment occurred in 2022 compared to the previous period mainly related to the assets under construction of €53,019 thousand and the new machineries of €8,158 thousand; (ii) the decrease in other non-current liabilities of €5,614 thousand mainly related to share award plan liability partially offset by (iii) the decrease in non-current financial assets of €8,186 thousand mainly related to share interest in E.M.S. S.p.A., share interest in Kuroda and derivatives; (iv) the decrease in right-of-use assets of €4,302 thousand; and (v) the increase in deferred tax liabilities of €3,872 thousand.

2021 vs 2020

Net Fixed Assets increased by €34,622 thousand or by 17.6% from €196,350 thousand as of December 31, 2020 to €230,972 thousand as of December 31, 2021. This result is mainly due to: (i) the higher investment in Property, plant and equipment occurred in 2021 compared to the previous period mainly related to the assets under construction of €14,000 thousand and the new machineries of €19,371 thousand; (ii) the increase of right-of-use assets of €17,989 thousand; (iii) the increase in non-current financial assets of €4,914 thousand mainly due to the share interest in E.M.S. S.p.A. and the share interest in Kuroda partially offset by (iv) the decrease in investments in associates of €12,015 thousand mainly related to SAF S.p.A.; (v) the increase in other non-current liabilities of €5,121 thousand mainly related to share award plan liability and deferred income; and (vi) the increase in deferred tax liabilities of €3,792 thousand.

2020 vs 2019

Net Fixed Assets increased by €58,578 thousand or by 42.5% from €137,772 thousand as of December 31, 2019 to €196,350 thousand as of December 31, 2020. This result is mainly due to: (i) the higher investment in Property, plant and equipment occurred in 2020 compared to the previous period mainly related to the assets under construction of €6,028 thousand and the new machineries of €11,542 thousand; (ii) the increase of right-of-use assets of €20,193 thousand; (iii) the increase in deferred tax assets of €12,158 thousand; (iv) the increase in non-current financial assets of €2,982 thousand mainly due to the financial receivables to parent company and financial receivables from associates partially offset by (v) the increase in other non-current liabilities of €2,556 thousand mainly related to share award plan liability, other non-current tax payables and deferred income.

Net Working Capital

The following table provides the calculation of Net Working Capital as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31, 2021	Changes	
			2022 vs 2021	%
	(in thousands of Euro or percentage)			
Inventories	355,457	219,948	135,509	61.6%
Trade receivables	164,791	97,019	67,772	69.9%
Trade payables	(319,133)	(240,210)	(78,923)	32.9%
Net Trade Working Capital	**201,115**	**76,757**	**124,358**	**>100.0%**
Current tax receivables	4,597	1,896	2,701	>100.0%
Other current assets	37,193	27,094	10,099	37.3%
Other current liabilities	(24,180)	(35,263)	11,083	(31.4%)
Current tax liabilities	(3,452)	(2,415)	(1,037)	42.9%
Net Working Capital	**215,273**	**68,069**	**147,204**	**>100.0%**

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Inventories	219,948	132,746	127,874	87,202	65.7%	4,872	3.8%
Trade receivables	97, 019	59, 728	66,209	37,291	62.4%	(6,481)	(9.8%)
Trade payables	(240,210)	(129,214)	(100,621)	(110,996)	85.9%	(28,593)	28.4%
Net Trade Working Capital	**76,757**	**63,260**	**93,462**	**13,497**	**21.3%**	**(30,202)**	**(32.3%)**
Current tax receivables	1,896	2,730	5,208	(834)	*(30.5%)*	(2,478)	*(47.6%)*
Other current assets	27,094	12,903	10,554	14,191	*>100.0%*	2,349	*22.3%*
Other current liabilities	(35,263)	(21,122)	(14,513)	(14,141)	*66.9%*	(6,609)	*45.5%*
Current tax liabilities	(2,415)	(255)	(732)	(2,160)	*>100.0%*	477	*(65.2%)*
Net Working Capital	**68,069**	**57,516**	**93,979**	**10,553**	***18.3%***	**(36,463)**	***(38.8%)***

September 30, 2022 vs December 31, 2021

Net Working Capital increased by €147,204 thousand or by >100.0% from €68,069 thousand as of December 31, 2021 to €215,273 thousand as of September 30, 2022. This result is attributable to: (i) the increase in Inventories of €135,509 thousand; (ii) the increase in trade receivables of €67,772 thousand; (iii) the increase in other current assets of €10,099 thousand, (iv) the increase in current tax receivables of €2,701 thousand; (v) the increase in trade payables of €78,923 thousand; (vi) the decrease in other current liabilities of €11,083 thousand; and (vii) the increase in current tax liabilities of €1,037 thousand.

2021 vs 2020

Net Working Capital increased by €10,553 thousand or by 18.3% from €57,516 thousand as of December 31, 2020 to €68,069 thousand as of December 31, 2021. This result is mainly attributable to: (i) the increase in inventories of €87,202 thousand; (ii) the increase in trade receivables of €37,291 thousand; (iii) the increase in other current assets of €14,191 thousand; (iv) the decrease in current tax receivables of €834 thousand; (v) the increase in trade payables of €110,996 thousand; (vi) the increase in other current liabilities of €14,141 thousand; and (viii) the increase in current tax liabilities of €2,160 thousand.

2020 vs 2019

Net Working Capital decreased by €36,463 thousand or by 38.8% from €93,979 thousand as of December 31, 2019 to €57,516 thousand as of December 31, 2020. This result is mainly attributable to: (i) the increase in inventories of €4,872 thousand; (ii) the decrease in trade receivables of €6,481 thousand; (iii) the increase in current financial assets of €4,976 thousand; (iii) the decrease in other current assets of €2,349 thousand; (iv) the decrease in current tax receivables of €2,478 thousand; (v) the increase in trade payables of €28,593 thousand; and (vi) the increase in other current liabilities of €6,609 thousand; (viii) the decrease in current tax liabilities of €477 thousand.

Trade receivables

The trade receivables amount to €164,791 thousand as of September 30, 2022, and €97,019 thousand, €59,728 thousand and €66,209 thousand respectively as of December 31, 2021, 2020 and 2019.

The trade receivables attributable to the top customer are equal to 8.2% as of September 30, 2022 and 9.1%, 11.4% and 21.5% of the total trade receivables as of December 31, 2021, 2020 and 2019, respectively; the trade receivables attributable to the top 5 customers are equal to 25.2% as of September 30, 2022 and 29.1%, 39.7% and 44.0% as of December 31, 2021, 2020 and 2019, while the top 10 customers represent the 41.2% as of September 30, 2022 and 40.4%, 55.3% and 54.9% respectively as of December 31, 2021, 2020 and 2019

The following table shows the Days Sales Outstanding (DSO) and Trade Receivables Turnover as of and for the nine months ended September 30, 2022, and the years ended December 2021, 2020 and 2019.

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	2021	2022 vs 2021	%
	(in thousands of Euro or percentage)			
Days Sales Outstanding (DSO)(i)	74	64	10	*15.2%*
Trade Receivables Turnover(ii)	5.0	5.7	(0.7)	*(13.1%)*

(i) Days Sales Outstanding is calculated as the ratio of Trade receivables divided by revenues, multiplied by 365 and expressed in number of days. For the last twelve-months ended September 30, 2022 data, revenues are calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the Revenues for the year ended December 31, 2021 and then by adding the revenues for the nine-months period ended September 30, 2022.

(ii) Trade Receivables Turnover is calculated as the ratio of revenues divided by Trade receivables. For the last twelve-months ended September 30, 2022 data, revenues are calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then adding the revenues for the nine-months period ended September 30, 2022.

	As of and for year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Days Sales Outstanding (DSO)(i)	64	58	69	6	*10.3%*	(11)	*(15.9%)*
Trade Receivables Turnover(ii)	5.7	6.2	5.3	(0.5)	*(8.1%)*	0.9	*(17.0%)*

(i) Days Sales Outstanding is calculated as the ratio of Trade receivables divided by Revenues, multiplied by 365 and expressed in number of days.

(ii) Trade Receivables Turnover is calculated as the ratio of revenues divided by Trade receivables.

The following table contains a breakdown of third-party trade receivables by overdue category:

	As of September 30, 2022		As of December 31,					
			2021		2020		2019	
	Receivables	Provision	Receivables	Provision	Receivables	Provision	Receivables	Provision
				(*in thousands of Euro*)				
Receivables due................	133,535	(94)	76,788	(64)	45,885	(41)	48,689	(43)
Receivables past due by less than 60 days	27,418	(418)	12,814	(95)	6,164	(55)	9,613	(63)
Receivables between 60 and 180 days past due	1,502	(73)	3,385	(182)	1,354	(68)	2,838	(85)
Receivables past due by over 180 days................	11,515	(8,594)	11,939	(7,566)	14,146	(7,657)	12,048	(6,788)
Total	**173,970**	**(9,179)**	**104,926**	**(7,907)**	**67,549**	**(7,821)**	**73,188**	**(6,979)**

Although the Group monitors the credit quality of the third-parties on the basis of internal or external ratings and sets credit limits subject to regular monitoring and the clients are all major players in the sectors in which the Group is active, its customers may delay or fail to fulfill their payment requirements in terms agreed and the internal procedures adopted in relation to the assessment of credit risk and customer solvency may not be sufficient.

Trade recevables past due by over 180 days are mainly attributable to: (i) clients subject to bankruptcy; (ii) ongoing legal claims on overdue receivables; and (iii) delay in payment from clients. The actions put in place by the Group for the recoverability for such receivables mainly include: (i) adhesion to bankruptcy procedure; (ii) enforcement of guarantees (for guardanteed receivables); (iii) appointing laywers to recover the receivables.

The following table shows the impact of overdue receivables in relation to the trade receivables.

	As of September 30, 2022	As of December 31,		
		2021	2020	2019
		(*in thousands of Euro*)		
Trade receivables	173,970	104,926	67,549	73,188
Overdue Receivables..	40,435	28,138	21,664	24,499
Impact on trade receivables of overdue receivables..	**23.2%**	**26.8%**	**32.1%**	**33.5%**

The overdue receivables increased by €12,297 thousand from €28,138 thousand as fo December 31, 2021 to €40,435 thousand as of September 30, 2022. The trade receivables past due by less than 60 days are related to the standard timing of collection and they amount to €27,418 thousand as of September 30, 2022 and €12,814 thousand, €6,164 thousand and €9,613 thousand respectively as of December 31, 2021, 2020 and 2019. The trade receivables past due by over than 60 days amount to €13,017 thousand as of September 30, 2022 and €15,324 thousand, €15,500 thousand and €14,886 thousand respectively as of December 31, 2021, 2020 and 2019.

The amount of trade receivables transferred through factoring agreements *pro-soluto* are equal to €44,852 thousand as of September 30, 2022 and €40,530 thousand, €40,691 thousand and €21,068 thousand respectively as of December 31, 2021, 2020 and 2019. As of September 30, 2022 and December 31, 2021, 2020 and 2019, the Issuer has used only *pro-soluto* factoring agreements to collect certain type of trade receivables.

Trade payables

The trade payables amount to €319,133 thousand as of September 30, 2022, and €240,210 thousand, €129,214 thousand and €100,621 thousand respectively as of December 31, 2021, 2020 and 2019.

The trade payables attributable to the top supplier are equal to 22.6% as of September 30, 2022 and 10.1%, 12.0% and 16.0% of the total trade payables as of December 31, 2021, 2020 and 2019; the trade payables attributable to the top 5 suppliers is equal to 44.0% as of September 30, 2022 and 39.1%, 37.4% and 39.6% as of December 31, 2021, 2020 and 2019, while the top 10 suppliers represent the 52.6% as of September 30, 2022 and 54.7%, 56.6% and 54.3% respectively as of December 31, 2021, 2020 and 2019.

The following table shows the Days Payables Outstanding (DPO) and Trade Payables Turnover as of and for the nine months ended September 30, 2022, and the year ended December 31, 2021, 2020 and 2019.

	As of and for the twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	**2021**	**2022 vs 2021**	**%**
	(in thousands of Euro or percentage)			
Days Payables Outstanding (DPO)[(i)] .	243	245	1	*0.5%*
Trade Payables Turnover[(ii)]	1.5	1.5	(0.0)	*(2.8%)*

(i) Days Payables Outstanding is calculated as the ratio of (i) Trade payables divided by (ii) the sum of Cost for purchase of raw materials, cost for commercial services (calculated as the cost for external services net of "Directors' remunerations" and "Insurance", net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence and insurance costs, multiplied by 365 and expressed in number of days. For the twelve-months ended September 30, 2022, the sum of for purchase of raw materials, cost for commercial services, net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence are calculated by subtracting the abovementioned figures for the year ended December 31, 2021, and then adding the same figures for the nine-months period ended September 30, 2022.

(ii) Trade Payables Turnover is calculated as the ratio of (i) the sum of Cost for purchase of raw materials, cost for commercial services (calculated as the cost for external services net of "Directors' remunerations" and "Insurance", net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence divided by (ii) Trade payables. For the twelve-months ended September 30, 2022, the sum of for purchase of raw materials, cost for commercial services, net of change in raw materials and consumables and allocations of the year related to Provision for inventory obsolescence are calculated by subtracting the abovementioned figures for the year ended December 31, 2021, and then by adding the same figures for the nine-months period ended September 30, 2022.

The following table shows the Days Payables Outstanding (DPO) and Trade Payables Turnover for the year ended December 31, 2021, 2020 and 2019.

	As of and for year ended December 31,			Changes			
	2021	**2020**	**2019**	**2021 vs 2020**	**%**	**2020 vs 2019**	**%**
	(in thousands of Euro or percentage)						
Days Payables Outstanding (DPO)[(i)]	245	175	143	70	*40.0%*	32	22.4%
Trade Payables Turnover[(ii)]	1.5	2.1	2.6	(0.6)	*(28.6%)*	(0.5)	*19.2%*

(i) Days Payables Outstanding is calculated as the ratio of (i) Trade payables divided by (ii) the sum of Cost for purchase of raw materials, cost for external services, net of change in raw materials and consumables, allocations of the year related to Provision for inventory obsolescence and insurance costs, multiplied by 365 and expressed in number of days.

(ii) Trade Payables Turnover is calculated as the ratio of (i) the sum of Cost for purchase of raw materials, cost for external services, net of change in inventories, allocations of the year related to Provision for inventory obsolescence and insurance costs divided by (ii) Trade payables.

The increase of Days Payables Outstanding (DPO) between 2020 and 2021 is mainly related to the different mix of purchases linked to the increase in production in the EV & Automotive segment (mainly the purchase of steel from the Far East) that requires a longer lead time.

The following table contains a breakdown of third-party trade payables by overdue category:

	As of September 30, 2022	As of December 31, 2021	2020	2019
		(*in thousands of Euro*)		
Payables due	251,069	215,343	109,755	84,588
Payables past due by less than 60 days	59,392	21,432	13,991	12,615
Payables between 60 and 180 days past due	7,903	3,009	4,434	2,787
Payables past due by over 180 days	769	426	1,034	631
Trade payables	**319,133**	**240,210**	**129,214**	**100,621**

The payables past due by over 180 days was immaterial, in fact the percentage of payables past due by over 180 days on trade payables was 0.2%, 0.2%, 0.8% and 0.6% respectively as of September 30, 2022, December 2021, 2020 and 2019.

Inventories

The inventories amount to €355,457 thousand as of September 30, 2022, and €219,948 thousand, €132,746 thousand and €127,874 thousand respectively as of December 31, 2021, 2020 and 2019. The breakdown is detailed below:

	As of September 30, 2022	As of December 31, 2021	Changes 2022 vs 2021	%
		(*in thousands of Euro or percentage)*		
Raw materials	208,347	114,530	93,817	81.9%
Semi-finished goods	45,030	32,780	12,250	37.4%
Finished products	111,430	57,801	53,629	92.8%
Contract work-in-progress	5,056	21,367	(16,311)	(76.3%)
Inventory obsolescence provision	(14,164)	(6,530)	(7,634)	>100.0%
Impairment of inventories	(242)	-	(242)	100.0%
Inventories	**355,457**	**219,948**	**135,509**	**61.6%**

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
			(in thousands of Euro or percentage)				
Raw materials	114,530	51,851	52,224	62,679	>100.0%	(373)	(0.7%)
Semi-finished goods	32,780	26,632	28,532	6,148	23.1%	(1,900)	(6.7%)
Finished products	57,801	43,912	42,419	13,889	31.6%	1,493	3.5%
Contract work-in-progress	21,367	11,447	5,156	9,920	86.7%	6,291	>100.0%
Inventory obsolescence provision	(6,530)	(1,096)	(457)	(5,434)	>100.0%	(639)	>100.0%
Inventories	**219,948**	**132,746**	**127,874**	**87,202**	**65.7%**	**4,872**	**3.8%**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The increase in inventories year over year and between December 31, 2021 and September 30, 2022 is mainly due to (i) the increase in sales volumes and in the order book, which led to an increase in production to support the sales of the following year; (ii) the increase in the price of raw materials; (iii) the increase in the stock in order to avoid any disruption of the business. Between 2019 and 2020, these increases were partially offset by lower production volumes due to the restrictions imposed on operating activities in every production plant during the spread of the pandemic in 2020 and due to the shortage of raw materials.

The following table shows the Day of Inventory (DOI) and Inventory Turnover as of and for the nine months ended September 30, 2022, and the years ended December 31, 2021, 2020 and 2019.

	As of and for twelve months ended September 30,	As of and for the year ended December 31,	Changes	
	2022	2021	2022 vs 2021	%
	(in thousands of Euro or percentage)			
Day of Inventory (DOI)(i)	159	144	15	*10.4%*
Inventory Turnover(ii)	2.3	2.5	(0.2)	*(8.2%)*

(i) Days of Inventory is calculated as the ratio of Inventories divided by revenues, multiplied by 365 and expressed in number of days. For the last twelve-months ended September 30, 2022 data, revenues are calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then adding the revenues for the nine-months period ended September 30, 2022.

(ii) Inventory Turnover is calculated as the ratio of revenues divided by Inventories. For the last twelve-months ended September 30, 2022 data, revenues are calculated by subtracting the revenues for the nine-months period ended September 30, 2021 from the revenues for the year ended December 31, 2021 and then adding the revenues for the nine-months period ended September 30, 2022.

	As of and for the year ended December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
	(in thousands of Euro or percentage)						
Day of Inventory (DOI)(i)	144	130	133	14	*10.8%*	(3)	(2.3%)
Inventory Turnover(ii)	2.5	2.8	2.8	(0.3)	*(10.7%)*	0	*0.0%*

(i) Days of Inventory is calculated as the ratio of Inventories divided by revenues, multiplied by 365 and expressed in number of days.

(ii) Inventory Turnover is calculated as the ratio of revenues divided by Inventories.

The decrease of Inventory Turnover between 2020 and 2021 is mainly related to the increase of the inventories of €87,202 thousand as described above.

The increase of Day of Inventory (DOI) between 2020 and 2021 is mainly related to the increase of the inventories as described above and of the increase of the revenues as described in "*Operating and financial review— Result of operations for the years ended december 31, 2021, 2020 and 2019*".

The table below shows changes in inventory obsolescence provision:

	As of September 30, 2022	As of December 31,		
		2021	2020	2019
	(*in thousands of Euro*)			
Opening Inventory obsolescence provision	**(6,530)**	**(1,096)**	**(457)**	**(125)**
Impairment	(10,384)	(5,453)	(824)	(345)
Utilization	2,750	19	185	13
Closing Inventory obsolescence provision	**(14,164)**	**(6,530)**	**(1,096)**	**(457)**

Inventories are not collateralised. Inventories do not secure liabilities, nor are they recognised at net realisation value.

The increase of inventory obsolescence provision is related to the increase in inventories between September 30, 2022 and December 31, 2021 for the reasons described above and between December 31, 2021 and December 31, 2020 as described in "*Operating and financial review— Result of operations for the years ended december 31, 2021, 2020 and 2019*.

Net financial indebtedness

The following table provides the calculation of Net Financial Indebtedness as of September 30, 2022 and as of December 31, 2021:

	As of September 30, 2022	As of December 31, 2021	Changes	
			2021 vs 2020	%
	(in thousands of Euro or percentage)			
A. Cash (i)	64,581	137,662	(73,081)	(53.1%)
B. Cash equivalents	-	-	-	-
C. Other current financial assets	-	-	-	-
D. Liquidity (A+B+C)	**64,581**	**137,662**	(73,081)	(53.1%)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-
F. Current portion of non-current financial debt (ii)	(140,603)	(105,303)	(35,300)	33.5%
G. Current financial indebtedness (E+F)	**(140,603)**	**(105,303)**	**(35,300)**	**33.5%**
H. Net current financial indebtedness (G-D)	**(76,022)**	**32,359**	**(108,381)**	**(>100.0%)**
I. Non-current financial debt (excluding current portion and debt instruments) (iii)	(230,109)	(182,565)	(47,544)	26.0%
J. Debt instruments	-	-	-	-
K, Non-current trade and other payables (iv)	-	(1,508)	1,508	(100.0%)
L. Non-current financial indebtedness (I+J+K)	**(230,109)**	**(184,073)**	**(46,036)**	**25.0%**
M. Net Financial Indebtedness (H+L)	**(306,131)**	**(151,714)**	**(154,417)**	**>100.0%**

(i) The item corresponds to the "Cash and cash equivalents" in the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(ii) The item includes the: "Current financial liabilities and borrowings" and "Current lease liabilities" of the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(iii) The item includes the: "Non-current financial liabilities and borrowings" and "Non-current lease liabilities" of the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(iv) The item corresponds to the payables for shareholder dividends included in "Other non-current liabilities" of the Consolidated Statement of Financial Position.

As of September 30, 2022 Net financial indebtedness was equal to €306,131 thousand (€151,714 thousand as of December 31, 2021). The Increase by €154,417 thousand is attributable to: (i) lower liquidity for €73,081 thousand, (ii) higher current financial indebtedness for €35,300 thousand, (iii) higher non-current financial indebtedness for €46,036 thousand. .

The following table provides the calculation of Net Financial Indebtedness as of December 31, 2021, 2020 and 2019:

	As of December 31,			Changes			
	2021	2020	2019	2021 vs 2020	%	2020 vs 2019	%
			(in thousands of Euro or percentage)				
A. Cash [(i)]	137,662	107,655	44,839	30,007	*27.9%*	62,816	*>100.0%*
B. Cash equivalents	-	-	-	-	-	-	-
C. Other current financial assets [(ii)]	-	-	4,976	-	-.	(4,976)	*(100.0%)*
D. Liquidity (A+B+C)	**137,662**	**107,655**	**49,815**	**30,007**	***27.9%***	**57,840**	***>100.0%***
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-	-	-	-
F. Current portion of non-current financial debt [(iii)]	(105,303)	(89,945)	(117,045)	(15,358)	*17.1%*	27,100	*(23.2%)*
G. Current financial indebtedness (E+F)	**(105,303)**	**(89,945)**	**(117,045)**	**(15,358)**	***17.1%***	**27,100**	***(23.2%)***
H. Net current financial indebtedness (G-D)	**32,359**	**17,710**	**(67,230)**	**14,649**	***82.7%***	**84,940**	***(100.0%)***
I. Non-current financial debt (excluding current portion and debt instruments) [(iv)]	(182,565)	(166,112)	(95,031)	(16,453)	*9.9%*	(71,081)	*74.8%*
J. Debt instruments	-	-	-	-	-	-	-
K. Non-current trade and other payables [(v)]	(1,508)	(1,508)	(1,508)	-	*0.0%*	-	*0.0%*
L. Non-current financial indebtedness (I+J+K)	**(184,073)**	**(167,620)**	**(96,539)**	**(16,453)**	***9.8%***	**(71,081)**	***73.6%***
M. Net Financial Indebtedness (H+L)	**(151,714)**	**(149,910)**	**(163,769)**	**(1,804)**	***1.2%***	**13,859**	***(8.5%)***

(i) The item corresponds to the “Cash and cash equivalents” in the Consolidated Statement of Financial Position;

(ii) The item corresponds to the “Current financial assets” in the Consolidated Statement of Financial Position;

(iii) The item includes the: “Current financial liabilities and borrowings” and “Current lease liabilities” of the Consolidated Statement of Financial Position;

(iv) The item includes the: “Non-current financial liabilities and borrowings” and “Non-current lease liabilities” of the Consolidated Statement of Financial Position;

(v) The item corresponds to the payables for shareholder dividends included in "Other non-current liabilities" of the Consolidated Statement of Financial Position.

This discussion of the trends in the Net Financial Indebtedness should be read in conjunction with the section entitled “*Selected financial and other information – Other financial data*”.

Liquidity

Liquidity includes Cash at banks and cash on hand, which are included in the line item Cash and cash equivalents.

The following table provides the breakdown of the liquidity as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	As of December 31,		
		2021	2020	2019
		(*in thousands of Euro*)		
Cash [(i)]	64,581	137,662	107,655	44,839
Cash equivalents	-	-	-	-
Other current financial assets [(ii)]	-	-	-	4,976
Liquidity	**64,581**	**137,662**	**107,655**	**49,815**

(i) The item corresponds to the “Cash and cash equivalents” in the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position;

(ii) The item corresponds to the “Current financial assets” in the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position.

The item comprises cash and cash equivalents recognised in the financial statements of the consolidated companies. There are no restrictions to the use of cash and cash equivalents.

The proceeds from certain investment agreements, including those with Simest, and the green loans with Crédit Agricole Italia S.p.A. and Banca Nazionale del Lavoro S.p.A., can be used only for the purposes included in the related agreements. For further information please see "*Business - Material agreements*" and "*Business – Environmental, sustainability and governance*".

The following table provides the breakdown for geographical areas of the cash and cash equivalents as of September 30, 2022 and as of December 31, 2021, 2020 and 2019:

	As of September 30, 2022	**As of December 31,**		
		2021	**2020**	**2019**
		(*in thousands of Euro*)		
EMEA	46,795	116,262	84,137	35,782
North America	7,725	18,738	22,078	8,639
Asia	10,061	2,662	1,440	418
Cash and cash equivalents	**64,581**	**137,662**	**107,655**	**44,839**

September 30, 2022 vs December 31, 2021

The liquidity was €64,581 thousand as of September 30, 2022 and €137,662 thousand as of December 31, 2021. The decrease in liquidity is mainly due to the cash absorbed by (i) net cash flow used in operating activities amounting to €73,188 thousand, and (ii) net cash flow used in investment activities amounting to €63,054 thousand, mainly attributable to the acquisition of property, plant and equipment for €62,831 thousand, partially offset by (iii) net cash flow from financing activities of €60,662 thousand.

For further information, please see *"Operating and financial review—Cash flow information"*.

2021 vs 2020

The liquidity increased by €30,007 thousand, from €107,655 thousand as of December 31, 2020 to €137,662 thousand as of December 31, 2021. The increase in liquidity is mainly due to (i) the net cash flow from operating activities amounting to €7,802 thousand mainly related to the increase in inventories and trade payables respectively of €87,816 thousand and €83,488 thousand (ii) the net cash flow used in investment activities of €7,081 thousand mainly related to acquisition of subsidiaries net of cash and cash equivalents and the acquisition of property, plant and equipment, and (iii) the net cash used in financing activities of €38,923 thousand mainly related to the decrease of new bank borrowings and repayment of bank borrowings respectively for €75,282 thousand and €63,029 thousand.

2020 vs 2019

The liquidity increased by €62,816 thousand, from €44,839 thousand as of December 31, 2019 to €107,655 thousand as of December 31, 2020. The increase in liquidity is mainly due to (i) the net cash flow from operating activities of €29,332 thousand mainly related to increase in trade receivables and trade payables respectively for €16,249 thousand and €17,331 thousand, (ii) the net cash flow used in investment activities of €4,874 thousand mainly related to the proceeds of financial receivables from associates and (iii) the net cash from financing activities of €15,336 thousand mainly related to issue of new bank borrowings of €90,091 thousand offset by the repayment of bank borrowings for €70,705 thousand.

Current financial indebtedness

Current financial indebtedness composition and trend as of September 30, 2022 and as of December 31, 2021, 2020 and 2019 are provided below.

	As of September 30, 2022	As of December 31,		
		2021	2020	2019
		(*in thousands of Euro*)		
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) ...	-	-	-	-
Current portion of non-current financial debt [(i)]	(140,603)	(105,303)	(89,945)	(117,045)
Current financial indebtedness	**(140,603)**	**(105, 303)**	**(89, 945)**	**(117,045)**

(i) The item includes the: "Current financial liabilities and borrowings" and "Current lease liabilities" of the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position.

September 30, 2022 vs December 31, 2021

As of September 30, 2022, current financial indebtedness refers to: (i) the current portion of banks borrowings and used credit lines respectively for €27,892 thousand and €68,025 thousand (respectively €44,803 thousand and €39,007 thousand as of December 31, 2021), (ii) payables to factoring companies for €35,210 thousand (€11,781 thousand as of December 31, 2021), (iii) payables to other investors for €1,750 thousand (€1,944 thousand as of December 31, 2021), (iv) current lease liabilities for €7,726 thousand (€7,768 thousand as of December 31,2021). The increase of €35,300 thousand is mainly attributable to the increase of the current portion of banks borrowings and used credit lines due to the new bank borrowings and new used credit lines, partially offset by repayments of bank borrowings.

2021 vs 2020

As of December 31, 2021, current financial indebtedness refers to: (i) the current portion of banks borrowings and used credit lines respectively for €44,803 thousand and €39,007 thousand (respectively €28,503 thousand and €48,298 thousand as of December 31, 2020), (ii) payables to factoring companies for €11,781 thousand (€8,381 thousand as of December 31, 2020), (iii) payables to other investors for €1,944 thousand (€0 as of December 31, 2020), (iv) current lease liabilities for €7,768 thousand (€4,763 thousand as of December 31, 2020). The increase of €15,358 thousand is mainly attributable to the increase of the current portion of banks borrowings and used credit lines due to the new bank borrowings for €54,140 thousand, partially offset by repayments of bank borrowings and used credit lines respectively for €32,684 thousand and €9,679 thousand.

See paragraph "Liquidity risk" below for additional information about the credit lines of credit as of September 30, 2022 and December 31, 2021.

2020 vs 2019

As of December 31, 2020, current financial indebtedness refers to: (i) the current portion of banks borrowings and used credit lines respectively for €28,503 thousand and €48,298 thousand (respectively €32,560 thousand and €69,878 thousand as of December 31, 2019), (ii) payables to factoring companies for €8,381 thousand (€11,705 thousand as of December 31, 2019), (iii) current lease liabilities for €4,763 thousand (€2,902 thousand as of December 31, 2019). The decrease of €27,100 thousand is mainly attributable to the repayments of bank borrowings and used credit lines, other than the obtaining of new long term bank borrowings.

Non-current financial indebtedness

Non-current financial indebtedness composition and trend as of September 30, 2022 and as of December 31, 2021, 2020 and 2019 are provided below.

	As of September 30, 2022	As of December 31,		
		2021	2020	2019
		(in thousands of Euro)		
Non-current portion of bank borrowings........	(169,113)	(119,742)	(112,523)	(57,088)
Derivative instruments	(412)	(158)	(569)	(308)
Payables to other investors............................	(16,894)	(15,097)	(16,456)	(18,150)
Non-current lease liabilities...........................	(43,690)	(47,568)	(36,564)	(19,485)
Non-current trade and other payables............	-	(1,508)	(1,508)	(1,508)
Non-current financial indebtedness...........	**(230,109)**	**(184,073)**	**(167,620)**	**(96,539)**

Non-current lease liabilities are related to the non-current portion of the liabilities arising from the application of IFRS 16, equal to €43,690 thousand as of September 30, 2022 (€47,568 thousand as of December 31, 2021). Such liabilities are mainly attributable to the rent of the headquarters, warehouses and offices in which the Group operates. The table below shows the undiscounted contractual cash flows of lease liabilities by maturity date:

	As of September 30,	As of December 31,		
Rate	**2022**	**2021**	**2020**	**2019**
		(in thousands of €)		
1 years	7,726	7,768	4,763	2,902
2 years	7,450	6,717	4,286	2,626
3 years	6,498	6,427	4,131	2,639
4 years	5,272	6,218	4,097	2,591
Beyond 4 years	24,470	28,206	24,050	11,629
Total lease liabilities	**51,416**	**55,336**	**41,327**	**22,387**

September 30, 2022 vs December 31, 2021

The non-current financial indebtedness increased by €46,036 thousand from €184,073 thousand as of December 31, 2021 to €230,109 thousand as of the nine months ended September 30, 2022. This increase was mainly due to: (i) the increase of bank borrowings of €49,371 thousand mainly attributable to the net effect of the new bank loans and the reclassification to current in 2022 of non-current bank loans in 2021, partially offset by (ii) the decrease in non-current lease liabilities of €3,878 thousand attributable to the repayments for €6,427 thousand, the addition of new lease of €1,451 thousand and exchange difference and non-cash items of €1,056 thousand, and (iii) the decrease of payables for shareholder dividends of €1,508 thousand that were related to undistributed dividends.

The Group is party to several investment agreements with Simest S.p.A. providing for buy-back and sale-back provisions. For additional information *see "Business – Material Agreements"* and *"Key factors affecting the Group's performance – Agreements with Simest S.p.A."*

As of September 30, 2022 and December 31, 2021, Payables to other investors are mainly attributable to: i) €5,642 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,856 as of December 31, 2021), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie S.A.R.L. (same amount as of December 31, 2021), (iii) €3,550 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€3,056 thousand as of December 31, 2021). In addition, as of September 30, 2022 the item includes €3,701 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€3,185 thousand as of December 31, 2021).

Non-current lease liabilities are related to the non-current portion of the liabilities arising from the application of IFRS 16, equal to €47,568 thousand as of December 31, 2021 (€36,564 thousand as of December 31, 2020). Such liabilities are mainly attributable to the rent of the headquarters, warehouses and offices in which the Group operates.

2021 vs 2020

The non-current financial indebtedness increased by €16,453 thousand from €167,620 thousand as of December 31, 2020 to €184,073 thousand as of December 31, 2021. This increase was primarily attributable to: (i) the increase in the non-current portion of bank borrowings for €7,219 thousand mainly attributable to the net effect of the new bank loans and the reclassification to current in 2021 of non-current bank loans in 2020; (ii) the net increase in non-current lease liabilities for €11,004 thousand, of which €24,386 thousand attributable to the addition of new leases, partially offset by repayments for €10,377 thousand and the reclassification to current lease liabilities for €3,005 thousand.

Non-current lease liabilities are related to the non-current portion of the liabilities arising from the application of IFRS 16, equal to €36,564 thousand as of December 31, 2020 (€19,485 thousand as of December 31, 2020). Such liabilities are mainly attributable to the rent of the headquarters, warehouses and offices in which the Group operates.

As of December 31, 2021, Payables to other investors are mainly attributable to: i) €4,856 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,482 thousand as of December 31, 2020), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie S.A.R.L. (same amount as of December 31, 2020), (iii) €3,056 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€2,820 thousand as of December 31, 2020). As of December 31, 2020, the item included €1,843 thousand related to the shares acquired by SIMEST in Euro Tranciatura Mexico S.A. de C.V. In addition, as of December 31, 2021 the item includes €3,185 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€3,310 thousand as of December 31, 2020).

2020 vs 2019

The non-current financial indebtedness increased from €96,539 thousand as of December 31, 2019 to €167,620 thousand as of December 31, 2020, with an increase of €71,081 thousand. This increase was primarily attributable to: (i) the increase in the non-current portion of bank borrowings for €55,435 thousand attributable to the net effect of the new bank loans and the reclassification to current in 2020 of non-current bank loans in 2019; (ii) the net increase in non-current lease liabilities for €17,079 thousand, of which €24,374 thousand attributable to the additions due to new lease and renewals, partially offset by repayments of €5,434 thousand and the reclassification to current lease liabilities for €1,861 thousand.

As of December 31, 2020, Payables to other investors are mainly attributable to: i) €4,482 thousand for the shares acquired by SIMEST in Euro Hightech Mexico S.A. de C.V. (€4,895 thousand as of December 31, 2019), ii) €4,000 thousand for the shares acquired by SIMEST in Eurotranciatura Tunisie S.A.R.L. (same amount as of December 31, 2019), (iii) €2,820 thousand for the shares acquired by SIMEST in Euro Group Asia Limited (€3,081 thousand as of December 31, 2019), and (iv) €1,843 thousand related to the shares acquired by SIMEST in Euro Tranciatura Mexico S.A. de C.V (€2,120 thousand as of December 31, 2019). In addition, as of December 31, 2020, the item includes €3,310 thousand related to the Qualified Low Income Community Investments held by Eurotranciatura USA (€4,053 thousand as of December 31, 2019).

For additional information related to the indebtedness see the Consolidated Financial Statements.

The table below sets forth a summary of the financial exposure as of September 30, 2022 and as of December 31, 2021, 2020 and 2019.

	As of September 30,		As of December 31,					
	2022	Impact on the total	2021	Impact on the total	2020	Impact on the total	2019	Impact on the total
	(in thousands of Euro or percentage)							
Total fixed rate financial liability	133,612	41.8%	143,602	61.8%	128,294	59.7%	155,379	81.9%
Total variable rate financial liability	185,684	58.2%	88,930	38.2%	86,436	40.3%	34, 310	18.1%
Total outstanding financial debt (i)........	**319,296**	**100%**	**232,532**	**100.0%**	**214,730**	**100.0%**	**189,689**	**100.0%**

(i) This amount refers to interest-bearing financial debts and it corresponds to the "Non-current financial liabilities and borrowings" and "Current financial liabilities and borrowings" in the Interim Condensed Consolidated Statement of Financial Position and the Consolidated Statement of Financial Position.

The table below set forth a detail of the main characteristics of the Group's bank loans as of September 30, 2022. For further information about the detail of the Group's bank loans and as of December 31, 2021, 2020 and 2019 see "*F-pages— Financial liabilities and borrowings*".

Bank	Company	Interest -rate	Terms	Subscription date	Original Amount	Expiry Date	Remaining debt September 30, 2022	Within 12 months	Over 12 month s
							(*in thousands of Euro*)		
Intesa Sanpaolo	Eurotranciatura Mexico	Variable	Libro 6M + 2.40%	11/02/2019	8,000	30/06/2024	3,078	2,052	1,026
UniCredit	Euro MISI Laminations	Fixed	3.70%	13/03/2020	200	28/02/2025	188	60	128
UniCredit	Euro MISI Laminations	Fixed	5.45%	27/04/2020	100	28/02/2025	72	20	52
UniCredit	Euro MISI Laminations	Fixed	5.25%	28/05/2020	100	28/02/2025	68	16	52
UniCredit	Euro MISI Laminations	Fixed	3.92%	28/10/2020	100	28/02/2025	71	19	52
UniCredit	Euro MISI Laminations	Fixed	2.00%	08/02/2021	245	28/02/2025	184	17	167
UniCredit	Euro MISI Laminations	Fixed	3.30%	26/02/2021	100	28/02/2025	71	18	53
UniCredit	Euro MISI Laminations	Fixed	5.65%	17/03/2021	1,174	28/02/2025	167	46	121
UniCredit	Euro MISI Laminations	Fixed	2.03%	14/05/2021	123	28/02/2025	99	11	88
UniCredit	Euro MISI Laminations	Fixed	1.90%	30/08/2021	86	28/02/2025	65	4	61
TC Leasing	Euro MISI Laminations	Fixed	5.51%	30/05/2017	4,011	15/12/2022	35	35	-
MISI	Euro MISI Laminations	Fixed	1.50%	15/04/2021	3,100	14/04/2023	3,252	110	3,142
Deutsche Bank	Corrada SpA	Variable	Euribor 6M + 1.40%	29/01/2021	3,000	29/12/2026	2,558	594	1,964
BCC	EuroGroup Laminations SpA	Fixed	1.70%	08/02/2019	1,500	31/12/2025	1,047	300	747
Ideal Lease	Eurotranciatura USA LLC	Fixed	4.00%	30/06/2019	817	31/10/2023	86	85	1
First Bank	Eurotranciatura USA LLC	Fixed	3.25%	14/07/2021	991	14/06/2026	792	194	598
First Bank	Eurotranciatura USA LLC	Fixed	8.43%	10/07/2022	100	10/04/2028	102	14	88
Banca Nazionale del Lavoro	Eurotranciatura SpA	Variable	Euribor 3M + 3.02%	22/12/2021	2,500	22/12/2028	2,527	339	2,188
Banca Nazionale del Lavoro	Eurotranciatura SpA	Variable	Euribor 3M + 2.77%	22/12/2021	12,500	22/12/2028	12,579	1,646	10,933
Monte dei Paschi di Siena	Eurotranciatura SpA	Variable	Euribor 3M + 3.60%	17/12/2020	15,000	30/09/2026	14,817	3,797	11,021
Deutsche Bank	Eurotranciatura SpA	Variable	Euribor 3M + 1.00%	11/06/2018	3,000	11/06/2024	1,041	602	439
Deutsche Bank	Eurotranciatura SpA	Variable	Euribor 3M + 1.40%	31/07/2020	7,000	30/06/2026	5,176	1,417	3,759
BCC	Eurotranciatura SpA	Fixed	1.25%	12/01/2018	4,000	15/11/2023	1,355	1,160	195
Banco BPM	Eurotranciatura SpA	Variable	Euribor 3M + 1.00%	24/07/2018	4,000	29/09/2023	1,166	1,166	-
Banco BPM	Eurotranciatura SpA	Variable	Euribor 3M + 1.50%	29/09/2020	8,000	30/06/2026	5,965	1,644	4,321
Banco BPM	Eurotranciatura SpA	Variable	Euribor 3M + 1.85%	23/12/2021	4,000	30/09/2026	3,588	904	2,684
Banco BPM	Eurotranciatura SpA	Variable	Euribor 3M + 1.85%	27/09/2019	8,000	31/03/2025	4,459	1,802	2,657
UniCredit	Eurotranciatura SpA	Variable	Euribor 3M + 1.50%	07/08/2020	10,000	31/12/2027	9,947	78	9,869
UniCredit	Eurotranciatura SpA	Variable	Euribor 6M + 2.66%	30/06/2022	25,000	30/06/2028	25,100	-	25,100
Intesa Sanpaolo	Eurotranciatura SpA	Variable	Euribor 6M + 2.00%	17/10/2018	10,000	17/04/2025	6,041	2,051	3,990
Intesa Sanpaolo	Eurotranciatura SpA	Variable	Euribor 6M + 1.75%	25/07/2022	25,000	25/07/2028	25,150	-	25,150
Cassa Depositi e Prestiti	Eurotranciatura SpA	Variable	Euribor 6M + 1.23%	09/08/2022	30,000	09/08/2028	30,030	-	30,030
Intesa Sanpaolo	Eurotranciatura SpA	Variable	Euribor 3M + 1.75%	28/10/2020	5,000	31/12/2025	4,976	1,287	3,689
Banco Desio	Eurotranciatura SpA	Variable	Euribor 1M + 0.80%	30/03/2018	2,000	10/04/2023	296	296	-

Banco Desio	Eurotranciatura SpA	Variable	Euribor	1M + 1.40%	21/06/2019	2,000	10/07/2025	1,139	402	737
Credit Agricole	Eurotranciatura SpA	Fixed		0.90%	24/07/2018	8,000	24/07/2024	3,256	1,622	1,634
Credit Agricole	Eurotranciatura SpA	Variable	Euribor	3M + 1.00%	12/07/2018	3,000	05/10/2022	255	255	-
Credit Agricole	Eurotranciatura SpA	Variable	Euribor	3M + 1.00%	13/12/2019	5,000	13/12/2025	3,267	1,015	2,251
Credit Agricole	Eurotranciatura SpA	Variable	Euribor	3M + 1.63%	22/12/2021	15,000	30/09/2027	15,010	-	15,010
Raiffeisen	Eurotranciatura SpA	Variable	Euribor	6M + 2.15%	18/09/2019	2,000	31/08/2026	1,345	349	996
MedioCredito Centrale	Eurotranciatura SpA	Variable	Euribor	3M + 2.00%	27/09/2019	10,000	27/09/2025	6,173	2,053	4,120
Fees								412	412	-
Total								**197,005**	**27,892**	**169,113**

As of the Prospectus Date, the Group is party to several loan agreements containing cross acceleration, cross-default, negative pledge, limitations on the distribution of dividends or change of control clauses. All the cross-default clauses are internal to the Group. In the 2019-2021 period and until the Prospectus Date, none of the cross acceleration, cross-default, negative pledge, limitations on the distribution of dividends or change of control clauses were triggered. In early 2020 the Group negotiated temporary extensions of the installment terms under certain loan agreements in connection with the Covid-19 pandemic outbreak and, as of the Prospectus Date, the Group is in compliance with the commitments and obligation thereunder.

Below is a description of the main terms and conditions under the Group's loan agreements outstanding as of the Prospectus Date.

Pursuant to the loan agreement dated February 6, 2019 between EuroGroup Laminations S.p.A. and Iccrea BancaImpresa S.p.A. of €1,500 thousand, the lender may terminate the agreement on the occurrence of the breach of one or more financial obligations towards banks or credit institutions for forfeiture of the benefit of the term, or that it determines early reimburse, or the termination, withdrawal or other of obligations different from the contract with it (cross-default).

Pursuant to the loan agreement dated February 7, 2019 between Eurotranciatura Mexico S.A. De C.V. and Unione di Banche Italiane S.p.A. of €8,814 thousand (US$10,000 thousand), the lender may terminate the agreement whether the borrower is unable or admits inability or fails to pay any of its debts under any loan, guarantee or security agreement as they fall due or are deemed to or declared to be unable to pay any of its debts under applicable law (or is deemed for the purpose of law to be in a state of cessation of payments and have lost its commercial creditworthiness) suspends or threatens to suspend making payments on any of its debts or by reason of actual or anticipated financial difficulties, commence negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness (cross-default).

Pursuant to the loan agreement dated December 17, 2020 between Eurotranciatura S.p.A. and MPS Capital Services Banca per le Imprese S.p.A. of €15,000 thousand, the lender may terminate the agreement on the occurrence of the breach of the following obligations: (i) failure to pay any amount at the contractually agreed deadline for an amount equal to or greater than €250 thousand; or (ii) forfeiture of the benefit of the term (also following termination, withdrawal or other) for an amount equal to or greater than €250 thousand; (iii) the conditions determine the forfeiture of the benefit of the term (also following termination, withdrawal or other) for an amount equal to or greater than €250 thousand; or (iv) any commitment relating to the granting of financial obligations for an amount equal to or greater than €250 thousand is cancelled or suspended as a result of a default (cross-default).

The loan agreement also contains a negative pledge, pursuant to which the borrower undertakes not to grant guarantees or further constraints on its tangible or intangible assets, or on its present and future receivables, with the exception of factoring transactions.

The loan agreement dated August 7, 2020 between Eurotranciatura S.p.A. and UniCredit S.p.A. of €10,000 thousand contains a negative pledge pursuant to which the borrower undertakes not to grant collateral, mortgage, usufruct, real charge, pledge, building rights and easement, on the group companies, on any of their assets or credits, present or future, with the exception (i) the guarantees given pursuant to this loan or those established on the basis of the provisions of the law; (ii) those existing as of August 7, 2020; (iii) trade receivables and VAT receivables in order to obtaining self-liquidating credit lines, or for advance invoices in the course of the ordinary business activity of the Group and at market conditions.

The loan agreement dated December 22, 2021 between Eurotranciatura S.p.A. and Banca Nazionale del Lavoro S.p.A. and the loan agreement dated December 22, 2021 between Eurotranciatura S.p.A. and Credit Agricole Italia S.p.A. of €15,000 thousand, respectively, contain cross-default, cross acceleration clauses and financial covenants to be calculated on the Group's consolidated financial statements and to be measured on December 31 of each year. Even though these loan agreements shall be used by Eurotranciatura S.p.A. exclusively to finance costs and expenses that aim to pursue environmental objectives, in terms of climate change mitigation, they do not provide for covenants related to ESG objectives. The loan agreements also contain negative pledge clause pursuant to which, for the duration of the loan agreement, the borrowers undertake not to put limitations on their assets. For more information about the financial covenants contained in the loan agreements please refer to "*Operating and Financial Review – Captial Resources of the Group—Covenants*".

The loan agreement dated June 11, 2018 between Eurotranciatura S.p.A. and Deutsche Bank S.p.A. of €3,000 thousand contains a negative pledge, pursuant to which the borrower undertakes not to grant collateral on present and future assets.

The loan agreement dated October 17, 2018 between Eurotranciatura S.p.A. and Intesa Sanpaolo S.p.A. of €10,000 thousand contains a negative pledge, pursuant to which the borrower undertakes not to make any obligation on his assets.

The loan agreement dated June 30, 2022 between Eurotranciatura S.p.A. and UniCredit S.p.A. of €25,000 thousand contains a negative pledge, pursuant to which the borrower undertakes not to grant collateral, mortgage, usufruct, real charge, pledge, building rights and easement, on the group companies, on all or some of their assets or credits, present or future, with the exception of: (i) the guarantees given to this loan or those established on the basis of the law; (ii) the outstanding agreement as of June 30, 2022; (iii) trade receivables and VAT receivables in order to obtaining self-liquidating credit lines, or for advance in invoices in the course of the ordinary business activity of the Group and at market conditions.

The loan agreement also contains clauses related to (i) the limitation to the distribution of dividends in case of breach of financial covenants and (ii) change of control. In particular, from year 2022 and for the period of the loan agreement Eurotranciatura S.p.A. cannot distribute (a) reserves, and (b) dividends higher than the consolidated profit for the year as for the consolidated financial statement of the Issuer. Moreover, the Group cannot perform acquisitions, transformations, mergers, demergers or transfers of branch in case of breach of the financial covenants.

The loan agreement dated August 9, 2022 between Eurotranciatura S.p.A. and Cassa Depositi e Prestiti S.p.A. of €30,000 thousand contains a negative pledge, pursuant to which the borrower undertakes not to make any restrictions (in term of real guarantee, limitation, third-party rights or privileges) on its assets (including credits), with the exception of: (i) the existing obligation as of August 9, 2022; (iii) restrictions on assets in order to allow the operating of the Group; (iii) security deposits for leasing obligations related to the operating of the Group; (iv) the guarantees arise for the payment of the taxes; (v) the guarantees established on the basis of the law; (vi) the obligation on assets admitted by bank. The loan agreement also limits the the distribution of dividends to 50% of the profit for the year of Eurotranciatura S.p.A.. The loan agreement includes the following financial covenants to be calculated on the Group's consolidated financial statements from December 31, 2022 to December 31, 2027: (i) the Leverage ratio (calculated as the ratio between Net Financial Indebtedness divided by EBITDA) shall be equal or lower than 3.5x; (ii) the Gearing Ratio (calculated as the ratio between Net Financial Indebtedness divided by Total equity) shall be equal or lower than 2.0x. Moreover, the loan agreement does not include any cross default, cross acceleration or negative pledge clauses.

Derivative financial instruments

Derivative financial instruments are related to the management of the rate fluctuation exposure connected to monetary flows and speculative activities are not carried out or permitted. For this scope, the Group uses Interest Rate Swap (IRS). The following tables provide the details of these instruments. The percentage of variable rate financial liabilities guaranteed with derivative financial instruments as of September 30, 2022 and as of December 31, 2021, 2020 and 2019 was respectively 30%, 54%, 68% and 51%.

Type of instrument	Identification number	Contractual Notional	Reference date Notional	Euro Group Parameter	Bank Parameter	Maturity	Fair value as of September 30, 2022
			(*in thousands of Euro*)				
IRS	61	450	30/09/2022	1.00	0.26+Euribor 3M/360	09/06/2023	(3)
IRS	64	8,000	30/09/2022	(0.55)	0.495+Euribor 3M	24/07/2023	9
IRS	66	5,000	30/09/2022	(0.55)	Euribor 3M	17/10/2024	121
IRS	67	2,729	30/09/2022	(0.55)	(0.2)+Euribor 3M	31/03/2024	60
IRS	69	5,000	30/09/2022	0.00	0.001+Euribor 3M/360	13/12/2024	70
IRS	73	5,250	30/09/2022	(0.48)	0.1+Euribor 3M/360	30/06/2026	(263)
IRS	76	6,000	30/09/2022	(0.55)	(0.318)+Euribor 3M	30/06/2026	350
IRS	3	2,509	30/09/2022	(0.54)	Euribor 3M/360	29/12/2026	(146)
CAP	81	25,000	30/09/2022	2.78	2,5+Euribor 3M/360	30/06/2028	328
IRS	78	3,567	30/09/2022	(0.55)	0,2+Euribor3M/360	30/09/2026	185
Total		**63,505**					**711**

Type of instrument	Identification number	Contractual Notional	Reference date Notional	Euro Group Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2021
			(*in thousands of Euro*)				
IRS	56	461	31/12/2021	-	0.36+Euribor 6M	30/12/2022	(3)
IRS	58	2,611	31/12/2021	(0.25)	0.41+Euribor 6M	30/12/2022	(18)
IRS	61	900	31/12/2021	1.00	0.26+Euribor 3M/360	09/06/2023	(6)
IRS	64	8,000	31/12/2021	(0.32)	0.495+Euribor 3M	24/07/2023	(14)
IRS	66	6,000	31/12/2021	(0.31)	Euribor 3M	17/10/2024	(34)
IRS	67	4,070	31/12/2021	(0.40)	(0.2)+Euribor 3M	31/03/2024	(10)
IRS	69	5,000	31/12/2021	-	0.001+Euribor 3M/360	13/12/2024	(16)
IRS	73	6,300	31/12/2021	(0.48)	0.1+Euribor 3M/360	30/06/2026	(44)
IRS	74	10,000	31/12/2021	(0.49)	(0.25)+Euribor 3M/360	30/06/2026	17
IRS	76	7,200	31/12/2021	(0.48)	(0.318)+Euribor 3M	30/06/2026	21
IRS	3	2,951	31/12/2021	(0.54)	Euribor 3M/360	29/12/2026	(13)
CAP	59	250	31/12/2021	(0.28)	0.3+Euribor 3M/360	31/03/2022	-
Total		**53,743**					**(120)**

Type of instrument	Identification number	Contractual Notional	Reference date Notional	Euro Group Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2020
			(*in thousands of Euro*)				
IRS	56	908	31/12/2020	(0.27)	0.36+Euribor 6M	30/12/2022	(10)
IRS	58	5,148	31/12/2020	(0.25)	0.41+Euribor 6M	30/12/2022	(60)
IRS	61	1,500	31/12/2020	1.00	0.26+Euribor 3M/360	09/06/2023	(17)
IRS	64	8,000	31/12/2020	(0.32)	0.495+Euribor 3M	24/07/2023	(33)
IRS	66	5,834	31/12/2020	(0.31)	Euribor 3M	31/03/2024	(35)
IRS	67	8,000	31/12/2020	(0.40)	(0.2)+Euribor 3M	17/10/2024	(92)
IRS	69	5,000	31/12/2020	-	0.001+Euribor 3M/360	13/12/2024	(46)
IRS	73	7,000	31/12/2020	(0.48)	0.1+Euribor 3M/360	30/06/2026	(135)
IRS	74	10,000	31/12/2020	(0.49)	(0.25)+Euribor 3M/360	30/06/2026	(92)
IRS	76	8,000	31/12/2020	(0.48)	(0.318)+Euribor 3M	30/06/2026	(49)
CAP	46	258	31/12/2020	(0.83)	0.3+Euribor 3M/360	31/03/2022	-
CAP	59	1,500	31/12/2020	(0.28)	0.3+Euribor 3M/360	31/03/2022	-
Total		**61,148**					**(569)**

Type of instrument	Identification number	Contractual Notional	Reference date Notional	Euro Group Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2019
			(*in thousands of Euro*)				
IRS	2	4,531	31/12/2019	-	0.4+Euribor 6M/360	30/06/2020	(1)
IRS	56	1,343	31/12/2019	(0.31)	0.36+Euribor 6M	30/12/2022	(15)
IRS	58	7,610	31/12/2019	(0.25)	0.41+Euribor 6M	30/12/2022	(93)
IRS	61	2,100	31/12/2019	(0.39)	0.26+Euribor 3M/360	09/06/2023	(24)
IRS	64	6,034	31/12/2019	(0.32)	0.495+Euribor 3M	24/07/2023	(59)
IRS	67	7,570	31/12/2019	(0.40)	(0.2)+Euribor 3M	31/03/2024	(18)
IRS	66	10,000	31/12/2019	(0.31)	Euribor 3M	17/10/2024	(62)
IRS	69	5,000	31/12/2019	-	0.001+Euribor 3M/360	13/12/2024	(36)
CAP	43	320	31/12/2019	0.01	0.1+ Euribor 3M/360	25/01/2020	-
CAP	46	1,282	31/12/2019	(0.83)	0.3+ Euribor 3M/360	31/03/2022	-
CAP	59	2,500	31/12/2019	(0.28)	0.3+ Euribor 3M/360	31/03/2022	-
Total		**48,290**					**(308)**

Covenants

Certain of the Group's borrowings are subject to financial covenants.

The following table shows the minimum agreement values provided for the bank loans listed above and the resulting values on the reporting dates:

Entity	Bank	Financial Statement	Terms	Initial Amount	Subscription date	Maturity	Financial parameter	Expected parameter	Value on the reporting date (1) December 31, 2021
Eurotranciatura S.p.A.	UniCredit S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€14,500	2017	2022	Net Financial Indebtedness /EBITDA	<4.0	1.53
Eurotranciatura S.p.A.	UniCredit S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€14,500	2017	2022	EBITDA/Financial income and costs	>6.0	12.7
Eurotranciatura S.p.A.	UniCredit S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€14,500	2017	2022	Total Equity	>€68,000	€185,100
EuroGroup Laminations S.p.A.	ICCREA	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€1,500	2019	2024	Net Financial Indebtedness /EBITDAR	<4.0	1.56
EuroGroup Laminations S.p.A.	ICCREA	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€1,500	2019	2024	Net Financial Indebtedness / Total Equity	<2.0	0.46
Eurotranciatura S.p.A.	Deutsche Bank S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€3,000	2018	2023	Net Financial Indebtedness /EBITDA	<4.0	1.53
Eurotranciatura S.p.A.	Credit Agricole Italia S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€5,000	2019	2024	Net Financial Indebtedness /EBITDA	<4.0	1.56
Eurotranciatura S.p.A.	Intesa Sanpaolo S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€10,000	2018	2024	Net Financial Indebtedness /EBITDA	<3.0	1.56
Eurotranciatura S.p.A.	Intesa Sanpaolo S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€10,000	2018	2024	Net Financial Indebtedness / Total Equity	<2.0	0.4
Eurotranciatura S.p.A.	MedioCredito Centrale S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€10,000	2019	2024	Net Financial Indebtedness /EBITDA	<4.0	1.56
Eurotranciatura S.p.A.	MedioCredito Centrale S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	€10,000	2019	2024	Net Financial Indebtedness / Total Equity	<2.0	0.4
Eurotranciatura Mexico S.A. DE C.V.	Intesa Sanpaolo S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	$10,000	2019	2023	Net Financial Indebtedness /EBITDA	<4.0	1.53
Eurotranciatura Mexico S.A. DE C.V.	Intesa Sanpaolo S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	$10,000	2019	2023	Net Financial Indebtedness / Total Equity	<1.5	0.4
Eurotranciatura Mexico S.A. DE C.V.	Banca Monte Paschi di Siena S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	$5,000	2017	2022	Net Financial Indebtedness /EBITDA	<3.0	1.53
Eurotranciatura Mexico S.A. DE C.V.	Banca Monte Paschi di Siena S.p.A.	Consolidated Financial Statement of E.M.S. S.p.A.	Annually	$5,000	2017	2022	Net Financial Indebtedness / Total Equity	<1.2	0.4

(1) The value of the financial parameters as of December 31, 2021 reported in the table above are calculated according to the individual contractual provisions. The calculation of such financial parameters using the Non-IFRS measures included in this Prospectus may lead to different results.

In November 2022 and December 2022, the Group and the relevant lenders agreed to amend all the covenants' provision contained in the above bank loans thereby providing that the covenants shall be referred to the consolidated financial statements of the Company (instead of those of E.M.S. as originally provided). Therefore, at the next measurement date the covenants will be calculated on the consolidated financial statements of the Company. As of the Prospectus Date, no criticalities are envisaged regarding the future compliance with the covenants referred to the Company's consolidated financial statements as their financial sustainability has been taken into account when the Company agreed to change the scope of the covenants' calculation with the relevant lenders. The covenants are also deemed consistent with the Group's business plan for 2022-2026.

As of September 30, 2022 the outstanding amount of the financing agreements listed in the above table providing for covenants to be measured as of December 31, 2022 amounted to €20,647 thousand.

The loan agreement dated December 22, 2021 between Eurotranciatura S.p.A. and Banca Nazionale del Lavoro S.p.A. of €15,000 thousand contains the following financial covenants to be calculated with reference to the Group's consolidated financial statements as of December 31 of each year: (i) the Gearing Ratio (calculated as the ratio between the Net Financial Indebtedness divided by Total equity) shall be equal or lower than 2.0x; (ii) the Leverage Ratio (calculated as the ratio between Net Financial Indebtedness divided by EBITDA) shall be equal or lower than 3.5x.

The loan agreement dated December 22, 2021 between Eurotranciatura S.p.A. and Credit Agricole Italia S.p.A. of €15,000 thousand contains the following financial covenants to be calculated on the Group's consolidated financial statements and to be measured on December 31 of each financial year, in particular (i) from December 31, 2022 to December 31, 2023 the Gearing Ratio (calculated as the ratio between the Net Financial Indebtedness divided by Total equity) shall be equal or lower than 1.0x while the Leverage Ratio (calculated as the ratio between Net Financial Indebtedness divided by EBITDA) shall be equal or lower than 3.0x; (ii) on December 31, 2024 the Gearing Ratio shall be equal or lower than 1.0x while the Leverage Ratio shall be equal or lower than 3.5x; (iii) on December 31, 2025 the Gearing Ratio shall be equal or lower than 1.0x while the Leverage Ratio shall be equal or lower than 3.25x; (iv) on December 31, 2026 the Gearing Ratio shall be equal or lower than 1.6x while the Leverage Ratio shall be equal or lower than 3.0x and (v) on December 31, 2027 the Gearing Ratio shall be equal or lower than 1.5x while the Leverage Ratio shall be equal or lower than 3.5x.

Moreover, on October 6, 2022, the Issuer, E.M.S., Eurotranciatura S.p.A. and Società Italiana per le Imprese all'Estero - Simest S.p.A. ("**Simest**") entered into a new investment agreement (the "**Euro Group Asia Investment Agreement**"). Pursuant to the Euro Group Asia Investment Agreement Simest granted to Euro Group Asia two member loans for an aggregate amount of €10,200 thousand (the "**Simest Member Loans**"), and on October 12, 2022, in the context of the Euro Group Asia Investment Agreement, the Issuer granted a new member loan to Euro Group Asia, providing new terms and conditions (replacing in full those already in place) for five outstanding member loans granted by the Issuer to Euro Group Asia for an aggregate amount of €25,930 thousand in order to ensure that the new terms and conditions are aligned to those of the Simest Member Loans (the "**Euro Group Member Loan**"). For the entire term of the Euro Group Asia Investment Agreement, the Issuer shall comply with certain financial covenants to be calculated with reference to the Group's consolidated financial statements (the "**Financial Covenants**") on December 31 of each year. In particular, (i) from December 31, 2022 to December 31, 2024 the leverage ratio (calculated as the ratio between Net Financial Indebtedness divided by EBITDA) shall be equal or lower than 3.5x while the gearing Ratio (calculated as the ratio between Net Financial Indebtedness divided by Total equity) shall be equal or lower than 2.0x; (ii) on December 31, 2025 the leverage ratio shall be equal or lower than 3.25x while the gearing ratio shall be equal or lower than 2.0x and (iii) from December 31, 2026 to December 31, 2029 the leverage ratio shall be equal or lower than 3.0x while the gearing ratio shall be equal or lower than 2.0x. The Financial Covenants shall be calculated based on the same terms and criteria as the loan agreement for an amount of €30,000,000 entered into by and between Eurotranciatura S.p.A. and Cassa Depositi e Prestiti S.p.A. (Simest's parent company) on August 9, 2022.

As of September 30, 2022 the outstanding amount of the above financing agreements providing for covenants to be measured as of December 31, 2022 amounted to €70,200 thousand.

As of September 30, 2022 and December 31, 2021, 2020 and 2019 and as of the Prospectus Date, the Company was in compliance with the financial covenants of the above loan agreements. Moreover, based on the Group's Estimates for 2022, the Group is fully compliant with the financial covenants of the above loan agreements.

As of the Prospectus Date, there are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations.

The proceeds from certain investment agreements, including those with Simest, and the green loans with Crédit Agricole Italia S.p.A. and Banca Nazionale del Lavoro S.p.A., can be used only for the purposes included in the related agreements. For further information please see "*Business - Material agreements*" and "*Business – Environmental, sustainability and governance*".

Indirect and contingent indebtedness

Pursuant to the par. 186 of *"Guidelines on disclosure requirements under the Prospectus Regulation"* published by ESMA on April 3, 2021, with reference to indirect financial indebtedness or subject to special conditions, as of the Prospectus date the Group has underwritten commitment related to the purchase of fixed assets equal to €70,090 thousand, and commitment related to short-term lease equal to €1,274 thousand.

Guaranteed indebtedness

The Group have part of its indebtedness that is guaranteed by SACE or by the European Investment Bank ("EIB"). The following table shows the detailed of the guaranteed indebtedness:

Entity	Bank	Initial Amount	Subscription date	As of September 30, 2022	As of December 31, 2021	2020	2019	Types of guarantees
				(*in thousands of Euro*)				
Eurotranciatura S.p.A.	Deutsche Bank	7,000	29/07/2020	5,250	6,300	7,000	-	SACE 90%
Eurotranciatura S.p.A.	UniCredit	10,000	07/08/2020	-	10,000	10,000	-	SACE 90%
Eurotranciatura S.p.A.	UniCredit	25,000	30/06/2022	25,000	-	-	-	EIB 75%
Eurotranciatura S.p.A.	UniCredit	10,000	30/12/2021	10,000	10,000	-	-	EIB 75%
Eurotranciatura S.p.A.	Banco BPM	8,000	29/09/2020	6,000	7,200	8,000	-	SACE 90%
Eurotranciatura S.p.A.	Intesa Sanpaolo	5,000	28/10/2020	5,000	5,000	5,000	-	SACE 90%
Eurotranciatura S.p.A.	Monte dei Paschi di Siena	15,000	18/12/2020	15,000	15,000	15,000	-	SACE 90%
Eurotranciatura S.p.A.	Cariparma	15,000	18/12/2020	-	15,000	15,000	-	SACE 90%
Eurotranciatura S.p.A.	Credit Agricole	15,000	22/12/2021	15,000	15,000	-	-	SACE GREEN
Eurotranciatura S.p.A.	Cassa Depositi e Prestiti	30,000	09/08/2022	30,000	-	-		SACE 50%
Eurotranciatura S.p.A.	Banca Nazionale del Lavoro	15,000	22/12/2021	15,000	15,000	-	-	SACE 50%
Financial indebtedness guaranteed..................................				**126,250**	**98,500**	**60,000**	**-**	
Financial indebtedness unguaranteed				**244,462**	**190,876**	**197,565**	**213,584**	
Financial indebtedness..				**370,712**	**289,376**	**257,565**	**213,584**	

Financing agreements subscribed after September 30, 2022

On October 6, 2022, the Issuer, E.M.S., Eurotranciatura S.p.A. and Società Italiana per le Imprese all'Estero - Simest S.p.A. ("**Simest**") entered into a new investment agreement (the "**Euro Group Asia**

Investment Agreement”) amending and replacing in full the one previously in force between the same parties relating to Euro Group Asia Limited (“**Euro Group Asia**”) (*see “Business – Material Agreements – Euro Group Asia Limited Investment Agreements*”). Pursuant to the Euro Group Asia Investment Agreement Simest granted to Euro Group Asia two member loans for an aggregate amount of €10,200 thousand (the “**Simest Member Loans**”) divided as follows: (i) a member loan for €8,500 thousand, to be repaid in ten semi-annual tranches of equal amounts on November 30 and May 31 of each year starting from November 30, 2024 and with an interest rate equal to the five-years IRS plus 1.4 % and subject to a 2.75% floor and (ii) a member loan for €1,700 thousand to be repaid in ten semi-annual tranches of equal amounts on November 30 and May 31 of each year starting from November 30, 2024 and with a fixed rate of 1%. The interest under the Simest Member Loans is required to be paid by Euro Group Asia to Simest on May 31 and November 30 of each year, starting from May 31, 2023 until May 31, 2029. The Simest Member Loans do not include any cross default, cross acceleration or negative pledge clauses.

In addition, on October 12, 2022, in the context of the Euro Group Asia Investment Agreement, the Issuer granted a new member loan to Euro Group Asia, providing new terms and conditions (replacing in full those already in place) for five outstanding member loans granted by the Issuer to Euro Group Asia for an overall amount of €25,930 thousand in order to ensure that the new terms and conditions are aligned to those of the Simest Member Loans (the “**Euro Group Member Loan**”). The Euro Group Member Loan was entered for an overall amount of €25,930 thousand and provides for: (i) an annual interest rate of 3.4% (however, if such interest rate turns out to be higher than the weighted average of the interest rates for the Simest Member Loans, the interest rate shall be equal to the weighted average of the interest rates for the Simest Member Loans) and (ii) repayment from December 31, 2025 to June 30, 2029. The Euro Group Member Loan does not include any cross default, cross acceleration or negative pledge clauses.

For the entire term of the Euro Group Asia Investment Agreement, the Issuer shall comply with certain financial covenants to be calculated with respect to the Group’s consolidated financial statements (the “**Financial Covenants**”) and to be measured on December 31 of each year. In particular, (i) from December 31, 2022 to December 31, 2024 the leverage ratio (calculated as the ratio between Net Financial Indebtedness divided by EBITDA) shall be equal or lower than 3.5x while the gearing Ratio (calculated as the ratio between Net Financial Indebtedness divided by Total equity) shall be equal or lower than 2.0x; (ii) on December 31, 2025 the leverage ratio shall be equal or lower than 3.25x while the gearing ratio shall be equal or lower than 2.0x and (iii) from December 31, 2026 to December 31, 2029 the leverage ratio shall be equal or lower than 3.0x while the gearing ratio shall be equal or lower than 2.0x. The Financial Covenants shall be calculated based on the same terms and criteria as the loan agreement for an amount of €30,000,000 entered into by and between Eurotranciatura S.p.A. and Cassa Depositi e Prestiti S.p.A. (Simest’s parent company) on August 9, 2022 (see “*Operanting and financial review - Covenants*”). The Euro Group Asia Investment Agreement also provides for an equity cure (i.e. a procedure to remedy the breach of the covenants through additional equity injections or additional member loans subordinated to the other indebtedness) if the Financial Covenants are breached.

Cash flow information

The following table present a summary of the Interim Condensed Consolidated statement of cash flows for the nine months ended September 30, 2022 and 2021:

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Cash and Cash Equivalents at the beginning of the period	**137,662**	**107,655**
Net cash flow (used in) operating activities (A)	(73,188)	(20,031)
Net cash flow (used in) investment activities (B)	(63,054)	(8,745)
Net cash from/(used in) financing activities (C)	60,662	(18,776)
Net increase/(decrease) in Cash and Cash Equivalents (A ± B ± C)	**(75,580)**	**(47,552)**
Effect of changes in exchange rates	2,499	4,303
Cash and Cash Equivalents at the end of the period	**64,581**	**64,406**

Operating activities, investing activities and financing activities used cash and cash equivalents for €75,580 thousand for the nine months ended September 30, 2022, and €47,552 thousand for the nine months ended September 30, 2021.

Net cash flow from operating activities

The following table shows a summary of net cash flow used in operating activities for the nine months ended September 30, 2022 and 2021.

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Profit for the period	**32,289**	**17,222**
Income taxes	16,709	7,104
Depreciation and amortization expenses	18,901	16,759
Difference between pension funding contributions paid and the pension cost charge	(111)	(857)
Financial income	(1,612)	(213)
Financial costs	10,735	5,472
Loss on disposal of property, plant and equipment	26	-
Allocation to the provision for doubtful debt provision	1,316	425
Allocation to the provision for obsolete inventory	10,384	600
Share plan expenses	2,161	182
Net change in Provision	1,097	-
Impairment of assets and liabilities	4,773	-
Operating cash flows before movements in working capital	**96,668**	**46,694**
(Increase)/decrease in trade receivables	(69,088)	(50,315)
(Increase)/decrease in inventories	(145,893)	(52,057)
Increase/(decrease) in trade payables	78,923	43,719
Increase/(decrease) in current tax liabilities	(9,788)	2,275
(Increase)/decrease in other receivables	(10,142)	(7,175)
Increase/(decrease) in other payables	(11,637)	(1,968)
Cash flow (used in) operating activities	**(70,957)**	**(18,827)**
Income taxes paid	(2,231)	(1,204)
Net cash flow (used in) operating activities (A)	**(73,188)**	**(20,031)**

Net cash flows used in operating activities amounted to €73,188 thousand for the nine months ended September 30, 2022 compared to net cash flows used in operating activities of €20,031 thousand for the nine months ended September 30, 2021, representing an increase of €53,157 thousand, primarily attributable to the combined effect of: (i) an increase in trade receivables for €18,773 thousand, (ii) an increase in inventory for €93,836 thousand, (iii) a decrease in current tax liabilities for €12,063 thousand, (iv) a decrease in other payables for €9,669 thousand, partially offset by an increase of operating cash flows before movements in working capital for €49,974 thousand and an increase in trade payables for €35,204 thousand, mainly due to the higher volume of business and greater supply of raw materials.

Net Cash flow used in investment activities

The table below summarizes the net cash flows used in investing activities for the nine months ended September 30, 2022 and 2021.

	For the nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Acquisition of Property, plant and equipment	(62,831)	(29,506)
Proceeds of Property, plant and equipment	5	12
Acquisition of intangible assets	(411)	(312)
Acquisition of subsidiaries net of cash and cash equivalents	-	19,041
Dividends received	-	1,400
Interest received	183	620
Net cash flow (used in) investment activities (B)	**(63,054)**	**(8,745)**

Net cash flows used in investment activities amounted to €63,054 thousand for the nine months ended September 30, 2022 compared to net cash flows used in investment activities of €8,745 thousand for the nine months ended September 30,2021, with an increase of €54,309 thousand, primarily attributable to the acquisition of new machineries and the increase in asset under construction related to new plants in Italy and Mexico and new entity Euro Misi High – Tech.

Net Cash from financing activities

The following table summarizes the net cash from and used in financing activities for the nine months ended September 30, 2022 and 2021.

	Nine months ended September 30,	
	2022	2021
	(in thousands of Euro)	
Issue of new bank borrowings	83,129	19,809
Repayments of bank borrowings	(52,147)	(17,065)
Repayment of current financial liabilities	(11,781)	(20,030)
Proceeds from current financial liabilities	62,128	7,777
Principal repayment of lease liabilities	(6,427)	(3,708)
Dividends paid	(3,822)	-
Interest paid	(10,418)	(5,559)
Net cash from/(used in) financing activities (C)	**60,662**	**(18,776)**

Net cash from financing activities amounted to €60,662 thousand for the nine months ended September 30, 2022 compared to net cash used in financing activities of €18,776 thousand for the nine months ended September 30, 2021, with an increase of €79,438 thousand, primarily attributable to (i) higher proceeds on issue of new bank borrowings of €63,320 thousand, (ii) proceeds from current financial liabilities of €54,351 thousand that are mainly related to used credit lines and payables to factors partially offset by higher repayment of bank borrowings of €35,082 thousand and (iv) repayment of current financial liabilities of €11,781 thousand that are mainly related to used credit lines and payables to factors.

The item “Dividends paid” is attributable to dividends distributed by the Issuer during the nine moths ended September 30, 2022, that are related to the profit for the year ended December 31, 2021. Such dividends have been distributed to to the Issuer shareholders for €2,769 thousand and for €1,053 thousand relate to non-controlling interests.

Years ended December 31, 2021, 2020 and 2019

The table below provides a summary of the Consolidated statement of cash flows for the years ended December 31, 2021, 2020 and 2019.

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Cash and Cash Equivalents at the beginning of the year	**107,655**	**44,839**	**24,478**
Net cash flow from operating activities (A)	48,409	56,211	26,879
Net cash flow (used in) investment activities (B)	(15,339)	(22,420)	(27,294)
Net cash (used in)/(from) financing activities (C)	(4,939)	33,984	18,648
Net increase in Cash and Cash Equivalents (A ± B ± C)	**28,131**	**67,775**	**18,233**
Effect of changes in exchange rates	1,876	(4,959)	2,128
Cash and Cash Equivalents at the end of the year	**137,662**	**107,655**	**44,839**

Operating, investment activities and financing activities generated cash and cash equivalents of €28,131 thousand for the year ended December 31, 2021, €67,775 thousand for the year ended December 31, 2020 and €18,233 thousand for the year ended December 31, 2019.

Net cash flow from operating activities

The table below summarizes the net cash flows from operating activities for the years ended December 31, 2021, 2020 and 2019.

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of Euro)		
Profit for the year	**20,691**	**2,322**	**4,020**
Income taxes	8,982	(7,084)	(26)
Depreciation and amortization expenses	23,269	18,313	17,566
Difference between pension funding contributions paid and the pension cost charge	(444)	(171)	(107)
Financial income	(849)	(1,436)	(709)
Financial costs	7,676	6,257	5,342
(Gain) on disposal of property, plant and equipment	(43)	(357)	(44)
Allocation to the provision for obsolete inventory	5,453	824	345
Allocation to the provision for doubtful debt provision	(115)	1,283	(114)
Share award expenses	3,698	1,271	356
Share of results of associates	(2,846)	(710)	1,121
Net change in Provision	18	-	(339)
Operating cash flows before movements in working capital	**65,491**	**20,512**	**27,411**
(Increase)/decrease in trade receivables	(30,622)	8,676	(7,573)
(Increase)/decrease in inventories	(87,956)	(140)	(1,181)
Increase/(decrease) in trade payables	107,543	24,055	6,724
Increase/(decrease) in current tax liabilities	(471)	(4,031)	(1,520)
(Increase)/decrease in other receivables	(13,374)	1,876	4,787
Increase/(decrease) in other payables	11,217	6,868	(190)
Cash flow from operating activities	**51,828**	**57,816**	**28,458**
Income taxes paid	(3,419)	(1,605)	(1,579)
Net cash flow from operating activities (A)	**48,409**	**56,211**	**26,879**

2021 vs 2020

Net cash flows from operating activities amounted to €48,409 thousand in 2021 compared to net cash flows from operating activities of €56,211 thousand in 2020, representing a decrease of €7,802 thousand, primarily attributable to the combined effect of: (i) an increase in trade receivables for €39,298 thousand, (ii) an increase in inventory for €87,816 thousand, (iii) increase in other receivables for €15,250 thousand, partially offset by increase in trade payables for €83,488 thousand, mainly due to the higher volume of business and greater supply of raw materials.

2020 vs 2019

Net cash flows from operating activities amounted to €56,211 thousand in 2020 compared to net cash flows from operating activities of €26,879 thousand in 2019, representing an increase of €29,332 thousand, primarily attributable to the combined effect of: (i) decrease in trade receivables for €16,249 thousand, due to the lower volumes of business in the Industrial segment, (ii) increase in trade payables of €17,331 thousand related to the adverse impacts of the Covid-19 pandemic, (iii) increase in other payables for €7,058 thousand attributable to the higher customer advances, partially offset by a decrease in the Cash flows before changes in net working capital, mainly related by the adverse impacts of the Covid-19 pandemic for €6,899 thousand and (v) decrease of other receivables for €2,911, mainly due to the increase in VAT receivable.

Net Cash flows used in investment activities

The table below summarizes the net cash flows used in investment activities for the years ended December 31, 2021, 2020 and 2019.

	For the year ended December 31,		
	2021	**2020**	**2019**
	(in thousands of Euro)		
Acquisition of property, plant and equipment	(37,093)	(24,776)	(22,667)
Proceeds of property, plant and equipment	806	1,009	170
Acquisition of intangible assets	(319)	(543)	(589)
(Increase) in financial receivables from parent company	-	(624)	-
Proceeds of financial receivables from associates	-	-	(5,258)
Acquisition of subsidiaries net of cash and cash equivalents	19,041	1,091	-
Interest received	826	1,423	700
Dividends received	1,400	-	350
Net cash flow (used in) investment activities (B)	**(15,339)**	**(22,420)**	**(27,294)**

2021 vs 2020

Net cash flows used in investment activities amounted to €15,339 thousand in 2021 compared to net cash flows used in investment activities of €22,420 thousand in 2020, with a decrease of €7,081 thousand, primarily attributable to higher cash obtained by the acquisition of subsidiaries and dividends received respectively for €17,950 thousand and €1,400 thousand, partially offset by higher acquisition of property plant and equipment for €12,317 thousand related to the purchase of new presses and modules, and the increase in asset under construction related to new production plants in Mexico and USA.

2020 vs 2019

Net cash flows used in investment activities amounted to €22,420 thousand in 2020 compared to net cash flows used in investment activities of €27,294 thousand in 2019, with a decrease of €4,874 thousand, primarily attributable to (i) proceeds of financial receivable from associates for €5,258 thousand that are related to the termination of Group cash pooling agreement in 2019, (ii) the cash obtained by the acquisition of subsidiaries for €1,091 thousand, partially offset by (iii) the increase in acquisition of property, plant and equipment of €2,109 thousand.

Net Cash used in and from financing activities

The following table summarizes the net cash used in and from financing activities for the years ended December 31, 2021, 2020 and 2019.

	For the year ended December 31,		
	2021	**2020**	**2019**
	(in thousands of Euro)		
Issue of new bank borrowings	56,193	131,475	41,384
Repayments of bank borrowings	(34,545)	(97,574)	(26,869)
Repayment of current financial liabilities	(18,060)	(33,109)	(6,409)
Proceeds from current financial liabilities	11,781	8,381	19,392
Principal repayment of lease liabilities	(10,377)	(5,434)	(3,296)
Dividends paid	(2,519)	(42)	(221)
Interest paid	(7,412)	(5,734)	(5,333)
Proceeds on issue of shares	-	36,021	-
Net cash (used in)/from financing activities (C)	**(4,939)**	**33,984**	**18,648**

2021 vs 2020

Net cash used in financing activities amounted to €4,939 thousand in 2021 compared to net cash from financing activities of €33,984 thousand in 2020, with a decrease of €38,923 thousand, primarily attributable to lower proceeds on issue of new bank borrowings of €75,282 thousand and proceeds on issue of share capital of €36,021 thousand, partially offset by lower repayment of bank borrowings of €63,029 thousand and repayment of current financial liabilities of €15,049 thousand.

The item Proceeds from current financial liabilities and Repayment of current financial liabilities related to used credit lines and payables to factors.

2020 vs 2019

Net cash from financing activities amounted to €33,984 thousand in 2020 compared to net cash from financial activities of €18,648 thousand in 2019, with an increase of €15,336 thousand, primarily attributable to higher proceeds on issue of new bank borrowings of €90,091 thousand and proceeds on issue of share capital of €36,021 thousand, partially offset by higher repayment of bank borrowings of €70,705 thousand, repayment of current financial liabilities of €26,700 thousand and proceeds from current financial liabilities of €11,011 thousand.

Capital Expenditures and Investments

The table below shows investments made by the Group in property, plant and equipment, intangible assets, financial assets and the acquisitions of subsidiaries net of cash and cash equivalents and non-controlling interests for the nine months ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019.

	For the nine months ended September 30,	For the year ended December 31,		
	2022	2021	2020	2019
		(in thousands of Euro)		
Additions of property, plant and equipment	*62,831*	*37,093*	*24,776*	*22,667*
Land and buildings	273	187	155	1,982
Plant and machinery	8,158	19,371	15,340	11,542
Commercial and industrial equipment	772	2,738	3,441	2,061
Other tangible assets	609	797	895	1,054
Tangible assets under construction	53,019	14,000	4,945	6,028
Additions of intangible assets	*411*	*319*	*543*	*589*
Industrial patents and similar intellectual property rights	411	319	531	587
Other intangible assets	-	-	-	1
Intangible assets under construction	-	-	12	1
Capital Expenditure	**63,242**	**37,412**	**25,319**	**23,256**

Investments in Property, Plant and Equipment

The investments in Property, plant and equipment during the periods under review are mainly attributable to the categories:

- Land and buildings. This category includes general industrial plants and warehouses. The additions amounted to €273 thousand for the nine months ended September 30, 2022 and to €187 thousand, €155 thousand and €1,982 thousand respectively in the years ended December 31, 2021, 2020 and 2019.

- Plant and machinery. This category includes presses and other industrial machinery used for the production process. The additions amounted to €8,158 thousand for the nine months period ended September 30, 2022 and to €19,371 thousand, €15,340 thousand and €11,542 thousand respectively in the years ended December 31, 2021, 2020 and 2019.

- Commercial and industrial equipment. This category includes industrial moulds and other industrial and commercial equipment. The additions amounted to €772 thousand for the nine months ended September 30, 2022 and to €2,738 thousand, €3,441 thousand and €2,061 thousand respectively in the years ended December 31, 2021, 2020 and 2019.

- Other tangible assets. This category includes furniture and furnishings for offices and warehouse, warehouse equipment, shelving, electronic office machines, vehicles and cars. The additions amounted to €609 thousand for the nine months ended September 30, 2022 and to €797 thousand, €895 thousand and €1,054 thousand respectively in the years ended December 31, 2021, 2020 and 2019.

- Tangible assets under construction. This category includes tangible asset not yet available for their use, in particular related to the investments aimed for the production process of the subsidiary Euro Misi High Tech that has been established in 2022, and to the construction of new production plants in Mexico and in Eurotranciatura S.p.A. in order to expand production. The additions amounted to €53,019 thousand for the nine months ended September 30, 2022 and to €14,000 thousand, €4,945 thousand and €6,028 thousand respectively in the years ended December 31, 2021, 2020 and 2019.

  The investments attributable to underwritten commitments related to the purchase of fixed assets totally self-financed.

The following table shows the geographical breakdown of the underwritten commitments related to the purchase of fixed assets as of the Prospectus Date:

	As of Prospectus Date
	(in thousands of Euro)
EMEA	26,498
North America	17,964
Asia	25,628
Total	**70,090**

Research and development costs are expensed in the period in which they are incurred.

The Group is obliged to maintain a predeterminate production capacity according to the existing agreements with customers but, as of the Prospectus Date, the Group cannot determine the amounts of these future obligations.

As of the Prospectus Date, certain amounts of the investments related to a contract investment commitment for property, plant and equipment to be received within 12 months.

Investments in Intangible Assets

The investments in intangible assets that the Group made during the periods under review are mainly attributable to industrial patents and similar intellectual property rights and amount to €411 thousand for the nine months ended September 30, 2022 and to €319 thousand, €543 thousand and €589 thousand respectively in the financial years ended December 31, 2021, 2020 and 2019.

Quantitative and Qualitative Information regarding Financial Risks

The Group is exposed to financial risks which are principally associated with the ability of customers to meet their obligations (credit risk), ability to raise funds in the market (liquidity risk), fluctuations in interest rates (interest rate risk) and fluctuation of foreign currency exchange rate (foreign exchange risk).

Credit risk

The Group is exposed to a credit risk that its customers may delay or fail to fulfill their payment requirements in terms agreed and the internal procedures adopted in relation to the assessment of credit risk and customer solvency are not sufficient. These risks could have negative effects on the Group's economic, financial and equity situation. To mitigate this risk, the Group monitors the credit quality of the third-parties on the basis of internal or external ratings and sets credit limits subject to regular monitoring. The customers are all major players in the sectors in which the Group is active, and credit risk is concentrated on only a small percentage of smaller customers. It occurs that the Group uses factoring instruments to collect certain type of trade receivables.

The following table contains a breakdown of third-party trade receivables by overdue category:

	As of September 30, 2022		As of December 31,					
			2021		2020		2019	
	Receivables	Provision	Receivables	Provision	Receivables	Provision	Receivables	Provision
	(in thousands of Euro)							
Receivables due	133,535	(94)	76,788	(64)	45,885	(41)	48,689	(43)
Receivables past due by less than 60 days	27,418	(418)	12,814	(95)	6,164	(55)	9,613	(63)
Receivables between 60 and 180 days past due	1,502	(73)	3,385	(182)	1,354	(68)	2,838	(85)
Receivables past due by over 180 days	11,515	(8,594)	11,939	(7,566)	14,146	(7,657)	12,048	(6,788)
Total	**173,970**	**(9,179)**	**104,926**	**(7,907)**	**67,549**	**(7,821)**	**73,188**	**(6,979)**

Liquidity risk

The Group is exposed to the risk of not being able to obtain new borrowings or to get renewal of existing ones at conditions that are not worse than the existing ones, or it could default on the commitments (covenants) assumed in the existing loan agreements. Furthermore, the violation of the covenants provided for in some existing loans agreements could in some cases, to lead (due to cross default clauses) to the forfeiture of benefit of the term, respect to other loans agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

In consideration of the net financial position and the ability to generate positive cash flows from operating activities, the liquidity risk is assessed, in the economic situation in which the Group is at the time of approval of these financial statements, as low. The Group has credit lines granted by the banking system, which are adequate with respect to operational needs.

The Group’s cash flows, financing requirements and liquidity are carefully monitored and managed by:

- maintaining an appropriate level of available liquidity;
- diversifying the methods used to raise financial resources;
- arranging appropriate credit facilities;
- monitoring prospective liquidity conditions, in relation to the business planning process.

The factors which mainly influence the Group’s liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends, the maturity or refinancing of debt and the management of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Issuer in order to guarantee effective sourcing of financial resources or adequate investment of excess liquidity.

The negotiation and management of credit lines is coordinated by the Issuer with the aim of satisfying the short and medium-term financing needs of the individual companies within the Group according to efficiency and cost-effectiveness criteria. It has always been the Group’s policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group’s financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs.

As of September 30, 2022, the Group had credit lines of €169,133 thousand (used for €68,025 thousand), of which committed lines for €145,442 thousand (used for €67,798 thousand) and uncommitted lines for €23,691 thousand (used for €227 thousand). As of December 31, 2021, 2020, and 2019, the Group had credit lines of €142,332 thousand (used for €39,007 thousand), €124,980 thousand (used for €48,298 thousand), and €109,900 thousand (used for €69,878 thousand), respectively.

As required by IFRS 7, the following tables show cash flows relating to the financial liabilities by maturity:

Financial liabilities and financial flows as of September 30, 2022

	As of September 30, 2022	Total Cash Flows	Within 1 year	From 1 to 5 years	Over 5 years
			(*in thousands of Euro*)		
Non-current financial liabilities and borrowings	186,419	186,419	-	129,840	56,579
Non-current lease liabilities	43,690	43,690	-	19,220	24,470
Total non-current financial liabilities	**230,109**	**230,109**	**-**	**149,060**	**81,049**
Current financial liabilities and borrowings	103,235	103,235	103,235	-	-
Current portion of non-current financial liabilities and borrowings	29,642	29,642	29,642	-	-
Current lease liabilities	7,726	7,726	7,726	-	-
Total current financial liabilities	**140,603**	**140,603**	**140,603**	**-**	**-**
Total financial liabilities	**370,712**	**370,712**	**140,603**	**149,060**	**81,049**

Financial liabilities and financial flows as of December 31, 2021

	As of December 31, 2021	Total Cash Flows	Within 1 year	From 1 to 5 years	Over 5 years
			(*in thousands of Euro*)		
Non-current financial liabilities and borrowings	134,997	134,997	-	100,051	34,946
Non-current lease liabilities	47,568	47,568	-	19,362	28,206
Total non-current financial liabilities	**182,565**	**182,565**	**-**	**119,413**	**63,152**
Current financial liabilities and borrowings	50,788	50,788	50,788	-	-
Current portion of non-current financial liabilities and borrowings	46,747	46,747	46,747	-	-
Current lease liabilities	7,768	7,768	7,768	-	-
Total current financial liabilities	**105,303**	**105,303**	**105,303**	**-**	**-**
Total financial liabilities	**287,868**	**287,868**	**105,303**	**119,413**	**63,152**

Financial liabilities and financial flows as of December 31, 2020

	As of December 31, 2020	Total Cash Flows	Within 1 year	From 1 to 5 years	Over 5 years
			(*in thousands of Euro*)		
Non-current financial liabilities and borrowings	129,548	129,548	-	91,764	37,784
Non-current lease liabilities	36,564	36,564	-	12,514	24,050
Total non-current financial liabilities	**166,112**	**166,112**	**-**	**104,278**	**61,834**
Current financial liabilities and borrowings	56,679	56,679	56,679	-	-
Current portion of non-current financial liabilities and borrowings	28,503	28,503	28,503	-	-
Current lease liabilities	4,763	4,763	4,763	-	-
Total current financial liabilities	**89,945**	**89,945**	**89,945**	**-**	**-**
Total financial liabilities	**256,057**	**256,057**	**89,945**	**104,278**	**61,834**

Financial liabilities and financial flows as of December 31, 2019

	As of December 31, 2019	Total Cash Flows	Within 1 year	From 1 to 5 years	Over 5 years
	(*in thousands of Euro*)				
Non-current financial liabilities and borrowings	75,546	75,546	-	51,728	23,818
Non-current lease liabilities	19,485	19,485	-	7,856	11,629
Total non-current financial liabilities	**95,031**	**95,031**	-	**59,584**	**35,447**
Current financial liabilities and borrowings	81,583	81,583	81,583	-	-
Current portion of non-current financial liabilities and borrowings	32,560	32,560	32,560	-	-
Current lease liabilities	2,902	2,902	2,902	-	-
Total current financial liabilities	**117,045**	**117,045**	**117,045**	-	-
Total financial liabilities	**212,076**	**212,076**	**117,045**	**59,584**	**35,447**

The amounts in the previous tables represent undiscounted nominal values, determined with reference to the remaining contractual expiry dates, both for the principal amounts of financial liabilities and for the account interests.

In particular, as of the Prospectus Date, the Group has credit lines in Euro of €172,782 thousand (of which €69,735 thousand have been drawn). Of the total amount, committed lines represent €150,783 thousand (of which €66,068 thousand have been drawn) and uncommitted lines represent €21,999 thousand (of which € 3,667 thousand have been drawn).

The following table summarizes the main information relating to the credit lines as of September 30, 2022:

	Currency	Maturity date[(i)]	Line amount[(ii)]	Used	Residual	Rate
			(in thousands of Euro or percentage)			
Intesa Sanpaolo	EUR	27/10/2022	23,200	9,002	14,198	2.00%
Deutsche Bank...........................	EUR	25/11/2022	3,100	3,000	100	6.32%
BCC...	EUR	19/12/2022	10,000	10,000	-	2.50%
Monte dei Paschi di Siena	EUR	07/11/2022	5,000	5,000	-	2.50%
UniCredit...................................	EUR	14/11/2022	26,750	12,311	14,439	3,00%
Banco Desio	EUR	09/01/2023	2,000	2,000	-	1.00%
Banca Nazionale del Lavoro......	EUR	02/02/2023	5,025	3,517	1,508	1.00%
Banco BPM	EUR	09/11/2022	14,500	137	14,363	1.01%
Intesa Sanpaolo	EUR	17/10/2022	14,552	58	14,494	1.00%
Credit Agricole..........................	EUR	11/12/2022	17,050	1,036	16,014	1.58%
UniCredit...................................	CNY	27/10/2022	836	836	-	5.00%
UniCredit...................................	CNY	27/10/2022	411	411	-	5.00%
UniCredit...................................	CNY	23/11/2022	893	893	-	5.00%
UniCredit...................................	CNY	23/11/2022	469	469	-	5.00%
UniCredit...................................	CNY	05/12/2022	197	197	-	5.00%
UniCredit...................................	CNY	31/08/2022	522	-	522	4.90%
Monte dei Paschi di Siena	CNY	21/03/2023	997	-	997	4.85%
Monte dei Paschi di Siena	CNY	23/09/2022	577	-	577	4.85%
Monte dei Paschi di Siena	CNY	15/12/2022	283	283	-	4.85%
Monte dei Paschi di Siena	CNY	29/07/2022	432	-	432	4.85%
Monte dei Paschi di Siena	CNY	17/01/2023	288	288	-	4.85%
Monte dei Paschi di Siena	CNY	22/03/2023	894	894	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	307	307	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	104	104	-	4.85%
Monte dei Paschi di Siena	CNY	21/09/2023	153	153	-	4.85%
Intesa Sanpaolo	USD	30/10/2022	4,103	4,103	-	5.42%
Intesa Sanpaolo	USD	21/11/2022	2,565	2,565	-	5.10%
Intesa Sanpaolo	USD	21/11/2022	1,539	1,539	-	5.10%
Intesa Sanpaolo	USD	30/10/2022	595	595	-	4.60%
Intesa Sanpaolo	USD	30/10/2022	3,483	3,483	-	4.45%
UniCredit...................................	USD	28/11/2022	3,078	3,078	-	2.07%
UniCredit...................................	USD	28/11/2022	1,539	1,539	-	2.60%
Total Committed Lines in Euro			**145,442**	**67,798**	**77,644**	
Monte dei Paschi di Siena	EUR	Withdrawal	974	-	974	n.a.
Intesa Sanpaolo	EUR	Withdrawal	50	-	50	n.a.
Intesa Sanpaolo	EUR	Withdrawal	2,575	-	2,575	n.a.
Deutsche Bank...........................	EUR	Withdrawal	50	-	50	n.a.
Banco BPM	EUR	Withdrawal	50	-	50	n.a.
Intesa Sanpaolo	EUR	Withdrawal	300	-	300	n.a.
UniCredit...................................	EUR	Withdrawal	1,000	-	1,000	n.a.
Monte dei Paschi di Siena	USD	Withdrawal	18,465	-	18,465	n.a.
Commercial Bank......................	USD	Withdrawal	227	227	-	n.a.
Total Uncommitted Lines in Euro			**23,691**	**227**	**23,464**	
Total Credit Lines in Euro			**169,133**	**68,025**	**101,108**	

(i) The maturity date of committed lines is related to the used amounts;

(ii) The committed lines are revised by the banks on an annual basis.

The following table summarizes the main information relating to the uncommitted credit lines as of December 31, 2021.

	Currency	Maturity date	Line amount	Used	Residual	Rate
			(*in thousands of Euro of percentage*)			
UniCredit..................................	EUR	Withdrawal	26,750	-	26,750	n.a
UniCredit..................................	EUR	Withdrawal	1,000	-	1,000	n.a
Credit Agricole..........................	EUR	Withdrawal	14,552	8,000	6,552	0.7%
BPER..	EUR	Withdrawal	50	-	50	n.a
BPM	EUR	Withdrawal	13,500	-	13,500	n.a
BPM	EUR	Withdrawal	50	-	50	n.a
BCC...	EUR	Withdrawal	10,000	10,000	-	0.8%
Intesa Sanpaolo	EUR	Withdrawal	11,200	-	11,200	n.a
Intesa Sanpaolo	EUR	Withdrawal	2,575	-	2,575	n.a
Intesa Sanpaolo	USD	Withdrawal	7,063	7,063	-	4.4%
Cariparma.................................	EUR	Withdrawal	18,000	-	18,000	n.a
MPS...	EUR	Withdrawal	5,000	5,000	-	0.7%
MPS...	EUR	Withdrawal	974	-	974	n.a
MPS...	USD	Withdrawal	15,893	-	15,893	n.a
Banco Desio e Brianza	EUR	Withdrawal	2,000	2,000	-	1.0%
BNL...	EUR	Withdrawal	5,025	-	5,025	n.a
Credito Valtellinese..................	EUR	Withdrawal	4,050	2,500	1,550	0.1%
Credito Valtellinese..................	EUR	Withdrawal	1,500	1,444	56	0.0%
Deutsche Bank...........................	EUR	Withdrawal	3,100	3,000	100	1.7%
Deutsche Bank...........................	EUR	Withdrawal	50	-	50	n.a
Total *Uncommitted* Lines in Euro			**142,332**	**39,007**	**103,325**	

Market risk

Foreign exchange risk

The Group also carries out its business in countries other than the so-called Eurozone. Furthermore, the financial statements of the non-EU foreign subsidiaries are drawn up in local currency and converted into Euro. The Group is therefore exposed to the risk that significant fluctuations in exchange rates may occur: (i) the so-called economic exchange risk, that is the risk that revenues and costs denominated in currencies other than the Euro take on different values respect the time, in which the price conditions were defined; (ii) the so-called translation exchange risk, deriving from the circumstance that the Issuer - while preparing its financial statements in Euro - holds controlling interests in companies that prepare financial statements in different currencies and, consequently, carries out conversion operations of assets and liabilities expressed in currencies other than Euro.

The Group does not adopt specific policies to hedge exchange rate fluctuations. In order to manage the exchange rate risk, the Group carries out purchase and sale transactions in the same local currency through bank accounts opened in the individual countries.

The following table summarizes Revenues and Cost for purchase of raw materials divided by foreign currency:

	As of September 30, 2022				
	EUR	**USD**	**CNY**	**JPY**	**Total**
	(*in thousands of Euro)*				
Total Revenues......................	650,322	524	274	-	651,120
Total Cost for purchase of raw mateials	382,762	934	375	68,362	452,433

As of September 30, 2021	EUR	USD	CNY	RUB	JPY	Total
			(in thousands of Euro)			
Total Revenues......................	391,509	16	99	334	-	391,958
Total Cost for purchase of raw mateials	208,520	343	772	-	26,703	236,338

				As of December 31, 2021		
	EUR	USD	CNY	RUB	JPY	Total
			(in thousands of Euro)			
Total Revenues......................	556,191	29	176	508	-	556,904
Total Cost for purchase of raw mateials	298,9222	651	1,467	-	50,697	351,737

				As of December 31, 2020		
	EUR	USD	CNY	RUB	JPY	Total
			(in thousands of Euro)			
Total Revenues......................	372,361	72	73	784	-	373,290
Total Cost for purchase of raw mateials	222,783	17	-	919	213	223,932

				As of December 31, 2019		
	EUR	USD	CNY	RUB	JPY	Total
				(in thousands of Euro)		
Total Revenues......................	351,205	46	109	714	-	352,074
Total Cost for purchase of raw mateials	209,792	1,302	-	-	35	211,129

The following table summarizes the exposure relating to foreign currency assets and liabilities while showing the most important currencies for each period:

			As of September 30, 2022		
	USD	TND	CNY	JPY	Total
			(in thousands of Euro)		
Total assets	9,539	2,742	1,372	118	13,771
Total liabilities.......................	10,330	778	3,861	10,268	25,237

		As of December 31, 2021		
	USD	CNY	JPY	Total
		(in thousands of Euro)		
Total assets	8,176	157	152	8,485
Total liabilities........................	6,709	464	10,113	17,286

			As of December 31, 2020		
	USD	CNY	RUB	JPY	Total
			(in thousands of Euro)		
Total assets	11,759	504	190	-	12,453
Total liabilities........................	5,037	248	85	11,083	16,453

			As of December 31, 2019		
	USD	CNY	RUB	JPY	Total
			(in thousands of Euro)		

Total assets	7,127	71	52	-	7,250
Total liabilities	3,716	5	165	3,511	7,397

The following table shows a sensitivity analysis on revenues and profit before tax for the nine months endend September 30, 2022 and 2021 and for the years ended December 31, 2020, 2019 and 2018, taking into account the risk:

	As of September 30,			
	2022		**2021**	
	FX +10%	**FX-10%**	**FX +10%**	**FX-10%**
	(*in thousands of Euro*)			
USD	(48)	58	(1)	2
CNY	(25)	30	(9)	11
JPY	-	-	-	-
RUB	-	-	(30)	37
Total other currencies	**(73)**	**89**	**(41)**	**50**
Total effect on Revenues	**(73)**	**89**	**(41)**	**50**

	As of December 31,					
	2021		**2020**		**2019**	
	FX +10%	**FX-10%**	**FX +10%**	**FX-10%**	**FX +10%**	**FX-10%**
	(*in thousands of Euro*)					
USD	(3)	3	(7)	8	(4)	5
CNY	(16)	20	(7)	8	(10)	12
JPY	-	-	-	-	-	-
RUB	(46)	56	(71)	87	(65)	79
Total other currencies	**(65)**	**79**	**(84)**	**103**	**(79)**	**96**
Total effect on Revenues	**(65)**	**79**	**(84)**	**103**	**(79)**	**96**

	As of September 30,			
	2022		**2021**	
	FX +10%	**FX-10%**	**FX +10%**	**FX-10%**
	(*in thousands of Euro*)			
USD	37	(46)	30	(36)
CNY	9	(11)	61	(75)
JPY	6,215	(7,596)	2,428	(2,967)
RUB	-	-	(30)	37
Total other currencies	**6,261**	**(7,653)**	2,488	(3,041)
Total effect on profit before tax	**6,261**	**(7,653)**	**2,488**	**(3,041)**

As of December 31,					
2021		**2020**		**2019**	
FX +10%	**FX-10%**	**FX +10%**	**FX-10%**	**FX +10%**	**FX-10%**

			(*in thousands of Euro*)			
USD	57	(69)	(5)	6	114	(140)
CNY	117	(143)	(7)	8	(10)	12
JPY	4,609	(5,633)	19	(24)	3	(4)
RUB	(46)	56	12	(15)	(65)	79
Total other currencies	**4,737**	**(5,789)**	**20**	**(24)**	**43**	**(52)**
Total effect on profit before tax	**4,737**	**(5,789)**	**20**	**(24)**	**43**	**(52)**

Interest rate risk

The Group is subject to the risk of fluctuations in the interest rate relating to indebtedness. Any changes in interest rates (EURIBOR) could have effects with increase or reduction of financing costs.

As of September 30, 2022, total variable interest rate exposure amounted to €185,684 thousand or 58.2% of total outstanding financial exposure (€88,930 thousand or 38.2% as of December 31, 2021, respectively), mainly due to Euribor changes. The percentage of variable rate financial liabilities guaranteed with derivative financial instruments as of September 30, 2022 and as of December 31, 2021, 2020 and 2019 was respectively 30%, 54%, 68% and 51%.

The following table shows total financial exposure within fixed rate and variable rate as of September 30, 2022, and December 31, 2021, 2020 and 2019:

	As of September 30,		**As of December 31,**					
	2022	**Impact on the total**	**2021**	**Impact on the total**	**2020**	**Impact on the total**	**2019**	**Impact on the total**
				(*in thousands of Euro*)				
Total fixed rate financial liability	133,612	41.8%	143,602	61.8%	128,294	59.7%	155,379	81.9%
Total variable rate financial liability	185,684	58.2%	88,930	38.2%	86,436	40.3%	34,310	18.1%
Total outstanding financial debt [(i)]	**319,296**	**100.0%**	**232,532**	**100.0%**	**214,730**	**100.0%**	**189,689**	**100.0%**

(iii) This amount refers to interest-bearing financial debts and it corresponds to the "Non-current financial liabilities and borrowings" and "Current financial liabilities and borrowings" in the Interim Condensed Consolidated of Financial Position and the Consolidated Statement of Financial Position.

The following sensitivity analysis shows the potential effects on the income before tax arising from interest rate fluctuations on variable-rate loans, assuming an interest rate increase/decrease of 2%:

	+2.0%	**-2.0%**
	(*in thousands of Euro*)	
As of September 30, 2022	(2,591)	2,591
As of December 31, 2021	(817)	817
As of December 31, 2020	(623)	623
As of December 31, 2019	(335)	335

The potential impacts reported above are calculated by referring to the liabilities representing the most significant part of the Group's debt at the reference date, assuming that these liabilities existed for the entire period, excluding the variable rate component of the loans for which the Group has hedged the risk of interest rate fluctuations with IRS, and calculating, on this amount, the potential effect resulting from the change in interest rates on an annual basis, keeping all other variables constant.

Credit Rating

As of the Prospectus Date, the Issuer has not obtained nor requested any credit rating.

FORECAST DATA AND ESTIMATES

*On November, 18, 2022, the Board of Directors approved the business plan for 2022-2026 (the "**Plan**"). This Prospectus includes certain forecast data relating to the Group for the period 2023-2025 (the "**Forecast Data**") as well as certain estimates of the Group's performance for 2022 (the "**Estimates**"). The Group's actual financial statements for the 2022 financial year may differ significantly from the Estimates, for a variety of reasons and factors outside management's control, including: (i) events that occurred before December 31, 2022 after the Estimates were approved; or (ii) events that occurred after December 31, 2022 and the approval of the Estimates that must be reflected in the Group's financial statements as of and for the twelve months ended December 31, 2022. Consequently, neither the Estimates nor the Forecast Data should be taken as an indication of our future performance.*

The preparation of Forecast Data and Estimates is based upon, among other things, assumptions concerning future events that management expects to occur, and the actions management intends to take. Not all of these events and actions may actually be realized, as they depend in large part on variables that management cannot control and that may involve circumstances that management cannot predict. Data used in Forecast Data and Estimates preparation are based on assumptions regarding operations and results reflecting Group's current expectations regarding future events and are therefore subject to significant uncertainties that could cause actual results to differ materially. These variables and circumstances include, among other things, changes in the macroeconomic environment and the markets in which the Group operates, namely, the EV & Automotive segment, and those markets served by the Group's Industrial segment, as well as the cost and availability of raw materials. Should or any any of the Group's key assumptions with respect to these, or other variables and circumstances, prove to be inaccurate, the Group's actual results may differ materially from those expressed or implied in Forecast Data and Estimates. Therefore, there can't be assurance that Forecast Data and Estimates will eventually prove to be accurate and prospective investors should be aware that a number of factors, including factors outside of the Group's control and the control of management, might render achievement of Forecast Data and Estimates difficult or impossible.

Forecast Data and Estimates represent management's estimates of the Group's future performance as of the Prospectus Date. Unless required by applicable laws and regulations, the the Company does not undertake any obligation to publish any revisions to such forward-looking statements after the First Trading Date to reflect later events or circumstances. In particular, if the Company does not achieve, or reasonbably believe that it will not achieve, the expected results included in the Estimates and Forecast, it is expected to release a notice with a profit warning, on the basis of the Market Abuse Regulation.

Forecast Data and Estimates have been derived from the Plan prepared as part of the process to list the Company's ordinary shares on Euronext Milan. The Plan has been prepared on the basis of the accounting standards used for the preparation of the consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 and does not take into account any proceeds from the Offer.

The Group intends to pursue the following business strategies:

- <u>EV & Automotive</u>: (i) expanding its existing Order Book and additional Pipeline of orders under discussion worldwide (namely, Europe, Asia, and the United States), which are expected to generate revenues and cash-flow in the coming years, with additional projects and initiatives currently being evaluated and implemented; (ii) exploiting its successful track record and reputation in the industry, enabling the Group to take advantage of additional opportunities for further growth in the electric vehicle market; (iii) leveraging on long-standing relationships with key customers (both OEM and Tier 1) to retain its market position in Europe and North America; (iv) achieving a leadership position in Asia through continued growth of the current customer base, increased market penetration and creating a benchmark for Asian operators; (v) continuing to invest to strengthen its technological know-how through continuous innovation and maintain its competitive advantage; and (vi) improving the efficiency of production processes to manage growing volumes as well as to sustain and further increase profitability.

- *Industrial*: (i) leveraging on green electrification and energy efficiency trends in various industries; (ii) exploiting potential synergies with the EV & Automotive segment by sharing experience, technology and process automation; (iii) focusing on product innovation to consolidate existing multi-year relationships with the Group's major customers and acquire new customers; (iv) pursuing geographic, product and end-market diversification, in order to ensure highly diversified and stable revenues stream; (v) becoming the supplier of choice and increase market share by developing turnkey technical solutions through collaborations with existing customers; (vi) improving operational efficiency through new automation systems to reduce costs and time to market; and (vii) leveraging its know-how and experience to develop new products with higher added value.

The key strategic assets on which the Group relies to achieve its strategies are as follows:

- leading market position in the EV & Automotive segment, which has generated a strong Pipeline and Order Book that represent a solid basis for revenues forecast;
- ability to understand customer needs and develop cutting-edge products and new technologies;
- large installed manufacturing base strategically distributed across all continents and longtime relationships with key customers and partners;
- experienced management team leading strong organizational structure and experienced personnel operating internationally.

A summary of the main assumptions underlying the preparation of the Forecast Data and Estimates distinguishing between those of a general nature, i.e. discretionary and dependent on the initiatives of management, and those of a hypothetical nature, linked to the trend of uncontrollable variables, is provided below.

MAIN ASSUMPTIONS USED IN THE PREPARATION OF FORECAST DATA AND ESTIMATES

Main hypothetical assumptions (*i.e.*, assumptions depending on eventsbeyond management's control, in whole or in part)

Some of the assumptions used relate to external factors impacting the Group's business, over which management has no control or limited control.

In particular, the main hypothetical assumptions are described below.

Market growth

The Plan assumes continued growth in the markets in which the Group operates, both for the EV & Automotive and Industrial segments, as the Group is exposed to powerful positive trends including: (i) increased global focus on sustainability and zero-carbon objectives, (ii) energy transition leading to increasing use of renewables, (iii) supportive regulatory framework for the adoption of EVs, paired with consumers' increasing acceptance of these vehicles, (iv) energy efficiency requirements for the Industrial segment as well as a shift from hydraulic and pneumatic to electric actuators.

In the past years, the automotive market has been affected by external elements favoring the spread of electric vehicles. First and foremost, the main external elements are government initiatives and the regulatory standards supporting and promoting energy transition for manufacturers (including tax credits and subsidies), which encourage increased spending on research and development by car manufacturers, as well as strong government investment to support the construction and installation of the electric vehicle's charging infrastructure. Over the next decade, it is expected that the automotive industry will be impacted by the following trends: (i) the growing implementation of artificial intelligence and new technologies in vehicles with connected cars expected to be common in mature markets; and (ii) the development and increase of self-driving cars following on the expansion of electric vehicles. In particular, it is expectation of the Company that self-driving cars will leverage the electrical subsystem of EV vehicles due to the massive use of advanced computing hardware and multiple sensors.

While trends impacting the markets served by the Group's Industrial segment have historically been correlated with the global economy and GDP, in recent years such trends have been increasingly impacted by global electrification, increased efficiency requirements and higher energy generation demand across the majority of industrial product lines relevant to the Group. The Industrial segment is divided into several product lines, namely: Energy, HVAC, Pumps, Home, Logistics and Industrial Applications. The Industrial segment's product lines are expected to further benefit from a variety of global markets trends, including, among others, increasing home and industrial automation, growing demand for renewables and energy- and water-efficient solutions driven by regulation as well as the adoption of the Internet-of-Things ("IoT").

Historically the Group has over-performed the market in all product lines of the Industrial segment as detailed in the table below.

Industrial segment Product Lines	**Market CAGR 2019-2021**	**Group CAGR 2019-2021**
Energy	24.1%	27.6%
HVAC	(2.7%)	33.7%
Pumps	5.8%	19.9%
Home	1.0%	28.9%
Logistics	7.1%	19.0%
Industrial Applications	(1.6%)	13.4%

The Group's revenues for the EV & Automotive segment grew at a CAGR of 32.0% in the period 2019-2021. In particular, the revenues of the EV Traction product line (which represented approximately 83% of segment revenues for the nine months period ended September 30, 2022 and the year ended December 31, 2021) grew at a 45.5% CAGR, while the CAGR of the revenues of the Non-traction product line (which represented approximately 17% of segment revenues for the nine months period ended September 30, 2022 and the year ended December 31, 2021) was negative at 3.6%.

Group leadership position

The Plan assumes the ability of the Group to maintain, in a competitive landscape similar to the current one, a leadership position in the main target markets and to acquire new market shares in certain sectors and geographies.

Predictability of revenues through the Order Book and the Group's ability to deliver a Pipeline of new projects

The Plan assumes that substantially all of the Group's Order Book will be converted into future revenues, and assumes there will be no order cancellation. However, the Group's customers are not in fact contractually committed to specific volumes of services and the relevant contracts may be terminated or reduced.

In addition, the Plan assumes that the Pipeline will be converted into actual orders, in accordance with the expected timing and expected financial effects laid out in the Plan, on the basis of the historical trend.

Capability to develop innovative products

The Plan assumes the ability of the Group to develop innovative products to satisfy customer needs. In particular, in the EV & Automotive segment, the Group intends to use more efficient products with greater added value in order to reduce energy consumption of motors and to support customers, proactively proposing new solutions in order to anticipate their needs. In the Industrial segment, the Group expects to sustain investments to co-develop new products to anticipate final users' needs, with an "exploration" approach involving suppliers, start up incubators, universities and research center, with the aim of consolidating its market position and acquiring important know-how to satisfy an increasing number of customers.

Cost and availability of raw materials

Cost of raw materials (such as electric steel, aluminium, as well as various type of glue and resin) represents the most significant cost in the Consolidated Statement of Profit or Loss of the Group. Most of the contracts that the Group enters into with its customers contain price-adjustment clauses linked to changes in raw materials prices, as a result of which the Group assumes it will continue to be able to fully pass-through price increases to customers, thereby reducing the impact of such costs on its profitability. Over the period of the Plan, prices of raw materials are assumed to be steady and in line with their values as at the third quarter of 2022.

With reference to the impact of the cost of raw materials on revenues, the Plan assumes: (i) that the cost of raw materials as a portion of revenues will increase over the 2022-25 period, mainly due to growth of the EV & Automotive segment characterized by higher cost of raw material per unit, (ii) the ability of the Group to continue to pass raw materials price increases onto its customers.

Despite the higher production volumes expected to support growth during the years of the Plan, the Group assumes that there are no circumstances and conditions that could lead to shortages or significant delays in the procurement of the main raw materials necessary for production. In any case, the Group expects that any increase in raw materials required will be partially offset by more efficient production processes following the implementation of certain production-related projects.

Efficiency and increase in marginality

The Plan is based on the assumption that the Group will be able to sustain increased profitability to the aforementioned general growth of revenues and better absorption of fixed costs.

Ability to sustain investments

The Plan is based on the assumption that the Group will be able to sustain the investment plan set forth therein and no external and/or internal factors arise that could reduce the ability of the Group to achieve it.

Exchange rates

The Plan also makes assumptions regarding the changes in exchange rates over the Plan period, based on data from an information data provider according to the following table:

	2022	**2023**	**2024**	**2025**
EUR/USD	0.987	1.011	1.027	1.038
EUR/CNY	7.094	7.108	7.118	7.115

Group's compliance with the financial covenants contained in its outstanding loan agreements

The Plan assumes that the Group will be able to comply with all financial covenants and customary provisions included in the outstanding loan and investment agreements.

Pandemic, Geopolitical stability and Regulatory environment

The Plan is based on the assumption that there will be no new crises caused by the Covid-19 pandemic that could lead, for example, to the reintroduction of new government restrictions that would result in: (i) interruptions of plants activities that could adversely affect the production capacity; (ii) slowdowns and/or suspensions in the supply chains that could lead to an increase in the cost of raw materials (and, therefore, of final products); or (iii) slowdowns in the activities of existing or potential customers, or possible limits on spending capacity for customers. These effects could delay the execution of planned projects, and impede accomplishment of growth objectives.

In addition, the Plan is based on the assumption that the conflict between Russia and Ukraine remains confined to the area currently affected and that the geopolitical situation gradually stabilizes. Furthermore, the Plan assumes there will be no contractions in global demand in target markets and geographies resulting from the conflict. Accordingly, the Plan does not take into account any contribution from Euro Group Laminations Russia beyond the sales and costs it generated in the first part of 2022.

In addition the Plan assumes no changes in the current regulatory environment.

Main general assumptions (*i.e.*, assumptions based on actions management intends to take)

The Group intends to grow primarily by taking advantage of opportunities in the EV & Automotive sector, especially the EV Traction product line. Approximately 90.2% of the EV & Automotive revenues aggregated during the Plan period results already contracted (approximately 94% during the period 2023-2025). The nature of this business, in fact, requires orders to be placed well in advance and covered by contracts to be able to cope with the large quantities to produce. The Industrial segment, which is a more established business of the Group, shows a more moderate growth. The Plan is based on the assumption that the growth assumed will be pursued exclusively endogenously, namely internally.

The main general assumptions are described below.

EV & Automotive

The Plan expects the growth in revenues to be driven by the following:

- *Mobility electrification market growth,* both exploiting the significant transition from ICE (internal combustion engine) to EVs and supporting OEMs clients in achieving the capacity that the market requires. The Group is expected to develop new projects with important clients already present in the portfolio, but will also put in place an active search of additional customers who desire to adapt to the EV transition, proposing their activities, products, processes etc. Within the broader E-Traction motors market, the Group's EV & Automotive market segment of focus (corresponding to 98% of the Order Book) is the full electric vehicle (BEV), a market segment for which global production is expected to grow in terms of millions of units produced with a 2022-2025 CAGR of 35.9%[56]. That market is served by the EV Traction product line which represented approximately 83% of the revenues of the EV & Automotive segment for the nine months period ended September 30, 2022 and the year ended December 31, 2021) and whose revenues grew at a 45.5% CAGR in the period 2019-2021.

- *Consolidation of global market share thanks to pipeline fulfillment*: The Group currently has significant EV Traction orders in its portfolio for the next five years. Most of these orders are received from leading players in the EV market, which, if fulfilled, will allow the Group to consolidate its market position in Europe and the U.S.. To handle future orders fulfillment, significant investments will be made, mainly related to new machinery or plants, and cutting-edge technological processes will be used. The Order Book for the EV & Automotive segment as of October, 2022 amounts to approximately €5 billion, of which to approximately €2 billion are expected to generate revenues in the period 2022-25.

- *Expansion in the Asian market, strategy already successfully launched*. The Plan assumes that the Group will also be able to grow rapidly in the APAC region by capitalising on its success supplying leading customers in the industry and leveraging on the know-how of Western legal entities of the Group.

The Plan for the EV & Automotive is prepared on the basis of the Order Book and pipeline of opportunities over which the Group has visibility as of the date of preparation of the Plan, as described above, rather than on estimates of the market share achievable.

Industrial

The Plan provides for growth in revenues of the Industrial segment through the main business leverages summarized below:

- *Diversification as a key driver:* development of specific strategies in markets with high growth potential (*e*.g., Energy, HVAC, etc.), relocating plants close to key customers.

- *Exploit green electrification also in the Industrial world,* strengthening and growing in sectors already served in an important way such as Energy or Industrial applications, increasing the market

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[56] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

share. The main markets of the Industrial segment (excluding Energy) are expected to grow, with a 2022-2025 CAGR of 6.9%. The Energy market is expected to grow at a 2022-2025 CAGR[57] of 5.9%. In the period 2019-2021 the Group's revenues for the Industrial segment (excluding the Energy product line) grew at a CAGR of 21.4%, while the Energy product line grew at a CAGR of 27.6%.

- *Production process efficiency:* industry 4.0 investments to decrease scrap and consequent increase in margins, with investments to increase production capacity dedicated industrial production sites, minimization of energy consumption, cross country and cross plants logistic optimization and new material process.

<u>*Group Capex*</u>

The increase in business volume will be pursued by the Group with the support of a Capex Plan for the 2022 and 2023 of approximately €90 million per year with aggregate Capex for the period 2024-2025 of 4.5%-5.0% of revenues. The Plan assumes that the Group does not need to access new loans in order to finance these investments.

ESTIMATES

Based on the general and hypothetical assumptions described in the preceding paragraphs, the Plan includes the following Estimates related to the 2022:

	Estimates 2022
Revenues......................	**820€m – 840€m**
EBITDA.......................	**≃100€m**
Capex	**≃90€m**
Net Trade Working Capital………………..	**≃170€m**

FORECAST DATA

Based on the general and hypothetical assumptions described in the preceding paragraphs, the Plan includes the following Forecast Data related to the period 2023-2025:

[57] The overall market CAGR 2023-2025 has been calculated by the Company as the sum of all product lines as provided in the industry reports. For additional information *see* "*Business – Market and Competition*".

	Forecast Data 2023-2025
Revenues....................	CAGR 2022 – 2025: **23%-25%**
EBITDA.....................	CAGR 2022 – 2025: **27%-29%**
Capex………………	2023: **≃ 90€m** 2024-2025 Capex Average: **4.5%-5.0% of Revenues**

The growth in revenues envisaged in the Plan is largely driven by the development of the EV & Automotive segment. In particular, revenues are expected to increase mainly due to the EV Traction product line, benefitting from the Group's Order Book and Pipeline, which have an estimated value of approximately €5 billion and approximately €2.5 billion, respectively, as of the Prospectus Date.

Management believes that revenues CAGR envisaged in the Forecast Data is broadly in line with that of the Group's reference markets. In particular, the expected 2022-2025 CAGR of 35.9%[58] for the full electric vehicle (BEV) market (corresponding to 98% of the Order Book) is expected to compensate for the lower expected CAGR of the Industrial segment markets (excluding Energy), which are expected to grow at a 2022-2025 CAGR of 6.9%. Energy is expected to grow with a 5.9% 2022-2025 CAGR[59]. However, the preparation of the Forecast Data is based upon, among other things, certain general assumptions concerning uncertain future events that the management expects to occur and actions that it intends to take, which may not occur or be taken. These assumptions also depend on variables that are beyond management's control, including, for example, the macroeconomic environment and the development of the industry in which the Group operates. Consequently, given the uncertainty associated with the occurrence of any future event, the assumptions upon which the Forecast Data are based may prove to be incorrect.

SENSITIVITY ANALYSIS

In order to ascertain the effects of possible changes in Forecast Data, the Company prepared two sensitivity analyses (for the period 2023-25), which are described below.

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[58] Source: IHS Markit | E-Motor Forecast Data Cut | 2021-2028.

[59] The overall market CAGR 2023-2025 has been calculated by the Company as the sum of all product lines as provided in the industry reports. For additional information *see* "*Business – Market and Competition*".

Sensitivity 1 – Increase of Raw material prices

The purpose of this sensitivity analysis is to disclose the estimated impact that an increase in the expected price of raw materials could have on revenues and EBITDA.

This sensitivity scenario aims to test the assumption that raw materials prices will remain flat over the Plan period by assuming for each year a price increase of 10% compared to the base case of no change for both of the Group's segments. Against this change, it is also assumed that the Group ability to pass-through cost increases to the customer is limiited, and that it must absorb 10% f the cost increase. The impact on EBITDA has been estimated by keeping other variable costs constant and assumes fixed costs and Capex at levels assumed under the Plan.

The estimated impacts of such changes are presented below.

	Forecast Data 2023-2025
Revenues.....................	CAGR 2022 – 2025: **26%-28%**
EBITDA......................	CAGR 2022 – 2025: **26%-28%**
Capex………………	2023: **≃ 90€m** 2024-2025 Capex Average: **4.5%-5.0% of Revenues**

Sensitivity 2 – Decrease in quantities sold

The purpose of this analysis is to disclose the estimated impact on Forecast Data of a decrease in quantities sold.

This sensitivity scenario assumes a 5% decrease annually throughout the 2023-2025 period in quantities sold by all productive legal entities, i.e., companies that directly sell rotors and stators produced through the lamination. This impact is assumed to lead to a reduction in variable costs of 5% for each year of the Plan and a more limited reduction in fixed costs of 1%. Capex related to machinery and equipment of the legal entities in question was also consistently reduced (5% in each year) compared to the base case.

The estimated impacts of these changes are presented below.

	Forecast Data 2023-2025
Revenues.....................	CAGR 2022 – 2025: **22%-24%**
EBITDA......................	CAGR 2022 – 2025: **25%-27%**
Capex………………	2023: **≃ 85€m** 2024-2025 Capex Average: **4.7%-5.2% of Revenues**

For purposes fo this sensitivity analysis, it was assumed that the EBITDA CAGR would decrease less that the revenues CAGR, based on the assumption that variable costs decrease in the same proportion as quantities sold and Capex (5% each).

DECLARATION OF PROJECTED OR ESTIMATED PROFITS

Forecast Data and Estimates have been prepared on a basis that is: (i) comparable with the financial information for past financial years; and (ii) consistent with the Group's accounting practices and, in particular, with the accounting standards used to prepare the Consolidated Financial Statements.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

GENERAL

This section gives an overview of the material information concerning the Board, the Group's employees and its corporate governance. It is based on and discusses relevant provisions of Italian law as in effect on the Prospectus Date and the Post-IPO by-laws as these will be in effect as of the First Trading Date. The full text of the Post-IPO by-laws (in Italian, and an unofficial English translation thereof) is available free of charge on the Company's website (www.euro-group.it).

The Company is a joint-stock company (*società per azioni*) organised under the laws of Italy and managed by a board of directors (*Consiglio di Amministrazione*) (the "**Board of Directors**"). The Board of Directors, within the limits prescribed by Italian law, has the power to delegate its general authority to an executive committee or one or more managing directors. The Board of Directors determines the powers of the chief executive officer. In addition, the Italian Civil Code requires the Company to have a board of statutory auditors (*Collegio Sindacale*) (the "**Board of Statutory Auditors**"), which functions as a supervisory body.

BOARD OF DIRECTORS

The Company's Board of Directors is the executive body of the Company and is responsible for managing the Company in accordance with applicable laws, constitutional documents and shareholder resolutions. The Board supervises the general course of business, and is responsible for the continuity of the Company and the business connected with it. The principal functions of the Board of Directors are to carry out the Company's business and to legally represent the Company in its dealing with third parties. Pursuant to the Post-IPO by-laws the legal representation of the Company and corporate signature are vested in the Chairman of the Board of Directors and, in case of his absence or impediment, in the Vice Chairman, if appointed. It also belongs to the Managing Directors, if appointed, within the limits of their powers. Pursuant to the Post-IPO by-laws, resolutions of the Board are adopted by an absolute majority of the votes cast. However, in case of a tie vote the Chairman of the Board of Directors will have a casting vote. For further information on the composition of the Company's Board of Directors see "*Directors*" below.

DIRECTORS

The Company's Board of Directors in charge as at the Prospectus Date was appointed by the Company's ordinary shareholders' meeting of September 8, 2020 for a period of three financial years through the approval of the financial statements as at December 31, 2022.

As at the Prospectus Date, the Board comprises the following Directors with evidence of the respective office held and the main personal data:

Name and Surname	Position	Place and date of birth	First appointment date
Sergio Iori	Chairman	Rome (RM) December 14, 1940	January 29, 2008
Isidoro Guardalà....................	Vice Chairman	Castiglione di Sicilia (CT), February 27, 1961	January 29, 2008

Marco Stefano Arduini	Chief Executive Officer	Milan (MI), January 29, 1966	January 29, 2008
Gianluca Umberto Maria Bertocchi..............................	Director	Milan (MI), September 12, 1960	September 22, 2014
Jean-Marc Pierre Gales.........	Director	Luxembourg, August 16, 1962	September 8, 2020
Marzio Andrea Iori	Director	Milan (MI), December 16, 1968	March 16, 2006
Roberto Francesco Quagliuolo............................	Director	Milan (MI), December 2, 1980	September 8, 2020

On November 18, 2022, the Company's ordinary shareholders' meeting resolved to appoint, effective as of the First Trading Date and subject to the notice of resignation by the Board in office as of the Prospectus Date, the Company's Board to take office as of the First Trading Date and to remain in office until the approval of the financial statements as of December 31, 2025.

Pursuant to Article 13 of the Post-IPO by-laws, the Company will be managed by a Board of Directors composed by a minimum of 7 and a maximum of 13 members as resolved by the Company's ordinary shareholders' meeting. The rules providing for the members of the Board of Directors being appointed according to a criterion ensuring a balance between genders, pursuant to applicable laws and regulations, have been implemented in the Company's Post-IPO by-laws.

The composition of the Board of Directors as at the First Trading Date already complies with the rules set out in Article 147-*ter*, paragraph 1-*ter* of the Consolidated Financial Act concerning the balance between genders; since this adjustment was made on a voluntary basis, it shall not be taken into account for the calculation of the six consecutive terms of office envisaged as a period of application of the rules on balance between genders, and the obligation to comply with these regulatory obligations will apply only upon the first renewal of the corporate bodies after the First Trading Date.

As of the First Trading Date, the Board of Directors comprises the following Directors, which will remain in office until the approval of the financial statements as of December 31, 2025, with evidence of the respective office held and the main personal data.

Name and Surname	**Position**	**Place and date of birth**	**First appointment date**
Sergio Iori	Non-Executive Chairman	Rome (RM), December 14, 1940	January 29, 2008
Isidoro Guardalà	Executive Vice Chairman	Castiglione di Sicilia (CT), February 27, 1961	January 29, 2008
Marco Stefano Arduini	Chief Executive Officer	Milan (MI), January 29, 1966	January 29, 2008

Gunter Beitinger	Non-Executive Director(*)	Neumarkt i.d. Opf. (Germany), March 17, 1968	November 18, 2022
Gianluca Umberto Maria Bertocchi	Executive Director	Milan (MI), September 12, 1960	September 22, 2014
Maria Giovanna Calloni	Non-Executive Director(*)	Dairago (MI), December 26, 1964	November 18, 2022
Leonardantonio Franchini.....	Executive Director	Locorotondo (BA), August 6, 1963	November 18, 2022
Jean-Marc Pierre Gales	Non-Executive Director	Luxembourg, August 16, 1962	September 8, 2020
Alessandra Bianchi	Non-Executive Director(*)	Como (CO), August 11, 1974	November 18, 2022
Roberto Francesco Quagliuolo.............................	Non-Executive Director	Milan (MI), December 2, 1980	September 8, 2020

(*) Independent Director pursuant to art. 147-*ter*, paragraph 4, and art. 148, paragraph 3 of the Consolidated Financial Act and art. 2 of the Corporate Governance Code.

The independence requirements of the Directors, set out in art. 147-*ter*, paragraph 4, art. 148, paragraph 3 of the Consolidated Financial Act and art. 2 of the Corporate Governance Code have been preliminarily verified, with a positive outcome, by the Company's Board of Directors on November 18, 2022 and will be subsequently verified by the Board of Directors that will take office as of the First Trading Date.

To the best of the Company's knowledge, the members of the Board of Directors—as detailed in their CVs and in the additional information contained in this paragraph—comply with the requirements of integrity as set out in Article 147-*quinquies* of the Consolidated Financial Act, failing which they would fall from office.

As far as the Company is aware, its independent Directors have not held offices or have continuously carried out, over the last three financial years, directly or indirectly, activities or services towards the Company, its shareholders and its direct and indirect shareholders.

Set out below are brief biographies of the Directors who will be in office as of the First Trading Date:

Sergio Iori **-** he started his professional career on January 20, 1965 with the establishment of Tranceria Leoni e C. S.p.A., which later changed its legal name to Eurotranciatura S.p.A. in May 1967. He currently holds the role of chairman of the board of directors of E.M.S. Euro Management Services S.p.A. (from 1987) and of Eurotranciatura S.p.A. (from 1988), and serves as member of the board of directors of Safim S.r.l., Corrada S.p.A., SAF S.p.A., Euro Misi Laminations Jiaxing Co. Ltd and Eurotranciatura U.S.A. L.L.C.. Since 2008 he is the Chairman of the Board of Directors of the Company. In 2022 he was awarded of the Order of Merit for Labour (Cavaliere del Lavoro) by the President of the Republic of Italy.

Isidoro Guardalà– he is the Vice Chairman and CFO of the Company, with a 14 years long-lasting experience in the industry. Before joining the Group he gained significant experience in primary multinational companies within different sectors. From 1986 to 2000 he has been member of the board of directors of Dataform S.p.A., a company specialized in ERP applications, data management and financial reporting. In 2002 he founded Blu Crm S.r.l., software house specialized in projecting and implementing software for the energy companies, acting as general manager in the 2002-2008 period and as non-executive board member since December 2021. Since April 1990 he serves as board member of Euro Management Services S.p.A.. He has worked as general manager at Eurotranciatura S.p.A. (2014-2020) and since 2008 he serves as CFO of the Group.

Marco Stefano Arduini – he is the Group CEO of the Company with a 24 years long-lasting experience in the industry. He graduated in 1990 in business administration from the Bocconi University of Milan. Before joining the Group he worked in the management consulting industry at Egon Zehnder. He also gained significant international management experience in primary multinational companies including Unilever and Sambonet (a tableware maufacturing company operating in the Horeca Business). From 2003 to 2007 he was the general manager of Eurotranciatura S.p.A. and since 2008 he is the Group CEO of the Company.

***Gunter Beitinger* -** he studied industrial engineering, lean management and business administration at universities in Germany and USA and graduated in 1999 with a PhD (Dr.Ing.) degree in Engineering Sciences from the University of Erlangen - Nuremburg. After his assignment as a research collaborator at the University of Erlangen he joined Siemens AG in 1999 and held various responsibilities in different countries and businesses including Automotive, Healthcare, Process and Drives and now Digital Industries. Currently his role at Siemens AG is Senior Vice-President Manufacturing, Head of Factory Digitalization and Product Carbon Footprint. He holds several patents and is also member of the Advisory Council of Advanced Manufacturing of the World Economic Forum, Switzerland and CIRP, The International Academy for Production Engineering, France.

***Gianluca Umberto Maria Bertocchi* –** he graduated in 1984 with a degree in mechanical engineering from Polytechnic University of Milan, where he also completed an MBA in Company and Production Management in 1989. From 1986 to 1988 he has been project manager at Snamprogetti Ltd. From 1991 to 1995 he has been technical sales manager of Corrada S.p.A., where he also held the position of CEO from 1996 to 2004. From 2004 to 2007 he has held the role of operations director of EuroGroup Laminations S.p.A. and from 2007 to 2014 he has been general manager of Eurotranciatura S.p.A.. From 2014 to 2021 he served as Chief Operating Officer of EuroGroup Laminations S.p.A., and he currently holds the position of CEO of the Industrial segment of the Company.

***Maria Giovanna Calloni* -** she graduated in 1987 in business administration from the Bocconi University of Milan. From 1987 to 1990 she worked as an analyst at Memorex Telex with assignments in Milan and New York. In 1992, she obtained a master in business administration from New York University and was hired as an associate in the New York office of Merrill Lynch. There, she obtained positions of increasing responsibility within the Investment Banking team (1992-1995) and subsequently as director of equity capital markets (1995- 2002). Since her return to Italy, she has been carrying out investment activities with a focus on the FinTech sector and business consultancy relating to the capital market for high-growth SMEs. She was an independent director in Credito Valtellinese (2019-2021) and in CAD IT (2019-2021).

***Leonardantonio Franchini* -** he graduated in 1992 with a degree in Civil Engineering from the University of Padua. He also obtained Master's degree in Business Organization in 1993 from CUOA Business School, and later in 2011 he completed a PhD in Technology Management and Innovation from Universidad Autónoma de Querétaro. Furthermore, in 2017 he obtain a certificate in Corporate Innovation from Stanford University Graduate School of Business. He served for eight years in the Italian Army (1985-1993). He held the position of general manager of Eko S.p.A. (1993-2006), and since 2018 he is Honorary

Consul at the Ministry of Foreign Affairs and International Cooperation of Querétaro (Mexico). He serves as CEO of the EV & Automotive segment of the Company and as vice-president of Eurotranciatura Mexico S.A. de C.V..

Jean-Marc Pierre Gales – he graduated in Mechanical Engineering from Karlsruhe University in 1988 and he completed a Masters of Sciences in Management from Imperial College in London in 1989. Jean-Marc came up the sales and marketing route, overseeing strategy for BMW and Rolls Royce, marketing for Fiat cars and Volkswagen Group and global sales for Mercedes-Benz prior to joining Peugeot as a CEO to lead Citroën and Peugeot (from 2009 to 2012). He has been CEO of CLEPA, the European Association of Automotive Suppliers (from 2012 to 2014), of Lotus Group (from 2014 to 2018) and of Woodham Mortimer (from 2018 to 2021). He has also been senior advisor to the chairman of Geely Auto Group, and a member of the main board of Dongfeng Peugeot Citroën Automobile Co Ltd, Peugeot's chinese JV, and of Europcar. He is a member of the Board of Directors of EuroGroup Laminations S.p.A. and member of the international advisory board of T2 Energy Transition Fund.

Alessandra Bianchi - she graduated in 1999 in business administration from the Bocconi University of Milan. She started her working career as senior analyst at Server S.r.l., business consulting company, and from 2001 to 2006 she worked as a senior analyst at Interbanca S.p.A. in the Equity Capital Markets division, where she assisted various IPO projects. From 2006 to 2001 she held the position of investment manager of the private equity fund IPEF IV at BS Investimenti SGR S.p.A., and from 2011 she works as portfolio manager of the private equity fund Amber Energia at Amber Capital Italia SGR S.p.A., where she also holds the position of buy-side analyst for the funds managed by Amber Capital. From 2017 she is CEO of Calcio Padova S.p.A. and of other relevant companies**.**

Roberto Francesco Quagliuolo – he graduated in 2005 in Management and Production Engineering at the Polytechnic University of Milan. He worked at Lazard & Co. within the M&A team from 2005 to 2007 and he later worked for the European Principal team at Oaktree Capital Management from 2007 to 2018. He joined Tikehau Capital in 2018, where he currently holds the position of managing director and serves as Head of Private Equity Italy and Co-Head of Italy. He currently sits on the board of various companies other than EuroGroup Laminations S.p.A. such as, inter alia, DoveVivo S.p.A., Ecopol S.p.a., Aqua Vera S.p.A., Mint S.p.A., S.I.Con S.r.l.

Certain corporate governance practices that are required for Italian listed companies and that the Company adopted on November 18, 2022 will come into effect on the First Trading Date. The newly-adopted measures provide, among other things, a slate voting mechanism, to appoint members of the Board of Directors, pursuant to article 147-ter of the Consolidated Financial Act, and the Board of Statutory Auditors, pursuant to article 148 of the Consolidated Financial Act, to permit minority shareholder with the highest number of votes to appoint one director, one statutory auditor and one alternate statutory auditor, and to have the chairman of the Board of Statutory Auditors be appointed by the minority shareholders. These provisions will be applied at the first renewal of the Board of Directors and the Board of Statutory Auditors, respectively, following the First Trading Date. The current members of the Board of Directors and Board of Statutory Auditors will remain in office until the shareholders' meeting called to approve the Company's financial statements for the year ending December 31, 2025.

In addition, the Post-IPO by-laws which will become effective as of the First Trading Date provide that the directors to be elected shall reflect gender balance, in accordance with provisions under article 147-*ter*, paragraph 1-*ter* of the Consolidated Financial Act. Pursuant to such provisions, which will apply from the first reappointment of the Board of Directors, the less represented gender will account for at least one-fifth of Directors for the first reappointment of the Board of Directors, and at least two-fifths of Directors for the following five consecutives mandates.

On November 18, 2022, the Board of Directors resolved to grant, effective from the First Trading Date, (i) to the Executive Vice Chairman and Chief Financial Officer Isidoro Guardalà powers regarding administration, finance and control matters (including, among others, drafting the business plan, preparing the annual budget, monitoring compliance with the objectives of the annual economic and financial budget, entering into banking transaction whether active or passive, entering into bank credit facilities, for a maximum amount of €5,000,000.00 per single agreement, representing the Company in relations with leasing companies for a maximum of €5,000,000.00 per single transaction etc.), (ii) to the Chief Executive Officer Marco Stefano Arduini powers regarding business, organization and day to day management of the Company (including, among others, determining the organizational structure of the Company, establishing policies and guidelines for the quality system and objectives of the Group, establishing policies and guidelines on the level of service to be provided to customers, representing the Company before judicial authorities, representing the Company before social security and insurers, attending and voting in meetings of investee companies, consortia, joint ventures, and investee associations, both Italian and foreign, entering into bank credit facilities for a maximum amount of €5,000,000.00 per single agreement, representing the Company in relations with leasing companies for a maximum amount equal to €5,000,000.00 per single transaction etc. The powers do not include, *inter alia*, - investments and divestments, including acquisitions and disposals, transfers of companies - or branches thereof - for amounts not included in the annual budget and exceeding, per single transaction, €5,000,000.00; and - hiring or, as the case may be, firing of executives, with gross annual compensation exceeding €250,000.00, and (iii) to the Executive Directors Gianluca Umberto Maria Bertocchi and Leonardantonio Franchini powers to negotiate and sign active commercial contracts related to their respective business segments to be exercised only by joint signature with the Chief Executive Officer. The above mentioned resolution also identified the limits, in terms of matters excluded from delegation of powers and amount-based restrictions, for the exercise of the delegated powers. The delegated powers, deemed in line with the market practice for listed companies, comply with the provisions of the Code of Corporate Governance and will be described in detail in the Report on Corporate Governance and Ownership Structure to be published by the Company after the Listing.

Except as set forth below, as of the Prospectus Date, none of the members of the Board of Directors, have family relationship with other members of the Board of Directors within the meaning of applicable Italian law, nor do any such relationships exist between any members of the Board of Directors and the members of the Board of Statutory Auditors or any of the members of the Senior Management Team. The Chief Executive Officer of the Company Marco Stefano Arduini is the son-in-law of the Non-Executive Chairman of the Board of Directors Sergio Iori, who (i) is the Chairman of the Board of Directors and holds 49% of the share capital of Almaniva Investments, which in turn holds 28.36% of the share capital of E.M.S. and (ii) is the Chairman of the Board of Directors of E.M.S., which in turn holds 70% of the share capital of the Company Prospectus Date. Moreover, the Non-Executive Chairman of the Board of Directors Sergio Iori and the Chief Executive Officer of the Company Marco Stefano Arduini are, respectively, the father and the brother-in-law of the Senior Manager Marzio Andrea Iori.

Except as set forth below, to the best of the Company's knowledge, none of the members of the Board of Directors, as of the Prospectus Date, have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding administrative, managerial or supervisory offices or from holding executive or managerial offices at other companies, in the last five years.

As of the Prospectus Date the Vice Chairman and Chief Financial Officer Isidoro Guardalà is party to a legal proceeding in Tunisia relating to the spillage of oils in 2013 and 2017 within the plant operated by Eurotranciatura Tunisie S.à r.l. in connection with its former role as gèrant (director) of Eurotranciatura Tunisie S.à r.l.. Eurotranciatura Tunisie has already remedied to the findings raised by the environmental protection authority (*Agence Nationale de Protection de l'Environnement* "**ANPE**") and paid the fine imposed in connection to such proceeding amounting, with reference to the spillage of oils of 2013, deriving from a die casting machine malfunctioning, to Dinar 8,000.00 (roughly Euro 2,481.00) and, with reference to the spillage of oils of 2017, deriving from used spare parts of equipment temporarily laid on the plant pavement not yet cemented, to Dinar 6,000.00 (roughly Euro 1,861.00). Instance has also been submitted by Eurotranciatura Tunisie and Mr. Guardalà to ANPE to settle the case. Considering that Eurotranciatura Tunisie has already paid the fines and remedied to the findings, the Company believes that ANPE may be keen to settle the case. Should ANPE agree to settle the case the Tunisian courts will dismiss all charges (both administrative and criminal) against Mr. Guardalà. As of the Prospectus Date, the date of the hearing with ANPE to settle the case has not been communicated yet.

Additionally, to the best of the Company's knowledge, its independent Directors (i) have not had employment, financial or other professional relationships, with the Company, its subsidiary or companies subject to common control or parties related to us, directly or indirectly, through third party companies or firms, at any time during the last three years, and (ii) are not and have not been significant representatives, either of the Company and/or its subsidiary. The Company's Board of Directors positively verified the independence and integrity requirements of the directors who will take office on the First Trading Date on November 18, 2022, which will be further assessed by the Board of Directors taking office as of the First Trading Date.

BOARD COMMITTEES

On November 18, 2022, the Board of Directors of the Company in force as of the Prospectus Date, in compliance with the recommendations on corporate governance contained in the Corporate Governance Code, resolved to establish, effective as of the First Trading Date:

- a Control, Risks and Sustainability Committee, pursuant to Articles 1 and 6 of the Corporate Governance Code, by approving the committee's operating rules (the "**Control, Risks and Sustainability Committee**");
- an Appointments and Remuneration Committee, pursuant to Articles 4 and 5 of the Corporate Governance Code, by approving the committee's operating rules (the "**Appointments and Remuneration Committee**"); and
- a Related Party Transactions Committee, pursuant to the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021 (the "**Related Party Transactions Committee**").

On the basis of what was discussed at the meeting of the Board of Directors held on November 18, 2022 by the members of the Board of Directors in office as of the Prospectus Date, the Board of Directors resolved to appoint effective as of the First Trading Date:

- Maria Giovanna Calloni, Alessandra Bianchi, directors who possess the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code, and Roberto Quagliuolo, as members of the Control, Risks and Sustainability Committee, appointing Alessandra Bianchi as Chairman of the Control, Risks and Sustainability Committee; the Board has verified that Roberto Quagliuolo has adequate experience in accounting and finance or risk management;
- Alessandra Bianchi, Maria Giovanna Calloni, directors who possess the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code,

and Jean-Marc Pierre Gales as members of the Appointments and Remuneration Committee, appointing Alessandra Bianchi as Chairman of the Appointments and Remuneration Committee; the Board has verified that Jean-Marc Pierre Gales has adequate experience in financial or remuneration policy; and

- Alessandra Bianchi as Lead Independent Director pursuant to the Corporate Governance Code.

The Board of Directors meeting held on November 18, 2022 also resolved to appoint, effective as of the First Trading Date Alessandra Bianchi, Maria Giovanna Calloni, and Gunter Beitinger, directors who possess the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code, as members of the Related Party Transactions Committee, appointing Maria Giovanna Calloni as Chairman of the Related Party Transactions Committee.

The Control, Risks and Sustainability Committee, in assisting the Board, in accordance with the provisions of Article 6 of the Corporate Governance Code, has the function, *inter alia*, of: (i) assessing the correct use of accounting principles ; (ii) assessing the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved; (iii) expressing opinions on specific aspects inherent to the identification of the main corporate risks and supporting the decisions of the Board of Directors related to management of risks; (iv) reviewing periodic and particularly significant reports prepared by the internal audit function; (v) reporting to the board of directors, at least at the time of the approval of the annual and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system. Moreover, the Control, Risks and Sustainability Committee supports the Board of Directors in sustainability assessments and decisions.

In support of the Company's internal control and risk management system, in addition to the Control, Risks and Sustainability Committee, Recommendation 32 of the Corporate Governance Code stipulates that the chief executive officer, is responsible for establishing and maintaining the internal control and risk management system. On November 18, 2022, the Company's Board of Directors, appointed the Chief Executive Officer, Marco Stefano Arduini, effective as of the First Trading Date, to the position of director in charge of the internal control and risk management system to carry out the functions listed in recommendation 34 of the Corporate Governance Code.

On November 18, 2022 2022, also in support of the Company's internal control and risk management system, the Company established, effective as of the First Trading Date, the function of internal audit manager, as listed in Recommendation 36 of the Corporate Governance Code, by appointing, with the favourable opinion of the Board of Statutory Auditors, Protiviti Inc. as internal audit manager, fully outsourced.

Furthermore, in consideration of the organizational needs of the Company, the operating methods and the size of its Board, the Company has established a single Appointments and Remuneration Committee pursuant to Articles 4 and 5 of the Corporate Governance Code, with investigative, advisory and proposal-making functions to the Board itself. The Appointments and Remuneration Committee performs all the tasks, both with regard to appointment and remuneration of directors, assigned to it by the Corporate Governance Code under Recommendation 19 and Recommendation 25 respectively. The establishment of this Committee ensures the broadest information and transparency on the compensation due to the Chief Executive Officer and senior management, as well as the respective determination methods.

Market Abuse Procedures

On November 18, 2022, the Board of Directors resolved to adopt with effect form the date of the admission to listing request:

- the procedure for the handling of inside information and for the creation and keeping of the register of the people who have access to inside information (the "**MAR Procedure**"), aimed at regulating the management and handling of inside information by the Company and its subsidiaries, as well as the creation and keeping by the Company of the register of the people who, based on their work or professional activities or functions carried out, have access to inside information;

- the procedure for the management of disclosure obligations deriving from the internal dealing regulations pursuant to Article 19 of the MAR Regulation and 114, paragraph 7, of the Consolidated Financial Act Article 152-*quinquies.1* et seq. of the Company's Regulations (the "**Internal Dealing Procedure**"), with the aim of defining (i) the rules for fulfilling the obligations to inform us, Consob and the market about significant transactions involving financial instruments issued by the Company or other financial instruments linked to them, carried out, also through third parties, by the members of the Company's management and control bodies and the senior managers with regular access to inside information, significant shareholders and persons closely associated with them, as well as (ii) the related restrictions.

In compliance with the provisions of Article 70, paragraph 8, and Article 71, paragraph 1-*bis*, of the Issuers Regulations, the Company waived the obligation set out in paragraph 6 of Article 70 and paragraph 1 of Article 71 concerning the publication of an information document drafted in compliance with Annex 3B of the Issuers Regulations, respectively in case of merger, spin-off or capital increase by contribution in kind and in case of acquisition or disposal transactions, by notifying Consob, Borsa Italiana and the public at the time of the application for admission to trading of the Company's Ordinary Shares on Euronext Milan.

The Company—as parent company of companies incorporated and regulated according to the law of non-EU countries—complies with the conditions set out in Article 15 of the Market Regulation.

Related Party Transactions Procedure and Related Party Transactions Committee

On November 18, 2022, the Company's Board of Directors adopted, effective as of the First Trading Date, a draft Related Party Transactions Procedure (the "**RPT Procedure**") in accordance with the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021. See "*Related Party Transactions*".

As soon as possible following the First Trading Date, the draft will be submitted to the Related Party Transactions Committee for its opinion and to the Board of Directors for its approval. The RPT Procedure sets out the rules applicable to the approval process for major and minor material related party transactions. Transactions exempted from the RPT Procedure include (i) transactions with a limited value, (ii) certain resolutions relating to the remuneration of corporate bodies, directors with special responsibilities and remuneration plans linked to financial instruments, (iii) transactions in the ordinary course of business of the Company and entered into at prevailing market conditions.

For the period in which the Company is deemed a "recently listed company" (*i.e.* until the approval of the financial statements for the year ending December 31, 2023), the simpler approval procedure for minor material related party transactions will apply to all related party transactions. Such procedure requires, before a related party transaction is approved, the Related Party Transactions Committee to provide a reasoned, non-binding opinion on the Company's interest in the transaction being concluded and whether the contemplated terms and conditions are advisable.

In accordance with the RPT Procedure, the Related Party Transactions Committee is composed of three members, Maria Giovanna Calloni as chairman, Alessandra Bianchi and Gunter Beitinger, appointed by the Board of Directors on November 18, 2022, effective as of the First Trading Date. The Related Party Transactions Committee carries out the functions and duties provided by the Related Party Regulation and the regulations in force from time to time.

Manager charged with preparing a company's financial reports

On November 18, 2022, the Issuer's Board of Directors appointed Isidoro Guardalà, Chief Financial Officer of the Company, as manager charged with preparing a company's financial reports, whose appointment will be effective as of the First Trading Date (the "**Manager Charged**"), recognizing in the latter a person suitable to hold this position, also in view of the professionalism requirements set forth in Article 20 of the Post-IPO by-laws, pursuant to which the Manager Charged shall be an expert in administration, finance and control and possess the integrity requirements established for directors.

Pursuant to Article 154-*bis* of the Consolidated Financial Act, the Manager Charged is responsible for:

- making the written declaration for the documents and communications of the Company, which have been disseminated in the market and regard information on accounts including mid-year reports attesting their conformity against document results, books and accounts records; and
- putting in place appropriate administrative and accounting procedures for preparing the annual accounts report and, where provided for, the consolidated accounts and every other disclosure of a financial nature;
- confirming, with a special report on the annual, half-yearly and, where applicable, the consolidated financial statements: (i) the adequacy and effective application, during the period of reference of the documents, of administrative and accounting procedures for preparing the annual accounts report and, where provided for, the consolidated accounts and every other disclosure of a financial nature; (ii) that the documents were prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002; (iii) the correspondence between the documents and related bookkeeping and accounting records; (iv) the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the scope of consolidation; (v) for the annual and consolidated financial statements, that the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation, and a description of the main risks and uncertain situations to which they are exposed; and (vi) for the simplified half-yearly report, that the interim directors' report contains a reliable analysis of the information pursuant to paragraph 4 of article 154-*ter* of the Consolidate Financial Act.

Model 231

As of the Prospectus Date, the Company has adopted the organizational and management model indicated in Legislative Decree 231/2001 ("**Model 231**") for the purpose of creating a rules system aimed at preventing illicit acts that may be considered potentially significant in application of this Decree and have consequently constituted a supervisory body as indicated in Article 6, paragraph 1, letter b), of Legislative Decree 231/2001 (the "**Supervisory Body**").

The Company's Model 231 aims to:

- assure conditions of fairness and transparency in the conduct of the Company's business and activities, to protect its position and image as well as the expectations of its employees; and

- raise the awareness of the Company's staff, in carrying out their activities, and ensure that they behave in a correct and straightforward manner, such as to prevent the risk of committing the crimes set out in Legislative Decree 231/2001.

Model 231 is composed of: (a) a general section including topics concerning, among other things, the validity period and application of Legislative Decree 231/2001, the composition and functioning of the Supervisory Body, and the penalty code that will be applied in the case of a breach of the standards of conduct indicated in Model 231; and (b) the special sections, containing the general principles of conduct and the control protocols for each instance of breach considered to be significant.

As of the Prospectus Date, the Supervisory Body is composed of 2 members, Rita Crobe and Paolo Terzi, appointed by the Company's Board of Directors on October 5, 2022. The Supervisory Body meets the applicable requirements of autonomy, independence, professionalism and continuity of action. The Supervisory Body is responsible for, among others: (i) supervising the adequacy of Model 231, *i.e.* to ensure that the Company's conduct complies with Model 231, including by carrying out periodic checks, and to check that the Model 231 is consistent with (a) the Company's procedures implementing the Model itself and (b) the Code of Ethics; (ii) assessing the effectiveness of the Model 231, *i.e.* verifying, also in view of the evolution and changes that have taken place at corporate level, that the Model 231 prepared is concretely suitable to prevent the occurrence of the offences set out in the Decree 231, as subsequently amended and integrated; and (iii) assessing the opportunity to propose updates or amendments to Model 231, in order to adapt it to changes in the corporate structure and to regulatory changes, also by means of a periodic check of the areas at risk of crime.

The Supervisory Body holds meetings periodically, examines cases and issues that have arisen also with regard to updating and/or amending the Model 231, drafts minutes of its meetings and keeps the minutes in a special book at Company's registered office. The Supervisory Body reports to the Company's Board of Directors and its Board of Statutory Auditors on an annual basis. If the seriousness of the alleged event justifies it, the Supervisory Body will immediately inform the Company's Board of Directors and, if necessary, the Company's Board of Statutory Auditors.

The Board of Directors assigns to the Supervisory Body the resources deemed appropriate for the performance of the assigned tasks.

The internal control system outlined in Model 231, which has been adopted by the Company's Italian subsidiaries Eurotranciatura S.p.A. Corrada S.p.A., Euroslot Tools S.r.l. and SAF S.p.A., is completed by the Company's Code of Ethics, which identifies its reference values, highlighting the rights, duties and responsibilities of all those who, in any capacity, work within or collaborate with the Company.

Code of Ethics

The Company has adopted a code of ethics (the "**Code of Ethics**") which states the rules of conduct that must be followed by directors, statutory auditors, executives, employees, consultants and shareholders of the Group and, in general, all persons acting in Italy or abroad for or on behalf of the Group or who have business relationships with the Group, each in the context of his, her or its own functions and responsibilities.

Declaration of compliance with corporate governance provisions

In light of the corporate governance measures described hereinabove, as of the First Trading Date, the Company's corporate governance system will comply with the relevant provisions contained in the Consolidated Financial Act, applicable regulatory provisions, and the Corporate Governance Code and, more generally, with the statutory and regulatory provisions applicable to listed companies in Italy.

BOARD OF STATUTORY AUDITORS

Pursuant to Article 24 of the Post-IPO by-laws the Board of Statutory Auditors comprises three Effective Auditors and two Alternate Auditors.

On November 18, 2022, the Company's ordinary shareholders' meeting resolved to appoint, effective as of the First Trading Date and subject to the notice of resignation by the Board of Statutory Auditors in office as of the Prospectus Date, the Company's Board of Statutory Auditors to take office as of the First Trading Date and to remain in office until the approval of the financial statements as of December 31, 2025.

The following table sets out the members of the Company's Board of Statutory Auditors, which will remain in office until the approval of the financial statements as of December 31, 2025:

Name and Surname	Position	Place and date of birth	First appointment date
Luigi Emilio Garavaglia	Chairman of the Board of Statutory Auditors	Milan (MI), April 8, 1960	September 8, 2020
Maria Venturini	Effective Auditor	Treviglio (BG), August 19, 1954	September 8, 2020
Pietro Ebreo	Effective Auditor	Castelvetrano (TP), May 10, 1964	November 18, 2022
Giancarlo Gandola	Alternate Auditor	Lecco (LC), April 4, 1966	September 8, 2020
Roberta Sironi	Alternate Auditor	Giussano (MB), May 9, 1982	September 8, 2020

Certain corporate governance practices that are required for Italian listed companies and that the Company adopted on November 18, 2022 will come into effect on the First Trading Date. The newly-adopted measures provide, among other things, a slate voting mechanism to appoint the members of the Board of Statutory Auditors pursuant to article 148 of the Consolidated Financial Act. All members of the Board of Statutory Auditors comply with the independence requirements set out in Article 148, paragraph 3 of the Consolidated Financial Act and Article 2 of the Corporate Governance Code. On November 18, 2022, the Board of Directors positively verified - also based on the documentation and declarations provided by the Statutory Auditors - that all Statutory Auditors comply with the requirements of integrity and professionalism, as well as the independence requirements set out in Article 148, paragraph 3 of the

Consolidated Financial Act, the Ministerial Decree n. 162/2000 and Article 2 of the Corporate Governance Code.

The requirements of independence, integrity and professionalism, as well as compliance with the rules relating to the accumulation of offices of the members of the Board of Statutory Auditors will be re-assessed on the First Trading Date.

The members of the Board of Statutory Auditors in office on the First Trading Date possess the requisites of professionalism provided for by Article 1 of the Ministerial Decree n. 162/2000 that follow: (i) at least two auditors and one alternate auditor are registered in the register of auditors and have exercised the legal control of accounts for a period of not less than three years; or (ii) are chosen from among those who have gained an overall experience of at least three years in the exercise of (a) administration or control activities or managerial duties in joint-stock companies that have a share capital of not less than two million euros, or (b) professional or tenured university teaching activities in legal, economic, financial and technical-scientific subjects, strictly related to the business of the company, or (c) managerial functions in public bodies or public administrations operating in the credit and financial sectors and insurance or in any case in sectors strictly related to that of the business; (iii) have not performed, for at least 18 months, in the period between the two years preceding the adoption of the relative measures and the one in progress, administration, management or control functions in companies: (a) subject to bankruptcy, compulsory administrative liquidation or to equivalent procedures; (b) operating in the sector credit, financial, securities and insurance subject to extraordinary administration procedures; (iv) no provision has been adopted against them to cancel them from the single national register of stockbrokers provided for in Article 201, paragraph 15, of Legislative Decree 24 February 1998, no. 58, and stockbrokers who are excluded from trading on a regulated market.

The provisions of law and regulations that provide that the members of the Board of Statutory Auditors be elected according to a criteria that ensures gender balance have been incorporated into the Post-IPO by-laws.

The composition of the Board of Statutory Auditors as at the First Trading Date already complies with the rules set out in Article 148, paragraph 1-*bis* of the Consolidated Financial Act concerning the balance between genders. Since this adjustment was made on a voluntary basis, this shall not in any case be taken into account for the purposes of calculating the six consecutive mandates provided for as the period of application of the law on gender balance, and the requirement to comply with these regulatory obligations will apply only upon the first renewal of the corporate bodies after the First Trading Date.

Biographies

***Luigi Emilio Garavaglia* –** he graduated in 1985 from Università Cattolica del Sacro Cuore in Milan. In 1990 he was enrolled in the Professional Accountants' Register of Milan, while in 1995 he registered in the Register of Auditors. He holds the position of partner at Studio Legale e Tributario Biscozzi since 1997. He has a professional experience in international tax consultancy, merger and acquisition projects and listing processes. He has also provided assistance to important entrepreneurial families. He currently holds the office of statutory auditor in several corporations.

***Maria Venturini* -** she graduated in 1979 in business economy from the Bocconi University of Milan. In 1993 she has been appointed member of the board of Lecco's Register of Certified Business Consultants and Accounting Experts and from 1999 to 2007 she has been the Chairman of the same Register. In 2002 she has been appointed as member of the board of A.L.P.L, the Association for the Professional Services CUP Lecco, and from 2007 to 2017 she has been the Chairman of the same Association. In 2017 she has been appointed as delegate by the National Board of Certified Business Consultants and Accounting Experts at the Professional Affairs Committee (PAC) of the Confédération

Fiscale Européenne (Bruxelles). She participated, both as member and/or as Chairman to Study Commissions within Lecco's Register of Certified Business Consultants and Accounting Experts as well as the National Board of Certified Business Consultants and Accounting Experts. She is civil mediator, managing partner at Studio Colombo Commercialisti Associati and she is currently appointed as statutory auditor and certified auditor in several Italian companies.

Pietro Ebreo **-** he graduated in 1989 in business economy from Università di Palermo and in 1991 he completed a master's degree in Tax Law. Since 1990 he is enrolled in the Order of Chartered Accountants of Milan, and since 1992 he is enrolled in the Register of Auditors. He is a member of the scientific committee of the Foundation of Chartered Accountants of Milan. He is a member of the board of Eurodefi Professional Club of Tax, Legal & Financial Advisors. He is a member of the board of auditors of the Polytechnic University of Milan, and co-head of the Business Law and Corporate Tax area of the Polytechnic University of Milan. He is founding partner of Ebreo & Partners STTP, associated firm in Milan specialized in tax and corporate matters. He performs tax and corporate consulting, restructuring and tax planning of companies and family assets, he is also specialized in litigation with tax authorities. He is a member of boards of directors and boards of statutory auditors of important companies and/or nonprofit entities. He is a lecturer in corporate taxation at MIP Business School of the Polytechnic University (now Polimi Graduate School of Management) in Milan and a lecturer of the tax master's degree at Il Sole24Ore.

Giancarlo Gandola **-** he is registered in the Register of Chartered Accountants and Accounting Experts and in the Register of Auditors since 1992 and he is a statutory auditor since 1995. He holds the position of partner at Studio Colombo Commercialisti Associati since 1988 where he deals with domestic and international tax law and litigation before the provincial and regional tax commissions, and where he also deals with companies evaluation, corporate reorganization projects and extraordinary transactions. He has held the position of auditor of local authorities and of administrator and liquidator of some companies, and he has also been member of arbitration boards. From 1999 to 2002 he has been director of the Lecco Board of Accountants and Commercial Experts, and since 2017 he holds the role of Director within the Board of Lecco Chartered Accountants and Accounting Experts. He currently holds the office of statutory auditor in several corporations.

Roberta Sironi **–** she graduated in 2004 in business economics from Università Cattolica del Sacro Cuore in Milan, where she also completed a master's degree in business economics and legislation in 2006. In 2007 she completed a master's degree in corporate tax law from the Bocconi University of Milan. Since 2010 she has been enrolled in the Order of Chartered Accountants of Milan and in the Register of Auditors. She holds the position of senior associate at Studio Biscozzi Nobili Piazza, where she carries out her professional activity in the field of tax consultancy for multinational companies and groups (including listed ones), operating in various sectors. She also carries out tax consultancy activities in favour of individuals.

To the best of the Company's knowledge, none of the members of the Board of Statutory Auditors have a familial relationship with other members of the Board of Statutory Auditors, the Board of Directors or the Company's Senior Management within the meaning of applicable Italian law.

Except as set forth below, to the best of the Company's knowledge, none of the members of the Board of Statutory Auditors had financial or professional relationships - either directly or indirectly, through third party companies or professional offices - with the Company, its Group or companies controlling the Company or subject to joint control, during the last three financial years.

The professional firm of which the Statutory Auditor Maria Venturini and Giancarlo Gandola are partners has provided in the year ended December 31, 2021 consultancy services to the Issuer for an amount of €12,000.00 plus VAT and other taxes and the following consultancy services to the Group's subsidiaries Corrada S.p.A. and SAF S.p.A.: (i) consultancy services to Corrada S.p.A. for an amount of €12,000.00 plus VAT and other taxes per year for the years ended December 31, 2022, 2021, 2020 and 2019; and (ii) consultancy services to SAF S.p.A. for an amount of €19,000.00 plus VAT and other taxes for the year ended December 31, 2021. Such consultancy services will cease effective from the First Trading Date. From the First Trading Date, the Group will not request any other consultancy activity to be provided by the above-mentioned firm.

As of the Prospectus Date, none of the members of the Board of Statutory Auditors in office have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding administrative, managerial or supervisory offices at the company or from holding executive or managerial offices at other companies, in the last five years.

To the best of the Company's knowledge, as of the Prospectus Date none of the Statutory Auditors exceeds the limits under Italian law on the number of offices held.

SENIOR MANAGEMENT TEAM

The following persons comprise the senior management team ("**Senior Management Team**"), with the indication of the office held by them as at the Prospectus Date:

Name and Surname	Position	Place and date of birth
Marco Stefano Arduini	Chief Executive Officer	Milan (MI), January 29, 1966
Isidoro Guardalà...........................	Chief Financial Officer	Castiglione di Sicilia (CT), February 27, 1961
Matteo Perna	Deputy Chief Financial Officer	Milan (MI) , July 1st, 1983
Gianluca Umberto Maria Bertocchi	CEO Industrial	Milan (MI), September 12, 1960
Leonardantonio Franchini	CEO EV & Automotive	Locorotondo (BA), August 6, 1963
Marzio Andrea Iori	Head of ETT/EGLR Operations & Special Projects	Milan (MI), December 16, 1968
Matteo Fassio	Managing Director Eurotranciatura USA	Torino (TO), July 31, 1979
Bostjan Bratus	Managing Director Eurotranciatura Italy	Ljuvljana (Slovenia), October 30, 1970
Roger Zhang.................................	Managing Dìrector Euro Misi Laminations China	Jiangsu (China), June 28, 1968
Eduardo Arana	Managing Director Eurotranciatura Mexico	Guanajuato (Mexico), January 5, 1972

Biographies

***Marco Stefano Arduini* -** See above "*—Directors*".

***Isidoro Guardalà* –** See above "*—Directors*".

Matteo Perna – he graduated in 2005 in business administration from the Bocconi University of Milan, and subsequently obtained a Master of Science degree in 2007 from the Bocconi University. From 2007 to 2009 he worked as an analyst at BNP Paribas, where he held the position of associate from 2009 to 2012. He later assumed the role of deputy CFO (2012-2013), and of group CFO (2013-2019) of Regina Catene Calibrate S.p.A., a leading developer and manufacturer of chains and belts for industrial and motorcycle application. From 2015 to 2019 he has been a member of the board of directors of Regina (Tianjin) Chain & Belt Co., a producer of high-performance conveyor chains and power transmission products. From 2019 to 2021 he was the senior group controller of Althea Group S.p.A., an independent provider of integrated healthcare technology management. He joined the Group in April 2021 and he serves as deputy CFO of the Company.

***Gianluca Umberto Maria Bertocchi* –** See above "*—Directors*".

***Leonardantonio Franchini* -** See above "*—Directors*".

***Marzio Andrea Iori* -** he started his professional career in Eurotranciatura S.p.A., where in 1997 he became production manager. From 2005 to 2013 he has held the position of executive officer of Euroslot S.r.l., and from 2013 to 2014 he has been a director of EuroGroup Laminations. From 2014 to 2020 he served as chief operating officer of Eurotranciatura S.p.A. while from 2020 to 2022 he served as chief operating officer at EuroGroup Laminations. He currently holds the role of managing director at Eurotranciatura Tunisie and he serves as director of Eurotranciatura S.p.A., Euro Management Services S.p.A., Corrada S.p.A. and Euroslot Tools S.r.l.

***Matteo Fassio* -** he graduated in economics at University of Turin in 2002. From 2002 to 2003 he worked as sales manager at Segmetal, a company which produces circular saw blades for metal cutting. From 2003 to 2011 he served as sales project manager at ISIL Group, a group active in producing Metal stamping and dies for deep drawn components and served as Project director and Managing Director of Etromex, SA de CV from 2008 to 2011 and from 2011 to 2013 he held the position of managing director at Kienle Spiess UK, a group that produces the components used in motors and generators. Since 2013 he is the chief operating officer and managing director of Eurotranciatura USA LLC.

***Bostjan Bratus* -** he is an experienced managing director with competencies in several areas, such as inter alia: sales, production, HR, production automation and M&A. He graduated in 1997 in mechanical engineering at University of Ljubljana. From 2000 to 2007 he worked as director of the largest business unit of Hidria Rotomatika, a company of the Hidria group, a Slovenian group which is one of the world-leading corporation in automotive and industrial technologies. From 2008 to 2018 he held the role of vice president of Hidria management board. Firstly, he was in charge as vice president of one business unit in relation to specific domains such as: M&A, Globalization and Hidria group business development. Then he was also in charge in relation to additional domains such as: R&D, project management and intellectual property in connection with more business units. From 2009 to 2016 he worked also as managing director of Hidria AET, a company of the Hidria group. He also held the role of managing director of Hidria from May 2018 to October 2020. After Hidria, from November 2020 to April 2021, he served as global operations director at Titus Group, a group which develops, manufactures and markets innovative precision components solutions. Since May 2021 he has been working as managing director of Eurotranciatura S.p.A..

Roger Zhang – he completed an MBA from Washington University in 2001, and a Master of Mechanical Engineering from Louisiana Tech. in 1995. He has been appointed as Managing Director of Euromisi Laminations Co. Ltd since 2022. As a native Chinese, Roger has studied and worked in USA over 10 years, and worked in multi-national companies in China as a senior executive in past 20 years. Before joining the Group, Roger was the Vice President & China General Manager for BorgWarner China EV business, and set up the strategic partnership with China EV companies. Roger served as Asia Commercial & Operation Director for Eaton automotive business unit from 2010 to 2018. He led the JV setup Fast Gear (China Local company) for light duty truck transmission, and factory closure in Shanghai, and new plant setup in Jinan China.

Eduardo Arana - he graduated in public accountancy at Universidad EPCA in Mexico in 1994 and completed a Master of Business Administration (M.B.A.) at Tecnológico de Monterrey in 2013. He worked at Arthur Andersen & Co. as senior financial auditor from 1995 to 2001 and from 2002 to 2003 he worked as General Accountant at Carvel Print Serigrapgh Inc. From 2003 to 2007 he held the position of financial controller at Valeo, a company which designs and manufactures automobile components. He joined Eurotranciatura México in 2007, where he holds the position of managing director since 2021. Previously he served as director of finance and administration from 2007 to 2021 and as deputy managing director from 2015 to 2021.

Except as set forth in "*Directors*" above with reference to the Chief Executive Officer Marco Stefano Arduini and Marzio Andrea Iori, as of the Prospectus Date, none of the members of the Senior Management Team have family relationship with other members of the the Senior Management Team within the meaning of applicable Italian law, nor do any such relationships exist between any members of the Senior Management Team and the members of the Board of Directors or any of the members of the Board of Statutory Auditors.

Except as set forth below, to the Company's knowledge, none of the members of the Senior Management Team have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding executive or managerial offices or any other companies, in the last five years.

As of the Prospectus Date, the member of the Senior Management Team Marzio Andrea Iori has been involved in a criminal proceeding before the court of Milan relating to an injury suffered by an employee of Eurotranciatura S.p.A. occurred on August 17, 2017 within the plant operated by Eurotranciatura S.p.A. in Baranzate (Milan). The proceedings started in April 2019 and relate to facts allegedly occurred when Marzio Andrea Iori was Head Office Production Manager and Responsible for Health and Safety matters of Eurotranciatura S.p.A. The final hearing took place on December 22, 2022, and the judge found the defendant not guilty, due to the absence of any negligence attributable to him.

GENERAL INFORMATION ABOUT THE DIRECTORS, THE MEMBERS OF THE BOARD OF THE STATUTORY AUDITORS AND THE SENIOR MANAGEMENT TEAM

The table below sets out the names of all companies and partnerships of which a Director, a member of the Board of the Statutory Auditor or a member of the Senior Management Team has been a member of the administrative, management or supervisory bodies, or shareholders, at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or shareholder, as at the Prospectus Date, other than a subsidiary of the Company.

Name and Surname	Company	Office / Stake held	Status
Directors			

Name and Surname	Company	Office / Stake held	Status
Sergio Iori	Almaniva Investments S.A.p.A.	Chairman of the Board of Directors	Current
	E.M.S. Euro Management Services S.p.A.	Chairman of the Board of Directors	Current
	Safim S.r.l.	Director	Current
	Almaniva Investments S.A.p.A.	Shareholder	Current
Isidoro Guardalà	E.M.S. Euro Management Services S.p.A.	Director	Current
	Blu Crm S.r.l.	Director	Current
	Dorema S.r.l.	Chairman of the Board of Directors	Current
	Blu Crm S.r.l.	Shareholder	Current
	E.M.S. Euro Management Services S.p.A.	Shareholder	Current
	Dorema S.r.l.	Shareholder	Current
Marco Stefano Arduini	Almaniva Investments	General Partner (*socio accomandatario*)	Current
	E.M.S. Euro Management Services S.p.A.	Director	Current
	Safim S.r.l.	Deputy Chairman of the Board of Directors	Current
	Bioberenice S.r.l.	Director	Current
	Vegat Services S.r.l.	Sole director	Current
	EcorNaturaSì S.p.A.	Deputy Chairman of the Board of Directors	Current
	Ecore S.p.A.	Deputy Chairman of the Board of Directors	Current
	Bio Development AG	Director	Current
	Bio Partners Switzerland AG	Director	Current
	Almaniva Investments	Shareholder	Current
	E.M.S. Euro Management Services S.p.A.	Shareholder	Current
	Bioberenice S.r.l.	Shareholder	Current
Gunter Beitinger	Siemens AG	Senior Manager	Current
Gianluca Umberto Maria Bertocchi	Euro Management Services S.p.A.	Shareholder	Current
Maria Giovanna Calloni	Industrie De Nora S.p.A.	Independent Director	Current
	Pininfarina	Independent Director	Current
	Philogen	Independent Director	Curent

Name and Surname	Company	Office / Stake held	Status
	Credito Valtellinese	Independent Director	Expired
	CAD IT	Independent Director	Expired
	Deus Technology S.r.l.	Director	Expired
	Tuctos S.r.l.	Shareholder	Current
	Sacop S.r.l.	Shareholder	Current
	Pyure co.	Shareholder	Current
	Bridge Insurance Services S.r.l.	Shareholder	Current
	Dbridge S.r.l.	Shareholder	Current
	Mindwork S.r.l.	Shareholder	Current
	Ninja 2 S.r.l.	Shareholder	Expired
	Workinvoice S.r.l.	Shareholder	Current
	Deus Technology S.r.l.	Shareholder	Expired
	Skinlabo S.r.l.	Shareholder	Expired
	Smartika S.p.A.	Shareholder	Expired
Jean-Marc Pierre Gales	Tevva Electric and Hydrogen Trucks Ltd	Director	Current
	Gigamine Ltd	Director	Current
	The Gales Group Ltd	Director	Current
	LuxProvide S.A.	Director	Current
	JD Classics Ltd	Director	Current
	The Gales Group Ltd	Shareholder	Current
	Gigamine Ltd	Shareholder	Current
	Tevva Electric and Hydrogen Trucks Ltd	Shareholder	Current
	Woodham Mortimer	Director	Expired
	Williams Advanced Engineering Ltd	Director	Expired
Alessandra Bianchi	Calcio Padova S.p.A.	Chairman of the Board of Directors	Current
	Italian Exhibition Group S.p.A.	Director	Current
	Capital For Progress Single Investment S.p.A.	Director	Current
	Sorgente Holding S.p.A.	Director	Current
	Calcio Padova S.p.A.	Chairman of the Board of Directors	Current
	Ambra Verde 3 S.r.l.	Chairman of the Board of Directors	Current
	Capital For Progress Advisory S.r.l.	Shareholder	Current
	Capital For Progress Single Investment S.p.A.	Shareholder	Current
	Capital For Progress Single Investment S.p.A.	Director	Expired
	Ambra Verde 2 S.r.l.	Director	Expired
	Ambra Verde 1 S.r.l.	Sole director	Expired
	Libeccio S.r.l.	Director	Expired

Name and Surname	Company	Office / Stake held	Status
Roberto Francesco Quagliuolo....................	DoveVivo S.p.A.	Director	Current
	Delorean Partecipazioni S.p.A.	Chairman of the Board of Directors	Current
	Ecopol S.p.A.	Director	Current
	Ocean S.p.A.	Chairman of the Board of Directors	Current
	Mint S.p.A.	Director	Current
	Circle S.r.l.	Chairman of the Board of Directors	Current
	Aqua Vera S.p.A.	Director	Current
	S.I.Con. S.r.l.	Director	Current
	Aqua S.r.l.	Director	Current
	BIQ S.r.l.	Sole Director	Current
	Tikehau Management S.A.S.	Shareholder	Current
	Italian Renewable Resources Spa	Shareholder	Current
	Refill It Inc.	Shareholder	Current
	Aqua S.r.l.	Shareholder	Current
	BIQ S.r.l.	Shareholder	Current
	Assiteca S.p.A.	Director	Expired
	Chaise S.p.A.	Chairman of the Board of Directors	Expired
	Banca Progetto S.p.A.	Deputy Chairman of the Board of Directors	Expired
	R72 Partners S.r.l.	Director	Expired
Board of Statutory Auditors			
Luigi Emilio Garavaglia....................	San Colombano S.p.A.	Director	Current
	Rothschild & Co Wealth Management Italy Sim S.p.A.	Director	Current
	Casa di Cura La Madonnina S.p.A.	Chairman of the Board of Auditors	Current
	Aqua Vera S.p.A.	Chairman of the Board of Auditors	Current
	Alltub Italia S.p.A.	Chairman of the Board of Auditors	Current
	Dovevivo S.p.A.	Chairman of the Board of Auditors	Current
	Eskigel S.r.l.	Chairman of the Board of Auditors	Current
	Fronery Italy S.r.l.	Chairman of the Board of Auditors	Current
	Assiteca S.p.A.	Standing Auditor	Current
	F2A S.r.l.	Standing Auditor	Current
	Missoni S.p.A.	Standing Auditor	Current
	Sami S.p.A.	Standing Auditor	Current
	Simem S.p.A.	Standing Auditor	Current

Name and Surname	Company	Office / Stake held	Status
	Consorzio Ecoped	Chairman of the Audit Committee	Current
	Consorzio Ridomus	Chairman of the Audit Committee	Current
	Consorzio Ecopower	Chairman of the Audit Committee	Current
	Sempione S.a.s.	Limited Partner (*socio accomandante*)	Current
	Elba Assicurazioni S.p.A.	Standing Auditor	Expired
	Banca Progetto S.p.A.	Standing Auditor	Expired
	Bsh Elettrodomestici S.p.A.	Standing Auditor	Expired
	Capital Shuttle S.p.A.	Standing Auditor	Expired
	Creset Servizi Territoriali S.p.A.		
	Ansaldo Energia S.p.A.	Standing Auditor	Expired
	Casartelli Antonio S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Cea - Costruzioni Elettromeccaniche Annettoni S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Cemb S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Delna S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Metallurgica Alta Brianza S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Perani & Partners S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Reco Italia S.r.l.	Chairman of the Board of Statutory Auditors	Current
	Aludesign S.p.A.	Effective Auditor	Current
Maria Venturini............	ArcelorMittal CLN Distribuzione Italia S.r.l.	Effective Auditor	Current
	Edizioni Ecomarket S.p.A.	Effective Auditor	Current
	Farina Presse S.r.l.	Effective Auditor	Current
	Future Electronics S.r.l.	Effective Auditor	Current
	Reale Compagnia Italia S.p.A.	Effective Auditor	Current
	Valmet S.p.A.	Effective Auditor	Current
	Amplifon S.p.A.	Effective Auditor	Current
	Sci Maro S.r.l.	Effective Auditor	Current
	Colombo Costruzioni S.p.A.	Effective Auditor	Current
	Fade S.r.l.	Auditor	Current
	Immobiliare Beato Mazzucconi S.p.A.	Shareholder	Current
	Leucum Real Estate S.r.l.	Shareholder	Current
	Regina Catene Calibrate S.p.A.	Director	Current

Name and Surname	Company	Office / Stake held	Status
	Farina Presse S.p.A.	Effective Auditor	Expired
	Aeg Group S.p.A.	Bondholders Representative	Expired
	Cenro Servizi Metalli S.p.A.	Effective Auditor	Expired
	Centro Servizi Navali S.p.A.	Chairman of the Board of Statutory Auditors	Expired
	Luxottica Group S.p.A.	Alternate Auditor	Expired
	V.A.I. S.p.A.	Effective Auditor	Expired
	Far S.p.A.	Chairman of the Board of Statutory Auditors	Expired
	I.T.A. S.p.A.	Chairman of the Board of Statutory Auditors	Expired
	Steelgroup Italy Holding S.r.l.	Alternate Auditor	Expired
	Weilburger Coatings Italia S.r.l.	Chairman of the Board of Statutory Auditors	
	Alberghi Briantei S.r.l.	Chairman of the Board of Statutory Auditors	
	Brianza Salumi di VismaraL&c srl	Sole Auditor	Expired
	Metallurgica Graffignana S.r.l.	Effective Auditor	Expired
	Pressiani Hold S.r.l.	Chairman of the Board of Statutory Auditors	Expired
	Associazione Interconsulting	Sole Director	Expired
	Immobiliare Beato Mazzucconi S.p.A.	Chairman of the Board of Directors	Expired
Pietro Ebreo	DeFonseca S.p.A.	Director	Current
	Eftheia S.r.l.	Director	Current
	Ebreo & Partners STP	Director	Current
	Evolution Project società semplice	Director	Current
	Eurodefi Network Profesisonale	Director	Current
	Creditis Servizi Finanziari S.p.A.	Effective Auditor	Current
	Isagro S.p.A.	Effective Auditor	Current
	Cavanna S.p.A.	Effective Auditor	Current
	Fondazione Centro Internazionale per la fotonica nell’energia (CIFE)	Auditor	Current
	Fincentro Finance S.p.A.	Alternate Auditor	Current
	Icos Pharma S.p.A.	Alternate Auditor	Current
	Internationale Steelco S.p.A.	Alternate Auditor	Current
	Steelco S.p.A.	Alternate Auditor	Current
	Eftheia S.r.l.	Shareholder	Current
	Ebreo & Partners STP	Shareholder	Current
	Evolution Project società	Shareholder	Current

Name and Surname	Company	Office / Stake held	Status
	semplice		
	TCM Immobiliare S.r.l.	Shareholder	Current
	In.Fin- 1989 S.r.l.	Effective Auditor	Expired
	Forno della Rotonda S.p.A.	Director	Expired
Giancarlo Gandola	Bodega G. & C. S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Casartelli Antonio S.r.l. Unico Socio	Chairman of the Board of Statutory Auditors	Current
	Continuus - Properzi S.p.A.	Chairman of the Board of Statutory Auditors	Current
	F.A.R. S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Fonderie Adda di Fumagalli Enrico & C. S.r.l.	Chairman of the Board of Statutory Auditors	Current
	Fucine Alto Adige S.r.l. in liquidazione	Chairman of the Board of Statutory Auditors	Current
	IMET S.p.A.	Chairman of the Board of Statutory Auditors	Current
	I.T.A. S.p.A.	Chairman of the Board of Statutory Auditors	Current
	O.A.S.A. S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Casartelli Antonio S.p.A.	Effective Auditor	Current
	C.B. Trafilati Acciai S.p.A.	Effective Auditor	Current
	Cea Costruzioni Elettromeccaniche Annettoni S.p.A.	Effective Auditor	Current
	Steelgroup Italy Holding S.r.l.	Effective Auditor	Current
	Cemb S.p.A.	Effective Auditor	Current
	Centro Servizi Navali S.p.A.	Alternate Auditor	Current
	Aludesign S.p.A.	Alternate Auditor	Current
	Delna S.p.A.	Alternate Auditor	Current
	Farina Presse S.r.l.	Alternate Auditor	Current
	Future Electronics S.r.l.	Alternate Auditor	Current
	I.F.P. S.p.A.	Alternate Auditor	Current
	Lomafin – Sicuritalia Group Holding S.p.A.	Alternate Auditor	Current
	Perani & Partners S.p.A.	Alternate Auditor	Current
	Sicuritalia S.p.A.	Alternate Auditor	Current
	Sicuritalia Group Service S.C.P.A.	Alternate Auditor	Current
	Somi S.p.A.	Alternate Auditor	Current
	O.A.S.A. S.r.l. Unico Socio	Sole Auditor	Current
	P.F.A S.r.l	Sole Auditor	Current
	Novim S.r.l.	External Auditor	Current

Name and Surname	Company	Office / Stake held	Status
	Pare' lido S.r.l.	External Auditor	Current
	Co.Fin. S.r.l.	External Auditor	Current
	Estate S.r.l.	External Auditor	Current
	Fin.Col. S.p.A.	External Auditor	Current
	Imm.Co S.r.l.	External Auditor	Current
	4 Build S.r.l.	Shareholder	Current
	Im.Ra S.r.l.	Shareholder	Current
	Giallo Sas di Gandola Lorenzo e C.	Limited Partner (*socio accomandante*)	Current
	Bellagio Slow Life Sas di Riva Laura e C.	Limited Partner (*socio accomandante*)	Current
	Asst Valtellina Altolario	Effective Auditor	Expired
	Farina Presse S.p.A.	Alternate Auditor	Expired
	Alborghetti S.p.A.	Effective Auditor	Expired
	Immobiliare Trebbia S.r.l.	Chairman of the Board of Statutory Auditors	Expired
	Im.ra S.r.l.	Sole Director	Expired
	V.A.I. S.p.A.	Chairman of the Board of Statutory Auditors	Expired
	Fiorella S.r.l.	Alternate Auditor	Expired
	Pressiani Hold S.r.l.	Alternate Auditor	Expired
Roberta Sironi.............	Rottami Metalli Italia S.p.A.	Standing Auditor	Current
	Aqua Vera S.p.A.	Alternate Auditor	Current
	Bolton Group S.r.l.	Alternate Auditor	Current
	Camparino S.r.l.	Alternate Auditor	Current
	Campari International S.r.l.	Alternate Auditor	Current
	Factor Holding S.r.l.	Alternate Auditor	Current
	Missoni S.p.A.	Alternate Auditor	Current
	Sacal – Società Alluminio Carisio S.p.A.	Alternate Auditor	Current
	Scf S.r.l.	Alternate Auditor	Current
	Società Italo Britannica Manetti H. Roberts & C.	Alternate Auditor	Current
	Hydroservice S.p.A.	Alternate Auditor	Expired
	Simar – Società metalli Marghera S.p.A.	Alternate Auditor	Expired
Senior Management Team			
Marco Stefano Arduini	*See above*		
Isidoro Guardalà	*See above*		
Matteo Perna	Regina (Tianjin) Chain & Belt Co., Ltd.	Director	Expired
Gianluca Umberto Maria Bertocchi	*See above*		
Marzio Andrea Iori	E.M.S. Euro Management Services S.p.A.	Director	Current
	E-Vita S.r.l.	Sole Director	Current

Name and Surname	Company	Office / Stake held	Status
	Almaniva Investments S.A.p.A.	Shareholder	Current
	E.M.S. Euro Management Services S.p.A.	Shareholder	Current
	E-Vita S.r.l.	Shareholder	Current
	Maj S.r.l. in liquidazione	Shareholder	Expired
Matteo Fassio...............	Siff S.r.l.	Shareholder	Current
	Stella Nera llc	Shareholder	Current
	Fassio&Lundberg llc	Shareholder	Expired
Bostjan Bratus..............	Titus Group	Director	Expired
	Hidria Group	Director	Expired
	BVG-S d.o.o	Shareholder	Current
Roger Zhang.................	BorgWarner Automotive	Vice President & China GM	Expired
	Eaton Corp.	Director of Asia Commercial & Operation Director	Expired

As of the Prospectus Date, the Director and Senior Manager Leonardantonio Franchini and the Senior Manager Eduardo Arana have not held any office in administrative, management or supervisory bodies, nor have they been shareholders holding an equity investment in joint-stock companies or partnerships, in the last five years.

The business address of the Directors, the members of the Statutory Auditors and the Senior Management Team is EuroGroup Laminations S.p.A., Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy.

REMUNERATION INFORMATION

After the Settlement Date, at the first due date, the Issuer shall approve the Report on the remuneration policy and compensation paid, pursuant to Article 123-*ter* of the Consolidated Financial Act and, until such policy is approved, any changes to the remuneration already resolved upon by the Company's shareholders' meeting and/or Board of Directors must be approved in compliance with the RPT Regulation.

Remuneration of the Board of Directors

The table below sets out the compensation paid to members of the Board of Directors, in office as of the Prospectus Date, during the year ended December 31, 2021.

Name	Office	Compensation for position held (in euros)	Compensation from the Company's subsidiaries (in euros)	Overall compensation

Sergio Iori	Chairman	240,000.00	142,370.00	582,370.00[(1)]
Isidoro Guardalà......................	Executive Vice Chairman	88,000.00	501,795.00	789,795.00[(2)]
Marco Stefano Arduini	Chief Executive Officer	65,000.00	239,360.00	776,504.00[(3)]
Gianluca Umberto Maria Bertocchi................................	Director	110,000.00	309,349.00	459,349.00[(4)]
Jean-Marc Pierre Gales...........	Director	120,000.00	0	120,000.00[(5)]
Marzio Andrea Iori	Director	16,000.00	361,135.00	417,135.00[(6)]
Roberto Francesco Quagliuolo	Director	30,000.00	0	30,000.00

(1) Including (i) Euro 200,000 as extraordinary bonus paid in 2021 in connection with Tikehau's investment.
(2) Including (i) Euro 200,000 as extraordinary bonus paid in 2021 in connection with Tikehau's investment.
(3) Including (i) Euro 200,000 as extraordinary bonus paid in 2021 in connection with Tikehau's investment; (ii) Euro 272,144.00 as key executive of the Issuer.
(4) Including (i) Euro 40,000 as extraordinary bonus paid in 2021 in connection with Tikehau's investment.
(5) GBP
(6) Including (i) Euro 40,000 as extraordinary bonus paid in 2021 in connection with Tikehau's investment.

The table below shows the gross annual remuneration attributed to the members of the Board of Directors in office as of the First Trading Date as resolved by the Board of Directors on November 18, 2022:

Name	**Office**	**Compensation for position held (in euros)**
Sergio Iori	Non-Executive Chairman	240,000.00
Isidoro Guardalà	Executive Vice Chairman	150,000.00
Marco Stefano Arduini	Chief Executive Officer	200,000.00
Gunter Beitinger	Non-Executive Director(*)	40,000.00
Gianluca Umberto Maria Bertocchi...............	Executive Director	110,000.00
Maria Giovanna Calloni	Non-Executive Director(*)	40,000.00
Leonardantonio Franchini..............................	Executive Director	110,000.00
Jean-Marc Pierre Gales..................................	Non-Executive Director(**)	40,000.00
Alessandra Bianchi	Non-Executive Director(*)	40,000.00

Name	Office	Compensation for position held (in euros)
Roberto Francesco Quagliuolo......................	Non-Executive Director	40,000.00

(*) Independent Director pursuant to art. 147-ter paragraph 4 and art. 148, paragraph 3 of the Consolidated Financial Act and art. 2 of the Corporate Governance Code.

(**) The Non-Executive Director Jean-Marc Pierre Gales will also receive, effective from the First Trading Date and in addition to his remuneration as director, €70,000.00 per year for consultancy services.

Moreover, on November 18, 2022, the Board of Directors resolved, with the favourable opinion of the Board of Statutory Auditors: (i) to grant an additional total compensation of €35,000.00 to the members of the Control, Risks and Sustainability Committee, of which a total of €15,000.00 gross per year to the chairman of the Control, Risks and Sustainability, and €10,000.00 to each member of the related committee; (ii) to award a further total remuneration of €35,000.00 to the members of the Nomination and Remuneration Committee, of which €15,000.00 to the chairman of the Nomination and Remuneration Committee, and €10,000.00 to each member of the related committee; and (iii) to grant an additional compensation of €5,000.00 to the Lead Independent Director Alessandra Bianchi.

Moreover, on November 18, 2022, the Board of Directors resolved, with the favourable opinion of the Board of Statutory Auditors to grant a compensation of €750 per meeting to each member of the Related Party Transactions Committee for a maximum amount of €5,000.00 per year.

Except as indicated below for the MIP (see "*Assignment of shares to Directors, Statutory Auditors or members of the Senior Management Team in connection with the Offer- MIP*"), as of the Prospectus Date, no member of the Board of Directors is the beneficiary of incentive plans in relation to the position held within the Board of Directors.

No bonuses are expected to be paid to the Directors in connection with the completion of the Offer.

Remuneration of the Board of Statutory Auditors

The table below sets out the compensation paid to members of the Board of Statutory Auditors in office as of the Prospectus Date during the financial year ended December 31, 2021.

Name	Office	Compensation for position held (in Euro)	Compensation from the Company's subsidiary (in Euro)	Overall compensation
Luigi Emilio Garavaglia	Chairman of the Board of Statutory Auditors	10,000.00	-	10,000.00
Francesco Alabiso..................	Effective Auditor	6,000.00	13,150.00(1)	19,150.00

Maria Venturini.......................	Effective Auditor	8,000.00	-	8,000.00
Giancarlo Gandola	Alternate Auditor	0.00	-	0.00
Roberta Sironi	Alternate Auditor	0.00	-	0.00

(1) €8,200.00 from Eurotranciatura S.p.A and €4,950.00 from Corrada S.p.A.

On November 18, 2022, the Company's ordinary shareholders' meeting resolved to appoint, effective as of the First Trading Date and subject to the notice of resignation by the Board of Statutory Auditors in office as of the Prospectus Date, the Company's Board of Statutory Auditors to take office as of the First Trading Date and to remain in office until the approval of the financial statements as of December 31, 2025. The table below sets out the compensation paid to members of the Board of Statutory Auditors, entering into office as of the First Trading Date, during the financial year ended December 31, 2021.

Name	**Office**	**Compensation for position held (in euros)**	**Compensation from the Company's subsidiary (in euros)**	**Overall compensation**
Luigi Emilio Garavaglia	Chairman of the Board of Statutory Auditors	10,000.00	-	10,000.00
Maria Venturini.......................	Effective Auditor	8,000.00	-	8,000.00
Pietro Ebreo	Effective Auditor	-	-	-
Giancarlo Gandola	Alternate Auditor	0.00	-	0.00
Roberta Sironi	Alternate Auditor	0.00	-	0.00

On November 18, 2022, the ordinary shareholders' meeting set the gross annual remuneration of the Board of Statutory Auditors entering into office as of the First Trading Date date, at a total amount of €91,000.00, of which €37,000.00 gross per year for the Chairman and €27.000,00 for each Effective Statutory Auditor.

Remuneration of the Senior Management Team

The total of remuneration paid to the members of the Senior Management Team (see "—*Senior Management Team*") by the Group in the year ended on December 31, 2021 amounted to €2.965,326.61, $426,266.59 and ¥347,311.84.

As of December 31, 2021, €82,527.41 was set aside or accrued by the Company to provide for pension, retirement or similar benefits of the members of the Senior Management Team.

The main non-monetary benefits paid to Senior Management Team include the use of the telephone and company car, accident insurance, life insurance, supplementary health insurance and D&O policy, as well as the reimbursement of all expenses incurred during missions or business trips.

Amounts set aside or accumulated for the payment of pensions, severance indemnities or similar benefits

As of December 31, 2021, for the payment of pensions, severance indemnities or similar benefits, taken together, in favour of the members of the Board of Directors, the Board of Statutory Auditors and the Senior Management Team, the Group set aside a total amount equal to €82,527.41. The Company has not set aside amounts valid for pension purposes in favour of the members of the Board of Directors who are not also employees of the Group and the members of the Board of Statutory Auditors.

LONG TERM INCENTIVE PLANS

Stock Option Plan

On November 18, 2022, the Ordinary Shareholders' Meeting of the Issuer resolved upon the adoption, effective from the First Trading Date, of a stock option plan aiming to align the interests of the Company with those of directors and key managers over the medium-long term (the "**Stock Option Plan**" or "**SOP**"). The SOP, which provides for the assignment of option rights granting the right to subscribe Ordinary Shares, has the following objectives: (i) align the interests of the Beneficiaries (as defined hereinafter) with those of the shareholders and investors and with the strategic plan of the Group as a whole; and (ii) incentivize the long-term retention of the beneficiaries of the plan.

On January 18, 2023, the Board of Directors of the Issuer approved the SOP regulation, the main featurs of which are reported below.

Beneficiaries

The beneficiaries of the SOP will be identified by the Board of Directors, after consultation with the Appointments and Remuneration Committee, among the Chairman of the Board of Directors, the Executive Directors, the Senior Management Team and other executives, as identified from time to time by the Board of Directors, in consideration of the importance of their position within the Group with regard to the development of the Issuer and of the Group (the "**Beneficiaries**" or a "**Beneficiary**").

Main features

Pursuant to the SOP the Beneficiaries will be entitled, upon the maintenance of an employment relationship and/or partnership and/or directorship in place with the Issuer or its subsidiaries at the time of the assignment of the shares (the "**Relationship**"), to receive free of charge up to a certain number of option rights, each of which confers the right to underwrite one Ordinary Share at a determined price (the "**Options**").

The right to exercise the Options will be subject to a three-year period divided into three "rolling" cycles at the end of which the Options may be exercised by the Beneficiaries (the "**Vesting Period**"). The exercise of all the Options granted to each Beneficiary will be governed, subject to retention of the Relationship, as follows:

- 1/3 (one third) of all the Options granted to each Beneficiary may be exercised after the end of the first Vesting Period (i.e. January 1, 2026);

- 1/3 (one third) of all the Options granted to each Beneficiary may be exercised after the end of the second Vesting Period (i.e. January 1, 2027);
- 1/3 (one third) of all the Options granted to each Beneficiary may be exercised after the end of the third Vesting Period (i.e. January 1, 2028).

The exercise of all the Options under the SOP is not linked to the achievement of performance targets, being instead linked to the retention of the Relationship held by each Beneficiary.

Each Beneficiary shall have 30 days from the end of the third Vesting Period to decide whether or not to exercise the Options. The shares will be subscribed at the price (the "**Strike Price**") equal to:

- the Offer Price of the Company's Ordinary Shares sold in the context of the Offer (the "**IPO Price**"), for Beneficiaries already part of the Group and new joiners hired within 6 months from the First Trading Date;
- the arithmetic average price at which the Ordinary Shares were traded during the 30 (thirty) business days preceding the hiring or awarding date of new joiners, for new joiners hired after 6 months from the First Trading Date (the "**Average Price**").

Options not exercised will be revoked.

Good Leaver and Bad Leaver

To be entitled to request the conversion of the awarded rights into Ordinary Shares of the Issuer, each Beneficiary shall have a Relationship at the time of the assignment of the shares, and shall not have received any dismissal and/or termination letter from the Issuer or from any of the subsidiaries, or any termination of the Relationship, except in the following good leaver scenarios: (i) resignation, on the condition that the Beneficiary possesses the retirement requirements provided for by law and applies, within the following 30 days, for retirement; (ii) death or permanent invalidity of the Beneficiary (each of the above a "**Good Leaver**").

Should the Relationship of a Beneficiary end as a result of any of the above Good Leaver scenarios, the Beneficiary shall be entitled to keep the right to receive a prorated number of Options granted, based on the irrevocable decision of the Board of Directors.

In the event of termination of employment other than the abovementioned Good Leaver scenarios, the Beneficiary shall be considered a bad leaver in case of termination of the Relationship with the Issuer (a "**Bad Leaver**").

In the event of termination of employment as a result of a Bad Leaver scenario before the end of each Vesting Period, Beneficiaries definitely and fully lose the Options granted.

Moreover, the SOP sets forth specific provisions for the discontinuance of the employment and directorship relationships, including *inter alia*, the events of: (i) unpaid leave; (ii) early pension or retirement pension; (iii) disability pension and (iv) death.

Acceleration Clause

The SOP provides for that, in case of: (i) a change of control of the Issuer, (ii) a launch of a takeover and/or exchange bid regarding the Ordinary Shares, (iii) a delisting of the Ordinary Shares from the Euronext Milan market and (iv) the occurrence of other particular circumstances, the Beneficiaries are entitled to request the early assignment of a number of shares to be determined *pro rata temporis*. In such cases the Board of Directors shall establish, after consultation with the Appointments and Remuneration Committee, conditions, terms and conditions for the early exercise of the Options.

Implementation of the SOP

On November 18, 2022, the Issuer's Extraordinary Shareholders' Meeting resolved, among other things, to grant to the Board of Directors, effective from the First Trading Date and for five years from the date of the resolution, the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code, including in one or more tranches, to serve future incentive plans regarding ordinary shares of the Company, whose beneficiaries will be identified by the Board of Directors, for a maximum amount of €22,000 thousand, by issuing new Ordinary Shares without par value, with the exclusion of pre emption rights pursuant to Article 2441, fifth and eighth paragraph of the Italian Civil Code.

OTHER INFORMATION

Employment or management agreement

As of the Prospectus Date, other than those customarily provided by applicable collective bargaining agreements there are no agreements entered into by members of the Board of Directors, by members of the Board of Statutory Auditors or by members of the Senior Management Team providing for benefits upon termination of employment.

Agreements for the appointment of Directors, Statutory Auditors or members of the Senior Management Team

The Directors Jean-Marc Pierre Gales and Roberto Quagliuolo have been appointed as directors effective as of the First Trading Date and until the approval of the financial statements as of December 31, 2025 in accordance to the provisions set forth in the shareholders' agreement entered on September 8, 2020 by and between (i) E.M.S., (ii) Delorean Partecipazioni and (iii) T2 Energy Transition Fund through its management company Tikehau Investment Management S.a.s., and subsequently amended on November 18, 2022 (the "**Pre-listing Shareholders' Agreement**").

The Pre-listing Shareholders' Agreement will terminate effective as of the First Trading Date. Moreover, on November 18, 2022 the Company adopted the Post-IPO by-laws which will enter into force as of the First Trading Date and entirely supersede the Pre-IPO by-laws.

Assignment of shares to Directors, Statutory Auditors or members of the Senior Management Team in connection with the Offer

Certain Directors and members of the Senior Management Team will receive Ordinary Shares in the context of the Offer in their capacity as MIP Beneficiaries and/or members of the E.M.S. Leadership Team (as defined below, respectively in "*MIP*" and "*E.M.S. Leadership Team Incentive*").

MIP

According to the provisions contained in the Pre-listing Shareholders' Agreement and the Pre-IPO by-laws, the Offer triggers the assignment of Ordinary Shares to certain directors and key managers of the

Issuer (the "**MIP Beneficiaries**") on the basis of the valorization of the Issuer in the context of the Offer (the "**MIP**").

In particular, pursuant to the MIP: (i) E.M.S. and Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund (together the "**Tikehau Entities**") shall contribute financially to the MIP proportionally to the returns of their respective investments in the share capital of the Issuer (70% E.M.S. and 30% Tikehau Entities); and (ii) in case a triggering event occurs, including the Offer, E.M.S. shall assign free of charge Ordinary Shares to the MIP Beneficiaries arising from the conversion of its Class A Shares. Therefore, considering that E.M.S. shall assign part of its Ordinary Shares to the MIP Beneficiaries, upon occurrence of a triggering event the shareholdings of E.M.S. and the Tikehau Entities will be adjusted in order to ensure that both E.M.S. and the Tikehau Entities contribute to the MIP in the agreed proportion (see "*Description of share capital and corporate structure-shares and share capital*"). The number of Ordinary Shares to be assigned to the MIP Beneficiaries will depend on the Offer Price and, therefore, will be determined on the Pricing Date of the Offer. The maximum amount of Ordinary Shares to be assigned to the MIP Beneficiaries shall in any case not be higher than 8,974,583 Ordinary Shares (calculated assuming an Offer Price equal to the maximum price of the Offer Price Range) (the "**MIP Sale Shares**").

The MIP Beneficiaries include, among others: (i) the Non-Executive Chairman Sergio Iori; (ii) the Vice Chairman Isidoro Guardalà; (iii) the Chief Executive Officer of the Company, Marco Stefano Arduini; (iv) the Director and Senior Manager Gianluca Umberto Maria Bertocchi; (v) the Director and Senior Manager Leonardantonio Franchini; (vi) the Director Jean-Marc Pierre Gales; as well as (vii) all other members of the Senior Management Team as well as other key managers of the Issuer.

Without prejudice to the fact that both E.M.S. and the Tikehau Entities will contribute to the MIP through the shareholding adjustment mechanism described above, the MIP Beneficiaries will benefit from the sale by E.M.S. of a portion of the Existing Offer Shares (through the Stock Lending Agreement described hereinafter). In particular, the Existing Offer Shares that will be sold by E.M.S. in the context of the Offer comprise all the MIP Sale Shares provided that, however, the MIP Beneficiaries are entitled to benefit from the sale of 60% of the MIP Sale Shares. The 60% MIP Sale Shares includes those MIP Sale Shares sold in order to allow the Beneficiaries to pay the taxes relating to the granting of all the MIP Sale Shares which are entirely due also on those MIP Sale Shares subject to lock-up. Therefore, the Beneficiaries will benefit from the sale of a number of MIP Sale Shares that allows them to pay taxes on 100% of the MIP Sale Shares plus an additional quota equal to approximately 10% of the MIP Sale Shares which constitutes the cash in of the Beneficiaries. For the remaining 40% of Ordinary Shares received under the MIP, the MIP Beneficiaries will enter into lock-up agreements with E.M.S. for a 1 (one) year period.

The table below sets forth the maximum number of Ordinary Shares to be assigned to the MIP Beneficiaries (calculated assuming an Offer Price equal to the maximum price of the Offer Price Range) with indication of the maximum amount of Ordinary Shares that can be sold by E.M.S. in the context of the Offer and the maximum amount of Ordinary Shares subject to lock-up.

Beneficiary	**Maximum amount of Ordinary Shares**	**Maximum amount of Ordinary Shares sellable in the context of the Offer**	**Maximum amount of Ordinary Shares subject to lock-up**
Sergio Iori	1,833,582	1,100,149	733,433
Isidoro Guardalà	2,139,179	1,283,507	855,672
Marco Stefano Arduini	2,444,776	1,466,866	977,910
Gianluca Umberto Maria Bertocchi	225,517	135,310	90,207
Leonardantonio Franchini	248,069	148,841	99,228
Jean-Marc Pierre Gales	90,207	54,124	36,083
Others	1,993,253	1,195,953	797,300
Total	**8,974,583**	**5,384,750**	**3,589,833**

E.M.S. Leadership Team Incentive

Moreover, E.M.S. also agreed to assign additional Ordinary Shares, arising from the conversion of its Class A Shares, to certain directors and managers of E.M.S. and the Issuer contributing in various capacity to the management of E.M.S. and the growth of the Issuer (the "**E.M.S. Leadership Team**"). The number of Ordinary Shares to be assigned to the E.M.S. Leadership Team will depend on the Offer Price and, therefore, will be determined on the Pricing Date of the Offer. The maximum amount of Ordinary Shares to be assigned to the E.M.S. Leadership Team shall in any case not be higher than 1,100,328 Ordinary Shares (calculated assuming an Offer Price equal to the maximum price of the Offer Price Range) (the "**E.M.S. Leadership Team Sale Shares**").

The E.M.S. Leadership Team consists of the directors of E.M.S. which includes: (i) the Non-Executive Chairman Sergio Iori; (ii) the Vice Chairman Isidoro Guardalà; (iii) the Chief Executive Officer of the Company, Marco Stefano Arduini; (iv) the Senior Manager Marzio Andrea Iori; and (v) other directors of E.M.S..

The E.M.S. Leadership Team will benefit from the sale by E.M.S. of a portion of the Existing Offer Shares (through the Stock Lending Agreement described hereinafter). In particular, the Existing Offer Shares that will be sold by E.M.S. in the context of the Offer comprise all the E.M.S. Leadership Team Sale Shares.

The table below sets forth the maximum number of Ordinary Shares to be assigned to the E.M.S. Leadership Team (calculated assuming an Offer Price equal to the maximum price of the Offer Price Range) with indication of the maximum amount of Ordinary Shares that can be sold by E.M.S. in the context of the Offer.

Beneficiary	**Maximum amount of Ordinary Shares**	**Maximum amount of Ordinary Shares sellable in the context of the Offer**
Sergio Iori	137,541	137,541
Isidoro Guardalà	137,541	137,541
Marco Stefano Arduini	137,541	137,541
Marzio Andrea Iori	137,541	137,541
Emilio Bacchin	137,541	137,541
Bruno Corrada	137,541	137,541
Stefano Garibaldi	137,541	137,541
Roberto Perini	137,541	137,541
Total	**1,100,328**	**1,100,328**

Stock Lending Agreement

In order to allow (i) the MIP Beneficiaries to benefit from the sale of the MIP Sale Shares in the context of the Offer and (ii) the E.M.S. Leadership Team to benefit from the sale of the E.M.S. Leadership Team Sale Shares in the context of the Offer, on the Pricing Date E.M.S. will enter into a stock lending agreement with the MIP Beneficiaries and the members of the E.M.S. Leadership Team (the "**Stock Lending Agreement**"). E.M.S. will place, sell or transfer in the context of the Offer up to maximum 18,131,022 Existing Offer Shares (assuming the Over-Allotment Option is fully exercised), comprising up to maximum additional 6,485,078 Ordinary Shares (corresponding to the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares) that will be provided by the MIP Beneficiaries and the members of the E.M.S. Leadership Team. Pursuant to the Stock Lending Agreement, E.M.S. may place, sell or dispose of such Ordinary Shares in the context of the Offer, and undertake to return to the MIP Beneficiaries and the members of the E.M.S. Leadership Team on the First Trading Date or, in any event, within three days from the First Trading Date: (i) a cash amount corresponding to the number of MIP Sale Shares and the E.M.S. Leadership Team Sale Shares sold in the context of the Offer multiplied by the Offer Price or, (ii) if the

Ordinary Shares under the Stock Lending Agreement (the “**Stock Lended Shares**”) have not been placed, assigned or sold in the framework of the Offer or the process for the admission to trading of the shares of the Company on the Euronext Milan market has not been completed, a number of Ordinary Shares corresponding to the Stock Lended Shares.

Potential conflicts of interest and other information

Other than the circumstances as described below, there are no potential conflicts of interests between the personal interests or other duties of Directors, members of the Board of Statutory Auditors or members of the Senior Management Team on the one hand and their duties to the Company on the other hand.

As of the Prospectus Date, certain Directors and members of the Senior Management Team indirectly hold interests in the share capital of the Company. Moreover, the Non-Executive Chairman of the Board of Directors Sergio Iori, the Chief Executive Officer Marco Stefano Arduini and the Senior Manager Marzio Andrea Iori have family relationships among themselves and with certain shareholders of E.M.S. In particular, it should be noted that:

- the Company’s Non-Executive Chairman of the Board of Directors Sergio Iori: (i) is the Chairman of the Board of Directors and holds 49% of the share capital of Almaniva Investments, which in turn holds 28.36% of the share capital of E.M.S.; (ii) is the Chairman of the Board of Directors of E.M.S., which in turn holds 70% of the share capital of the Company; (iii) is the father-in-law of the Chief Executive Officer of the Company, Marco Stefano Arduini; (iv) is the husband of Gabriella Zannetti, who holds (a) 11% of the share capital of Almaniva Investments and (b) the right of usufruct over 5.27% of the share capital of E.M.S. (bare ownership held by her son Marzio Andrea Iori through his wholly owned company E-Vita S.r.l. and her daughters, Alessandra Iori, Nicoletta Iori and Valeria Maria Cristina Iori, as further described below); (v) is the father of the Senior Manager Marzio Andrea Iori, who is a Director of E.M.S. and holds (a) 18% of the share capital of Almaniva Investments, (b) full ownership over 2.1% of the share capital of E.M.S. held directly and indirectly through his wholly owned company E-Vita S.r.l., and (c) the bare ownership over 1.32% of the share capital of E.M.S. through his wholly owned company E-Vita S.r.l. (right of usufruct held by Gabriella Zannetti); (vi) is the father of Alessandra Iori, who (a) together with her children Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini indirectly holds an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l., (b) holds 10% of the share capital of Almaniva Investments, and (c) holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (vii) is the father of Valeria Maria Cristina Iori, who holds (a) 11% of the share capital of Almaniva Investments, and (b) the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (viii) is the father of Nicoletta Iori, who holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (ix) is the grandfather of Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini who (together with their mother Alessandra Iori) indirectly hold an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l.; (x) is the brother-in-law of Aurelia Zannetti, who holds 2.46% of the share capital of E.M.S.; (xi) is the brother-in-law of Laura Zannetti, who holds 2.46% of the share capital of E.M.S.; (xii) is the brother-in-law of Emanuela Zannetti, who is a director and holds 47.4% of the share capital of Dorema S.r.l., which in turn holds 4.14% of the share capital of E.M.S.; (xiii) is the brother-in-law of Elena Maria Clara Zannetti, who holds 2.46% of the share capital of E.M.S; and (xiv) is a MIP Beneficiary and a member of the E.M.S. Leadership Team and, as such, will receive in the context of the Offer up to 1,971,123 Ordinary Shares (of which up to 1,237,690 may be sold under the Stock Lending Agreement while the remaining 733,433 will be subject to a 1-year lock-up).

- the Company's Chief Executive Officer Marco Stefano Arduini: (i) is the general partner (*socio accomandatario*) and holds 1% of the share capital of Almaniva Investments, which in turn holds 28.36% of the share capital of E.M.S.; (ii) is a Director and holds 1.35% of the share capital of E.M.S., which in turn holds 70% of the share capital of the Company; (iii) is the son-in-law of the Non-Executive Chairman of the Board of Directors of the Company, Sergio Iori; (iv) is the son-in-law of Gabriella Zannetti, who holds (a) 11% of the share capital of Almaniva Investments and (b) the right of usufruct over 5.27% of the share capital of E.M.S. (bare ownership held by Marzio Andrea Iori through his wholly owned company E-Vita S.r.l., Alessandra Iori, Nicoletta Iori and Valeria Maria Cristina Iori, as further described below); (v) is the husband of Alessandra Iori, who (a) together with her children Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini indirectly holds an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l., (b) holds 10% of the share capital of Almaniva Investments, and (c) holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (vi) is the brother-in-law of the Senior Manager Marzio Andrea Iori, who is a Director of E.M.S. and holds (a) 18% of the share capital of Almaniva Investments, (b) full ownership over 2.1% of the share capital of E.M.S. held directly and indirectly through his wholly owned company E-Vita S.r.l., and (c) the bare ownership over 1.32% of the share capital of E.M.S. through his wholly owned company E-Vita S.r.l. (right of usufruct held by Gabriella Zannetti); (vii) is the brother-in-law of Valeria Maria Cristina Iori, who holds (a) 11% of the share capital of Almaniva Investments, and (b) the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (viii) is the brother-in-law of Nicoletta Iori, who holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (ix) is the father Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini who (together with their mother Alessandra Iori) indirectly hold an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l.; and (x) is a MIP Beneficiary and a member of the E.M.S. Leadership Team and, as such, will receive in the context of the Offer up to 2,582,317 Ordinary Shares (of which up to 1,604,407 may be sold under the Stock Lending Agreement while the remaining 977,910 will be subject to a 1-year lock-up);

- The Company's Vice Chairman and Chief Financial Officer Isidoro Guardalà: (i) is a Director of E.M.S., which in turn holds 70% of the share capital of the Company, and holds 0.75% of the share capital of E.M.S.; (ii) is the Chairman of the Board of Directors and holds 52. 6% of the share capital of Dorema S.r.l., which in turn holds 4.14% of the share capital of E.M.S.; and (iii) is a MIP Beneficiary and a member of the E.M.S. Leadership Team and, as such, will receive in the context of the Offer up to 2,276,720 Ordinary Shares (of which up to 1,421,048 may be sold under the Stock Lending Agreement while the remaining 855,672 will be subject to a 1-year lock-up);

- The Company's Director Roberto Francesco Quagliuolo: (i) is the Sole Director of Delorean Partecipazioni S.p.A., which holds 26.37% of the share capital of the Company; (ii) is managing director at Tikehau Capital where he serves as Head of Private Equity Italy and Co-Head of Italy;

- The Company's Director Jean-Marc Pierre Gales: (i) holds 0.31% of the share capital of Delorean Partecipazioni S.p.A., which in turn holds 26.37% of the share capital of the Company; and (ii) is a MIP Beneficiary and, as such, will receive in the context of the Offer up to 90,207 Ordinary Shares (of which up to 54,124 may be sold under the Stock Lending Agreement while the remaining 36,083 will be subject to a 1-year lock-up);

- The Company's Director and Senior Manager Gianluca Umberto Maria Bertocchi: (i) holds 1.0% of the share capital of E.M.S., which in turn holds 70% of the share capital of the Company; and (ii) is a MIP Beneficiary and, as such, will receive in the context of the Offer up to 225,517 Ordinary Shares (of which up to 135,310 may be sold under the Stock Lending Agreement while the remaining 90,207 will be subject to a 1-year lock-up);

- The Company's Director and Senior Manager Leonardantonio Franchini is a MIP Beneficiary and, as such, will receive in the context of the Offer up to 248,069 Ordinary Shares (of which up to 148,841 may be sold under the Stock Lending Agreement while the remaining 99,228 will be subject to a 1-year lock-up);

- The Senior Manager Marzio Andrea Iori: (i) is the son of the Non-Executive Chairman of the Board of Directors Sergio Iori; (ii) is the brother-in-law of the Chief Executive Officer of the Company Marco Stefano Arduini; (iv) is the son of Gabriella Zannetti, who holds (a) 11% of the share capital of Almaniva Investments and (b) the right of usufruct over 5.27% of the share capital of E.M.S. (bare ownership held by Marzio Andrea Iori through his wholly owned company E-Vita S.r.l. and her daughters, Alessandra Iori, Nicoletta Iori and Valeria Maria Cristina Iori); (v) is the brother of Alessandra Iori, who (a) together with her children Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini indirectly holds an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l., (b) holds 10% of the share capital of Almaniva Investments, and (c) holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (vi) is the brother of Valeria Maria Cristina Iori, who holds (a) 11% of the share capital of Almaniva Investments, and (b) the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (vii) is the brother of Nicoletta Iori, who holds the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti); (viii) is the uncle of Francesca Gabriella Maria Arduini, Benedetta Antonia Maria Arduini and Giovanni Maria Arduini who (together with their mother Alessandra Iori) indirectly hold an aggregate 4.76% of the share capital of E.M.S. through Arca S.r.l.; (ix) is the nephew of Aurelia Zannetti, who holds 2.46% of the share capital of E.M.S.; (x) is the nephew of Laura Zannetti, who holds 2.46% of the share capital of E.M.S.; (xi) is the nephew of Emanuela Zannetti, who is a director and holds 47.4% of the share capital of Dorema S.r.l., which in turn holds 4.14% of the share capital of E.M.S.; and (xii) is the nephew of Elena Maria Clara Zannetti, who holds 2.46% of the share capital of E.M.S.; (xiii) is a Director of E.M.S.; (xiv) holds (a) 18% of the share capital of Almaniva Investments, (b) full ownership over 2.1% of the share capital of E.M.S. held directly and indirectly through his wholly owned company E-Vita S.r.l., and (c) the bare ownership over 1.32% of the share capital of E.M.S. through his wholly owned company E-Vita S.r.l. (right of usufruct held by Gabriella Zannetti)¸and (xv) is a member of the E.M.S. Leadership Team and, as such, will receive in the context of the Offer up to 137,541 Ordinary Shares (of which up to 137,541 may be sold under the Stock Lending Agreement);

The Company does not expect that the circumstances described above will have any material impact on the performance of the duties the Directors have towards the Company. Other than these circumstances, the Company is not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Directors and their duties towards the Company.

Except as described above and in "*Long Term Incentive Plans*", as of the Prospectus Date none of the Directors, Statutory Auditors or members of the Senior Management Team hold any shares or option over the Company's shares.

Liability of Directors

Under Italian law, Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Post-IPO by-laws or of certain provisions of the Italian Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Italian Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Directors are insured under a D&O insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Directors.

EMPLOYEES

The table below provides an overview of the total number of employees the Group employed in Italy as of September 30, 2022 and December 31, 2021, 2020, 2019, subdivided by main categories.

Employees	September 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Executives	31	27	24	24
Managers	21	21	18	19
Employees	204	184	180	180
Workers	1,016	930	897	856
Total	1,272	1,162	1,119	1,079

The table below provides an overview of the total number of employees the Group employed as of September 30, 2022 and December 31, 2021, 2020, 2019, subdivided by main categories.

Employees	September 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Blue Collar (1)	1,596	1,424	1,300	1,142
Plant Overhead (2)	943	749	658	685
SG&A(3)	223	200	187	180
Total	2,762	2,373	2,145	2,007

(1) Blue Collar refers to production employees.

(2) Plant Overhead refers to employees who supervise production processes.

(3) SG&A (Sales, General & Administrative) refers to employees belonging to the sales, general and administrative functions.

The number of employees reported includes both permanent and fixed-term employees used by the Group in the conduct of its business.

As at the Prospectus Date, the total number of employees of the Group has not changed significantly from the number indicated as at September 30, 2022.

The table below provides an overview of the total numbers of employees the Group employed as of September 30, 2022 and December 31, 2021, 2020, 2019, subdivided by department.

Employees	September 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Production	2.163	1,896	1,731	1,593
R&D	33	17	10	11
Sales	52	42	34	38
Engineering	123	66	46	44
SG&A	188	154	146	158
Supply Chain	159	154	142	125
Others	44	44	36	38
Total	2,762	2,373	2,145	2,007

The table below shows the change in the total number of employees the Group employed as of September 30, 2022 and December 31, 2021, 2020, 2019, subdivided by segment.

Employees by Segment	September 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
EV & Automotive	1,137	n.a.	n.a.	n.a.
Industrial	1,625	n.a.	n.a.	n.a.
Total	2,762	n.a.	n.a.	n.a.

The table below provides the development of the total numbers of employees the Group employed as of September 30, 2022 and December 31, 2021, 2020, 2019, subdivided by geographical area.

Employees	September 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Italy	1,272	1,162	1,116	1,076
Mexico	815	616	497	398
United States	294	283	276	238
China	225	171	128	174
Tunisia	156	141	128	121
Total	2,762	2,373	2,145	2,007

CORPORATE GOVERNANCE CODE

The Corporate Governance Code was approved by the Italian Corporate Governance Committee, a committee promoted by issuers' associations (ABI, ANIA, Assonime, Confindustria), the Italian Stock Exchange (Borsa Italiana S.p.A.) and investors' association (Assogestioni) and is composed of top representatives of the promoters, of the listed companies and of the asset management companies, in January 2020. The Corporate Governance Code applies to the Company as the Company's Ordinary Shares will be listed on Euronext Milan on the First Trading Date.

The Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their report of the board of directors whether or not they are complying with the various best practice provisions of the Corporate Governance Code that are addressed to the managing/executive directors or, if applicable, the supervisory/non-executive directors of the company. If a company deviates from a best practice provision in the Corporate Governance Code, the reason for such deviation must be properly explained in its directors' report.

On the Settlement Date, the Company will comply with the principles of the Corporate Governance Code.

PRINCIPAL AND SELLING SHAREHOLDERS

Shareholding structure

Shareholders at the Prospectus Date

As of the Prospectus Date, the Company's share capital - amounting to €6,111,940.00 and represented by no. 122,238,800 shares without nominal value - is held, according to the entries in the shareholders' register and other information available to the Company, by the individuals listed in the table below:

Direct Shareholder's Controlling Person	Direct Shareholder	Share Class	Number of Shares	% Share Capital held by Direct Shareholder	% Voting Rights
n.a.	Euro Management Services S.p.A.	Class A Shares(*)	85,567,160	70%	70%
	Delorean Partecipazioni S.p.A.	Class B Shares(*)	32,238,800	26.37%	26.37%
Tikehau Investment Management S.A.S.................	Tikehau Investment Management S.A.S(**)	Class B Shares(*)	2,430,820	1.99%	1.99%
	T2 Eltif Energy Transition Fund	Class B Shares(*)	2,002,020	1.64%	1.64%
	Total		122,238,800	100%	100%

(*) Class A Shares and Class B Shares assign three votes in the shareholders' meeting .

(**) In the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company.

Euro Management Services S.p.A. is a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Trivulzio no. 1, 20146 Milan, Italy. Euro Management Services S.p.A.is registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 07397440152 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1156113. Its Legal Entity Identifier ("**LEI**") is 8156007A3CB0A4740234.

Euro Management Services S.p.A. is a holding company whose share capital amounts to €2,328,200.00, and which major shareholders as of the Prospectus Date are:

Shareholder	Shareholding
Almaniva Investments(1)	28.36%
Marco Stefano Arduini	1.35%
Alessandra Iori (2)	1.32%(4)
Nicoletta Maria Laura Iori (3)	1.32%((4)
Valeria Maria Cristina Iori (3)	1.32%(4)
Arca S.r.l.(5)	4.76%
Dorema S.r.l.(6)	4.14%

Shareholder	Shareholding
E-Vita S.r.l. (7)	2.92 % (1.6% full ownership+ 1.32% in bare ownership, right of usufruct held by Gabriella Zannetti)
Corrado Gabriele Garibaldi	9.12% (of which 8.03% in bare ownership with right of usufruct held by Stefano Garibaldi)
Alessia Serena Garibaldi	9.12% (of which 8.03% in bare ownership with right of usufruct held by Stefano Garibaldi)
Gianluca Bacchin	4.88% (in bare ownership with right of usufruct held by Emilio Bacchin).
Fabrizio Bacchin	8.14% (of which 4.88% in bare ownership with right of usufruct held by Emilio Bacchin).
Gianluca Umberto Maria Bertocchi	1.00%
Isidoro Guardalà	0.75%
Marzio Andrea Iori	0.5%
Other Shareholders	21.00%
Total	100.00%

(1) Almaniva Investments is the holding company of the Iori family whose shares are held as follows: (i) Sergio Iori 49%, (ii) Marzio Andrea Iori 18%, (iii) Alessandra Iori 10%, (iv) Valeria Maria Cristina Iori 11%, (v) Gabriella Zannetti (wife of Sergio Iori) and (vi) Marco Stefano Arduini 1%. Moreover, the Company's Chief Executive Officer Marco Stefano Arduini is the sole general partner (*socio accomandatario*)[60] of Almaniva Investments.
(2) Daughter of Sergio Iori and wife of Marco Stefano Arduini.
(3) Daughter of Sergio Iori.
(4) Bare ownership with right of usufruct held by Gabriella Zannetti. By way of derogation from article 2352 of the Italian Civil Code The voting rights at ordinary and extraordinary shareholders' meetings belong to the bare owner.
(5) The share capital of Arca S.r.l. is held by Alessandra Iori, Francesca Gabriella Maria Arduini and Benedetta Antonia Maria Arduini who are respectively the wife and children of the Chief Executive Officer of the Company, Marco Stefano Arduini.
(6) The share capital of Dorema S.r.l. is held as follows: (i) Isidoro Guardalà, Vice Chairman and Chief Financial Officer of the Company, 52.6%; and (ii) Emanuela Zannetti 47.4%.
(7) The entire share capital of E-Vita S.r.l. is held by Marzio Andrea Iori.

Delorean Partecipazioni S.p.A. is a joint stock company (*società per azioni*) governed by and operating under the laws of Italy with its registered office at Via Agnello 20, 20121 Milan, Italy. Delorean Partecipazioni S.p.A. is registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 11360420969 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI -2597292. Its Legal Entity Identifier ("**LEI**") is 984500095DAB47946A51. As of the Prospectus Date, the share capital of Delorean Partecipazioni S.p.A. is held as follows: (i) 92.2% by Tikehau Investment Management S.A.S. in the name and on behalf of T2 Energy Transition Fund (for 84.72% of the share capital) and Tikehau Mercati Privati Europei (for 7.48% of the share capital), in its capacity as management company of such funds; (ii) 7.5% (which amounts to €1,000,000.00.) by UniCredit S.p.A., parent company of UniCredit Bank AG, Milan Branch; and (iii) 0.3% by Jean Marc Pierre Gales.

[60] Pursuant to Italian law, the management of general partnerships (*società in accomandita per azioni*) is the exclusive responsibility of general partners (*soci accomandatari*). Therefore, the management of Almaniva Investments is reserved to the sole general partner Marco Stefano Arduini.

T2 Eltif Energy Transition Fund is a French professional specialized fund, (*fonds professionnel spécialisé (FPS)*) represented by its management company, Tikehau Investment Management S.A.S., and registered with the Companies Register of Paris, France under number 491 909 446. Its Legal Entity Identifier ("**LEI**") is 969500DN1WOY6EQ7ZO26.

T2 Energy Transition Fund is a French professional private equity fund (*fonds professionnel de capital investissement (FPCI)*) without separate legal personality, represented by its management company, Tikehau Investment Management S.A.S., and registered with the Companies Register of Paris, France under number 491 909 446. Its Legal Entity Identifier ("**LEI**") is 969500UJ5MRW2SGGXE12.

Tikehau Investment Management S.A.S., a French simplified stock company (*société par actions simplifiée*) duly incorporated and existing in accordance with the relevant laws of France, having its registered address at 32, rue de Monceau, 75008 Paris, France and registered with the Companies Register of Paris, France under number 491 909 446, is a management company empowered to manage the investments held by all funds managed by it with full management autonomy and organizational independence and wholly owned by Tikehau Capital, a global alternative asset management group with €36.8 billion of assets under management as of June 30, 2022. Tikehau Capital provides bespoke and innovative alternative financing solutions, through dedicated private debt, real assets, private equity and capital markets strategies, to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society.

On November 18, 2022, the extraordinary shareholders' meeting approved, among other things, the allocation of multiple-vote to Class A Shares and Class B Shares giving holders of both classes of shares the right to cast three votes at the Company's ordinary and extraordinary shareholders' meetings.The Company's Post-IPO by-laws will provide only for (i) multiple-vote shares which will be formed by Class A Shares not sold in the context of the Offer ("Multiple-Vote Shares") and (ii) Ordinary Shares which will be formed by (a) Class A Shares converted when granted to MIP Beneficiaries and members of the E.M.S. Leadership Team, (b) Class B Shares converted on the Pricing Date, and (c) those Class A Shares and Class B Shares sold in the context of the Offer that will be converted into ordinary shares as a result of the transfer.

Selling shareholders and shareholders at the Settlement Date

Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., Tikehau Investment Management S.A.S., in the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company, and T2 Eltif Energy Transition Fund own, respectively, 70%, 26.37%, 1.99% and 1.64% of the Company's share capital prior to the Offer.

<u>Minimum price of the Offer Price Range</u>

At the minimum price of the Offer Price Range, if the Over-allotment Option is exercised in full, the Existing Offer Shares sold by Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Energy Transition Fund and T2 Eltif Energy Transition Fund (together, the "**Selling Shareholders**") will comprise (i) 18,009,431 Existing Offer Shares by Euro Management Services S.p.A. (comprising 5,826,270 Ordinary Shares, composed of the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares), (ii) 13,276,254 Existing Offer Shares by Delorean Partecipazioni S.p.A., (iii) 1,001,036 Existing Offer Shares by T2 Energy Transition Fund and (iv) 824,452 Existing Offer Shares by T2 Eltif Energy Transition Fund. At the minimum price of the Offer Price Range, if the Over-allotment Option is not exercised, the Existing Offer Shares sold by the Selling Shareholders will comprise (i) 12,720,538 Existing Offer Shares by Euro Management Services S.p.A. (comprising 5,826,270 Ordinary Shares, composed of the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares), (ii) 11,283,580 Existing Offer Shares by Delorean Partecipazioni S.p.A., (iii) 850,787 Existing Offer Shares by T2 Energy Transition Fund and (iv) 700,707 Existing Offer Shares by T2 Eltif Energy Transition Fund if the Over-allotment Option is not exercised.

The tables below show the number and percentage of issued and outstanding Ordinary Shares that the Selling Shareholders will offer and sell and continue to hold, based on the minimum price of the Offer Price Range in a scenario where the Over-Allotment Option is not exercised and in a scenario where the Over-Allotment Option is fully exercised.

Full Over-Allotment Option Exercise

	Number of Offer Shares sold	**Number of Ordinary Shares post-settlement**	**Number of Multiple-Vote Shares post-settlement**	**% of Multiple Vote Shares post-Settlement**	**% of Ordinary Shares post-settlement**	**% of share capital**	**% of voting rights(*****)**
Euro Management Services S.p.A.	18,009,431 (*)	-	73,383,999	100%	-	42.6%(****)	69.0%
Delorean Partecipazioni S.p.A.	13,276,254	10,913,174	-	-	11.0%	6.3%	3.4%
Tikehau Investment Management S.A.S(**)	1,001,036	822,858	-	-	0.8%	0.5%	0.3%
T2 Eltif Energy Transition Fund	824,452	677,704	-	-	0.7%	0.4%	0.2%
Market(***)	-	86,441,065	-	-	87.4%	50.2%	27.1%
Total	**33,111,173**	**98,854,801**	**73,383,999**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(*) Calculated assuming an Offer Price equal to the minimum price of the Offer Price Range. It therefore includes 5,826,270 Ordinary Shares corresponding to the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares to be sold through the Stock Lending Agreement. For additional information see "Management, Employees and corporate governance – MIP; E.M.S. Leadership Team Incentive; Stock Lending Agreement".

(**) In the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company.

(***) Includes 3,329,892 Ordinary Shares held by the MIP Beneficiaries post settlement, corresponding to 40% of the MIP Sale Shares assigned to the MIP Beneficiaries which will not be sold through the Stock Lending Agreement. For additional information see "Management, Employees and corporate governance – MIP".

(****) Referring to the 73,383,999 Multiple-Vote Shares held by Euro Management Services S.p.A.

(*****) Includes also the multiple-voting rights held by Euro Management Services S.p.A.

No Over-Allotment Option Exercise

	Number of Offer Shares sold	**Number of Ordinary Shares post-settlement**	**Number of Multiple-Vote Shares post-settlement**	**% of Multiple Vote Shares post-Settlement**	**% of Ordinary Shares post-settlement**	**% of share capital**	**% of voting rights(*****)**
Euro Management Services S.p.A.	12,720,538 (*)	5,288,893	73,383,999	100%	5.4%	45.7%(****)	70.7%
Delorean Partecipazioni S.p.A.	11,283,580	12,905,848	-	-	13.1%	7.5%	4.0%
Tikehau Investment Management S.A.S(**)	850,787	973,107	-	-	1.0%	0.6%	0.3%
T2 Eltif Energy Transition Fund	700,707	801,449	-	-	0.8%	0.5%	0.3%

Market(***)	-	78,885,504	-	-	79.8%	45.8%	24.7%
Total	**25,555,612**	**98,854,801**	**73,383,999**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(*) Calculated assuming an Offer Price equal to the minimum price of the Offer Price Range. It therefore includes 5,826,270 Ordinary Shares corresponding to the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares to be sold through the Stock Lending Agreement. For additional information see "Management, Employees and corporate governance – MIP; E.M.S. Leadership Team Incentive; Stock Lending Agreement".

(**) In the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company.

(***) Includes 3,329,892 Ordinary Shares held by the MIP Beneficiaries post settlement, corresponding to 40% of the MIP Sale Shares assigned to the MIP Beneficiaries which will not be sold through the Stock Lending Agreement. For additional information see "Management, Employees and corporate governance – MIP".

(****) Referring to the 5,288,893 Ordinary Shares and the 73,383,999 Multiple-Vote Shares held by Euro Management Services S.p.A.

(*****) Includes also the multiple-voting rights held by Euro Management Services S.p.A.

At the minimum price of the Offer Price Range, the Offer Shares excluding the Over-Allotment Shares constitute 76.4% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute 84.1% of the Ordinary Shares.

On the Settlement Date, assuming the Over-Allotment Option is not exercised, the Selling Shareholders will hold 20.2% of the Ordinary Shares and they will be able to exercise 75.3% of the voting rights in respect of the Ordinary Shares (taking into account the Multiple-Vote Shares held by E.M.S.).

Maximum price of the Offer Price Range

At the maximum price of the Offer Price Range, if the Over-allotment Option is exercised in full, the Existing Offer Shares sold by the Selling Shareholders will comprise (i) 18,131,022 Existing Offer Shares by Euro Management Services S.p.A. (comprising 6,485,078 Ordinary Shares, composed of the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares), (ii) 13,073,851 Existing Offer Shares by Delorean Partecipazioni S.p.A., (iii) 985,774 Existing Offer Shares by T2 Energy Transition Fund and (iv) 811,882 Existing Offer Shares by T2 Eltif Energy Transition Fund. At the maximum price of the Offer Price Range, if the Over-allotment Option is not exercised, the Existing Offer Shares sold by the Selling Shareholders will comprise (i) 13,379,346 Existing Offer Shares by Euro Management Services S.p.A. (comprising additional 6,485,078 Ordinary Shares, composed of the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares), (ii) 11,283,580 Existing Offer Shares by Delorean Partecipazioni S.p.A., (iii) 850,787 Existing Offer Shares by T2 Energy Transition Fund and (iv) 700,707 Existing Offer Shares by T2 Eltif Energy Transition Fund.

The tables below show the number and percentage of issued and outstanding Ordinary Shares that the Selling Shareholders will offer and sell and continue to hold, based on the maximum price of the Offer Price Range in a scenario where the Over-Allotment Option is not exercised and in a scenario where the Over-Allotment Option is fully exercised.

Full Over-Allotment Option Exercise

	Number of Offer Shares sold	**Number of Ordinary Shares post-settlement**	**Number of Multiple-Vote Shares post-settlement**	**% of Multiple Vote Shares post-Settlement**	**% of Ordinary Shares post-settlement**	**% of share capital**	**% of voting rights(*****)**
Euro Management Services S.p.A.	18,131,022 (*)	-	73,921,216	100%	-	45.1% (****)	71.1%

Delorean Partecipazioni S.p.A.	13,073,851	10,307,886	-	-	11.5%	6.3%	3.3%
Tikehau Investment Management S.A.S(**)	985,774	777,219	-	-	0.9%	0.5%	0.2%
T2 Eltif Energy Transition Fund	811,882	640,117	-	-	0.7%	0.4%	0.2%
Market(***)	-	78,259,028	-	-	87.0%	47.7%	25.1%
Total	**33,002,529**	**89,984,250**	**73,921,216**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(*) Calculated assuming an Offer Price equal to the maximum price of the Offer Price Range in order to show the maximum dilution for Euro Management Services S.p.A. arising from the MIP and the E.M.S. Leadership Team Incentive. It therefore includes 6,485,078 Ordinary Shares corresponding to the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares to be sold through the Stock Lending Agreement. For additional information see "*Management, Employees and corporate governance – MIP; E.M.S. Leadership Team Incentive; Stock Lending Agreement*".

(**) In the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company.

(***) Includes 3,589,833 Ordinary Shares held by the MIP Beneficiaries post settlement, corresponding to 40% of the MIP Sale Shares assigned to the MIP Beneficiaries which will not be sold through the Stock Lending Agreement. For additional information see "*Management, Employees and corporate governance – MIP*".

(****) Referring to the 73,921,216 Multiple-Vote Shares held by Euro Management Services S.p.A.

(*****) Includes also the multiple-voting rights held by Euro Management Services S.p.A.

No Over-Allotment Option Exercise

	Number of Offer Shares sold	**Number of Ordinary Shares post-settlement**	**Number of Multiple-Vote Shares post-settlement**	**% of Multiple Vote Shares post-Settlement**	**% of Ordinary Shares post-settlement**	**% of share capital**	**% of voting rights(*****)**
Euro Management Services S.p.A.	13,379,346 (*)	4,751,676	73,921,216	100%	5.3%	48.0% (****)	72.7%
Delorean Partecipazioni S.p.A.	11,283,580	12,098,157	-	-	13.4%	7.4%	3.9%
Tikehau Investment Management S.A.S(**)	850,787	912,206	-	-	1.0%	0.6%	0.3%
T2 Eltif Energy Transition Fund	700,707	751,292	-	-	0.8%	0.5%	0.2%
Market(***)	-	71,470,919	-	-	79.4%	43.6%	22.9%
Total	**26,214,420**	**89,984,250**	**73,921,216**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(*) Calculated assuming an Offer Price equal to the maximum price of the Offer Price Range in order to show the maximum dilution for Euro Management Services S.p.A. arising from the MIP and the E.M.S. Leadership Team Incentive. It therefore includes 6,485,078 Ordinary Shares corresponding to the MIP Sale Shares and the E.M.S. Leadership Team Sale Shares to be sold through the Stock Lending Agreement. For additional information see "*Management, Employees and corporate governance – MIP; E.M.S. Leadership Team Incentive; Stock Lending Agreement*".

(**) In the name and on behalf of the T2 Energy Transition Fund, in its capacity as relevant management company.

(***) Includes 3,589,833 Ordinary Shares held by the MIP Beneficiaries post settlement, corresponding to 40% of the MIP Sale Shares assigned to the MIP Beneficiaries which will not be sold through the Stock Lending Agreement. For additional information see "*Management, Employees and corporate governance – MIP*".

(****) Referring to the 4,751,676 Ordinary Shares and the 73,921,216 Multiple-Vote Shares held by Euro Management Services S.p.A.

(*****) Includes also the multiple-voting rights held by Euro Management Services S.p.A.

The Offer Shares excluding the Over-Allotment Shares constitute 75.4% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute 83.0% of the Ordinary Shares.

On the Settlement Date, assuming the Over-Allotment Option is not exercised, the Selling Shareholders will hold 20.6% of the Ordinary Shares and they will be able to exercise 77.1% of the voting rights in respect of the Ordinary Shares (taking into account the Multiple-Vote Shares held by E.M.S.).

The Company is not aware of any arrangements which may, at a subsequent date, result in a change of control of the Company. See, "*Description of Share Capital and Corporate Structure—Obligations of shareholders to make a public offer*" for a description of the rights and obligations of shareholders.

Controlling shareholders

As of the Prospectus Date, Euro Management Services S.p.A. exercises control over the Company pursuant to Article 2359 paragraph 1, item 1) of the Italian Civil Code and Article 93 of the Consolidated Financial Act, directly holding 70% of the Company's share capital. For further information, please see "*Business – Group Structure*" and "*Description of share capital and corporate structure – Shares and share capital*".

Following the Offer, Euro Management Services S.p.A. is expected to continue to exercise control over the Company pursuant to Article 93 of the Consolidated Financial Act. However, effective from the First Trading Date, the Company will cease to be subject to management and coordination by Euro Management Services S.p.A..

For further information on the composition of the Company's share capital, please see "*Principal and Selling Shareholders*".

Shareholders' Agreements

On September 8, 2020 (i) E.M.S., (ii) Delorean Partecipazioni and (iii) T2 Energy Transition Fund through its management company Tikehau Investment Management S.A.S. entered into the shareholders' agreement in force as of the Prospectus Date, which will be automatically terminated as of the First Trading Date.

Therefore, as of the First Trading Date there will be no shareholders' agreements relevant pursuant to Article 122 of the Consolidated Financial Act relating to the Issuer. Moreover, as of the First Trading Date, there will be no agreements that may result in a change of control of the Issuer at a later date.

RELATED PARTY TRANSACTIONS

Overview

The transactions that the Group engages with related parties (hereinafter, "**Related Party Transactions**"), identified on the basis of the criteria set forth in IAS 24 – Related Party Disclosures, for the nine months ended September 30, 2022 and for the years ended December 31, 2021, 2020 and 2019, are primarily of a commercial and financial nature. The Group believes that none of those transactions can be qualified as atypical or unusual, as they fall within the ordinary course of management of the Group's activities. Transactions with related parties are carried out at market conditions, taking into account the quality of the goods and services provided.

The Related Party Transactions described in the Prospectus were not subject to any procedure for management of related party transactions. However, the Group believes that the principal terms of such transactions were in line with market practices and standards. Nevertheless, there can be no guarantee that, had they been concluded with third parties, such third parties would have negotiated and entered into those agreements, or carried out the transactions, on the same terms and in the same manner. On November 18, 2022, the Company's Board of Directors adopted the Procedure for Related Party Transactions (the "**RPT Procedure**"), in accordance with Article 2391-bis Italian Civil Code and also taking into consideration the guidelines provided by CONSOB Communication no. DEM/10078683 of June 24, 2010. Following the First Trading Date, the draft of the procedure will be submitted for a preliminary opinion from the Related Party Transactions Committee and final approval by the Board of Directors, in accordance with Article 4 paragraph 3 of the Regulations adopted by CONSOB through resolution no. 17221/2010, as subsequently amended with resolution no. 22144 on December 22, 2021 (the "**RPT Regulation**").

In accordance with the RPT Regulation, the RPT Procedure defines the analysis and approbation of the transactions with related parties. The RPT Regulation identifies the relevant transactions, while there are the no-relevant transactions and the transactions for smaller amount (the latter are (i) if the counterpart is a legal entity the operations for which value is lower than €300,000 or, to €100,000 with a person; (ii) a plurality of transaction concluded during the same financial year, with the same related party, which are homogeneous or realized in execution of a unitary plan which, cumulatively, they have a value lower than €300,000 when the counterpart is a legal entity or €100,000 when is a person).

The RPT Procedure, in accordance with the RTP Regulation, defines a relevant transaction with related parties those in which at least one of the indices of relevance exceeds the threshold as indicated in Annex 3 and the compliance to these is demanded to specific Group function that has the engage to verify the application of the RPT Procedure.

In accordance with the RTP Regulation, the RPT Procedure prescribes that before the approbation of transactions with related parties, they will be submitted for a preliminary opinion from the Related Party Transactions Committee.

In relation to the contracts between the Group and the related parties as of the First Trading Date, there is no certainty that once they have expired, they will be renewed or renewed under similar conditions to those as of the First Trading Date. It should be noted that, subsequent to the First Trading Date, the renewal of contracts underlying Related Party Transactions shall be subject to the safeguards set forth in the RPT Regulation and the RPT Procedure even in the case of tacit renewal and contract amendments.

After September 30, 2022, and up to the Prospectus Date, the Company and the Group have not entered into any Related Party Transactions which were unusual by their characteristics, or significant in amount, other than those disclosed in this Prospectus.

Description of the related parties

The table below sets forth the list of the related parties:

Related Party	Relationship
Parent Company	
E.M.S. S.p.A.	Shareholder of the issuer
Subsidiaries	
EUROTRANCIATURA S.p.A.	Company 100% owned by the issuer
CORRADA S.p.A	Company 100% owned by the issuer
EUROTRANCIATURA MÉXICO, S. A. DE C. V	Company 71.24% owned by the issuer
EUROPROPERTIES MEXICO S.A. DE C.V.	Company 71.24% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer (Associate until June 25, 2021)
EUROTRANCIATURA TUNISIE	Company 51% owned by the issuer
EMS MEXICO SA DE CV	Company 100% owned by the issuer
EUROSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EUROTRANCIATURA USA LLC	Company 64.12% owned by the issuer
EUROPROPERTIES USA LLC	Company 100% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.58% owned by the issuer (Associate until April 30, 2020)
EURO GROUP ASIA LIMITED	Company 60.26% owned by the issuer
EURO HIGHTECH S.A. DE C.V	Company 70.90% owned by the issuer
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer
EURO MISI HIGH TECH	Company 60.26% owned by the issuer
Key Management Personnel	
Iori Sergio	Chairman of the issuer's Board of Directors appointed on October 09, 2020
Arduini Marco Stefano	CEO of the issuer, appointed on October 12, 2020
Guardala' Isidoro	Deputy Chairman appointed on October 09, 2020
Iori Marzio Andrea	Adviser of the issuer's Board of Directors, appointed on October 9, 2020
Quagliuolo Roberto Francesco	Adviser of the issuer's Board of Directors, appointed on October 9, 2020
Gales Jean-Marc Pierre	Adviser of the issuer's Board of Directors, appointed on October 9, 2020
Bertocchi Gianluca Umberto Maria	Adviser of the issuer's Board of Directors
Garavaglia Luigi Emilio	Chairman of the Board of Statutory Auditors appointed on October 8, 2020
Alabiso Francesco	Effective statutory auditor in charge appointed on October 8, 2020
Venturini Maria	Effective statutory auditor in charge appointed on October 8, 2020
Gandola Giancarlo	Alternate statutory auditor in charge appointed on October 8, 2020
Sironi Roberta	Alternate statutory auditor in charge appointed on October 8, 2020
Immediate family members of Key Management Personnel	
Zannetti Gabriella (1)	shareholder of E.M.S. S.p.A. (7)
Iori Alessandra (2)	Shareholder of E.M.S. S.p.A.(8)
Iori Valeria Maria Cristina (3)	Shareholder of E.M.S. S.p.A.
Iori Nicoletta Maria Laura (3)	Shareholder of E.M.S. S.p.A.
Arduini Francesca Gabriella Maria (4)	Shareholder of E.M.S. S.p.A. (8)
Arduini Benedetta Antonia Maria (4)	Shareholder of E.M.S. S.p.A. (8)
Arduini Giovanni Maria (5)	Shareholder of E.M.S. S.p.A. (8)
Zannetti Aurelia (6)	Shareholder of E.M.S. S.p.A.
Zannetti Laura (6)	Shareholder of E.M.S. S.p.A.
Zannetti Emanuela (6)	Shareholder of E.M.S. S.p.A.
Zannetti Elena Maria Clara (6)	Shareholder of E.M.S. S.p.A.

(1) Wife of Sergio Iori;
(2) Daughter of Sergio Iori and wife of Marco Stefano Arduini;
(3) Daughter of Sergio Iori;
(4) Grandchild of Sergio Iori and daughter of Marco Stefano Arduini;
(5) Grandchild of Sergio Iori and son of Marco Stefano Arduini.

(6) Sister in law of Sergio Iori;
(7) Gabriella Zannetti has the right of usufruct over 5.27% of the share capital of E.M.S.
(8) Alessandra Iori, Francesca Gabriella Maria Arduini and Benedetta Antonia Maria Arduini hold an aggregate 4.76% of the share capital of E.M.S. though Arca S.r.l. Alessandra Iori holds also the bare ownership over 1.32% of the share capital of E.M.S. (right of usufruct held by Gabriella Zannetti).

It should be noted that both commercial and financial transactions with these entities were concluded under normal market conditions and in the interest of the Group.

The following table shows the transactions in Consolidated Statement of Financial Position with related parties as of September 30, 2022, and as of December 31, 2021, 2020 and 2019.

Related parties as of September, 30 2022	Right-of-use assets	Non-current financial assets	Non-current lease liabilities	Trade payables	Current lease liabilities
	(in thousands of Euro or percentage)				
E.M.S. S.p.A.	26,370	5,600	24,215	63	2,561
Total Related parties	**26,370**	**5,600**	**24,215**	**63**	**2,561**
Impact on financial statement line item	**45.8%**	**57.3%**	**55.4%**	**0.0%**	**33.1%**

Related parties for the year ended December, 31 2021	Right-of-use assets	Non-current financial assets	Non-current lease liabilities	Other non-current liabilities	Current lease liabilities
	(in thousands of Euro or percentage)				
E.M.S. S.p.A.	28,393	5,600	26,139	5,445	2,533
Total Related parties	**28,393**	**5,600**	**26,139**	**5,445**	**2,533**
Impact on financial statement line item	**45.8%**	**31.5%**	**55.0%**	**58.7%**	**32.6%**

Related parties for the year ended December, 31 2020	Right-of-use assets	Non-current financial assets	Trade receivables	Non-current lease liabilities	Other non-current liabilities	Current lease liabilities	Trade payables
	(in thousands of Euro or percentage)						
E.M.S. S.p.A.	29,443	5,600	-	27,159	2,967	2,377	-
SAF S.p.A.	-	-	193	-	-	-	467
Total Related parties	**29,443**	**5,600**	**193**	**27,159**	**2,967**	**2,377**	**467**
Impact on financial statement line item	**66.9%**	**43.5%**	**0.3%**	**74.3%**	**62.0%**	**49.9%**	**0.4%**

Related parties for the year ended December, 31 2019	Right-of-use assets	Non-current financial assets	Trade receivables	Non-current lease liabilities	Other non-current liabilities	Current lease liabilities	Trade payables
			(in thousands of Euro or percentage)				
E.M.S. S.p.A.	15,392	-	-	13,622	2,127	1,849	-
SAF S.p.A.	-	-	234	-	-	-	424
Euro Misi Laminations Jiaxing Co. Ltd.	-	4,192	888	-	-	-	25
Total Related parties	**15,392**	**4,192**	**1,122**	**13,622**	**2,127**	**1,849**	**449**
Impact on financial statement line item	**64.6%**	**42.3%**	**1.7%**	**69.9%**	**95.4%**	**63.7%**	**0.4%**

The following table shows the transactions in Consolidated Income Statement with related parties for the nine months ended September 30, 2022, and the years ended December 31, 2021, 2020 and 2019.

Related parties for the nine months ended September, 30 2022	Cost for external services	Personnel costs	Depreciation and amortization expenses	Financial costs
		(in thousands of Euro or percentage)		
E.M.S. S.p.A...............................	-	(2,161)	(2,021)	(307)
Total Related parties	-	**(2,161)**	**(2,021)**	**(307)**
Impact on financial statement line item	-	**2.7%**	**10.7%**	**2.9%**

Related parties for the nine months ended September, 30 2021	Personnel costs	Depreciation and amortization expenses	Financial costs
		(in thousands of Euro or percentage)	
E.M.S. S.p.A...	(182)	(2,004)	(328)
Total Related parties	**(182)**	**(2,004)**	**(328)**
Impact on financial statement line item	**0.3%**	**12.0%**	**6.0%**

Related parties for the year ended December, 31 2021	Personnel costs	Depreciation and amortization expenses	Financial income	Financial costs
		(in thousands of Euro or percentage)		
E.M.S. S.p.A.	**3,698**	**2,678**	**84**	**435**
Total Related parties................	**3,698**	**2,678**	**84**	**435**
Impact on financial statement line item	**4.2%**	**11.5%**	**9.9%**	**5.7%**

Related parties for the year ended December, 31 2020	Revenues	Other income	Costs for purchases of raw materials	Costs for external services	Personnel costs	Other expenses	Depreciation and amortization expenses	Financial income	Financial costs
	(in thousands of Euro or percentage)								
E.M.S. S.p.A. ..	-	-	-		1,271	-	2,271	68	355
SAF S.p.A.	628	14	1,325	82	-	22	-	-	-
Total Related parties	**628**	**14**	**1,325**	**82**	**1,271**	**22**	**2,271**	**68**	**355**
Impact on financial statement line item.................	**0.2%**	**0.8%**	**0.6%**	**0.2%**	**1.8%**	**0.6%**	**12.4%**	**4.7%**	**5.7%**

Related parties for the year ended December, 31 2019	Revenues	Other income	Costs for purchases of raw materials	Costs for external services	Personnel costs	Other expenses	Depreciation and amortization expenses	Financial income	Financial costs
	(in thousands of Euro or percentage)								
E.M.S. S.p.A.	-		-	-	357	-	1,981	84	325
SAF S.p.A.	896	17	1,370	125	-	25	-	.	-
Euro Misi Laminations Jiaxing Co. Ltd. ..	421	65	74	-	-	-	-	9	-
Total Related parties................	**1,317**	**82**	**1,444**	**125**	**357**	**25**	**1,981**	**93**	**325**
Impact on financial statement line item....................	**0.4%**	**4.9%**	**0.7%**	**0.3%**	**0.5%**	**1.8%**	**11.3%**	**13.1%**	**6.1%**

The above-mentioned costs and revenues, debts and receivables refer to commercial and financial relationships. The main operations with Related parties of the Group are described below.

Relationships with Euro Group Asia

In the context of of the Euro Group Asia Investment Agreement, on October 12, 2022 the Issuer undertook to enter into a new member loan with Euro Group Asia, providing new terms and conditions (replacing in full those already in place) for five outstanding member loans granted by the Issuer to Euro Group Asia for an overall amount of €25,930,000.00 in order to ensure that the new terms and conditions are aligned to those of the Simest Member Loans. For further information see "*Business – Material Agreements – Euro Group Asia Limited Investment Agreements*".

Relationship with E.M.S. S.p.A.

The Group has both commercial and financial relationships with E.M.S. S.p.A., settled in Euro.

Financial receivables to E.M.S. S.p.A. refers to the loan granted to E.M.S. S.p.A. for a principal amount of €5,600 thousand provided by the Group in 2020, bearing annual interest 1.5%, which will be reimbursed in connection with the Offer as provided by the terms and conditions of the agreement and, therefore, will be no longer in place as of the First Trading Date. The above-metioned loan has the goal to support the real estate development of E.M.S. S.p.A., from which the Issuer benefits indirectly as the real estate assets are subsequently leased to the Group to carry out its business.

With reference to the commercial relationship, in fact, the Company has entered several lease agreements with E.M.S. S.p.A.. According to the above-mentioned lease agreements, the Company has recorded: (i) Right-of-use assets equal to €26,370 thousand as of September 30, 2022 and €28,393 thousand, €29,443 thousand and €15,392 thousand as of December 31, 2021, 2020 and 2019; (ii) Non-current lease liabilities of €24,215 thousand as of September 30, 2022 and €26,139 thousand, €27,159 thousand and €13,622 thousand as of December 31, 2021, 2020 and 2019; (iii) Current lease liabilities of €2,561 thousand as of September 30, 2022 and €2,533 thousand, €2,377 thousand and €1,849 thousand as of December 31, 2021, 2020 and 2019.

The following list includes the amounts of each agreement:

(1) Agreement signed on January 31, 2018 and effective until June 30, 2026 for an annual rent of €84 thousand related to Eurotranciatura S.p.A. headquarters in Baranzate via Stella Rosa 47. This agreement has an extension option of six years starting from June 30, 2026.
(2) Agreement signed on January 27, 2021 and effective until January 26, 2027 for an annual rent of €76 thousand related to Eurotranciatura S.p.A. for warehouse and offices in Baranzate via Stella Rosa 49. This agreement has an extension option of six years starting from January 26, 2027.
(3) Agreement signed on December 28, 2007 and effective until December 31, 2019 for an annual rent of €1,331 thousand related to the warehouse, plant and offices located in Baranzate via Stella Rosa 43,45,48,50. This agreement was renewed for the period between July 1, 2020 and June 30, 2026 for an annual rent of €1,418 thousand. This agreement has another extension option of six years starting from June 30, 2026.
(4) Agreement signed on April 28, 2021 and effective until April 27, 2027 for an annual rent of €75 thousand related to the warehouse and offices located in Baranzate, via Stella Rosa 59-61. This agreement has an extension option of six years starting from April 27, 2027.
(5) Agreement signed on July 1, 2020 and effective until June 30, 2026 for an annual rent of €140 thousand related to the warehouse and offices located in Melzo via Erba. This agreement has an extension option of six years starting from June 30, 2026.
(6) Agreement signed on July 1, 2020 and effective until June 30, 2026 for an annual rent of €268 thousand related to the warehouse and offices located in Melzo Via Togliatti 18. This agreement has an extension option of six years starting from June 30, 2026.
(7) Agreement signed on July 9, 2020 and effective until July 8, 2026 for an annual rent of €100 thousand related to the warehouse and offices located in Melzo Via De Gasperi 8-10. This agreement has an extension option of six years starting from July 8, 2026.
(8) Agreement signed on October 24, 2007 and effective until June 30, 2026 for an annual rent of €535 thousand related to the warehouse and offices located in Melzo Via Pertini 7. This agreement has an extension option of six years starting from June 30, 2026.
(9) Agreement signed on February 12, 2007 and effective until December 30, 2019 for an annual rent of €222 thousand related to the warehouse, plant and offices located in Lainate via Buonarroti 8. This agreement was renewed on July 1, 2020 with for the period between July 1, 2020 and June 30, 2026 for an annual rent of €248 thousand. This agreement has another extension option of six years starting from June 30, 2026..

Personnel costs to parent company of €2,161 thousand and €182 thousand as of September 30, 2022 and 2021, €3,698 thousand, €1,271 thousand and €357 thousand as of December 31, 2021, 2020 and 2019 refers to share award expenses for further information please see "*Description of the related parties —Key Management Personnel*".

Key Management Personnel

The issuer identifies, as key management personnel, the members of the Board of Directors, key executives with strategic responsibilities and the members of the Board of Statutory Auditors of Italian

Companies within the Group, as required by International Accounting Standard IAS 24 in relation to additional information.

The following tables summarize remuneration of Directors, key executives with strategic responsibilities and board of Statutory Auditors:

	Key management personnel		
	Compensation		**Outstanding Balance**
	Short Term employee benefits(1)	**Purchase of Investments(2)**	**Other current liabilities**
		(in thousands of Euro)	
September 30, 2022	2,345	2,161	-
September 30, 2021	2,482	182	-
December 31, 2021	3,281	3,698	3,937
December 31, 2020	2,161	1,271	1,459
December 31, 2019	1,916	357	619

(1) Amounts included in costs for external services;
(2) Amounts included in personnel costs.

Through the subsidiary Eurotranciatura S.p.A., the Group granted a minority interest representing 5% of the share capital of E.M.S. S.p.A. to four key executives with strategic responsibilities. The arrangement provides an obligation for such key executives to pay the consideration for the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the key executives within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares not yet delivered to the employee and retained by the Group (unvested shares). If the key executive leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to the Group, upon its discretion, at the same purchase price.

In February 2022, the Group has signed with such employees an amendment according to which the delivery of the share is no longer subject to the permanence of the employees within the Group and, consequently, the transaction consists of a sale of shares funded through a deferred payment as: i) the Group has substantially transferred to the employees all risks and rewards connected to the ownership of the shares and; ii) the Group has the ability to pursue full recourse to the employees in respect of the outstanding amount. Following the contract modification, the Group has derecognised the shares interest for € 7,473 thousand resulting in a recognition of financial loan receivable for € 1,375 thousand, derecognized the share award plan liability for € 3,937 thousand and a compensation expense for € 2,161 thousand relating to the difference between the fair value of the shares, the share award liabilities and the financial loan receivable.

For the nine months ended September 30, 2022, 2021 and for the years ended December 31, 2021, 2020 and 2019, the amount recorded in the personnel costs as a share award expenses are equal to €2,161 thousand, €182 thousand, €3,698 thousand, €1,271 thousand, and €357 thousand.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of relevant information concerning the Company's share capital and a brief summary of significant provisions of Italian law, as in effect on the Prospectus Date, and the Post-IPO by-laws as these will be in effect immediately prior to Settlement.

This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, and is qualified in its entirety by reference to, the Post-IPO by-laws and the relevant provisions of Italian law as in force on the Prospectus Date. The Post-IPO by-laws are available in the governing Italian language and an unofficial English translation thereof on the Company's website (www.euro-group.it). In the event of any discrepancy between the Italian version of the Post-IPO by-laws and the unofficial English translation, the Italian version prevails. See also "*Management, Employees and Corporate Governance*" for a summary of material provisions of the Post-IPO by-laws and Italian law relating to the Board and the Directors.

General

Incorporation

The Company was incorporated as a limited liability company (*società a responsabilità limitata*) under the laws of Italy on March 21, 2006, and it was converted into a joint-stock company (*società per azioni*) under the laws of Italy on June 15, 2010. According to the Company's Post-IPO by-laws, the Company's duration extends until December 31, 2100, unless otherwise extended in accordance with applicable Italian laws.

Amendment of the Post-IPO by-laws

The Company's Post-IPO by-laws will enter into force as of the First Trading Date pursuant to a notarial deed of amendment of the by-laws in accordance with a resolution of the extraordinary shareholders' meeting adopted on November 18, 2022.

Corporate purpose

Pursuant to Article 4 of the Post-IPO by-laws, the Company's main purpose is to acquire and dispose of shareholdings and, not vis-à-vis the public, but exclusively within the group of subsidiaries or associated companies pursuant to Article 2359 of the Italian Civil Code, i.e., which are controlled by, or associated with, its parent company and - in any case - within the same Group, the exercise of the following activities:

- granting of loans in any form, excluding finance leases, limited to the group company to which it belongs and provision of sureties in general, of real and/or personal guarantees also in the interest of the Group companies;
- centralized service of cash management, collections and payments on behalf of the Group companies, negotiation of financing lines instrumental to such services; and
- financial and technical administrative coordination of the Group companies.

The Company's corporate purpose also includes the following activities:

- the purchase, sale, exchange, construction, reconstruction, renovation, maintenance, leasing and management of real estate owned by the Company, both in Italy and abroad, of real estate of any kind, rustic and urban, civil and industrial including land;

- the execution of construction work in general on its own behalf or on behalf of third parties, including by taking on both public and private contracts;

- the organization and coordination of services connected with the above activities and necessary for the execution of construction, road, hydraulic, mechanical and plant works in general;

- the carrying out of business transactions, including the conclusion of framework agreements of sale and purchase on its own and/or on behalf of the investee companies, in the electro-mechanical sector both on its own and on behalf of third parties, also representing the Company in the same sector, both in Italy and abroad;

- the purchase of machinery, equipment and software for data processing; the collection of data and information, their processing in tables or special formats and the provision of related services;

- the provision of consulting services in the following sectors: (i) senior management assistance; (ii) business strategy and organization; and (iii) strategic and operational marketing.

The Company may carry out all commercial, real estate, and financial transactions that will be deemed necessary and/or useful by the administrative body for the achievement of the corporate purpose and may – with an instrumental approach - take equity investments in other companies or enterprises of any nature, having a similar purpose or related to its own, issue sureties and other guarantees in general, including collateral, for obligations assumed also by third parties, with the exclusion of financial activities vis-à-vis the public, and with the exclusion of activities that mandatory provisions of law reserve to particular categories of operators as well as to professionals registered in professional registers.

Shares and share capital

Authorised and issued share capital

As of the Prospectus Date, the Company's share capital is €6,111,940, represented by no. 122,238,800 shares without nominal value, of which:

- no. 85,567,160 Class A Shares, are owned by E.M.S.;

- no. 36,671,640 Class B Shares of which no. 32,238,800 are owned by Delorean Partecipazioni, no. 2,430,820 are owned by Tikehau Investment Management S.A.S, in the name and on behalf of the T2 Energy Transition Fund in its capacity as relevant management company, and no. 2,002,020 are owned by T2 Eltif Energy Transition Fund (Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund, together, the "**Tikehau Entities**").

All of the issued and outstanding shares have been validly issued and are fully paid.

The Total Equity as of September 30, 2022, being the date of the Interim Condensed Consolidated Financial Statements is equal to €184,546 thousand, and the Share Capital consists of 6,111,940.00 Shares.

On November 18, 2022, the extraordinary shareholders' meeting approved, among other things, the allocation of multiple-vote to Class A Shares and Class B Shares giving holders of both classes of shares the right to cast three votes at the Company's ordinary and extraordinary shareholders' meetings.The Company's Post-IPO by-laws will provide only for (i) multiple-vote shares which will be formed by Class A Shares not sold in the context of the Offer ("**Multiple-Vote Shares**") and (ii) Ordinary Shares which will be formed by (a) Class A Shares converted into Ordinary Shares when granted to MIP Beneficiaries and members of the E.M.S. Leadership Team, (ii) Class B Shares converted on the Pricing Date, and (c) those

Class A Shares and Class B Shares sold in the context of the Offer that will be converted into ordinary shares as a result of the transfer. The conversion of Class A Shares and Class B Shares will also take into account (i) the waterfall mechanism provided for by the Pre-IPO by-laws according to which the shareholdings of E.M.S. and the Tikehau Entities will be adjusted depending on the return rate of their respective investment in the Issuer and to be calculated based on the Offer Price and (ii) the number of shares to be assigned by E.M.S. to the MIP Beneficiaries and to the E.M.S. Leadership Team.

As at the Settlement Date, pursuant to the Post-IPO by-laws, the Company's authorised share capital will amount to €6,111,941, divided into up to 89,984,250 Ordinary Shares, without nominal value and up to 73,921,216 Multiple-Vote Shares.

Each Ordinary Share confers on its holder the right to cast one vote at the Company's ordinary and extraordinary shareholders' meetings (except for those situations in which voting rights are suspended pursuant to applicable law), while each Multiple-Vote Share confers on its holder the right to cast three votes at the Company's ordinary and extraordinary shareholders' meetings. Multiple-Vote Shares are also subject to a conversion mechanism into ordinary shares that operates either automatically, upon occurrence of certain conditions set out by the Company's Post-IPO by-laws, or upon request of the shareholders.

The Company's Ordinary Shares are freely transferable, pursuant to applicable Italian laws.

Other than the Multiple-Vote Shares, the Post-IPO by-laws do not contain provisions that would have an effect of delaying, deferring or preventing a change in control of the Company.

History of share capital

Set out below is an overview of the amount of the issued share capital for the years ended December 31, 2021, 2020 and 2019; see "*General*".

Issued share capital

	December 31, 2021	**January 1, 2021**	**December 31, 2020**	**January 1, 2020**	**December 31, 2019**	**January 1, 2019**
Ordinary Shares	6,111,940	6,111,940	6,111,940	4,500,000	4,500,000	4,500,000
Multiple-Vote Shares	–	–	–	–	–	–
Total	**6,111,940**	**6,111,940**	**6,111,940**	**4,500,000**	**4,500,000**	**4,500,000**

In the context of the acquisition by Tikehau Capital of its interest in the share capital of the Issuer (*see* "*Business – History*"), on September 1, 2020 the Issuer's extraordinary shareholders' meeting resolved to increase the share capital for cash on a non-divisible basis by a maximum amount of €40,000,000.00 (of which €1,611,940.00 as share capital and €38,388,060.00 as share premium) by issuing 1,611,940 new Class B Shares without par value. Following the subscription of such capital increase the Issuer's share capital increased from €4,500,000 to €6,111,940.

On November 18, 2022 the extraordinary shareholders' meeting of the Company resolved to split the Company's shares according to the ratio of 20 shares per each share held. Therefore, as of the Prospectus Date the Company's share capital amounts to €6,111,940.00 and is represented by no. 122,238,800 shares without nominal value.

Authorization to Issue New Shares

The Company may authorize the issue of additional Ordinary Shares in connection with capital increases to be approved by the Company's extraordinary shareholders' meeting. Such an authorization would generally be given after a recommendation by the Board of Directors.

On November 18, 2022 the Company's extraordinary shareholders' meeting:

- resolved to increase, for consideration and with the exclusion of the pre-emption rights pursuant to Article 2441, fifth paragraph of the Italian Civil Code, the Company's share capital for an amount of €250,000 thousand including any share premium (which can be further increased up to €350,000 thousand including any share premium) through a share capital increase reserved to qualified investors in Italy and abroad as part of an institutional placement pursuant to Regulation S and Rule 144A of the Securities Act of 1933, for the purpose of the Admission (the "**Capital Increase**"). The exclusion of pre-emption rights is justified by the Company's primary interest to expand the shareholder base, included the distribution of the Shares to qualified Italian and foreign institutional investors, and to facilitate access to new resources in order to support the Company's growth program;

- established that such Capital Increase must be executed by December 31, 2023 or within the final settlement date of the Offer (i.e., the settlement date of the Over-allotment Option, if applicable), whichever is earlier. If the Company's share capital is not fully subscribed within such date, it will remain fixed at the amount of Ordinary Shares subscribed as of that date; and

- granted to the Board of Directors, effective from the First Trading Date and for five years from the date of the resolution, the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code, including in one or more tranches, to serve future incentive plans regarding ordinary shares of the Company, whose beneficiaries will be identified by the Board of Directors, for a maximum amount of€22,000 thousand, by issuing new Ordinary Shares without par value, with the exclusion of pre-emption rights pursuant to Article 2441, fifth and eighth paragraph of the Italian Civil Code.

On January 30, 2023, the Board of Directors determined that the maximum share capital increase pursuant to the Offer, resolved by the extraordinary shareholders' meeting on November 18, 2022, will be €250,000 thousand, of which €1 to be allocated to share capital and the remainig to share premium accounts.

Limitations on shareholdings

The transfer of the Ordinary Shares is not subject to any restrictions other than those contemplated by the terms of the Offer. See "*Selling and Transfer Restrictions*".

Form and Transfer of Ordinary Shares

Under Italian law, shareholders are unable to take physical delivery of share certificates for Italian listed companies. The transfer and exchange of shares takes place exclusively through an electronic book-entry system managed by a centralized securities settlement and custody system authorized by Consob jointly with the Bank of Italy, such as Monte Titoli.

Pursuant to Article 5 of the Post-IPO by-laws, the Shares are subject to the dematerialization regime under Articles 83-*bis et seq.* of the Consolidated Financial Act and their implementing provisions.

As of the First Trading Date, all of the Ordinary Shares will be deposited with the centralized securities settlement and custody system managed by Monte Titoli, with registered office in Milan, Piazza Affari no. 6.

See "*The Offer - Application and allocation - Allocation, payment and delivery*" in relation to the delivery of Ordinary Shares.

Shareholders' Meetings

Italian law regarding shareholders' meeting and minority shareholders includes provisions relating to, among others, the record date, the call and functioning of shareholders' meetings, proxy voting and information rights which are aimed at enhancing shareholders' rights and the participation in shareholders' meetings. Under Italian law, all persons for whom the Company has received a notice from an intermediary, on the basis of the latter's records at closing of business on the seventh trading day prior to the date of the meeting, will be entitled to attend the shareholders' meetings (the "record date"). Changes made after the above-mentioned deadline are not considered for the purpose of exercising voting rights at the shareholders' meeting.

Shareholders may attend shareholders' meetings either in person or by proxy. A proxy may be given in writing or electronically to any person or entity, with certain limitations, including that none of the Company's directors, members of the Board of Statutory Auditors, independent auditors or employees of the Company's subsidiaries may act as proxies for shareholders.

Under Italian law, shareholders' meetings may be either ordinary or extraordinary.

Ordinary shareholders' meetings

Ordinary shareholders' meeting must be convened at least once a year within the term established by the articles of association and in any case not later than 120 days (or 180 days if certain conditions apply) after the end of the financial year. The ordinary shareholders' meeting, *inter alia*: (i) approves the corporation's financial statements; (ii) elects and removes the directors; (iii) appoints external auditors; (iv) determines the basic compensation of directors and of external auditors; (v) resolves on the initiation of any liability action against the company's directors and (vi) resolves on the authorizations, if any, required by the articles of association for carrying out certain transactions.

Extraordinary shareholders' meetings

Extraordinary shareholders' meetings may be called to vote upon resolutions relating to, among other matters, proposed amendments to the by-laws, mergers and demergers, spin-offs, capital increases and reductions and transfer of the Company's corporate headquarters within Italy.

Shareholders are informed of all shareholders' meetings to be held by publication of a notice on the Company's website and in at least one newspaper having nationwide coverage or a wide distribution. The notice period is increased to 40 days for meetings called for the election of the Board of Directors or the Board of Statutory Auditors. The notice may specify a date for a second or third meeting in the event that a quorum is not met at the first or second meeting. Such meeting dates are generally referred to as "calls". Pursuant to article 8 of the Company's Post-IPO by-laws, ordinary shareholders' meetings are held in a single call, but the Board of Directors may establish that the meeting be held in more than one call.

If the ordinary shareholders' meeting is held on a single call, there is no quorum requirement for a valid shareholders' decision, and the affirmative vote of the majority of the Ordinary Shares represented at the meeting is sufficient to pass a resolution. If the meeting is held in more than one call, the first meeting is validly held if at least 50% of the voting share capital is represented (in person or by proxy). Resolutions at the ordinary shareholders' meetings on first call are passed with the affirmative vote of holders of the majority of the Ordinary Shares represented at the meeting. There is no quorum requirement on the second or any other subsequent call for a valid ordinary shareholders' meeting, and resolutions can be passed with the affirmative vote of the majority of the shares represented at the meeting.

An extraordinary shareholders' meeting is validly held on a single call if more than one fifth of the voting share capital is represented (in person or by proxy). Resolutions at the extraordinary shareholders' meeting on single call require the affirmative vote of holders of at least two thirds of the shares represented at such meeting. The quorum required for a valid extraordinary shareholders' meeting on the second call is more than one third of the voting share capital, while on the third call and any other subsequent call, the quorum must be at least one fifth. Resolutions at the extra ordinary shareholders' meeting on second or subsequent calls require the affirmative vote of at least two thirds of the shares represented at such meeting.

There are no restrictions arising under Italian law or the Company's Post-IPO by-laws on the rights of non-resident or foreign persons to hold or vote on the Ordinary Shares other than those limitations that apply generally to all shareholders. Shareholders are entitled to attend and vote at ordinary and extraordinary shareholders' meetings. Each holder of Ordinary Shares is entitled to cast one vote for each share held. Votes may be cast personally or by proxy (as described above). However, the voting rights of Ordinary Shares held in breach of applicable laws may in some cases not be exercised.

Dividend distributions

Pursuant to article 28 of the Post-IPO by-laws, dividends not collected within five years from the day they became payable shall be forfeited in favor of the Company. Pursuant to articles 2433 et seq. of the Italian Civil Code and article 27 of the new Company's Post-IPO by-laws, the-Board of Directors may authorize the distribution of interim dividends, subject to certain limitations, while only shareholders may approve the declaration and payment of dividends at the end of the financial year. Shareholders who received interim dividends in good faith are not obliged to repay such dividends to the Company in the event that, at the end of the fiscal year, the Company's financial accounts did not warrant the payment of such interim dividends. Dividends are payable on the date specified by the shareholders at the annual meeting. Dividends not claimed within five years from the date upon which they become payable will be forfeited to us. Dividends are payable to shareholders that hold shares through an intermediary on the dividend payment date declared at the ordinary shareholders' meeting. Dividend payments are distributed through Monte Titoli on behalf of each shareholder by the intermediary with which the shareholder has deposited its shares. Ordinary Shares give full entitlement to any dividends resolved by the shareholders meeting in accordance with the applicable provisions and the Articles of Association. See "*Dividends-and Dividend Policy*" for more information.

Right to profit sharing

The net profits shown in the Company's financial statements, following the deduction of the amounts to be allocated to the legal reserve until the latter has reached the legal limit, shall be distributed to the shareholders by the shareholders' meeting, unless the same shareholders' meeting resolves special allocations to extraordinary reserves or for other purposes, or resolves to distribute all or part of them to the following financial years.

Liquidation rights

Pursuant to Articles 2484 et seq. of the Italian Civil Code, subject to satisfaction of the claims of all creditors, shareholders are entitled to a distribution of the Company's remaining liquidated assets in proportion to the nominal value of the shares they hold in the Company's capital stock upon the Company's winding up.

Redemption rights

Subject to the provisions in case of the Company's winding up, the Ordinary Shares do not confer any right to capital redemption. In the event of the Company's dissolution, the shareholders' meeting will determine the liquidation procedure and appoint one or more liquidators, determining their powers and compensation.

Pre-emptive rights

New issuances of Ordinary Shares or other classes of capital stock may be authorized by a shareholders' resolution passed at an extraordinary shareholders' meeting. Pursuant to Italian law, shareholders (and holders of convertible bonds) are entitled to subscribe for new issues of: (i) shares; (ii) debt instruments convertible into ordinary shares; and (iii) any other instruments such as warrants, rights or options entitling the holder to acquire shares, in each case in proportion to their respective shareholdings or bondholdings, as the case may be. Subject to certain conditions and special voting majorities principally designed to prevent dilution of the rights of shareholders, these preemptive rights may be waived or limited in whole or in part for all such shareholders for any particular issue of such securities, but only by resolution adopted at an extraordinary meeting and provided that the Company's interest so requires. In any event, such preemptive rights will not apply where the increase in share capital is to be subscribed through a contribution in kind.

Pre-emptive rights can also be limited when the newly issued shares are offered for subscription to the Company's employees or employees of its subsidiaries or of its parent company. Pursuant to Italian law, resolutions that exclude preemptive rights must be adopted at an extraordinary meeting with the required majorities.

Acquisition of own shares

The Company may purchase its own Ordinary Shares, subject to certain conditions and limitations imposed by Italian law and EU regulations, and provided that the shares are fully paid. The Company and its subsidiaries do not own any Ordinary Shares nor has any resolution been adopted by its shareholders authorizing the purchase of its Ordinary Shares.

Different classes of shares

In accordance with Italian law, the Company is permitted to issue different classes of shares, defining the rights to which such shares will be entitled within the limits of the applicable law. The Company may issue shares having the right to vote in any shareholders' meeting or only in certain shareholders' meetings or regarding certain matters or under certain conditions. The Company may issue shares having preferential rights with respect to the payment of dividends and to the repayment of capital in the event of liquidation. Pursuant to the Post-IPO by-laws, on the First Trading Date the Company's share capital will consist of Ordinary Shares and Multiple-Vote Shares.

Multiple-Vote Shares

Pursuant to article 5 of the Company's Post-IPO by-laws, as of the First Trading Date the Company's share capital will consist of Ordinary Shares and Multiple-Vote Shares.

Multiple-Vote Shares confer the same rights as the Ordinary Shares, with the exception that:

- each Multiple-Vote Share provides its holder with the right to cast three votes at the Company's Ordinary and Extraordinary Shareholders' Meetings, subject to any legal limitations pursuant to Article 2351 of the Italian Civil Code;

- they automatically convert into Ordinary Shares at the rate of one Ordinary Share for each Multiple-Vote Share in case of transfer to third parties other than other Multiple-Vote Shares holders (or their affiliates or effective holders). If the transferee loses its status as an authorized transferee all Multiple-Vote Shares held by it shall be automatically converted into Ordinary Shares, at the rate of one Ordinary Share for each Multiple-Vote Share, unless the Multiple-Vote Shares are re-transferred by such transferee to the transferor; and

- they may be converted, in whole or in part, and even in several tranches, into Ordinary Shares upon simple request of their holder, at the rate of one newly issued Ordinary Share for each Multiple-Vote Share.

Under no circumstances Ordinary Shares may be converted into Multiple-Vote Shares.

Obligations to disclose holdings

Holders of Shares (as well as holders of negotiable instruments or options for acquiring Shares) may be subject to notification obligations under the Consolidated Financial Act. Shareholders are advised to seek professional advice on these obligations.

Pursuant to the Consolidated Financial Act and the Issuers Regulation, any person whose aggregate shareholding in a listed company rises above or falls below 3% (in case the listed company is not a "**small-medium enterprise**"), or reaches, rises above or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66.6% or 90% of the voting share capital of a company listed in an Italian regulated market, is obliged to notify Consob and the listed company within four business days of the relevant acquisition or disposal.

In addition, any person who purchases an aggregate shareholding equal to or higher than 10%, 20% and 25% of the voting share capital of a company listed in Italy is subject to additional disclosure requirements. Pursuant to the Issuers Regulation, in case of shares with increased voting rights or multiple-vote shares, "shareholding" means the number of the voting rights attached to the shares subject to the above-mentioned notification.

The Consolidated Financial Act provides that Consob is allowed to establish, for a restricted period of time, thresholds lower than 3% for companies that have a current high market value and a broad base of shareholders.

Shareholders failing to give notice cannot exercise the voting rights attributable to the ordinary shares. Any shareholders' resolution approved in violation of the foregoing may be annulled if it would not have been adopted in the absence of such votes (provided that also Consob is entitled to challenge such resolution on the same grounds).

Notification obligations are also triggered with respect to financial instrument held, with a separate indication of voting shares underlying derivative financial instruments or any other financial instrument or contract that, pursuant to a binding agreement, attributes the right to acquire, at the holder's initiative, ordinary shares of a listed company. The same disclosure obligation applies to the other long positions (as defined in article 116-*terdecies*, letter d1), with the indication of the financial instruments which entitle to physical settlement and of the financial instruments which entitle to settlement in cash. In particular, any person directly or indirectly holding such instruments must disclose them to the company and Consob when the shareholding that may be potentially acquired reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 66.6%. The same disclosure thresholds that apply to participation in financial instruments also apply, separately, to aggregate holdings (i.e. the sum of holding of shares and holding of financial instruments).

Shareholders' Agreements

In accordance with Italian law, agreements regarding the exercise of voting rights among shareholders of a listed company or of its parent company totalling more than 3% (5% for SMEs) of the share capital must, within five days from the date of execution, be notified to Consob and the listing authority, filed with the relevant companies' register and published. Moreover, the Consolidated Financial Act provides certain requirements for the duration of such agreements as well as termination rights.

Failure to comply with the above rules will render the agreements null and void and the voting rights of the relative shares unexercisable. Any shareholders' resolution taken in violation of this limitation on voting rights may be annulled by the relevant court if the resolution would not have been adopted in the absence of such votes. The action may also be brought by Consob.

Savings Shares

Italian companies having their shares listed on a regulated market may issue savings shares (*azioni di risparmio*) which carry preferential rights in the payment of dividends, but which have no voting rights except for voting rights at a separate meeting of holders of such savings shares when, among other things, the rights of such shareholders are affected by a decision taken at a shareholders' meeting. As of the Prospectus Date, the Company does not have any issued and outstanding savings shares.

Withdrawal Rights

Under Italian law, dissenting shareholders have the right to withdraw, thereby requiring the Company to redeem all or part of their shares, in certain circumstances, including changes to voting and participation rights and delisting of the Company.

Pursuant to article 6 of the Company's Post-IPO by-laws, shareholders will not have the right to withdraw in case of (i) extension of the Company's term; and (ii) introduction or removal of restrictions to the transfer of shares.

Italian Mandatory Tender Offer Rules

As of the First Trading Date, the Issuer will be subject to the tender offer rules set forth in Articles 101-*bis et seq*. of the Consolidated Financial Act, including the provisions on mandatory tender offers (Articles 105 *et seq*. of the Consolidated Financial Act), obligation to purchase (Article 108 of the Consolidated Financial Act), and takeover rights (Article 111 of the Consolidated Financial Act).

As of the Prospectus Date, the Issuer does not qualify as an "SME" within the meaning of Article 1(1)(w-quater.1) of the Consolidated Financial Act and Article 2-*ter* of the Issuers' Regulation and is therefore not subject to the regulatory provisions relating to such category. Pursuant to Article 1(1)(w-quater.1) of the Consolidated Financial Act, small and medium-sized enterprises ("**SMEs**") consist of issuers having a market capitalization of less than €500 million. Issuers exceeding such threshold for three consecutive years will cease to be considered SMEs. Pursuant to Article 2-ter(3)(a) of the Issuers' Regulation, for first-time issuers the capitalization is to be calculated as the average between the maximum price and the minimum price of the offer as stated in the prospectus prepared in connection with the admission to listing and trading and/or the offer. In case of listing of more than one category of shares, the sum of the capitalization of each category of shares shall be taken into account.

Under Article 106, paragraph 1, of the Consolidated Financial Act, a public tender offer covering all remaining outstanding shares must be made by any person who, as a result of purchases of shares for consideration, or increased voting rights, directly or indirectly or acting in concert with other persons, holds or comes to hold more than 30% of the voting share capital and/or derivative instruments as provided for under Article 44-*ter* of the Issuers Regulation (hereinafter referred to as "**securities**") of a company listed on an Italian regulated market.

Pursuant to Article 106, paragraph 1-*bis*, of the Consolidated Financial Act, in companies other than SMEs, any person who, by way of share acquisition, holds more than 25% of the voting share capital, must also make a public tender offer if no other shareholder holds a greater interest in the company.

Furthermore, pursuant to art. 106, paragraph 1-*ter*, of the Consolidated Financial Act, the by-laws of SMEs may provide for a different threshold than 30%, but in any case not lower than 25% and not higher than 40%. As of the Prospectus Date, the Issuer has not adopted any thresholds other than those indicated in Article 106, paragraph 1 of the Consolidated Financial Act and, therefore, the threshold for the application of the aforementioned article is set at 30%. If the amendment to the bylaws takes place after the securities begin trading on a regulated market, shareholders who did not participate in the relevant resolution may exercise a withdrawal right for all or part of their securities.

Under Article 106, paragraph 3, of the Consolidated Financial Act, a tender offer must also be launched by any person who owns more than 30% (or in case of a SME, the different threshold set forth by the company's by-laws pursuant to Article 106, par. 1-ter of the Consolidated Financial Act) of the voting share capital without, at the same time, exercising majority (50% plus one) voting rights at an ordinary shareholders' meeting and purchases more than 5% of the voting share capital or increases its voting rights by more than 5% of the voting share capital of the company during a 12 month period. Pursuant to Article 106, paragraph 3-*quater* of the Consolidated Financial Act, such obligation does not apply to SMEs until the date of the shareholders' meeting called to approve the financial statements for the fifth fiscal year following the listing, provided that this is specifically provided in their by-laws. The Post-IPO by-laws do not contain such a provision.

Pursuant to Article 109 of the Consolidated Financial Act, persons acting in concert are jointly and severally liable for the obligations under Article 106 of the Consolidated Financial Act when they come to hold, as a result of purchases even made by just one of them, a total shareholding in excess of the percentages specified in the aforementioned article.

Moreover, Article 106, paragraph 5, of the Consolidated Financial Act, provides various exemptions from the duty to launch a tender offer. Furthermore, in the cases outlined in Article 107 of the Consolidated Financial Act, the acquisition of an interest in excess of the above-mentioned thresholds does not trigger the obligation to launch a 100% tender offer.

Pursuant to Article 104 of the Consolidated Financial Act, unless authorized by the ordinary or extraordinary shareholders' meeting, Italian listed companies whose securities are subject to a takeover bid shall refrain from carrying out anti-takeover actions (i.e. acts or transactions that may conflict with the achievement of the objectives of the bid). This obligation to refrain applies from the notice of the intention to launch the takeover bid referred to in Article 102, paragraph 1 of the Consolidated Financial Act until the closing of the takeover bid or until the takeover bid itself lapses. The mere seeking of other offers does not constitute an act or transaction contrary to the objectives of a takeover bid. This is without prejudice to the liability of directors, members of the management and supervisory boards and general managers for acts and transactions performed. Authorization by the shareholders' meeting is also required for the implementation of any decision, made prior to the publication of the aforementioned notice under Article 102, paragraph 1 of the Consolidated Financial Act, which has not yet been implemented in whole or in part, which does not fall within the normal course of the company's business, and the implementation of which may conflict with the achievement of the objectives of the takeover bid. Bylaws may waive all or part of the above provisions, and companies must notify Consob and the takeover bid supervisory authorities of member states in which their securities are admitted to trading on a regulated market or where such admission of approved waivers has been sought. Such waivers shall also be promptly disclosed to the public. The notice of call regarding shareholders' meetings referred to in Article 104 of the Consolidated Financial Act shall be published in the way set forth in Article 125-*bis* by the fifteenth day prior to the date set for the shareholders' meeting.

The Post-IPO by-laws do not provide for any exceptions to the rules set forth in Article 104 of the Consolidated Financial Act described above .

THE OFFER

There will be no public offering of the Ordinary Shares of the Company in any jurisdiction. Because the Offer consists only of private placements in Italy and elsewhere in the European Economic Area to institutional investors that are "qualified investors" as defined in Article (2)(e) of the Prospectus Regulation and to institutional investors elsewhere, pursuant to Italian law, the Offer is exempt from the requirement to publish an approved prospectus that follows from Article 3(1) of the Prospectus Regulation. Therefore, this Prospectus has been approved by Consob only in relation to the Admission.

The free float needed for the purposes of the Admission will be created through a private placement of Ordinary Shares to certain institutional investors in the European Economic Area and other jurisdictions (the "**Offer**").

For information purposes only, set forth below is key information on the Offer. The Company is offering for subscription newly issued Ordinary Shares for €250,000 thousand, corresponding to up to 50,000,000 newly issued Ordinary Shares (based on the minimum price of the Offer Price Range) and up to 41,666,666 newly issued Ordinary Shares (based on the maximum price of the Offer Price Range) (the "**New Offer Shares**"), while Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Energy Transition Fund and T2 Eltif Energy Transition Fund (together, the "**Selling Shareholders**") are offering for sale up to 25,555,612 existing Ordinary Shares (based on the minimum price of the Offer Price Range) or up to 26,214,420 existing Ordinary Shares (based on the maximum price of the Offer Price Range) (the "**Existing Offer Shares**" and together with the New Offer Shares, the "**Firm Offer Shares**"). The final number of Existing Offer Shares will vary according to the undertakings under the Stock Lending Agreement. The Existing Offer Shares include up to 4,994,838 MIP Sale Shares and up to 831,432 E.M.S. Leadership Team Sale Shares based on the minimum price of the Offer Price Range and up to 5,384,750 MIP Sale Shares and up to 1,100,328 E.M.S. Leadership Team Sale Shares based on the maximum price of the Offer Price Range, which will be offered by EMS pursuant to the Stock Lending Agreement. The Selling Shareholders will also grant JP Morgan SE, in its capacity as stabilization manager (the "**Stabilization Manager**") (on behalf of the Underwriters), an option (the "**Over-Allotment Option**"), exercisable in whole or in part during a period of 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager (on behalf of the Underwriters) may require the Selling Shareholders to sell up to 7,555,561 additional Ordinary Shares (based on the minimum price of the Offer Price Range) and up to 6,788,109 additional Ordinary Shares (based on the maximum price of the Offer Price Range) at the Offer Price (as defined below), comprising up to 10% of the total number of Firm Offer Shares sold in the Offer solely for the purposes of covering over-allotments and short positions, if any, in connection with the Offer or to facilitate stabilization transactions, if any (the "**Over-Allotment Shares**" and together with the Firm Offer Shares, the "**Offer Shares**"). The price per Offer Share (the "**Offer Price**") is expected to be in the range of €5.00 to €6.00 (inclusive) (the "**Offer Price Range**"), but may be above or below that range.

The Offer Shares are being offered and sold within the United States of America (the "**United States**" or "**U.S.**"), to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and outside the United States, including in Italy, to institutional investors in offshore transactions in reliance upon Regulation S under the U.S. Securities Act ("**Regulation S**").

The Company and the Selling Shareholders reserve the right, after consultation with the Joint Global Coordinators, to suspend, withdraw or reduce the size of the Offer, in whole or in part (in the latter case, reducing first the Existing Offer Shares and subject to the minimum required to establish the free float so that the Ordinary Shares can be traded on Euronext Milan).

This Prospectus is published before the completion of the Offer. In the event the Offer is suspended or withdrawn prior to the Settlement Date, the Listing will not occur.

In particular, the Offer will be withdrawn by the Settlement Date if (i) Borsa Italiana does not approve the Company's request for admission to trading or revokes its approval of the admission to listing pursuant to Article 2.4.3, paragraph 8, of the Stock Exchange Regulations, or (ii) the Underwriters do not enter into, or termininate, the underwriting agreement.

JP Morgan SE (with registered office in Frankfurt am Main (Germany), Taunustor 1, TaunusTurm, 60310), BNP PARIBAS (with registered office in Paris (France), 16, boulevard des Italiens, 75009), Intesa Sanpaolo S.p.A. (with registered office at Piazza San Carlo 156, Turin, Italy) and UniCredit Bank AG, Milan Branch (with registered office at Piazza Gae Aulenti 4, Tower C, Milan, Italy) are acting as joint global coordinators for the Offer (the "**Joint Global Coordinators**" or the "**Underwriters**"). In case of successful completion of the Offer, the Company, the Selling Shareholders and the Underwriters will enter into an underwriting agreement with respect to the offer and sale of the Offer Shares in connection with the Offer (the "**Underwriting Agreement**"), subject to the satisfaction of certain terms and conditions set forth therein.

Pursuant to the Underwriting Agreement, the Underwriters will agree, severally and not jointly, subject to certain conditions, to procure subscribers and purchasers for, or failing which, to subscribe for or purchase from the Company and the Selling Shareholders a certain number of Offer Shares at the Offer Price.

Underwriters' potential conflicts of interest

The Joint Global Coordinators have an interest in the Offer as it is expected that, if the Offer is successfully completed, they will enter into the Underwriting Agreement, pursuant to which they will agree to procure subscribers and/or purchasers for, or, failing which, to subscribe and/or purchase, each to the extent of their own percentage, the Offer Shares offered by the Company and the Selling Shareholders in the Offer. For the performance of these roles, the Joint Global Coordinators will receive commissions. UniCredit Bank AG, Milan Branch is also acting as listing agent in connection with the Admission and will receive a fee for carrying out such activity. Kepler Cheuvreux , a company having a strategic alliance with UniCredit Bank AG, Milan Branch, will act as specialist.

In addition, in the ordinary course of their business, the Joint Global Coordinators and the companies that control them, that they control or that are under common control with them (collectively, the "**affiliates**") provide and may continue to provide, a variety of services to the Company, the Selling Shareholder and their respective groups, including lending, investment banking, financial advisory and other services for the Company and the Selling Shareholders and their respective affiliates, for which they received customary fees, and they and their respective affiliates may provide such services for the Company and the Selling Shareholders and their respective affiliates in the future. In particular, as of September 30, 2022, the Group:

- received a standby letter of credit from the group headed by BNP PARIBAS (the "**BNPP Group**") for €10,000 thousand to support the growth of the Group's local subsidiaries in China. The Group also entered into a €15,000 thousand facility agreement with the BNPP Group that expires in December 2028 as well as short-term credit facilities for a total amount of €5,025 thousand. The Group has also in place a commercial relationship with Ifitalia S.p.A., a company belonging to the BNPP Group, for non-recourse disposal of receivables owed by its customers;

- has credit lines available with the members of the Intesa Sanpaolo group for an aggregate amount of €52,962 thousand of which €21,345 thousand was drawn as of September 30, 2022; and

- has credit lines available with the group to which UniCredit Bank AG, Milan Branch belongs for an aggregate amount of €35,695 thousand, of which €19,734 thousand was drawn as of September 30, 2022.

Moreover, in the ordinary course of their business, the Joint Global Coordinators and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments, including corporate debt facilities, of the Company and the Selling Shareholders and their respective affiliates. In particular, as of the Prospectus Date, UniCredit S.p.A., parent company of UniCredit Bank AG, Milan Branch, has an interest in the Offering as it holds a shareholding equal to 7.5% in the corporate capital of Delorean Partecipazioni, one of the Selling Shareholders.

Finally, in connection with the Offering, each of the Joint Global Coordinators and their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offer and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Joint Global Coordinators or their respective affiliates acting in such capacity. None of the Joint Global Coordinators intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Lock-up arrangements

The Joint Global Coordinators (on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive in writing the restrictions, including those on sales, issues or transfers of Ordinary Shares, described below, except for the management lock-up. If the consent of the Joint Global Coordinators (on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.

Company lock-up

Pursuant to the Underwriting Agreement, the Company will agree that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), it will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date, (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company, whether any such transaction in the case of (i) and (ii) is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions are subject to the following carve outs: (a) sales pursuant to the Underwriting Agreement; (b) issuances of Ordinary Shares or options to purchase Ordinary Shares granted pursuant to the incentive plan described under "Management, Employees and Corporate Governance—Long-term Incentive Plans"; (c) transactions in connection with a public tender offer within the meaning of ex Art. 101 bis ss of Legislative Decree No.58 of 24 February 1998; (d) use of Ordinary Shares as collateral; (e) intra-Group transfers undertaken to effect corporate restructurings, schemes of arrangement or analogous transactions; (f) transactions with affiliates; and (g) sales or issues of Ordinary Shares in connection with extraordinary and strategic M&A transactions, provided, that, in the case of (e) through (g) (inclusive), the transferee shall have agreed to be bound by the restrictions contained in this paragraph.

Selling Shareholders lock-up

Pursuant to the Underwriting Agreement, each of the Selling Shareholders will agree with the Underwriters that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), it will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or request or demand that the Company files any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company, whether any such transaction in the case of (i) and (ii) is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to the following: (a) sales pursuant to the Underwriting Agreement; (b) transactions in connection with a public tender offer regarding the Company within the meaning of ex Art. 101 bis ss of Legislative Decree No.58 of 24 February 1998; (c) use of Ordinary Shares as part of collateral arrangements; (d) any disposal pursuant to an enforcement of security over Ordinary Shares, provided that any proposed transferee of such Ordinary Shares pursuant to an enforcement of security shall have agreed to be bound by the restrictions in this paragraph for the remainder of the lock-up period in relation to such Ordinary Shares as if it were the transferor by execution and delivery to the Underwriters of a lock-up deed; (e) sales of Ordinary Shares in connection with extraordinary and strategic M&A transactions promoted by the Company; provided, that, the transferee shall have agreed to be bound by the restrictions contained in this paragraph; and (f) transactions with affiliates, provided that the transferee shall have agreed to be bound by similar restrictions.

Manager lock-up

Pursuant to the Underwriting Agreement, Sergio Iori, Isidoro Guardalà, Marco Stefano Arduini, Gianluca Umberto Maria Bertocchi, Leonardantonio Franchini, and Jean-Marc Pierre Gales and all other members of the Senior Management Team will agree that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), they will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date, (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company, whether any such transaction in the case of (i) and (ii) is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to the following: (a) sales pursuant to the Stock Lending Agreement; (b) transactions in connection with a public tender offer regarding the Company within the meaning of ex Art. 101 bis ss of Legislative Decree No.58 of 24 February 1998; (c) use of Ordinary Shares as part of collateral arrangements; (d) sales of Ordinary Shares in connection with extraordinary and strategic M&A transactions promoted by the Company; provided, that, the transferee shall have agreed to be bound by the restrictions in this paragraph for the remainder of the lock-up period in relation to such Ordinary Shares as if it were the transferor by execution and delivery to the Underwriters of a lock-up deed; and (e) any disposal pursuant to an enforcement of security over Ordinary Shares, provided that any proposed transferee of such Ordinary Shares pursuant to an enforcement of security shall have agreed to be bound by the restrictions in this paragraph for the remainder of the lock-up period in relation to such Ordinary Shares as if it were the transferor by execution and delivery to the Underwriters of a lock-up deed.

MIP lock-up

For 3,589,833 Ordinary Shares (corresponding to 40% of the maximum 8,974,583 Ordinary Shares received by the MIP Beneficiaries assuming an Offer Price equal to the maximum price of the Offer Price Range) the MIP Beneficiaries will enter into lock-up agreements with E.M.S. for a 1 (one) year period. For additional information *see* "*Management, Employees and Corporate Governance – Long Term Incentive Plans –MIP*".

Listing and trading

On January 31, 2023 with order no. 8914 Borsa Italiana approved the Ordinary Shares for listing on Euronext Milan.

On January 31, 2023 application has also been made to Borsa Italiana to admit all of the Ordinary Shares to trading on Euronext Milan under the symbol "EGLA". The Ordinary Shares' ISIN is IT0005527616.

The first trading date in the Ordinary Shares on Euronext Milan will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules (the "**First Trading Date**"). The Ordinary Shares will trade in euro on Euronext Milan. No assurance can be given that the application to admit all of the Ordinary Shares to trading on Euronext Milan will be approved.

Prior to consummation of the Offer and the commencement of trading on Euronext Milan, there has been no public trading market for the Ordinary Shares.

Listing Agent

UniCredit Bank AG, Milan Branch is the Listing Agent with respect to the admission to listing and trading of the Ordinary Shares on Euronext Milan.

Specialist

Kepler Cheuvreux is acting as specialist pursuant to Article 2.2.2 and Article 2.3.5. of the Market Rules adopted by Borsa Italiana with respect to the Ordinary Shares, including to support the liquidity of the Ordinary Shares. In particular, in its capacity as Specialist, Kepler Cheuvreux undertook (i) to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana for a daily quantity specified in the Instructions, (ii) to produce or have produced on its account, at least two researches per year relating the Company, to be prepared promptly and in accordance with all the care that is common practice in the profession and in accordance with European applicable rules and regulation for the production of investment research and (iii) to organize and attend at least two meetings a year between the management of the Company and professional investors.

Over-Allotment and stabilization

In connection with the Offer, JP Morgan SE (the "**Stabilization Manager**") (or any of its agents) on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable laws and regulations, effect transactions with a view to supporting the market price of the Ordinary Shares during the stabilization periodat a higher level than that which might otherwise prevail in the open market. The Stabilization Manager will not be required to enter into such transactions and such transactions may be affected on any securities market, over-the-counter market, stock exchange (including Euronext Milan) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The stabilization may not necessarily occur. Such stabilizing transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilization Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions under the Offer.

The Selling Shareholders will grant JP Morgan SE in its capacity as Stabilization Manager, on behalf of the Underwriters the Over-Allotment Option, exercisable in whole or in part during a period of 30 calendar days after the First Trading Date to purchase up to 10% of the aggregate number of Firm Offer Shares sold in the Offer, solely for the purposes of covering over-allotments or short positions, and stabilization activities if any, in connection with the Offer.

Dilution

The issue of the New Offer Shares will result in a maximum dilution of voting interests of the outstanding shares of the Company of 15.7%.

As of September 30, 2022, the net asset value per share is €1.51 for both Class A Shares and Class B Shares, while the Offer Price ranges between €5.00 per Share and maximum €6.00 per Share.

See also "*Principal and selling shareholders—Shareholders at the Settlement Date*".

Underwriting arrangements

In case of successful completion of the Offer, the Company, the Selling Shareholders and the Underwriters will enter into the Underwriting Agreement with respect to the offer and sale of the Offer Shares in connection with the Offer, subject to the satisfaction of certain terms and conditions set forth therein.

In consideration of the agreement by the Underwriters to use reasonable endeavours to procure subscribers and purchasers for the Firm Offer Shares (failing which to subscribe for or purchase the number of Offer Shares specififed in the agreement themselves) and subject to the Offer Shares being subscribed for or sold as provided for in the Underwriting Agreement, the Company and the Selling Shareholders have agreed to pay the Underwriters for the Offer an aggregate commission, including a maximum discretionary commission, of up to 3.5% of the gross proceeds of the Offer (including from the sale of any Over-Allotment Shares).

The commission due to the Underwriters will be borne by the Company and the Selling Shareholders in proportion to the Offer Shares issued or sold by them.

Information to distributors in the EEA

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, delict, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for purposes of the MiFID II Product Governance Requirements) should note that the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection, and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer, including the selling restrictions described in "*Selling and Transfer Restrictions*". Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, purchase, subscribe for, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Information to Distributors in the United Kingdom

Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (U.K. MiFIR); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, (together, the U.K. MiFIR Product Governance Rules), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of U.K. MiFIR) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in U.K. MiFIR; and (b) eligible for distribution through all distribution channels as are permitted by U.K. MiFIR (the "**U.K. Target Market Assessment**"). Notwithstanding the U.K. Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The U.K. Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the U.K. Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the U.K. MiFIR Product Governance Rules.

For the avoidance of doubt, the U.K. Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of the U.K. MiFIR Product Governance Rules; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction by the Company, the Selling Shareholders or the Underwriters that would permit a public offering of the Offer Shares in any jurisdiction, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in accordance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other Offer materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other Offer materials or advertisements into any such jurisdictions (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investors' nominees and trustees) wishing to accept, sell, purchase, or subscribe for, Offer Shares must satisfy themselves as to full observance of the applicable laws and regulations of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase, or subscribe for, Offer Shares should consult their professional adviser without delay.

United States

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Offer Shares will be offered and sold outside the United States in offshore transactions, as defined in and in accordance with, Regulation S. The Underwriting Agreement will provide that the Underwriters may directly or through their broker-dealer affiliates, arrange for the offer and resale of Offer Shares within the United States only to persons reasonably believed to be QIBs pursuant to Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Offer Shares are not transferable except in accordance with the restrictions described below.

The Offer Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

For as long as any of the Offer Shares are "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any prospective investor in such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective investor, the information required to be delivered pursuant Rule 144A(d)(4) under the U.S. Securities Act. The Company expects to be exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder.

In addition, until the end of the 40th calendar day after commencement of the Offer, an offering or sale of Ordinary Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of Offer Shares within the United States will be deemed to have represented and agreed as follows:

(a) the purchaser (i) is and at the time of its purchase of the Ordinary Shares, will be, a qualified institutional buyer, or QIB, as defined in Rule 144A, or a broker-dealer acting for the account of a QIB, with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (ii) is acquiring the securities for its own account or for the account of a QIB, and (iii) is aware that the securities are "restricted securities" within the meaning of Rule 144(d)(4) U.S. Securities Act and may not be deposited into any unrestricted depositary facility, unless at the time of such

(b) deposit the securities are no longer restricted, and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;

(c) the purchaser is aware, and each beneficial owner of the Ordinary Shares has been advised, that such securities have not been and will not be registered under the U.S. Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(d) the purchaser understands and agrees that such securities may not be offered, sold, pledged or otherwise transferred, except (i) to a person that the seller and any person acting on its behalf reasonably believe is another QIB purchasing for its own account or for the account of a QIB meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, (ii) outside the United States in accordance with Regulation S, (iii) pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act or (iv) pursuant to an effective registration statement under the U.S. Securities Act; the purchaser understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of the Ordinary Shares and that the Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE ORDINARY SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

(e) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Ordinary Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above;

(f) the Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(g) the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

European Economic Area

In relation to each Member State, no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered in that Member State to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation.

Each person in a Member State who receives any communication in respect of, or who acquires any Offer Shares under, the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Underwriters that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired in other circumstances falling within the points (a) to (d) of Article 1(4) of the Prospectus Regulation and the prior consent of the Underwriters has been given to the offer or resale; or where the Offer Shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

The Company, the Selling Shareholders and the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

Italy

The Offer Shares may not be offered, sold or delivered, directly or indirectly, in Italy or to a resident of Italy, unless such offer, sale or delivery of Offer Shares or distribution of copies of this Prospectus or other documents relating to the Offer in Italy is made:

(a) to qualified investors (*investitori qualificati*), as defined in Article 2(e) of the Prospectus Regulation; or

(b) in any other circumstances which are expressly exempt from the rules on offers to the public, including, without limitation, as provided under Article 1 of the Prospectus Regulation, Article 34-*ter* of the Issuers' Regulation and the applicable Italian laws.

Any such offer, sale or delivery of the Offer Shares or distribution of copies of this Prospectus or any other document relating to the Offer in Italy must be in compliance with the selling restrictions under (i) and (ii) above and must be, in any event, made:

(a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter (r), of the Consolidated Financial Act), to the extent duly authorised to conduct such activities in Italy in accordance with the relevant provisions of the Consolidated Financial Act, Consob Regulation No. 20307 of February 15, 2018, the Consolidated Banking Act and any other applicable laws and regulations; and

(b) in compliance with any other applicable Italian securities, tax and exchange control laws and regulations and other applicable requirement or limitation which may be imposed by Consob, the Bank of Italy or by any other Italian regulatory authority from time to time.

Any investor purchasing the Offer Shares is solely responsible for ensuring that any offer or resale of the Offer Shares it purchased occurs in compliance with applicable laws and regulations. In accordance with Article 5 of the Prospectus Regulation and Article 100-*bis*, paragraph 1, of the Consolidated Financial Act, the subsequent resale on the secondary market in Italy of the Offer Shares (which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus) constitutes a distinct and autonomous offer that must be made in compliance with the public offer and prospectus requirement rules provided under the Consolidated Financial Act and the Issuers' Regulation unless an exemption applies. Failure to comply with such rules may result in the subsequent resale of such Offer Shares being declared null and void and in the liability of the intermediary transferring the Offer Shares for any damage suffered by the investors.

United Kingdom

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority, except that the Offer Shares may be offered in the United Kingdom to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time.

Further, the communication of any offer to the public of the Offer Shares, this Prospectus and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of FSMA. Accordingly, this Prospectus and any other material in relation to the Offer Shares described herein is not being distributed to, and must not be passed on to, the general public in the United Kingdom and is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with Relevant Persons. The Offer Shares are only available in the United Kingdom to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with, the Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each person in the United Kingdom who acquires any Offer Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Underwriters and their affiliates that it meets the criteria outlined in this section.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. The Offer Shares have not been offered or sold, or caused to be made the subject of an invitation for subscription or purchase. This Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares has not been circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Offer Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Offer Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

TAXATION

ITALIAN TAXATION

The following is a general summary of certain tax consequences in Italy of the purchase, holding and transfer of the Offer Shares pursuant to the Italian tax laws currently in force and in relation to specific classes of investors. This summary is for general information only and is not a tax advice. All prospective purchasers should consult their tax advisers as to the particular tax consequences to them of the acquisition, ownership and disposition of the shares, including the applicability and effect of state, local and non-Italian tax laws, treaties, and possible changes in tax law.

The following is not intended to be an exhaustive analysis of all the tax consequences of the purchase, holding and transfer of the Offer Shares for all the possible categories of investors.

The tax regime applicable to the purchase, holding and transfer of the Offer Shares, as described below, is based on the applicable Italian laws currently in force, as well as on the practices existing as of the date Prospectus Date, which are subject to any changes occurring after such date, which may be made on a retroactive basis. Neither the Company nor any other entity belonging to the Group will update this summary to reflect changes in law and, if any such change occurs, the information in this summary could be superseded.

Prospective investors should consult with their advisors on the tax regime applicable to the purchase, holding and transfer of the Offer Shares and should verify the nature and origin of the amounts received as distributions in connection with the Offer Shares (dividends or reserves).

Tax Regime* for *Dividends

Dividends allocated to the Offer Shares will be subject to the tax treatment ordinarily applicable to dividends paid by joint-stock companies resident in Italy for tax purposes.

The following different methods of taxation are provided for the different classes of recipients.

(i) Italian resident individuals non engaged in a business activity

Dividends received by individual shareholders who are resident in Italy for income tax purposes in connection with Offer Shares held otherwise than in connection with a business activity , are subject to a final substitute tax at the rate of 26% pursuant to Article 27-*ter*, Presidential Decree No. 600 of September 29, 1973 ("**Decree 600/1973**") and do not have to be reported in the shareholders' annual income tax return.

The 26% substitute tax may be withheld by any authorized resident or non-resident depository of the Offer Shares that is a member of the centralized deposit system managed by Monte Titoli S.p.A., as well as by members of foreign centralized deposit systems that participate in the Monte Titoli system (a "**Qualified Share Depository**").

Dividends paid to such individual shareholders, who have entrusted the management of their financial assets, including the Offer Shares, to an authorized intermediary and have expressly elected for the discretionary investment portfolio regime (the "**Discretionary Investment Portfolio Regime**") ruled by Article 7 of Legislative Decree No. 461 of November 21, 1997 (the "**Decree 461/1997**") are not subject to the tax regime described above, and are included in the computation of the accrued annual increase in value of the managed assets, subject to a 26% substitute tax withheld by the authorized intermediary.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not holding the Offer Shares in connection with a business activity, may be exempt from any taxation on dividends received on the Offer Shares if the Offer Shares are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

(ii) Italian Partnerships (Italian "società in nome collettivo", "società in accomandita semplice", "società semplici" and similar Italian partnerships as referred to in Article 5 CITA)

Dividends received by partnerships, such as Italian "*società in nome collettivo*", "*società in accomandita semplice*" and similar entities as referred to in Article 5 of the Consolidated Income Tax Act approved with Presidential Decree No. 917 of December 22, 1986 (the "**CITA**"), are partially included in the partners' overall taxable income and subject to ordinary taxation in its hands according to the taxable percentage as determined by law. In particular, such dividends are included for (i) 58.14% of their amount as to dividends paid out of profits realized in the tax years following the one in progress on December 31, 2016, (ii) 49.72% of their amount as to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2016, and (iii) 40% of their amounts as to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2007. For these purposes (taxation of the recipient), profits realized in the tax years up to the tax year in progress on December 31, 2007, and then profits realized in the tax years up to the tax year in progress on December 31, 2016 are deemed to be distributed first.

Dividends received by a non-business partnership (e.g. Italian "*società semplice*") are subject to tax under the tax regime applicable to the relevant partner (i.e., as if they were directly paid to each partner), based on the information provided by the non-business partnership pursuant to Article 32-*quater* of Law Decree No. 124 of October 26, 2019, as amended and supplemented.

(iii) Companies and other business entities referred to in Article 73(1)(a)-(b) CITA

Dividends received by companies or entities as referred to in Article 73 (1) (a) -(b) CITA, subject to the corporate income tax ("**IRES**"), such as joint stock companies, partnerships limited by shares, limited liability companies, public and private entities (other than companies) and trusts whose sole or principal purpose is to carry on a business activity, which are resident in Italy for income tax purposes, are not subject to any withholding or substitute tax and are included in the recipient's overall taxable income for an amount equal to 5% of the received dividend amount. If the recipient is a company applying the international accounting standards (IAS/IFRS), dividends arising from securities accounted for in the financial statements as held for trading purposes only, would be fully included in the recipient's total taxable income.

For some kinds of companies (by way of example, banks or insurance companies resident of Italy for tax purposes), and under certain conditions related to the classification of the dividends in the balance sheet, the dividends received will also be included for 50% of their amounts in the taxable income subject to the Regional Tax on Business Activities ("**IRAP**").

(iv) Non-business entities referred to in Article 73 (1)(c) CITA

Dividends received by non-commercial entities which are resident in Italy for income tax purposes, referred to in Article 73 (1)(c) CITA (including Italian resident trusts that do not carry out a business activity), except for Italian collective investment vehicles ("**OICR**"), are not subject to any withholding or substitute tax and are included in the recipient's overall taxable income for (i) 77.74% of their amount, with respect to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2016 and (ii) 100% of their amount, with respect to dividends paid out of profits realized in the tax years following that in progress on December 31, 2016.

For social security entities, subject to certain conditions (including minimum holding period requirement) and limitations, dividends and other income from the Offer Shares may be excluded from the taxable base if the social security entity earmarks the Offer Shares as eligible investment to the extent that the investment in the Ordinary Shares (including the Offer Shares) (and other qualifying shares or units in undertakings for collective investment investing mainly in qualifying shares) meets the requirements set forth under Italian tax law.

The 50% of the dividends paid to non-business entities referred to in Article 73 (1) (c) CITA will be excluded from their IRES taxable base provided that they: (i) exclusively or mainly carry out any of the qualifying non-profit activities listed in Article 1 (45) of Financial Act 2021, and (ii) earmark the related tax savings to a non-distributable reserve and use these resources to finance their non-profit activities.

(v) Exempt and "excluded" entities resident in Italy for tax purposes

Dividends received by Italian resident entities exempt from IRES are generally subject to substitute tax at a rate of 26% applied by the Qualified Share Depository. No Italian tax is instead withheld at source on dividends paid to persons that are outside the scope of IRES ("*esclusi*") under Article 74 (1) CITA.

(vi) Italian pension funds and OICR (other than Real Estate AIF)

Dividends received by Italian pension funds established pursuant to Article 17 of Legislative Decree No. 252 of December 5, 2005 ("**Italian Pension Funds**") are not subject to any withholding tax or substitute tax and are included in the annual net accrued results of such pension funds, which are subject to a substitute tax of 20%. Subject to certain limitations and requirements (including a minimum holding period), dividends received by certain pension funds may be exempt from any taxation if the investment meets the requirements set forth under Italian tax law.

Dividends received by Italian OICR, other than real estate investment funds and Italian real estate SICAFs (real estate alternative investment funds, "**Real Estate AIF**") are not subject to taxation at the level of the OICR.

(vii) Italian Real Estate AIF

Dividends paid to Real Estate AIF are not subject to withholding or substitute tax. Moreover, dividends are not subject to either IRES or IRAP at the level of the Real Estate AIF. However, in certain cases income realized by Real Estate AIF is attributed pro rata to Italian resident unitholders / shareholders, irrespective of any actual distribution, on a tax transparency basis.

(viii) Non-Italian resident shareholders that do not hold the Offer Shares through a permanent establishment in Italy

Dividends received by shareholders that are not resident in Italy for tax purposes and do not have a permanent establishment in Italy to which the Offer Shares are effectively connected, are subject to a final substitute tax at a 26% rate to be levied by the Qualified Share Depository with which the securities are deposited.

Subject to a specific application to the Italian tax authorities, non-resident holders are entitled to refund relief up to 11/26 (eleven twenty-sixths) of the tax levied in Italy, if they can demonstrate that they have paid final tax abroad on the same profits. Holders who may be eligible for the relief should consult with their own independent tax advisors to determine whether they are eligible for, and how to obtain, the tax refund.

As an alternative to the relief described above, persons resident in countries that have a double tax treaty in force with Italy may request that the tax withheld at source on dividends be levied at the (reduced) rate provided under the applicable tax treaty, subject to the timely and duly submission of the required treaty documentation to the withholding agent (including tax resident certificates released or stamped by the foreign tax authority).

If the relevant documentation has not been forwarded to the depository of the Offer Shares in advance of the dividend payment, dividends are subject to the final substitute tax levied at the rate of 26%. In such a case, the beneficiary is entitled to claim a refund of the difference between the applied Italian rate and the applicable conventional tax rate.

The domestic withholding tax rate on dividends is 1.20% if the recipients and beneficial owners of the dividends on Offer Shares are companies and entities that are (i) resident in an EU Member State, or a State that is part of the European Economic Area ("**EEA**") and is included in the list of States and territories allowing an adequate exchange of information with the Italian tax authorities according to the Ministerial Decree of September 4, 1996 ("**White List**") and (ii) subject to corporate income tax in their country of residence. The reduced tax rate only applies to dividends paid out of profits realized in the tax periods subsequent to that in progress on December 31, 2007. For these purposes, the relevant depository must timely receive a request for the application of the 1.20% withholding tax, which should include a certificate from the tax authorities of the beneficial owner's country of residence stating that the beneficial owner is (i) a resident of that country for tax purposes; (ii) subject to tax in that country.

The domestic withholding tax rate on dividends is 11% (and not 26%) on dividends paid out to pension funds that are set up in an EU Member State or in an EEA State included in the White List. This substitute tax may be withheld by the Qualified Share Depository. For the purposes of the application of the 11% substitute tax, foreign pension funds will be required to promptly file a specific application to the depositary of the shares due to apply the substitute tax, accompanied by appropriate documentation. These pension funds are not entitled to the relief described above. An exemption from withholding taxation/substitute tax may apply on dividends if the pension fund is set up in an EU Member State or an EEA Member State included in the White List and certain requirements set out in the law are met.

The above-mentioned 26% substitute tax will not be applied in the event of dividends distributed in favour of foreign undertakings for collective investment which comply with European Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 (UCITS Directive), and to undertakings for collective investment which do not comply with the aforesaid Directive 2009/65/EC, whose manager is subject to regulatory supervision in the foreign country in which it is established in accordance with European Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 (AIFM Directive), established in an EU Member States or an EEA State t included in the White List.

According to Article 27-*bis* of Decree 600/1973, approved in accordance with EU Council Directive 90/435/EEC of July 23, 1990 (the "**Parent-Subsidiary Directive**"), as amended by the EU Council Directive 123/EC of December 22, 2003, a company is entitled to full refund of the tax withheld at source on the dividends if (a) takes one of the legal forms listed in the annex to the Parent-Subsidiary Directive, (b) is resident for income tax purposes in a EU Member State without being considered to be resident for tax purposes outside the EU according to a double tax treaty signed with a non-EU country, (c) is subject in the country of residence to one of the taxes listed in the annex to the Parent-Subsidiary Directive, without benefiting from an optional or exemption regimes other than those subject to temporal or territorial limits, and (d) directly holds Offer Shares that represent an interest in the issued outstanding capital of the Company of no less than 10% for an uninterrupted period of at least one year. For the purposes of the tax refund, the non-Italian resident company should submit (i) a certificate issued by the tax authorities of its country of residence stating that the conditions under letters (a), (b) and (c) above are met, and (ii) a declaration confirming that the condition under letter (d) above has been satisfied. The non-Italian resident company – provided that the one year minimum holding period has already expired when the dividend is paid – can directly request to the depository of the shares not to apply the 26% substitutive tax by submitting, within the payment date of the dividends, the same documents indicated above. The withholding exemption under Article 27-*bis* of Decree 600/1973 may be denied by the Italian tax authorities in abusive situations pursuant to the Italian statutory general anti-abuse rule (Article 10-*bis* of Law No. 212 of July 27, 2000).

Under the agreement between the European Union and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments, the withholding tax refund / exemption regime described above also applies to dividends paid to a company that (a) is resident for tax purposes in Switzerland without being considered to be resident outside Switzerland according to a double tax treaty signed with a non-EU country, (b) is a limited company, (c) is subject to Swiss corporate tax without being exempted or benefiting from preferential tax regimes, and (d) directly owns Offer Shares that represent an interest in Company's issued and outstanding capital of no less than 25%for an uninterrupted period of at least two years.

Dividends distributed to international entities or bodies that benefit from exemptions from taxation in Italy pursuant to international rules or treaties entered into force in Italy will not be subject to withholding tax.

Tax Regime for Capital Gains Realized Upon Transfer of Offer Shares

The tax regime summarized in this subsection "Tax Regime for Capital Gains Realized Upon Transfer of Offer Shares" applies only to classes of holders of Offer Shares that are described here below.

(i)Italian resident individuals not carrying out business activities

Capital gains realized by individual resident in Italy for tax purposes, not in the exercise of a business activity, upon transfer for consideration of the Offer Shares are subject to substitute tax at a rate of 26% ("**CGT**"). The taxpayer may opt for one of the following three regimes:

(a) *Taxation under tax return regime ("regime della dichiarazione")*. Under the tax return regime, which is the standard regime for taxation of capital gains realized by Italian resident individuals not carrying out a business activity, CGT will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss of the same nature CGT must be paid within the deadline for the payment of the balance income tax due on the basis of the tax return. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realized in the following four years, provided that such capital losses are reported in the tax return of the year when they were realized. The tax return method is that the default regime if the taxpayer does not choose one of the two alternative regimes described in (b) and (c) below.

(b) *Non-discretionary investment portfolio regime ("risparmio amministrato")* (optional). Italian resident individuals holding Offer Shares otherwise than in connection with business activity may elect to pay CGT separately on capital gains realized on each transfer of the Offer Shares. Such separate taxation of capital gains is allowed provided (i) the Offer Shares being deposited with Italian banks, SIMs or certain authorized financial intermediaries; and (ii) an express election by the relevant shareholder for the *risparmio amministrato* regime being made in writing in due time. Under the *risparmio amministrato* regime, the financial intermediary is responsible for accounting for and paying (on behalf of the taxpayer) CGT in respect of capital gains realized on each transfer of the Offer Shares (as well as in respect of capital gains realized at revocation of its mandate), net of any relevant incurred capital losses. The intermediary is required to pay the due amount of tax to the Italian tax authorities on behalf of the taxpayer, by deducting a corresponding amount from proceeds to be credited to the shareholder or using funds provided by the shareholder for this purpose. Under the *risparmio amministrato* regime, where a transfer of the Offer Shares results in capital loss, such loss may be deducted from capital gains of the same nature subsequently realized within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under this regime, the shareholder is not required to declare capital gains in its annual tax return.

(c) *Discretionary investment portfolio regime (“risparmio gestito”)* (optional). Any capital gains accrued on Offer Shares held otherwise than in connection with business activity by Italian resident individuals who have entrusted the management of their financial assets, including the Offer Shares, to an authorized intermediary and have elected for the *risparmio gestito* regime will be included in the computation of the annual increase in value of the accrued managed assets result, even if not actually received, at year end, which is subject to CGT to be applied on behalf of the taxpayer by the managing authorized intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward and offset against increase in value of the managed assets accrued in any of the four following tax years. Under the *risparmio gestito* regime, the shareholder is not required to report capital gains realized in its annual tax return.

Moreover, subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not holding the shares in connection with a business activity, may be exempt from any taxation on capital gains realized on the sale of a Non-Qualified Shareholding if the Offer Shares are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

(ii) Italian partnerships (Italian “società in nome collettivo,”, “società in accomandita semplice” and similar Italian partnerships as referred to in Article 5 CITA)

Capital gains realized by Italian business partnerships (Italian “*società in nome collettivo*,” “*società in accomandita semplice*” and similar Italian partnerships as referred to in Article 5 CITA) upon transfer for consideration of the Offer Shares must be fully included in the overall business and reported in the income tax return. Capital losses (or other negative items of income) derived by this class of holders upon transfer for consideration of the Offer Shares would be fully deductible from the holder’s income.

However, if the conditions under (a) and (b) of subparagraph (iii) below are met, only 49.72% of the capital gain should be included in the overall business income (based on a different interpretation, a 58.14% inclusion of the capital gains that meet the above-mentioned conditions should apply also to business partnerships)). Capital losses realized on Offer Shares that meet the above-mentioned conditions under (a) and (b) of subparagraph (iii) below are only partially deductible (similarly to what is provided for the taxation of capital gains).

For the purpose of determining capital gains and capital losses, the holder’s tax basis in the Offer Shares is reduced by any write-down that the holder has deducted in previous tax years.

(iii) Companies and other business entities referred to in Article 73(1)(a)-(b) CITA

Capital gains realized by companies or entities as referred to in Article 73 (1)(a) - (b) CITA (including partnerships limited by shares and public and private entities whose sole or primary purpose is carrying out business activity) upon transfer for consideration of the Offer Shares are fully included in their taxable income and are subject to IRES according to the ordinary rules. For the purpose of determining capital gains and capital losses, the holder’s tax basis in the Offer Shares is reduced by any write-down that the holder has deducted in previous tax years.

If the Offer Shares were held and accounted for as fixed financial assets in the three-year period preceding the disposal, the shareholder may elect to spread any realized gain on a straight-line basis across a maximum five-year period starting from the fiscal year in which the gain is realized and the following four pursuant to Article 86 (4) CITA.However, pursuant to Article 87 CITA (participation exemption), capital gains arising from the disposal of the Offer Shares are tax-exempt for 95% of such capital gains, whereas the remaining 5% is included in the shareholders' taxable income and is subject to IRES (the so-called participation exemption regime), if the following conditions are met:

(a) the Offer Shares are held, without interruption, from the first day of the twelfth month prior the transfer (the most recently purchased shares being deemed to have been sold first);

(b) the Offer Shares have been booked as non-current financial assets in the first financial statements closed during the holding period. To parties who prepare their financial statements in accordance with IAS/IFRS international accounting standards, the shares not accounted as "held for trading" are deemed as fixed financial assets;

The Italian law lays down certain additional conditions for the exemption to be available. Based on the assumption – to be verified at the time the capital gain is realized – that the Company is a holding company, that its shares are listed on a regulated market, and that pursuant to Article 87 (5) CITA its assets are predominantly composed of shareholdings in companies which satisfy the additional conditions set forth by Article 87 CITA in order to benefit from the participation exemption regime (i.e., the companies are not resident in a State with a preferential tax system and carry on a business activity), these additional conditions should be met.

The transfer of shares booked as non-current financial assets and shares booked as inventory must be considered separately with reference to each class. If the requirements for the participation exemption are met, any capital loss realized on the Offer Shares cannot be deducted.

Capital losses and negative differences between revenue and costs relating to shares that do not meet the participation exemption requirements are not relevant (and cannot be deducted) to the extent of the non-taxable amount of dividends, or of accounts thereof, received by the holder in the 36 months prior to their transfer (dividend washing rule). This provision applies with reference to shares acquired during the 36-month period prior to the realization of capital losses or negative differences, provided that requirements under Article 87(1)(c)-(d) CITA (i.e., the company is not resident in a State with a preferential tax system and carries on a business activity) are met; such a provision does not apply to parties who prepare their financial statements in accordance with IAS/IFRS international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and Council of July 19, 2002. When the amount of the aforesaid capital losses (and negative differences) deriving from a transaction (or a series of transactions) on shares traded on regulated markets is greater than €50,000, the taxpayer must, under certain circumstances report the data and the information regarding the transaction to the Italian tax authorities in the tax return.

Moreover, the data and the information relating to capital losses in excess of €5,000 thousand, deriving from the transfer (or a series of transfers) of shares accounted for as fixed financial assets, must be included in the recipient's tax return. Such an obligation does not apply to parties who prepare their financial statements in accordance with IAS/IFRS international accounting standards.

The lack of full compliance with such reporting rules entails a tax penalty of 10% of the undeclared capital losses (minimum €500—maximum €50,000).

Under certain conditions, capital gains on the Offer Shares realized by certain companies and commercial entities are also subject to IRAP, at ordinary rates.

(iv) Non-business entities referred to in Article 73(1)(c) CITA and non-business partnerships referred to in Article 5 CITA , which are resident in Italy for tax purposes

Capital gains realized, outside the scope of a business activity, on the sale or disposal of the Offer Shares by Italian-resident non-business entities referred to in Article 73(1)(c) CITA (other than OICR), trusts and Italian non-business partnerships as referred to in Article 5 CITA are subject to the tax regime described in connection with capital gains realized by Italian resident individuals who do not hold the Offer Shares in connection with a business activity. For a short description of a favourable regime available to certain social security entities, see subparagraph (iii) of the subsection "*Taxation of Dividends*" above.

(v) Italian Pension Funds and OICR (other than Real Estate AIF)

Capital gains realized by Italian Pension Funds are subject to the same tax regime described under the paragraph relating to the taxation regime of dividends received by such funds, above (*Tax Regime for Dividends—(vi) Italian pension funds and OICR (other than Real Estate AIF*)). Subject to certain limitations and requirements (including a minimum holding period), capital gains realized by certain pension funds may be exempt from any taxation if the shares meet the requirements set forth under Italian tax law.

Capital gains realized by Italian resident OICR that are set up in, and organized under the laws of, Italy and that are subject to regulatory supervision (other than Real Estate AIF) are not subject to tax at the level of the OICR.

(vi) Italian Real Estate AIF

Capital gains on Offer Shares held by Italian Real Estate AIF are not subject to IRES or IRAP at the level of the Real Estate AIF.

(vii) Non-resident persons not holding the Offer Shares through a permanent establishment in Italy

Capital gains realized by non-Italian resident shareholders without a permanent establishment in Italy, through which the relevant Offer Shares are held, from the (a) sale of Offer Shares, including rights or securities through which shares may be acquired, which do not represent either (i) more than 2% of the overall voting rights exercisable at ordinary shareholders' meetings or (ii) an interest in the share capital or equity of over 5% ("**Non Qualified Shareholdings**") are not subject to taxation in Italy pursuant to Article 23 CITA, even if the Non Qualified Shareholdings ("**Qualified Shareholdings**") are held in Italy and regardless of the provisions set forth in any applicable double tax treaty. In such case, in order to benefit from this exemption, non-Italian resident holders who hold the Offer Shares with an Italian authorized financial intermediary and either are subject to the nondiscretionary investment portfolio regime or have elected for the discretionary investment portfolio regime may be required to timely submit to the Italian authorized financial intermediary an affidavit whereby they state that they are not resident in Italy for tax purposes; or (b) Sale of Offer Shares other than Non-Qualified Shareholdings will be subject to the same regime provided for Italian resident individuals not carrying out business activities described above (*Tax Regime for Capital Gains Realized Upon Transfer of Offer Shares—(i) Italian resident individuals not carrying out business activities*). In any case, the provisions of double tax treaties entered into by Italy may apply if more favourable.

The CGT on capital gains deriving from the disposal of Qualified Shareholdings realized by undertakings for collective investment which comply with European Directive 2009/65/EC of the European Parliament and of the Council of July, 13, 2009 (UCITS Directive), and by undertakings for collective investment, established in an EU Member States or a EEA State included in the White List, which do not comply with the aforesaid Directive 2009/65/EC, whose manager is subject to regulatory supervision in the foreign country in which it is established in accordance with European Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 (AIFM Directive), will not be applied.

The tax regime described above will not prevent the application, if more favourable to the taxpayer, of any different provisions of any applicable convention against double taxation with Italy. Most conventions against double taxation entered into by Italy provide that capital gains realized on the disposal of shares are subject to tax only in the country of residence of the seller. In a such case, the capital gains realized by non-resident shareholders on the disposal of the Offer Shares will not be subject to tax in Italy.

Transfer Tax

Contracts or other legal instruments regulating to the transfer of securities (including the Offer Shares) are subject to Italian registration tax as follows: (i) notarial deeds (*atti pubblici*) and private agreements authenticated by a public official (*scritture private autenticate*) executed in Italy must mandatorily be registered with the Italian tax authorities and are subject to €200.00 registration tax; and (ii) private deeds (*scritture private*) are subject to €200.00 registration tax only if they are voluntary filed for registration with the Italian tax authorities or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Financial Transaction Tax ("Tobin Tax")

A financial transaction tax (the "**Financial Transaction Tax**") shall apply, among other things, on the transfer of (i) property rights in shares and participating financial instruments issued pursuant to Article 2346 (6) of the Italian Civil Code by companies having their registered office in Italy, and (ii) securities representing the shares and instruments indicated under (i) above, irrespective of the residence of the Company. The Financial Transaction Tax also applies for the transfer of the bare ownership of the aforementioned assets.

The Financial Transaction Tax applies on the transfer of the above-mentioned shares and financial instruments, irrespective of the residence of the parties involved and/or the place of execution of the relevant transaction, at a rate of 0.20%, reduced to 0.10% for transactions executed on regulated markets and on multilateral trading facilities.

The Financial Transaction Tax is applied on the transaction value, equal to (i) the net balance of transactions regulated on a daily basis, calculated for each liable person with reference to the number of securities traded on the same day and relating to the same financial instrument, or (ii) the transfer price agreed by the parties. The Financial Transaction Tax is due by the transferee of the relevant financial instruments and is generally levied by any financial intermediary intervening in the transaction and has to be paid on or before the 16th day of the month following the one in which the ownership was transferred.

The Financial Transaction Tax does not apply to transfers of ownership of shares executed by way of inheritance or gift, and also, among others, to: (i) issuance of new shares; (ii) temporary transfers relating to "securities financing transactions" pursuant to Article 2 (10) of Commission Regulation (EC) No 1287/2006; (iii) transfers executed by statutory social security institutions and Italian Pension Funds ; (iv) transfers of shares between controlling/controlled companies or companies under a common control; and (v) transfers of ownership of shares arising from restructuring operations or from mergers and spin-offs of collective investment undertakings. Other exclusions or exemptions from the Financial Transaction Tax may apply under certain conditions set forth under Italian tax law.

The Financial Transaction Tax does not apply also to the transfers of shares listed on regulated markets or in multilateral trading facilities issued by companies with an average market capitalization lower than €500 million, as recorded in November of the year preceding the year in which the shares are transferred.

The Financial Transaction Tax is not deductible for income tax purposes, including their substitute taxes, as well as for IRAP purposes.

Please note that the Financial Transaction Tax also applies to transfer of certain derivative financial instruments, and so-called "high frequency trading" transactions occurred on the Italian financial market.

Stamp Duty

Subject to certain conditions, a stamp duty (*imposta di bollo*) may be due, at the rate of 0.2% on the market value of the Offer Shares, in connection with the periodic reporting communications sent by financial intermediaries to their clients with respect to any financial instruments (such as the Offer Shares), if deposited with an Italian resident financial intermediary or with an Italian permanent establishment of a foreign financial intermediary.

The stamp duty cannot exceed €14,000 for taxpayers different from individuals.

Based on the wording of the law and the implementing decree, the 0.20% stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or - in the lack thereof - the nominal value or the redemption amount of any financial product.

Wealth Tax on Financial Products Held Abroad

Individuals, non-business entities and non-business partnerships (in particular, *società semplici* or similar partnerships in accordance with Article 5 CITA) resident in Italy for tax purposes holding financial products (including shares) are required to pay a wealth tax at the rate of 0.20 percent. The wealth tax applies on the market value at the end of the relevant year or - in the lack thereof - on the nominal value or the redemption value of such financial products held outside of Italian territory. The wealth tax cannot exceed €14,000 per year for investors other than individuals.

Taxpayers may deduct from the Italian wealth tax a tax credit equal to any wealth tax paid in the country where the financial products are held (up to the amount of the Italian wealth tax due).

Details of the financial activities held abroad have to be inserted in the income tax return to be filed in Italy by the above-mentioned individuals and entities.

Certain Reporting Obligations for Italian Resident Holders

Individuals, non-business entities and non-business partnerships (in particular, *società semplici* or similar partnerships in accordance with Article 5 CITA) that are resident in Italy for tax purposes are required, in certain circumstances, to disclose in their income tax return (or if the income tax return is not due, in a proper form that must be filed within the same term as prescribed for the annual income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000.00 throughout the year). The requirement applies also if the persons above, not being the direct holder of the financial assets, are the beneficial owners thereof for the purposes of anti-money laundering legislation. No disclosure requirements exist for financial assets (including the Offer Shares) under management or administration entrusted to Italian resident intermediaries (Italian banks, broker-dealers (SIM), fiduciary companies or other professional intermediaries) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such assets and contracts have been subjected to Italian withholding tax or substitute tax by such intermediaries.

Inheritance and Gift Tax

Subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights (including the Offer shares) (i) by reason of death or donations by Italian residents, even if the transferred assets are held outside Italy, and (ii) by reason of death or donations by non-Italian residents, but limited to transferred assets held in Italy (which are presumed by law to include shares of Italian resident companies).

Subject to certain exceptions, transfers of assets and rights (including the Offer Shares) on death or by gift are generally subject to inheritance and gift tax:

- at a rate of 4% in case of transfers made to the spouse or relatives in direct line, on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, €1,000,000;
- at a rate of 6% in case of transfers made to certain other relatives (in the case of transfers to brothers or sisters, the 6% rate is applicable only on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, €100,000); and
- at a rate of 8% in any other case.

If the beneficiary of any such transfer is an individual with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance or gift tax is applied only on the value of the asset transferred in excess of €1,500,000 at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

Subject to certain conditions, no inheritance or gift tax applies on certain transfers of the Offer Shares whereby a controlling shareholding pursuant to Article 2359 (1) of the Italian Civil Code is acquired or complemented. Assets and rights (i) segregated in a trust, or (ii) allocated to special funds by entering into a fiduciary contract, or (iii) encumbered by special purpose liens under Article 2645-*ter* of the Italian Civil Code, in favour of persons with severe disabilities are exempt from the Italian inheritance and gift tax, provided that all the conditions set out in Article 6 of Law No. 112 of June 22, 2016 are met. The exemption from Italian inheritance and gift tax also applies to the re-transfer of assets and rights if the death of the beneficiary occurs before the death of the settlor.

No inheritance tax applies if the Offer Shares are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth by the Italian tax law.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) of an investment in Ordinary Shares (including the Offer Shares). This summary applies only to U.S. Holders that acquire Ordinary Shares in exchange for cash in this offering, hold Ordinary Shares as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this document, including the Code, and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this document, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this document are not binding on the U.S. Internal Revenue Service, or the IRS, or any court, and thus we can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences, the alternative minimum tax or the Medicare tax on net investment income or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as: (i) banks and certain other financial institutions; (ii) regulated investment companies; (iii) real estate investment trusts; (iv) insurance companies; (v) broker-dealers; (vi) traders that elect to mark to market; (vii) tax-exempt entities; (viii) persons liable for alternative minimum tax; (ix) U.S. expatriates; (x) persons holding Ordinary Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction; (xi) persons that actually or constructively own 10% or more of the Company's stock (by vote or value); (xii) persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States; (xiii) persons who acquired Ordinary Shares pursuant to the exercise of any employee share option or otherwise as compensation; (xiv) persons subject to special tax accounting rules as a result of any item of gross income with respect to the Ordinary Shares being taken into account in an applicable financial statement; or (xv) persons holding Ordinary Shares through partnerships or other pass-through entities.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ORDINARY SHARES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Ordinary Shares that, for U.S. federal income tax purposes, is or is treated as: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source; or (iv) a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Ordinary Shares generally will depend on such partner's status and the activities of the partnership. A partner in such partnership should consult its tax advisor regarding the U.S. federal income tax consequences to it.

Dividends and Other Distributions on Ordinary Shares

Subject to the passive foreign investment company considerations discussed below, the gross amount of distributions made by the Company with respect to Ordinary Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year received, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles and does not expect to do so in the future, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends paid to a non-corporate U.S. Holder may be treated as "qualified dividend income" eligible for the lower capital gains tax rate with respect to non-corporate U.S. Holders, provided certain holding period requirements are met, the Company is not a PFIC (as discussed below) for the taxable year in which the dividend is paid and for the preceding taxable year, and the Company is eligible for the benefit of the income tax treaty between Italy and the United States, or the Treaty. U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends with respect to distributions on the Ordinary Shares in light of their particular circumstances.

Subject to certain complex conditions and limitations, any foreign taxes withheld on any distributions on the Ordinary Shares may be eligible for credit against a U.S. Holder's federal income tax liability. Recently issued final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable. In lieu of claiming a credit, a U.S. Holder may be able to take a deduction for such taxes if, among other things, such U.S. Holder does not elect to claim a foreign tax credit for any other non-U.S. taxes paid or accrued during the taxable year. An election to deduct foreign taxes instead of claiming foreign tax credits must be applied to all foreign taxes paid or accrued in the U.S. Holder's taxable year. The rules relating to the determination of the foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances, including the effects of the Treaty.

Sale or Other Taxable Disposition of Ordinary Shares

Subject to the passive foreign investment company considerations discussed below, upon a sale or other taxable disposition of Ordinary Shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized (including the amount of non-U.S. taxes withheld threrefrom, if any) and the U.S. Holder's adjusted tax basis in such Ordinary Shares. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the Ordinary Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Ordinary Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. Because a U.S. Holder may use foreign tax credits against only the portion of United States federal income tax liability that is attributed to foreign source income in the same category, a U.S. Holder's ability to utilize a foreign tax credit with respect to the foreign tax imposed on any such sale or other taxable disposition, if any, may be significantly limited. The Final FTC Regulations that apply to foreign income taxes paid or accrued in taxable years beginning on or after December 28, 2021, further restrict the availability of any such credit. U.S. Holders are urged to consult their tax advisors regarding the creditability of any such tax.

If the consideration received upon the sale or other taxable disposition of the Ordinary Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of taxable disposition. If the Ordinary Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis taxpayer that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute U.S.-source ordinary income or loss.

If a U.S. Holder used foreign currency to purchase the Ordinary Shares, the cost of such Ordinary Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Ordinary Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. Holder will determine the U.S. dollar value of the cost of such Ordinary Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

The Company will be classified as a passive foreign investment company, or a PFIC, for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Based on the composition of the income, assets and operations of the Company and its subsidiaries, the Company does not believe that it was a PFIC for its most recent taxable year, and the Company does not expect to be a PFIC for the current taxable year. This is a factual determination, however, that can only be made annually after the close of each taxable year, and we cannot assure you that the Company will not be classified as a PFIC for the current taxable year or any future taxable year.

If the Company is considered a PFIC at any time that a U.S. Holder holds Ordinary Shares, a U.S. Holder could be subject to materially adverse U.S. federal income tax consequences with respect to certain distributions on, and any gain recognized by the U.S. Holder on a sale or other disposition of, the Ordinary Shares.

If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in Ordinary Shares (including the Offer Shares).

Information Reporting and Backup Withholding

Dividend payments with respect to Ordinary Shares and proceeds from the sale, exchange or redemption of Ordinary Shares may be subject to information reporting to the IRS and U.S. backup withholding. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Ordinary Shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for Ordinary Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Ordinary Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN ORDINARY SHARES (INCLUDING THE OFFER SHARES) UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

GENERAL INFORMATION

Domicile, legal form and incorporation

The Company's legal and commercial name is EuroGroup Laminations S.p.A. The Company is a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy. The Company is registered with the Companies Register of Milano – Monza – Brianza – Lodi under number 05235740965 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1805877. The Company's telephone number is +39 02 350001. The Company's Legal Entity Identifier ("**LEI**") is 8156004FC8565D73AE78. The Ordinary Shares' International Security Identification Number ("**ISIN**") is IT0005527616. The Company's website is www.euro-group.it. The information contained on the Company's website through hyperlinks is not part of this Prospectus and has not been checked or approved by the competent authority unless it is incorporated by reference into this Prospectus.

Independent auditors

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS. The Consolidated Financial Statements have been approved by the Board of Directors on November 18, 2022, and audited by the Independent Auditors.

The Interim Condensed Consolidated Financial Statements of the Group have been prepared in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. The Interim Condensed Consolidated Financial Statements have been approved by the Board of Directors on November 18, 2022, and reviewed by the Independent Auditors. The Interim Condensed Consolidated Financial Statements include, for comparative purposes, the Group's financial information as of September 30, 2021, which has not been subject neither to a full nor to a limited review.

The Independent Auditor, Deloitte, is an independent audit firm whose registered office is Via Tortona 25, 20144 Milan, Italy and it is registered under No.132587 in the Register of Accountancy Auditors (Registro dei revisori Legali) held by the Italian Ministry of Economics and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010.

The Company's separate financial statements for the year ended on December 31, 2019 were audited by the independent auditor Vincenzo Truppa, a partner of the professional firm Studio Truppa Medici with registered office at Via Trivulzio no. 1, 20146 Milan, who expressed his opinion without qualification or rejection. By resolution of December 21, 2020, the Company's Shareholders' Meeting appointed the Independent Auditors to perform the statutory audit of the Company's separate and consolidated Financial Statements, as well as to verify that the company's accounts are properly kept and that the operating events are correctly recorded in the accounting records, for the financial years 2020-2022, pursuant to Legislative Decree No. 39 of January 27, 2010, as amended by Legislative Decree No. 135 of July 17, 2016 - Implementation of Directives 2006/43/EC and 2014/56/EU and contestually resolved upon the consensual termination of the audit mandate previously granted to Vincenzo Truppa on April 11, 2019.

On November 18, 2022, the Company's Shareholders' Meeting, in view of the listing and the consequent assumption of the status of public interest entity pursuant to Article 16 of Legislative Decree No. 39 of January 27, 2010, as amended, resolved to grant the Independent Auditors, effective as of the First Trading Date, a mandate for the legal audit of the accounts for: (i) the legal audit of the accounts (including the verification of the regularity of the book-keeping and the correct recording of operating events in the accounting records) pursuant to Articles 13 and 17 of Legislative Decree No. 39 of 2010 for the financial years 2022-2030, in relation to the Company's separate Financial Statements and the Group's Consolidated Financial Statements; and (ii) the review of the Interim Consolidated Financial Statements of the Group as of and for the six months ended June 30 of the financial years 2022-2030.

The Consolidated Financial Statements were audited by the Independent Auditors, who expressed their opinion without qualification or rejection. The Independent Auditors also reviewed the Interim Condensed Consolidated Financial Statements for the period ended on September 30, 2022 and expressed an unqualified review report on said financial statements.

During the three years ended December 31, 2021, 2020 and 2019 and up to the Prospectus Date, the Issuer has not received any communication from its auditors regarding significant deficiencies in the internal control system, nor regarding significant errors or omissions, which have emerged in the performance of their findings.

Paying agent

The paying and depository services related to the Ordinary Shares will be carried out on behalf of the Company by Computershare S.p.A., based in Milan, Via Lorenzo Mascheroni, 19.

No significant change

As of the Prospectus Date, there has been no significant change in the financial performance and the financial position of the Group since September 30, 2022.

Options or preferential rights in respect of Ordinary Shares

Save as disclosed under "*Management, Employees and Corporate Governance—Long term incentive plans*", or in the furtherance of, or related to, the Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any securities in the Company.

Expenses

The costs and expenses related to the Offer and Admission are estimated at approximately €5,100 thousand and include, among other items, the fees due to Consob and Borsa Italiana S.p.A., legal and administrative expenses, as well as publication costs, if any. Such costs and expenses will be borne by the Company. The underwriting commissions due to the Underwriters, up to 3.5% of the gross proceeds of the Offer (including from the sale of any Over-Allotment Shares), will be borne by the Company and the Selling Shareholders *pro rata* to the Offer Shares sold by them in the Offer.

Available documents

For the period of validity of the Prospectus, copies of the following documents will be available to the public for consultation at the Company's registered office (Via Stella Rosa no. 48, 20021 - Baranzate (MI), Italy), as well as on the Company's website (www.euro-group.it) in the "Investors" section:

- Company's Post-IPO by-laws (in Italian, and an unofficial English translation);
- Interim Condensed Consolidated Financial Statements of the Group for the period ended on September 30, 2022 (in both Italian and English versions) and the related review report, prepared in accordance with IAS 34 as adopted by the European Union, and have been reviewed by the Independent Auditors;

- Consolidated Financial Statements of the Company for the years ended on December 31, 2021, 2020 and 2019 (in both Italian and English versions) and the related audit reports, prepared in accordance with IFRS and have audited by the Independent Auditors;
- Prospectus;
- Italian translation of the summary note (*nota di sintesi*); and
- Draft of the Procedure for Related Parties Transactions.

Incorporation by reference

The Company's Post-IPO by-laws (the official Italian version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Post-IPO by-laws can be obtained free of charge from the Company's website (www.euro-group.it) in the "Corporate Governance" section.

No incorporation of website

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. The information on the website, (www.euro-group.it), including websites accessible from hyperlinks on that website, does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Provision of information

For so long as Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, in order to preserve the exemption for resales and transfers under Rule 144A, the Company will during any period in which the Company is neither subject to section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting requirements of the U.S. Exchange Act.

GLOSSARY

Below is a list of the technical terms used in this Prospectus. Unless otherwise specified, such terms have the meanings set forth below. Whenever the context so requires, the singular form of such terms shall also include a reference to the plural form, and vice-versa.

Associate	An entity over which an investor has significant influence (i.e. having the power to participate in the financial and operating policy decisions of the investee), but over which it does not have control or joint control.
ABS or anti-lock braking system	Safety anti-skid braking system which operates by preventing the wheels from locking up during braking, thereby maintaining tractive contact with the road surface and allowing the driver to maintain more control over the vehicle.
Alternator	Electrical generator that converts mechanical energy to electrical energy in the form of alternating current.
Annealing	Heat treatment process that alters the microstructure of a material to change its mechanical or magnetic properties.
Annealing furnaces	Heat treatment devices mostly used for annealing electrical steel.
APAC	Acronym for Asia Pacific.
Automotive	Branch of vehicle engineering that focuses on the application, design and manufacturing of various types of automobiles
BEV	Battery electric vehicle.
Big Data	Data sets that are too large or complex to be dealt with by traditional data-processing application software
Blanking	Metal production process, during which a metal workpiece is removed from the primary metal strip or sheet when it is punched. The material that is removed is the new metal workpiece or blank.
Blanking laminations	Laminations obtained from blanking.
Blanking machines	Machines used for blanking.
Blanking press	Press used for blanking.
Bluing	Metal finishing process that provides some protection from corrosion, and improves lamination insulation.
Bonding	Process to glue together two separate laminations.
Carbide	Composite material based on tungsten carbide in a cobalt binder.

Cold rolled steel	Hot rolled steel that has been further processed by being allowed to cool at room temperature and annealed or temper rolled.
Compound blanking	Blanking with a compound die.
Compound dies	Dies which produce a complete blank in one station at every stroke of the press. They perform one or more operations at the same time.
Compound moulds	Moulds which produce a complete die cast in one station at every injection of the poison. They perform one or more operations at the same time.
Conveyor belts	Continuous moving strip or surface that is used for transporting objects from one place to another.
CRU	Index which consists of an established price benchmark for U.S. midwest domestic hot-rolled coil steel and which analyses the supply and demand for steel and determines its price through process.
Cylindrical surface grinding	Grinding process mainly used for grinding rotationally symmetrical workpieces.
Data Warehouse	System used for report creation and data analysis.
Dies	Specialized machine tool used in manufacturing industries to cut and/or form material to a desired shape or profile.
Die-casting	Process in which objects of a particular shape are produced by forcing a molten material into a mould under pressure.
Die-casting mould	Mould used for die-casting. The mould cavity is created using two hardened tool steel dies which have been machined into shape and work similarly to an injection mould during the process.
Double-row die	Die built to produce two laminations per strokes.
Earth free synchronous reluctance machine	Electrical rotating machine that converts the electrical power into mechanical power, without rare earth magnets.
Earth-moving machines	Equipment mechanics specialized in the mechanical work required on heavy machinery used for the construction of highways, dams, airports, pipelines and in mining operations.
Electric power steering motor	System that uses an electric motor to assist the driver of a vehicle, unlike traditional systems that act on hydraulic pressure provided via a pump driven by the vehicle's engine.
Electrical discharge machining (EDM)	Metal fabrication process whereby a desired shape is obtained by using electrical discharges (sparks). Machine used to work hard material like carbide, based on electrical discharge process.

Electrical gates	Gates which operate electrically.
Electrical shutters	Shutters which operate electrically.
Electrical steel *or* NGO (non-grain oriented) steel	Iron alloy tailored to produce specific magnetic properties: small hysteresis area resulting in low power loss per cycle, low core loss, and high permeability.
Electrical steel lamination	Constituent part of every electric motor. Thin sheet of ferromagnetic material used in the construction of parts of electrical machines and apparatus intended to be passed through by a magnetic flux.
Electric vehicle (EV)	Vehicle that uses one or more electric motors for propulsion.
Electric vehicle traction system	Locomotion in which the driving (or tractive) force is obtained from electric motors.
EMEA	Acronym for Europe, Middle East and Africa.
Engine cooling system	System responsible for keeping the motor at a stable temperature to avoid damage to the vehicle.
Forklift	Vehicle with two metal bars fixed on the front, used for lifting and carrying piles of goods.
Fully processed NGO steel	Steel whose magnetic and mechanical properties have been completely developed by the steel producer, that does not require annealing after blanking.
Full stack core loss-based specification	Definition of full size core magnetic performance specification for highly efficient motor design.
Geared motor	Component whose mechanism adjusts the speed of the motor, leading them to operate at a certain speed.
Generator	Device that converts mechanical energy obtained from an external source into electrical energy as the output.
GlueBrick	Out of die device allowing the adhesive assembly of segmented lamination or sub-stacked segments into core stacks.
GlueRail	Device allowing controlled surface deposition of adhesive material by continuous monitoring of mist particle's size, fluid pressure and nozzle frequency.
Grinding	Abrasive machining process that uses a grinding wheel or grinder as the cutting tool. Grinding is a subset of cutting, as grinding is a true metal-cutting process.
Grinding machines	Power tool (or machine tool) used for grinding. It is a type of machining using an abrasive wheel as the cutting tool.

Home automation	Smart home technology, it provides homeowners security, comfort, convenience and energy efficiency by allowing them to control smart devices, often by a smart home app on their smartphone or other networked device.
HVAC (*Heating, Ventilation and Air Conditioning)* motors	Heating, air movement and air conditioning systems.
ICE cars	Internal Combustion Engines cars, meaning any car that runs on a traditional engine with a gas-powered tank.
Industrial motors	Electric motor to modify electricity into mechanical energy.
Interlock	Indentation based axial fastening of two laminations together.
Internal combustion engine	Heat engine in which the combustion of a fuel occurs with an oxidizer (usually air) in a combustion chamber that is an integral part of the working fluid flow circuit.
In&out technology	Out of die device for the indexation and adhesive bonding assembly of core sub-stacks previously bonded inside of a stamping die.
IoT	Internet of Things, describes physical objects (or groups of such objects) with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communications networks.
Jig grinding machines	Machine tool used for grinding complex shapes and holes where the highest degrees of accuracy and finish are required.
Laminate *or* lamination *(noun)*	Metallurgical product, semi-finished or finished, obtained through lamination process.
Laminated rotor	Rotor that consists of a steel lamination and resembles a cylindrical core with evenly-spaced slots for its windings.
Lamination	Process of manufacturing a material in multiple layers, so that the combined physical and mechanical characteristics of each layer make for a stronger, more resilient composite material.
Loose lamination	Lamination not firmly held or fastened.
Machine tool	Machine tool is a machine for handling or machining metal or other rigid materials, usually by cutting, boring, grinding, shearing, or other forms of deformations.
Machining	Process used to remove material, typically metal, to create parts for machines, tools, transportation, and more

Machining centres	Equipment for machining metal parts and components in addition to their primary purpose of die manufacture.
Magnet assisted synchronous reluctance machine	Reluctance electrical rotating machine that converts the electrical power into mechanical power with magnets assistance.
Modular dies	Concept developed with the intention of producing a type of versatile and interchangeable die into the production line. It concerns a die set planned according to the needs of the client, from the type of press to the manufacturing of the finished product.
Mould	Hollow container with a particular shape into which soft or liquid substances are poured, so that when the substance becomes hard it takes the shape of the container.
Moulding	Process of manufacturing by shaping liquid or pliable raw material using a rigid frame called a mould or matrix.
Motorized blind	Blind or shade that is operated with an electric motor and controlled with a remote
New Electrical steel alloys	Surface finishing and texture improved e-steel development with steel mills.
Non-Traction	Rotors and stators intended for a wide range of non-traction automotive applications.
Notching	Blanking process mainly used for large laminations or low volume series.
Notching press	Press used for notching.
Notching tool	Tool for notching process.
OEM	Original equipment manufacturer; company whose goods are used as components in the products of another company, which then sells the finished item to users.
Out of die	Out of die device allows the adhesive bonding assembly and compaction of free lamination into indexed core stacks.
Overmoulding	Multi-step injection moulding process where two or more components are moulded over top of one another.
Power tools	Electrically powered working tools.
Powertrain	Assembly of every component that pushes the vehicle forward.
Press	Machine tool that changes the shape of a work-piece by the application of pressure.

Primer	Thin layer that is applied to reinforce the power of adhesive tape to the backing material for bonding processes.
Profile grinding	Grinding in which the work surface of the wheel has the same outline as that required in the item being ground.
Progressive blanking	Process for blanking in multiple steps to produce elements with complex geometries and large volumes with strict tolerance specifications.
Progressive die	Tool used for progressive blanking.
Renewable generator	System which generates energy from renewable energy sources.
Rotor	Moving component of an electromagnetic system in the electric motor.
Rotor machining	Process to machine the rotor diameter.
Semi-processed NGO steel	Steel designed to obtain its magnetic properties after blanking annealing.
Slinky blanking	Blanking process producing blanked steel coil spring to produce laminated cores.
Slitting	Metal manufacturing process wherein a coil of material, such as aluminium or steel, is slit into the lengths and widths specified by the end application.
Slitting line	Manufacturing process which produces longitudinal cuts in a master coil of steel to predetermined narrower widths.
Solar blinds	Window coverings made of tightly-woven sheer materials that work to absorb heat and block out solar rays while allowing a view of the outdoors to be maintained.
SQL Server Reporting Services (SSRS)	Reporting platform. Structured Query Language used for communication with database.
Stacking systems	System used to arrange things in an ordered pile.
Standby generators	A machine consisting of a heat engine coupled with an electric generator (alternator).
Starter motor	Device used to rotate (crank) an internal-combustion engine in order to initiate the engine's operation under its own power.
Stator	Mechanical device consisting of the stationary part in or around which the moving part (rotor) of an electric motor rotates.
Steel	Alloy made up of iron with typically a few tenths of a percent of carbon to improve its strength and fracture resistance compared to other forms of iron.

Steel homologation	Steel compatibility to selected core assembly process testing and evaluation.
Steel mills	Industrial plant for the manufacture of steel.
Sunroof	Roof on a motor vehicle, such as an automobile, having a panel that can be slid back or raised.
Tier 1	OEM direct suppliers and first of the supply chain.
Traction	Rotors and stators used in traction systems (meaning the adhesive friction of the tire to the road surface).
Turbo motor	Mechanical system with the purpose of supercharging the internal combustion engine using exhaust gases
Ventilation system motor	Motor used in a ventilation system.
Welding	Fabrication process whereby two or more parts are fused together by means of heat, pressure or both forming a join as the parts cool.
Winch	Machine that lifts heavy objects by turning a chain or rope around a tube-shaped device.
Window motors	Component that provides power to a series of gears, which are responsible for pushing the window glass up or pulling it down.
Wiper motor	Electric motor that moves the windshield wiper.
Zero scrap project	Process focused on waste prevention that encourages redesigning resource life cycles so that all products are reused.

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

Admission	The admission of the Ordinary Shares to listing and trading on Euronext Milan
Allocation	The allocation of the Offer Shares
Almaniva Investments	Almaniva Investments di Iori Sergio S.A.p.A., a joint stock general partnership (*società in accomandita per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Trivulzio no. 1, 20146 Milan, Italy and registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 0515368096 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI – 1800430
BNP Paribas	BNP PARIBAS with registered office in Paris (France), 16, boulevard des Italiens, 75009, LEI R0MUWSFPU8MPRO8K5P83
Board of Directors	The board of the Company
Borsa Italiana	Borsa Italiana S.p.A., a joint-stock company (*società per azioni*) incorporated under the laws of Italy, with registered office in Piazza degli Affari 6, 20123 Milan, Italy, who is, *inter alia*, the market operator of Euronext Milan
Capital Increase	The Issuer's share capital increase, for cash, on a divisible basis, with the exclusion of pre-emption rights pursuant to Article 2441, paragraphs 5, of the Italian Civil Code, for an amount of €250,000 thousand including any share premium (which can be further increased up to €350,000 thousand including any share premium) reserved to qualified investors in Italy and abroad as part of an institutional placement pursuant to Regulation S and Rule 144A of the Securities Act of 1933, for the purpose of the Admission as resolved by the extraordinary shareholders' meeting held on November 18, 2022.
CET	Central European Time
Class A Shares and Class B Shares	Shares that assign three votes in the shareholders' meeting.
Company or **Issuer**	EuroGroup Laminations S.p.A., a joint stock company (*società per azioni*) governed by the laws of Italy, registered with the Companies Register of Milano – Monza – Brianza – Lodi under number 05235740965

CONSOB	The Italian authority for the supervision of financial markets (*Commissione Nazionale per le Società e la Borsa*)
Consolidated Financial Act	The Italian Legislative Decree No. 58 of February 24, 1998, as amended
Consolidated Financial Statements	The audited consolidated financial statements as of and for the years ended December 31, 2021, 2020 and 2019 prepared in accordance with IFRS
Corporate Governance Code	The Corporate Governance Code for listed companies adopted by the Corporate Governance Committee of listed companies and promoted by Borsa Italiana, ABI (Italian Banking Association), Ania (Italian Insurance Companies Association), Assogestioni (Italian Asset Management Association), Assonime (Italian Joint-stock Companies Association) and Confindustria (General Confederation of Italian Industry), in effect as of the Prospectus Date.
Delorean Partecipazioni	Delorean Partecipazioni S.p.A., a joint stock company (società per azioni) governed by and operating under the laws of Italy with its registered office at Via Agnello 20, 20121 Milan, Italy and registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 11360420969 and with the REA – Repertorio Economico Amministrativo of the Companies Register of Milano – Monza – Brianza – Lodi under number MI -2597292.
E.M.S.	Euro Management Services S.p.A., a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Via Trivulzio no. 1, 20146 Milan, Italy and registered with the Companies Register of Milano – Monza – Brianza – Lodi under the number 07397440152 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Milano – Monza – Brianza – Lodi under number MI - 1156113
E.M.S. Leadership Team	Directors and managers of E.M.S. and the Issuer contributing in various capacity to the management of E.M.S. and the growth of the Issuer and entitled to receive the E.M.S. Leadership Team Sale Shares
E.M.S. Leadership Team Sale Shares	Up to 1,100,328 Ordinary Shares (assuming an Offer Price equal to the maximum price of the Offer Price Range) to be assigned to the E.M.S. Leadership Team in the context of the Offer
ESMA	The European Securities and Markets Authority
EUR, euro or **€**	The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended

Euronext Milan	Euronext Milan, a regulated market organised and managed by Borsa Italiana
Executive Director	A member of the Board appointed as executive director
Existing Offer Shares	Up to 25,555,612 Ordinary Shares (based on the minimum price of the Offer Price Range) or up to 26,214,420 Ordinary Shares (based on the maximum price of the Offer Price Range) that will be offered by the Selling Shareholders in the Offer. The Existing Offer Shares include up to 4,994,838 MIP Sale Shares and up to 831,432 E.M.S. Leadership Team Sale Shares based on the minimum price of the Offer Price Range and up to 5,384,750 MIP Sale Shares and up to 1,100,328 E.M.S. Leadership Team Sale Shares based on the maximum price of the Offer Price Range, which will be offered by EMS pursuant to the Stock Lending Agreement
Financial Statements	The Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements
Firm Offer Shares	The New Offer Shares and the Existing Offer Shares
First Trading Date or **Settlement Date**	The date on which trading in the Ordinary Shares on Euronext Milan commences (and on which the Settlement occurs) which will be determined by Borsa Italiana through the publication of a notice pursuant to Article 2.4.3., paragraph 6 of Borsa Italiana Market Rules
FSMA	Financial Services and Markets Act 2000
Group	The Company and its consolidated subsidiaries
IFRS	The International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union.
Independent Auditors or **Deloitte**	Deloitte & Touche S.p.A., a joint-stock company (*società per azioni*) incorporated under the laws of Italy, registered under No. 132587 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) held by the Italian Ministry of Economy and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010
Interim Condensed Consolidated Financial Statements	The unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2022 and the notes thereto of the Company
Intesa Sanpaolo	Intesa Sanpaolo S.p.A. with registered office at Piazza San Carlo 156, Turin, Italy
IRAP	Regional tax on business activities (i.e. *imposta regionale sulle attività produttive*).

IRES	Corporate income tax (cd. *imposta sui redditi delle società*).
ISIN	International Security Identification Number
Issuers' Regulation	The Regulation implementing Italian Legislative Decree No. 58 of March 24, 1998 with rules for issuers, adopted by Consob with Resolution No. 11971 of May 14, 1999, as amended
Joint Global Coordinators	JP Morgan SE, BNP PARIBAS, Intesa Sanpaolo S.p.A. and UniCredit Bank AG, Milan Branch
JP Morgan SE	J.P. Morgan SE, with registered office in Frankfurt am Main (Germany), Taunustor 1, TaunusTurm, 60310, LEI 549300ZK53CNGEEI6A29
LEI	Legal Entity Identifier
Listing Agent	UniCredit Bank AG, Milan Branch
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, including any relevant delegated regulations
Market Regulation	Consob Regulation no. 20249 of December 28, 2017, as subsequently amended and integrated
Member State	A member state of the European Economic Area
MIP	The management incentive plan provided for by the Pre-listing Shareholders' Agreement and the Pre-IPO by-laws providing for the grant of Ordinary Shares of the Issuer by E.M.S. to certain directors and key managers of the Issuer.
MIP Beneficiaries	The beneficiaries under the MIP
MIP Sale Shares	Up to 8,974,583 Ordinary Shares (assuming an Offer Price equal to the maximum price of the Offer Price Range) to be assigned to the MIP Beneficiaries in the context of the Offer
Monte Titoli	Monte Titoli S.p.A., the authorised central securities depository for centralised administration, settlement and ancillary services in the Italian market
Multiple-Vote Shares	The multiple-vote shares which will be formed by Class A Shares (i) not sold in the context of the Offer and (ii) not converted into Ordinary Shares upon assignment to the MIP Beneficiaries and to members of the E.M.S. Leadership Team not sold in the context of the Offer
New Offer Shares	Newly issued Ordinary Shares offered for subscription by the Company for a total of €250,000 thousand, corresponding to up to 50,000,000 newly issued Ordinary Shares (based on the minimum price of the Offer

	Price Range) and up to 41,666,666 newly issued Ordinary Shares (based on the maximum price of the Offer Price Range)
Non-Executive Director	A member of the Board appointed as non-executive director
Non-IFRS Measures	Non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be alternative performance measures
Offer	Private placements of the Offer Shares with certain institutional investors in Italy and other jurisdictions
Offer Price	The price per Offer Share, which is to be determined after the offer period has ended
Offer Price Range	The expected price range of €5.00 to €6.00 (inclusive) per Offer Share
Offer Shares	Together, the Existing Offer Shares, the New Offer Shares and, unless the context indicates otherwise, the Over-Allotment Shares
Order Book	An unaudited estimate of the aggregate expected revenue from programs awarded by the Group's clients to the Group, which are either already in production or will start production, in the next 5/7 years from the Prospectus Date, subject to any cancellations and after adjusting for the negative impact of all programs that are expected to reach end of life or be phased out. Order Book is not an accounting measure under Italian GAAP or IFRS. Customers are not contractually committed to specific volumes of services and the relevant contracts may be terminated, even where the Group is not in default under such contracts. Moreover, purchase orders are not binding and there are no minimum guaranteed orders and, accordingly, customers may reduce or cancel their orders. Therefore, the calculation of this indicator is based on management's best estimates of expected volumes, selling prices and project lifespans to assess the sales expected to be recorded in the event the Group receives firm production orders under the contracts for already awarded programs. The actual value of orders received may be lower, even significantly, due to unforeseen delays, cancellations or changes in program launches or prices due to various factors, including but not limited to commercial issues and/or regulatory requirements.
Ordinary Shares	The ordinary shares in the capital of the Company, without par value, registered and indivisible, with regular dividend rights and in book-entry form, to be admitted to trading on the Euronext Milan.
Over-Allotment Option	The option to be granted to the Stabilization Manager (on behalf of the Underwriters), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager (on behalf of the Underwriters), may require Euro Management Services S.p.A.

	and the Tikehau Entities to sell the Over-Allotment Shares at the Offer Price
Over-Allotment Shares	The additional Ordinary Shares that will be made available by Euro Management Services S.p.A., Delorean Partecipazioni S.p.A., T2 Eltif Energy Transition Fund and T2 Energy Transition Fund] to be sold pursuant to the Over-Allotment Option
PFIC	A passive foreign investment company
Pipeline	Quotes issued in connection with potential new orders currently under discussion.
Post-IPO By-laws	The by-laws of the Company that will become effective immediately as of the First Trading Date, as amended;
Pre-IPO by-laws	The by-laws of the Company in force as of the Prospectus Date, which will be superseded by the By-laws as of the First Trading Date
Pre-listing Shareholders' Agreement	The shareholders' agreement entered into on September 8, 2020 by and between (i) E.M.S., (ii) Delorean Partecipazioni and (iii) T2 Energy Transition Fund through its management company Tikehau Investment Management S.a.s., and subsequently amended on November 18, 2022. The Pre-listing Shareholders' Agreement will terminate effective as of the First Trading Date.
Pricing Date	The date on which the Offer Price is determined
Pricing Statement	The press release in which the Offer Price, the exact number of Offer Shares to be sold in the Offer and the maximum number of Over-Allotment Shares will be set out
Prospectus	This prospectus
Prospectus Date	The date on which the Prospectus has been approved by Consob.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 and includes any relevant delegated regulations, as amended
QIBs	Qualified institutional buyers, as defined in Rule 144A
Regulation S	Regulation S under the U.S. Securities Act
Related Party Regulation	Consob regulation no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021
Relevant Persons	Persons who are "qualified investors" within the meaning of Article 2 of the UK Prospectus Regulation and who: (i) have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Order;

	(ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; (iii) are outside the United Kingdom; or (iv) are other persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of the Offer Shares may otherwise be lawfully communicated.
Rule 144A	Rule 144A under the U.S. Securities Act
SEC	The U.S. Securities and Exchange Commission
Selling Shareholders	E.M.S., Delorean Partecipazioni, T2 Eltif Energy Transition Fund and T2 Energy Transition Fund
Senior Management Team	The senior management team of the Group
Settlement	The payment (in euro) for and delivery of the Ordinary Shares under the Offer
Shareholder Rights Directive II	Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement
Shareholders' Meeting	The general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders
Specialist	Kepler Cheuvreux
Stabilization Manager	JP Morgan SE
Stock Lending Agreement	The stock lending agreement that will be entered into on the Pricing Date by E.M.S. with the MIP Beneficiaries and the members of the E.M.S. Leadership Team in order to allow (i) the MIP Beneficiaries to sell in the context of the Offer the MIP Sale Shares and (ii) the E.M.S. Leadership Team to sell in the context of the Offer the E.M.S. Leadership Team Sale Shares
T2 Eltif Energy Transition Fund	T2 Eltif Energy Transition Fund, a French professional specialized fund, (*fonds professionnel spécialisé (FPS)*) represented by its management company, Tikehau Investment Management, a French simplified stock company (*société par actions simplifiée*) duly incorporated and existing in accordance with the relevant laws of France, having its registered address at 32, rue de Monceau, 75008 Paris, France and registered with the Companies Register of Paris, France under number 491 909 446
T2 Energy Transition Fund	T2 Energy Transition Fund, a French professional private equity fund (*fonds professionnel de capital investissement (FPCI)*), without legal

	personality represented by its management company, Tikehau Investment Management, a French simplified stock company (*société par actions simplifiée*) duly incorporated and existing in accordance with the relevant laws of France, having its registered address at 32, rue de Monceau, 75008 Paris, France and registered with the Companies Register of Paris, France under number 491 909 446
Tikehau Entities	Together Delorean Partecipazioni, T2 Eltif Energy Transition Fund and T2 Energy Transition Fund
U.S. Exchange Act	The United States Securities Exchange Act of 1934, as amended
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
UK Prospectus Regulation	Means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018
Underwriters	Each of the Joint Global Coordinators and the Joint Bookrunners
Underwriting Agreement	The underwriting agreement with respect to the offer and sale of the Offer Shares in connection with the Offer between the Company, the Selling Shareholders and the Underwriters
UniCredit Bank AG, Milan Branch	UniCredit Bank AG, Milan Branch with registered office at Piazza Gae Aulenti 4, Tower C, Milan, Italy
United Kingdom or **UK**	The United Kingdom of Great Britain and Northern Ireland
United States or **U.S.**	The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

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Interim Condensed Consolidated Financial Statements for the nine-month period ended September 30, 2022

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REPORT ON REVIEW
OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
EuroGroup Laminations S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of EuroGroup Laminations S.p.A. and subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at September 30, 2022, and the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income or loss, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended, and explanatory notes to the condensed consolidated financial statements, including a summary of significant accounting policies. The accompanying interim condensed consolidated financial statements have been prepared within the process for the initial public offering and listing of EuroGroup Laminations S.p.A.'s ordinary shares on Euronext Milan, organized and managed by Borsa Italiana S.p.A.. The Directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with *International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Group as at September 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Other Matter

The interim condensed consolidated financial statements of the Group for the period ended as at September 30, 2021 have not been audited or reviewed.

DELOITTE & TOUCHE S.p.A.

Signed by
Lorenzo Rossi
Partner

Milan, Italy
November 18, 2022

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

	Note	As of September 30, 2022	As of December 31, 2021
		(in thousands of €)	
Intangible assets		2,589	2,440
Property, plant and equipment	(1)	204,475	145,507
Right-of-use assets	(2)	57,691	61,993
Non-current financial assets	(3)	9,611	17,797
Deferred tax assets	(4)	20,523	23,025
Other non-current assets		2,300	1,907
Total Non-Current Assets		**297,189**	**252,669**
Inventories	(5)	355,457	219,948
Trade receivables	(6)	164,791	97,019
Other current assets		37,193	27,094
Current tax receivables		4,597	1,896
Cash and cash equivalents		64,581	137,662
Total Current Assets		**626,619**	**483,619**
TOTAL ASSETS		**923,808**	**736,288**
Share capital		6,112	6,112
Share premium reserve		34,410	34,410
Other Reserves		11,671	5,204
Retained Earnings		108,831	81,829
Equity attributable to the owners of the Company	(7)	161,024	127,555
Equity attributable to the non-controlling interests		23,522	19,772
Total Equity		184,546	147,327
Non-current financial liabilities and borrowings	(8)	186,419	134,997
Non-current lease liabilities	(9)	43,690	47,568
Employee benefits		4,033	4,809
Deferred tax liabilities	(4)	11,960	8,088
Provisions		1,500	402
Other non-current liabilities	(10)	4,292	9,906
Total Non-Current Liabilities		**251,894**	**205,770**
Current financial liabilities and borrowings	(8)	132,877	97,535
Current lease liabilities	(9)	7,726	7,768
Trade payables		319,133	240,210
Other current liabilities		24,180	35,263
Current tax liabilities		3,452	2,415
Total Current Liabilities		**487,368**	**383,191**
TOTAL EQUITY AND LIABILITIES		**923,808**	**736,288**

The above Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

	Note	For the nine months ended September 30, 2022	2021
		(in thousands of €)	
Revenues	(11)	651,120	391,958
Other income		46	518
Change in work in progress, semi-finished and finished product inventories		34,115	(616)
Costs for purchases of raw materials		(452,433)	(236,338)
Costs for external services	(12)	(72,176)	(49,687)
Personnel costs	(13)	(80,214)	(61,270)
Other expenses	(14)	(3,802)	(1,127)
Share of results of associates		-	2,846
Impairment of assets		(4,773)	-
Depreciation and amortization expenses	(15)	(18,901)	(16,759)
Operating Profit		**52,982**	**29,525**
Financial income	(16)	1,612	213
Financial costs	(17)	(10,735)	(5,472)
Exchange gains		5,139	60
Profit before tax		**48,998**	**24,326**
Income taxes	(18)	(16,709)	(7,104)
Profit for the period		**32,289**	**17,222**
Attributable to:			
Owners of the Company		29,771	15,791
Non-controlling interests		2,518	1,431
Earnings per share basic and diluted	(19)	4.87	2.58

The above Interim Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

	Note	For the nine months ended September 30, 2022	2021
		(in thousands of €)	
Profit for the period		**32,289**	**17,222**
Items that may be reclassified subsequently to profit or loss		**8,088**	**551**
Foreign exchange gain on translating foreign operations	(7)	9,837	714
Fair value (loss) on equity instruments measured at FVTOCI	(7)	(2,125)	(203)
Tax effects of fair value gain on equity instruments measured at FVTOCI	(7)	510	49
Fair value (loss) arising on hedging instruments during the period	(7)	(176)	(12)
Tax effects relating to items that may be reclassified subsequently to profit or loss	(7)	42	3
Items that will not be reclassified	(7)	**664**	**163**

	Note	For the nine months ended September 30, 2022	2021
		(in thousands of €)	
subsequently to profit or loss			
Remeasurement of defined benefit plan	(7)	874	214
Tax effects relating to items that will not be reclassified subsequently to profit or loss	(7)	(210)	(51)
Other comprehensive income for the period, net of tax		**8,752**	**714**
Attributable to:			
Owners of the Company		36,283	16,440
Non-controlling interests		4,803	1,496
Total comprehensive income for the period		**41,041**	**17,936**

The above Interim Condensed Consolidated Statement of Comprehensive Income or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

	Note	For the nine months ended September 30, 2022	2021
		(in thousands of €)	
Profit for the period		32,289	17,222
Income taxes		16,709	7,104
Depreciation and amortization expenses	(15)	18,901	16,759
Difference between pension funding contributions paid and the pension cost charge		(111)	(857)
Financial income		(1,612)	(213)
Financial costs		10,735	5,472
Loss on disposal of property, plant and equipment		26	-
Allocation to the provision for doubtful debt provision		1,316	425
Allocation to the provision for obsolete inventory	(5)	10,384	600
Share award expenses		2,161	182
Net change in Provision		1,097	-
Impairment of assets and liabilities		4,773	-
Operating cash flows before movements in working capital		**96,668**	**46,694**
(Increase)/decrease in trade receivables	(6)	(69,088)	(50,315)
(Increase)/decrease in inventories	(5)	(145,893)	(52,057)
Increase/(decrease) in trade payables		78,923	43,719
Increase/(decrease) in current tax liabilities		(9,788)	2,275
(Increase)/decrease in other receivables		(10,142)	(7,175)
Increase/(decrease) in other payables		(11,637)	(1,968)
Cash flow (used in) operating activities		**(70,957)**	**(18,827)**
Income taxes paid		(2,231)	(1,204)
Net cash flow (used in) operating activities (A)		**(73,188)**	**(20,031)**

	Note	For the nine months ended September 30, 2022	2021
		(in thousands of €)	
Acquisition of Property, plant and equipment	(1)	(62,831)	(29,506)
Proceeds of Property, plant and equipment		5	12
Acquisition of intangible assets		(411)	(312)
Acquisition of subsidiaries net of cash and cash equivalents		-	19,041
Dividends received		-	1,400
Interest received		183	620
Net cash flow (used in) investment activities (B)		**(63,054)**	**(8,745)**
Issue of new bank borrowings	(8)	83,129	19,809
Repayment of bank borrowings	(8)	(52,147)	(17,065)
Repayment of current financial liabilities	(8)	(11,781)	(20,030)
Proceeds from current financial liabilities	(8)	62,128	7,777
Principal repayment of lease liabilities	(9)	(6,427)	(3,708)
Dividends paid		(3,822)	-
Interest paid		(10,418)	(5,559)
Net cash from/(used in) financing activities (C)		**60,662**	**(18,776)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**(75,580)**	**(47,552)**
Cash and Cash Equivalents at the beginning of the period		**137,662**	**107,655**
Effect of changes in exchange rates		2,499	4,303
Cash and Cash Equivalents at the end of the period		**64,581**	**64,406**

The above Interim Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021

			Other Reserves							
	Share capital	Share premium reserve	Legal reserve	IFRS transition reserve	Foreign exchange translation	Other comprehensive income	Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
					(in thousands of €)					
December 31, 2020	**6,112**	**34,410**	**648**	**(3,875)**	**(4,215)**	**1,492**	**63,077**	**97,649**	**6,307**	**103,956**
Change in scope of consolidated companies	-	-	-	-	-	-	-	-	13,462	13,462
Profit for the period	-	-	-	-	-	-	15,791	15,791	1,431	17,222
Actuarial gain	-	-	-	-	-	161	-	161	2	163
Fair value gain on equity instruments measured at FVTOCI	-	-	-	-	-	(154)	-	(154)	-	(154)
Fair value (loss) arising on hedging instruments during the period	-	-	-	-	-	(9)	-	(9)		(9)
Exchange foreign gains	-	-	-	-	651	-	-	651	63	714
Total other comprehensive income for the period					651	(2)	15,791	16,440	1,496	17,936
September 30, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**(3,564)**	**1,490**	**78,868**	**114,089**	**21,265**	**135,354**
December 31, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**1,714**	**6,717**	**81,829**	**127,555**	**19,772**	**147,327**
Dividends paid	-	-	-	-	-	-	(2,769)	(2,769)	(1,053)	(3,822)
Change in scope of consolidated companies	-	-	-	-	-	-	-	-		
Profit for the period	-	-	-	-	-	-	29,771	29,771	2,518	32,289
Actuarial gain	-	-	-	-	-	639	-	639	25	664
Fair value gain on equity instruments measured at FVTOCI	-	-	-	-	-	(1,615)	-	(1,615)		(1,615)
Fair value (loss) arising on hedging instruments during the period	-	-	-	-	-	(134)	-	(134)		(134)
Exchange foreign gains	-	-	-	-	7,577	-	-	7,577	2,260	9,837
Total other comprehensive income for the period	-	-	-	-	7,577	(1,110)	29,771	36,238	4,803	41,041
September 30, 2022	**6,112**	**34,410**	**648**	**(3,875)**	**9,291**	**5,607**	**108,831**	**161,024**	**23,522**	**184,546**

The above Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

REPORTING STANDARDS AND BASIS OF ACCOUNTING

General information

EuroGroup Laminations S.p.A.. (hereinafter "Company" and "EuroGroup Laminations") is a joint stock company incorporated and registered in Italy. Its ultimate controlling party is Euro Management Services S.p.A. (also referred as E.M.S.). The address of the Company's registered office is Via Stella Rosa 48/50, Baranzate (Milan, Italy).

The principal activities of the Company and its subsidiaries (together referred as "the Group") and the nature of the Group's operations regard the production of rotors and stators for rotating electrical machines (electric motors and generators), through cutting (both progressive and in block) or punching of magnetic laminations, the latter for large electrical machines, as well as the aluminum mold casting of rotors intended for such electrical machines. Moreover, also in these sectors, the Group carries out the assembly of the aforesaid goods and the related ancillary processes, as well as the design and construction of molds for the cutting of the laminations described above.

The Interim condensed consolidated financial statements were approved by the board of directors on 18 November 2022.

Basis of preparation

Statement of compliance

The interim condensed consolidated financial statements for the period ended September 30, 2022, have been prepared in accordance with the International Accounting Standard 34 (IAS 34 – *Interim Financial Reporting*) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements as of December 31, 2021, 2020 and 2019 and for each of the three years in the period ended December 31, 2021(Annual Consolidated Financial Statements), which have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as issued by the IASB and adopted by the European Union. The accounting policies adopted are consistent with those applied in the annual consolidated financial statements, except as described in the section "Adoption of new and revised Standards".

These interim condensed consolidated financial statements include comparative figures for the previous year as required by IAS 34. The parent company prepared these interim condensed consolidated financial statements for the period ended September 30, 2022 partly for inclusion in the prospectus prepared pursuant to article 94.1/2 of Legislative decree no. 58 of February 24, 1998, in accordance with the provisions of Regulation (EC) no. 1129/2017 for the listing of its ordinary shares on the stock exchange organized and managed by Borsa Italiana S.p.A..

Format of the financial statements

The interim condensed consolidated financial statements include the interim condensed consolidated of profit and loss, interim condensed consolidated statement of comprehensive income or loss, interim condensed consolidated statement of financial position, interim condensed consolidated statement of cash flows, interim condensed consolidated statement of changes in equity and the explanatory notes (the "Interim Condensed Consolidated Financial Statements").

The Group presents its interim condensed consolidated income statement using a classification method based on the nature of expense, as it is representative of the format used by management for internal reporting processes to evaluate business operations, and able to provide reliable information to investors.

The interim condensed consolidated statement of comprehensive income or loss is presented as a separate statement and, in addition to presenting the components of profit and loss recognised directly in the interim condensed consolidated statement of profit and loss during the period, presents the components of profit and loss not recognised in profit or loss as required or permitted by IFRS.

The Group presents current and non-current assets and liabilities as separate classifications in its interim condensed consolidated financial statements. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Group.

The Group presents its interim condensed consolidated statement of cash flows using the indirect method, as permitted by IAS 7 — Statement of Cash Flows ("IAS 7"), and presents cash flows by operating, investing and financing activities.

These interim condensed financial statements are presented in Euro and rounded to the nearest thousand, which is the Company functional currency and the Group's presentation currency. Foreign operations are included in accordance with the policies set out in the following notes.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these interim condensed consolidated financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section "Critical accounting judgements and key sources of estimation uncertainty" in the Annual Consolidated Financial Statements for a detailed description of the more significant valuation procedures used by the Group in preparing its consolidated financial statements.

Moreover, in accordance with IAS 34, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual consolidated financial statements, other than in the event that there are indications of impairment, in which case an immediate assessment is performed. Similarly, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, except in the event of significant market fluctuations, or significant plan amendments, curtailments or settlements.

Significant accounting policies

The accounting principles applied are consistent with those used for the preparation of the Annual Consolidated Financial Statements, except as otherwise stated below.

Adoption of new and revised Standards

None of these new standards or interpretations is expected to have a material impact on the consolidated financial statements of the Group.

Critical accounting judgements and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2021, 2020 and 2019 with the exception of the following:

Share purchase plan with related parties

The Group, through its subsidiary Eurotranciatura, which has a minority interest in E.M.S. S.p.A. (parent company of Euro Group), in December 2017, entered into an arrangement with four employees with strategic responsibilities for the sale of such minority interest. The arrangement provides an obligation for the employees to purchase the share in yearly instalments over a ten-year period. The arrangements provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares that are retained by the Group (unvested shares). In February 2022, the Group has signed with such employees an amendment according to which the sale is no longer subject to the permanence of the employees within the Group. Following the amendment, the Group has re-assessed the substance of the transaction and has concluded that the arrangement is a sale of shares funded through a loan granted by the Group. The Group has reached this conclusion because: i) it has substantially transferred to the employees all risks and rewards connected to the ownership of the shares and; ii) because the Group has recognized a financial loan receivable for the amount equal to the expected price to be collected, the Group has assessed that it has the ability to pursue full recourse to the employees in respect of the outstanding amount.

Following the contract modification the Group has derecognised the shares interest for € 7,473 thousand resulting in a recognition of financial loan receivable for € 1,375 thousand, derecognized the share award plan liability for € 3,937 thousand and a compensation expense for € 2,161 thousand relating to the difference between the fair value of the shares, the share award liabilities and the financial loan receivable.

Going concern

The directors have, at the time of approving the interim condensed consolidated financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as defined under IFRS 8—Operating Segments (“IFRS 8”). The Group is organized in two operating and reportable segments, based on a brand perspective, as described below:

(1) **EV & Automotive:** is a Business Unit introduced in recent years, operates mainly in the electric EV & Automotive sector and also in general utilities regarding EV & Automotive.

(2) **Industrial:** is the historical Business Unit of the Group and produces components mainly for the following product lines: home, logistic, energy, pumps, HVAC, tools and diversified industrial.

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) is the key profit measure used by the CODM to assess performance and allocate resources to the Group’s operating segments, as well as to analyze operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. EBITDA is defined as profit or loss before income taxes, financial income, financial expenses, depreciation and amortization expenses.

There are no significant transactions between segments. No allocations of common costs are made across the segments. The following is an analysis of the Group’s performance indicators by reportable segment as of September 30, 2022 and 2021:

	EV & Automotive		Industrial		Consolidated	
	2022	2021	2022	2021	2022	2021
			(in thousands of €)			
Revenues	217,993	146,758	433,127	245,200	651,120	391,958
EBITDA	**27,655**	**16,576**	**49,367**	**29,768**	**77,022**	**46,344**
Items in reconciliation:						
Depreciation and amortization expenses	-	-	-	-	(18,901)	(16,759)
Financial income	-	-	-	-	1,612	213
Financial costs	-	-	-	-	(10,735)	(5,472)
Profit before tax	**-**	**-**	**-**	**-**	**48,998**	**24,326**
Income tax	-	-	-	-	(16,709)	(7,104)
Profit for the period	**-**	**-**	**-**	**-**	**32,289**	**17,222**

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total assets of each segment. All assets are allocated to reportable segments with the exception of investments in associates, non-current financial assets, deferred tax assets and other non-current assets.

	Segment assets	
	30/09/2022	31/12/2021
	(in thousands of €)	
EV & Automotive	137,347	88,790
Industrial	127,408	121,150
Total segment assets	**264,755**	**209,940**
Unallocated assets:		
Deferred tax assets	20,523	23,025
Non-current financial assets	9,611	17,797
Other non-current assets	2,300	1,907
Consolidated non-current assets	**297,189**	**252,669**

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding non-current financial assets, deferred tax assets, other non-current assets and investments in associates) by geographical location are detailed below:

	September 30, 2022	September 30, 2021
	(in thousands of €)	
EMEA	379,018	223,126
- of which in Italy	367,843	213,228
NORTH AMERICA	236,967	150,687
- of which in Mexico	148,841	95,983
- of which in United States	88,126	54,704
ASIA	35,135	18,145
- of which in China	35,135	18,145
Revenues by geographical area	**651,120**	**391,958**

	September 30, 2022	December 30, 2021
	(in thousands of €)	
EMEA	124,070	119,707
- of which in Italy	119,365	111,272
NORTH AMERICA	96,747	63,662
- of which in Mexico	64,841	40,477
- of which in United States	31,906	23,185

	September 30, 2022	December 30, 2021
	(in thousands of €)	
ASIA	43,938	26,571
- of which in China	43,938	26,571
Segment assets	**264,755**	**209,940**

Information about major customers

Included in revenues arising from EV & Automotive are revenues of €80,570 thousand (for the nine months ended September 30, 2021 for €67,517 thousand) which arose from sales to the Group's largest customer.

No other single customers contributed 10 per cent or more to the Group's revenue in either the nine months ended September 30, 2022 or 2021.

SIGNIFICANT EVENTS AFTER SEPTEMBER 30, 2022

No other significant events occurred after the end of the nine months ended September 30, 2022.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30,2022 AND DECEMBER 31,2021

NON-CURRENT ASSETS

(1) PROPERTY, PLANT AND EQUIPMENT

The following table provides a breakdown for property, plant and equipment:

	Land and buildings	Plant and machinery	Commer-cial and industrial equipment	Other tangible assets	Tangible assets under construc-tion	Total
			(in thousands of €)			
Balance as of December 31, 2021	**23,009**	**251,254**	**67,980**	**18,282**	**25,549**	**386,074**
Additions	273	8,158	772	609	53,019	62,831
Disposals	-	(67)	(7)	(37)	-	(111)
Reclassifications	7	2,590	146	58	(2,801)	-
Exchange difference and other changes	2,241	10,951	1,578	226	3,773	18,769
Impairment of property, plant and equipment	(13)	(1,041)	(596)	-	(3,226)	(4,876)
Balance as of September 30, 2022	**25,517**	**271,845**	**69,873**	**19,138**	**76,314**	**462,687**
Accumulated depreciation as of December 31, 2021	**(8,327)**	**(160,127)**	**(57,887)**	**(14,226)**	**-**	**(240,567)**
Depreciation	(838)	(9,081)	(2,183)	(921)	-	(13,023)
Disposals	-	39	4	36	-	79
Exchange difference and other changes	(606)	(4,461)	(650)	(96)	-	(5,813)
Impairment of property, plant and equipment	3	726	383	-	-	1,112
Balance as of September 30, 2022	**(9,768)**	**(172,904)**	**(60,333)**	**(15,207)**	**-**	**(258,212)**
Carrying amount at:						
December 31, 2021	**14,682**	**91,127**	**10,093**	**4,056**	**25,549**	**145,507**
September 30, 2022	**15,749**	**98,941**	**9,540**	**3,931**	**76,314**	**204,475**

The caption “Land and buildings” includes general industrial plants and warehouses. The additions amounted to €273 thousands and €187 thousand respectively as of September 30, 2022 and in the year ended December 31, 2021 are mainly related to building improvements on the group' s buildings.

“Plant and machinery” include presses and other industrial machinery used for the production process. The additions amounted to € 8,158 thousands as of September 30, 2022 and €19,371 thousand in the year ended December 31, 2021 are mainly related to the purchase of new presses.

This category “Commercial and industrial equipment” includes moulds and other industrial and commercial equipment. The additions amounted €772 thousands as of September 30, 2022 and €2,738 thousand, in the year ended December 31, 2021 mainly refer to the purchase of new moulds.

“Other tangible assets” includes furniture and furnishings for offices and warehouse, warehouse equipment, shelving, electronic office machines, vehicles and cars. The additions equal to €609 thousands as of September 30, 2022 and €797 thousand in the year ended December 31, 2021 refers to the purchase of new electronic office machines in the amount of €228 thousand in 2022 and €285 thousand in 2021 and the purchase of new vehicles and cars in the amount of €211 thousand in 2022 and €209 thousand in 2021.

Tangible assets under construction are assets not yet available for their use. The additions amounted to €53,019 thousands as of September 30, 2022, and €1,400 thousand in the year ended December 31, 2021. The additions are mainly related to the acquisition of the new entity Euro Misi High - Tech for €13,265 thousands, construction of new production plants in Eurotranciatura Mexico for € 18,664 thousand in order to expand production, €11,361 thousands mainly related to purchase of new plants in Eurotranciatura S.p.A. and €7,308 thousands related to purchases in Eurotranciatura USA and Euro Misi Laminations Jiaxing L.t.d.

In light of the Russian-Ukrainian military conflict, the Group is considering the possibility of leaving the Russian market and consequently all the operational activities are interrupted. As no recovery forecasts are available, the group has impaired the Russian assets and recorded a write-down of €4,773 thousand as of September 30, 2022 allocated to the Industrial segment and related to property, plant and equipment for € 3,764 thousand and to right of use assets for € 1,009 thousand.

(2) RIGHT-OF-USE ASSETS

The following table provides a breakdown for right-of-use assets:

	Land and buildings	**Plant and machinery**	**Commercial and industrial equipment**	**Other tangible assets**	**Total**
			(in thousands of €)		
Historical cost as of December 31, 2021	**59,432**	**35,375**	**726**	**1,591**	**97,124**
Additions	780	152	493	26	1,451
Exchange difference and other changes	212	221	105	204	742
Impairment of right of use	(1,305)	-	-	(72)	(1,377)
Balance as of September 30, 2022	**59,119**	**35,748**	**1,324**	**1,749**	**97,940**
Accumulated depreciation as of December 31, 2021	**(10,056)**	**(24,144)**	**(314)**	**(617)**	**(35,131)**
Depreciation	(3,948)	(1,251)	(145)	(272)	(5,616)
Exchange difference and other changes	(36)	299	(51)	(82)	130
Impairment of right of use	342	-	-	26	368
Balance as of September 30, 2022	**(13,698)**	**(25,096)**	**(510)**	**(945)**	**(40,249)**
Carrying amount as of:					
December 31, 2021	**49,376**	**11,231**	**412**	**974**	**61,993**
September 30, 2022	**45,421**	**10,652**	**814**	**804**	**57,691**

These right-of-use assets were included in the impairment test as described in Note 2 above, as they were allocated to the CGUs identified by the Management.

(3) NON-CURRENT FINANCIAL ASSETS

The following table provides a breakdown for non-current financial assets:

Class	**September 30 2022**	**December 31 2021**
	(in thousands of €)	
Financial receivables to parent company	5,600	5,600
Share interest in Kuroda	2,018	3,759
Derivatives	1,122	38
Other securities	760	760
Security deposits	107	163
Other equity investments	3	3

Class	September 30 2022	December 31 2021
	(in thousands of €)	
Share interest in EMS	-	7,473
Total non-current financial assets	**9,611**	**17,797**

As of December 31, 2021, "Share interest in EMS" included the fair value of the minority interest held in the parent company E.M.S. S.p.A. ("EMS") which form a part of the employees share award arrangements. Following the contract modification, the Group has recognised a financial loan receivable equal to the expected cash payment to be received and has derecognised the shares interest.

Financial receivables to parent company refers to the loan granted to E.M.S. S.p.A. for a principal amount of €5,600 thousand provided by the Group in 2022, bearing an annual interest of 1,5%.

"Share interest in Kuroda" include the fair value of the minority interest held in the company Kuroda Precision Industries Ltd, a listed company on the Tokyo stock exchange. Below is a reconciliation of the amount reported in the table above:

	As of September 30 2022	As of December 31 2021
	(in thousands of €)	
Number of shares owned	168,600	168,600
Unit price	11.97	22.30
Fair value (in thousands of €)	2,018	3,759

(4) DEFERRED TAX ASSETS AND LIABILITIES

The following table provides a breakdown for deferred tax assets and deferred tax liabilities:

	As of December 31, 2021	Recognised at profit and loss	Recognised in OCI	Exchange difference and other	As of September 30, 2022
	(in thousands of €)				
Deferred Tax assets arising on:					
Employee benefits	178	(7)	(155)	-	16
Property, plant and equipment	9,258	193	-	(41)	9,410
Right-of-use assets	1,052	(887)	-	42	207
Intangible assets	2,875	(67)	-	66	2,874
Provision for obsolete inventory	1,091	2,477	-	224	3,792
Doubtful debt provision	2,269	(589)	-	80	1,760
Share interest in EMS	1,576	(1,576)	-	-	-
Derivative instruments	-	29	-	-	29
Tax losses	825	(859)	-	34	-
Customer advances	777	(395)	-	89	471
Other	3,124	(1,632)	-	472	1,964
Total deferred tax assets	**23,025**	**(3,313)**	**(155)**	**966**	**20,523**
Deferred Tax liabilities arising on:					
Employee benefits	-	44	37	-	81
Property, plant and equipment	4,597	1,016	-	667	6,280
Right-of-use assets	-	6	-	-	6
Share award expenses	2,144	(2,116)	-	-	28
Derivative instruments	-	260	-	-	260
Other	84	852	-	77	1,013
Inventory	1,263	3,029	-	-	4,292
Total deferred tax liabilities	**8,088**	**3,091**	**37**	**744**	**11,960**

CURRENT ASSETS

(5) INVENTORIES

The breakdown of the caption is detailed below:

Class	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
Raw materials	208,347	114,530
Semi-finished goods	45,030	32,780
Finished products	111,430	57,801
Contract work-in-progress	5,056	21,367
Inventory obsolescence provision	(14,164)	(6,530)
Impairment of inventories	(242)	-
Inventories	**355,457**	**219,948**

The table below shows changes in inventory obsolescence provision:

	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
Opening Inventory obsolescence provision	**(6,530)**	**(1,096)**
Provision	(10,384)	(5,453)
Utilization	2,750	19
Closing Inventory obsolescence provision	**(14,164)**	**(6,530)**

Inventories are not collateralised.

(6) TRADE RECEIVABLES

Trade receivables comprise the following:

Class	September 30, 2022	December 31, 2021
	(in thousands of €)	
Trade receivables	174,153	104,926
Doubtful debt provision	(9,179)	(7,907)
Impairment of trade receivables	(183)	-
Trade receivables	**164,791**	**97,019**

These are reported net of the provision for doubtful debt that reflects the estimated losses in connection with the Group's credit portfolio. Changes in the provision for doubtful debt during the three years are shown below:

	September 30, 2022	December 31, 2021
	(in thousands of €)	
Opening Doubtful debt provision of trade receivables	**7,907**	**7,821**
Effect of change in scope of consolidation	-	339
Provisions	1,417	1,227
Utilization	(44)	(138)
Releases	(101)	(1,342)
Closing Doubtful debt provision of trade receivables	**9,179**	**7,907**

The following table shows trade receivables by geographic area:

	As of September 30, 2022	As of December 31, 2021

	(in thousands of €)	
EMEA	114,578	64,211
- of which in Italy	111,651	35,316
NORTH AMERICA	37,955	21,921
- of which in Mexico	25,598	10,678
- of which in United States	12,357	11,243
ASIA	12,258	10,887
- of which in China	12,258	10,887
Trade receivables	**164,791**	**97,019**

EQUITY

(7) EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

On September 30, 2022, share capital is wholly subscribed and paid and amounts to €6,112 thousand and it is divided into 6,111,940 shares.

Table below, shows a reconciliation between the number of ordinary shares as of September 30, 2022 and December 31 2021:

N° shares as of December 31, 2021	**6,111,940**
Increase for subscription of a capital increase	-
N° shares as of September 2022	**6,111,940**

SHARE PREMIUM RESERVE

The share premium reserve at 30 September 2022 amounted to €34,410 thousand and it is the same as of December 31, 2021.

OTHER RESERVES

Other reserves amount to €11,671 as of September 30, 2022, €5,204 thousand as of December 31, 2021 and are detailed as the following table:

	As of September, 2022	**As of December, 2021**
	(in thousands of €)	
Legal reserve	648	648
IFRS transition reserve	(3,875)	(3,875)
Foreign exchange translation	9,291	1,714
Other comprehensive income	5,607	6,717
Of which:		
- Cumulative actuarial (loss)	213	(426)
- Cumulative fair value gain on equity instruments measured at FVTOCI	5,540	7,156
- Cumulative fair value gain/(loss) arising on hedging instruments	(146)	(13)
Total Other Reserve	**11,671**	**5,204**

RETAINED EARNINGS

Retained Earnings amount to €108,831 thousand as of September 30, 2022, € 81,829 thousand as of December 31, 2021.

NON-CURRENT AND CURRENT LIABILITIES

(8) FINANCIAL LIABILITIES AND BORROWINGS

The following table provides below shows the detail of the changes in liabilities arising from financing activities:

	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
			(in thousands of €)			
Opening balance	141,026	48,298	8,381	16,456	569	214,730
Repayments	(32,684)	(9,679)	(8,381)	(1,468)	-	(52,212)
Proceeds	54,140	-	11,781	2,053	-	67,974
Other non-cash movements	2,063	388	-	-	(411)	2,040
As of 31 December 2021,	**164,545**	**39,007**	**11,781**	**17,041**	**158**	**232,532**
Of which:						
Non-current	**119,742**	**-**	**-**	**15,097**	**158**	**134,997**
Current	**44,803**	**39,007**	**11,781**	**1,944**	**-**	**97,535**

	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
			(in thousands of €)			
Opening balance	164,545	39,007	11,781	17,041	158	232,532
Repayments	(50,001)	-	(11,781)	(2,147)	-	(63,929)
Proceeds	81,379	26,919	35,210	1,750	-	145,258
Other non-cash movements	1,082	2,099	-	2,000	254	5,435
As of 30 September 2022,	**197,005**	**68,025**	**35,210**	**18,644**	**412**	**319,296**
Of which:						
Non-current	**169,113**	**-**	**-**	**16,894**	**412**	**186,419**
Current	**27,892**	**68,025**	**35,210**	**1,750**	**-**	**132,877**

Payables to other investor are related to the investment agreements with Simest S.p.A.. The current portion due in the second half of 2022 is related to the loan for the setting-up of Eurotranciatura México, S. A. De C.V..

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2021	Within 12 months	Over 12 months
Monte dei Paschi di Siena	Variable	Euribor 6M + 7.80%	23/03/2022	552	552	-
Intesa San Paolo	variable	Libor 6M + 2.4%	30/06/2024	3,532	1,766	1,766
Intesa San Paolo	Fixed	4.40%	30/10/2022	2,207	2,207	-
Unicredit	Fixed	5.00%	27/10/2022	676	676	-
Unicredit	Fixed	5.00%	27/10/2022	396	396	-
Unicredit	Fixed	5.00%	23/11/2022	861	861	-
Unicredit	Fixed	5.00%	23/11/2022	452	452	-
Unicredit	Fixed	5.00%	05/12/2022	190	190	-
Unicredit	Fixed	4.90%	31/08/2022	504	504	-
Unicredit	Fixed	3.70%	24/02/2025	155	44	111
Unicredit	Fixed	5.45%	24/02/2025	63	18	45
Unicredit	Fixed	5.25%	24/02/2025	63	18	45
Unicredit	Fixed	3.92%	24/02/2025	63	18	45
Unicredit	Fixed	2.00%	24/02/2025	245	70	175
Unicredit	Fixed	3.30%	24/02/2025	63	18	45
Unicredit	Fixed	6.65%	24/02/2025	163	47	116
Unicredit	Fixed	2.03%	24/02/2025	123	35	88
Unicredit	Fixed	1.90%	24/02/2025	86	25	61
Cassa Depositi e Prestiti S.p,A,	Fixed	5.20%	02/05/2022	10,492	10,492	-
TC Leasing	Fixed	5.27%	15/05/2022	42	42	-
MISI	Fixed	1.50%	14/04/2023	2,737	2,737	-
Ideal Lease	Fixed	4.00%	31/10/2023	168	126	42
First Bank	Fixed	2.31%	25/02/2022	47	47	-

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2021	Within 12 months	Over 12 months
First Bank	Fixed	2.00%	14/06/2026	856	236	620
First Bank	Fixed	4.75%	21/01/2025	39	13	26
Monte dei Paschi di Siena	Variable	Euribor 6M + 1.45%	30/09/2026	15,000	2,317	12,683
Deutsche Bank	Fixed	1.00%	11/06/2024	1,500	450	1,050
Deutsche Bank	Variable	Euribor 6M + 1.40%	30/06/2026	6,300	700	5,600
Banca Nazionale del Lavoro	Fixed	2.77%	22/12/2028	14,268	1,853	12,415
Banca Nazionale del Lavoro	Fixed	3.02%	22/12/2028	2,500	341	2,159
BCC	Fixed	1.25%	15/11/2023	2,212	945	1,267
Unicredit	Variable	Euribor 12M + 3.20%	31/12/2023	6,056	2,898	3,158
Unicredit	Variable	Euribor 6M + 1.50%	30/06/2026	10,000	-	10,000
Unicredit	Variable	Euribor 6M + 2.16%	31/12/2027	10,000	-	10,000
Banco BPM	Variable	Euribor 6M + 1.90%	31/03/2025	5,827	1,742	4,085
Banco BPM	Fixed	1.00%	30/09/2023	2,018	1,137	881
Banco BPM	Variable	Euribor 6M + 1.50%	30/06/2026	7,200	800	6,400
Banco BPM	Variable	Euribo 3M + 1.85%	30/09/2026	4,000	533	3,467
Intesa San Paolo	Variable	Euribor 6M + 2.00%	17/04/2025	7,000	2,000	5,000
Credit Agricole	Fixed	1.00%	05/10/2022	1,010	1,010	-
Credit Agricole	Variable	Euribor 6M + 1.75%	31/12/2025	5,000	300	4,700
Banco Desio	Fixed	0.80%	10/04/2023	674	376	298
Banco Desio	Variable	Euribor 3M + 1.40%	10/07/2025	1,444	295	1,149
Credit Agricole	Fixed	0.90%	24/07/2024	4,444	1,193	3,251
Credit Agricole	Variable	Euribor 3M + 1.40%	13/12/2025	4,018	738	3,280
Credit Agricole	Fixed	1.63%	30/09/2027	15,000	-	15,000
Raiffeisen	Fixed	2.15%	31/08/2026	1,654	156	1,498
MedioCredito Centrale	Fixed	2.00%	30/09/2025	7,593	1,931	5,662
Deutsche Bank	Variable	Euribor 6M + 1.40%	29/12/2026	3,000	346	2,654
Banco BPM	Fixed	1.00%	30/09/2022	152	152	-
BCC	Fixed	1.10%	30/06/2022	700	700	-
Credit Agricole	Fixed	1.70%	31/12/2025	1,200	300	900
Total				**164,545**	**44,803**	**119,742**

Bank	Interest rate	Terms	Expiry Date	Remaining debt 30 September 2022	Within 12 months	Over 12 months
Intesa San Paolo	Variable	Libor 6M + 2.40%	30/06/2024	3,078	2,052	1,026
Unicredit	Fixed	3.70%	28/02/2025	188	60	128
Unicredit	Fixed	5.45%	28/02/2025	72	20	52
Unicredit	Fixed	5.25%	28/02/2025	68	16	52
Unicredit	Fixed	3.92%	28/02/2025	71	19	52
Unicredit	Fixed	2.00%	28/02/2025	184	17	167
Unicredit	Fixed	3.30%	28/02/2025	71	18	53
Unicredit	Fixed	5.65%	28/02/2025	167	46	121
Unicredit	Fixed	2.03%	28/02/2025	99	11	88
Unicredit	Fixed	1.90%	28/02/2025	65	4	61
TC Leasing	Fixed	5.51%	15/12/2022	35	35	-
MISI	Fixed	1.50%	15/04/2023	3,252	110	3,142
Deutsche Bank	Variable	Euribor 6M + 1.40%	29/12/2026	2,558	594	1,964
BCC	Fixed	1.70%	31/12/2025	1,047	300	747
Ideal Lease	Fixed	4.00%	31/10/2023	86	85	1
First Bank	Fixed	3.25%	14/06/2026	792	194	598
First Bank	Fixed	8.43%	10/04/2028	102	14	88
Banca Nazionale del Lavoro	Variable	Euribor 3M + 3.02%	22/12/2028	2,527	339	2,188
Banca Nazionale del Lavoro	Variable	Euribor 3M + 2.77%	22/12/2028	12,579	1,646	10,933
Monte dei Paschi di Siena	Variable	Euribor 3M + 3.60%	30/09/2026	14,817	3,797	11,021
Deutsche Bank	Variable	Euribor 3M + 1.00%	11/06/2024	1,041	602	439
Deutsche Bank	Variable	Euribor 3M + 1.40%	30/06/2026	5,176	1,417	3,759
BCC	Fixed	1.25%	15/11/2023	1,355	1,160	195
Banco BPM	Variable	Euribor 3M + 1.00%	29/09/2023	1,166	1,166	-
Banco BPM	Variable	Euribor 3M + 1.50%	30/06/2026	5,965	1,644	4,321
Banco BPM	Variable	Euribor 3M + 1.85%	30/09/2026	3,588	904	2,684
Banco BPM	Variable	Euribor 3M + 1.85%	31/03/2025	4,459	1,802	2,657
Unicredit	Variable	Euribor 3M + 1.50%	31/12/2027	9,947	78	9,869
Unicredit	Variable	Euribor 6M + 2.66%	30/06/2028	25,100	-	25,100
Intesa San Paolo	Variable	Euribor 6M + 2.00%	17/04/2025	6,041	2,051	3,990
Intesa San Paolo	Variable	Euribor 6M + 1.75%	25/07/2028	25,150	-	25,150
Cassa Depositi e Prestiti	Variable	Euribor 6M + 1.23%	09/08/2028	30,030	-	30,030
Intesa San Paolo	Variable	Euribor 3M + 1.75%	31/12/2025	4,976	1,287	3,689
Banco Desio	Variable	Euribor 1M + 0.80%	10/04/2023	296	296	-

Bank	Interest rate	Terms	Expiry Date	Remaining debt 30 September 2022	Within 12 months	Over 12 months
Banco Desio	Variable	Euribor 1M + 1.40%	10/07/2025	1,139	402	737
Credit Agricole	Fixed	0.90%	24/07/2024	3,256	1,622	1,634
Credit Agricole	Variable	Euribor 3M + 1.00%	05/10/2022	255	255	-
Credit Agricole	Variable	Euribor 3M + 1.00%	13/12/2025	3,267	1,015	2,251
Credit Agricole	Variable	Euribor 3M + 1.63%	30/09/2027	15,010	-	15,010
Raiffeisen	Variable	Euribor 6M + 2.15%	31/08/2026	1,345	349	996
MedioCredito Centrale	Variable	Euribor 3M + 2.00%	27/09/2025	6,173	2,053	4,120
Fees				412	412	-
Total				**197,005**	**27,892**	**169,113**

Some of the loans stipulated have a variable rate. The use of derivative financial instruments is reserved for management to limit the exposure to fluctuations in interest rates associated with monetary flows and no speculative activities are carried out or permitted. The instruments used for this purpose are exclusively Interest Rate Swaps (IRS). The Group generally borrows at fixed interest rates and manages the risk of interest fluctuation of those loans at a variable interest rate through hedging arrangements.

Derivative financial instruments

Type of instrument	Identificatio n number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A.. Parameter	Bank Parameter	Maturity	Fair value as of September 30, 2022
				(in thousands of €)			
IRS	61	450	30/09/2022	1.00	0.26+Euribor 3M/360	09/06/2023	(3)
IRS	64	8,000	30/09/2022	(0.55)	0.495+Euribor 3M	24/07/2023	9
IRS	66	5,000	30/09/2022	(0.55)	Euribor 3M	17/10/2024	121
IRS	67	2,729	30/09/2022	(0.55)	(0.2)+Euribor 3M	31/03/2024	60
IRS	69	5,000	30/09/2022	0.00	0.001+Euribor 3M/360	13/12/2024	70
IRS	73	5,250	30/09/2022	(0.48)	0.1+Euribor 3M/360	30/06/2026	(263)
IRS	76	6,000	30/09/2022	(0.55)	(0.318)+Euribor 3M	30/06/2026	350
IRS	3	2,509	30/09/2022	(0.54)	Euribor 3M/360	29/12/2026	(146)
CAP	81	25,000	30/09/2022	2.78	2,5+Euribor 3M/360	30/06/2028	328
IRS	78	3,567	30/09/2022	(0.55)	0,2+Euribor3M/360	30/09/2026	185
Total		**63,505**					**711**

(9) LEASE LIABILITIES

The following table provides a breakdown for non-current and current lease liabilities:

Class	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
Non-current lease liabilities	43,690	47,568
Current lease liabilities	7,726	7,768
Total lease liabilities	**51,416**	**55,336**

Class	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
Opening balance	55,336	41,327
Additions due to new leases and renewals	1,451	15,555
Principal repayment of lease liabilities	(6,427)	(10,377)
Exchange difference and other non-cash items	1,056	-
Business combination	-	8,831
Closing balance	**51,416**	**55,336**

The following table summarizes the undiscounted contractual cash flows of lease liabilities by maturity date:

Expiry date	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
1 years	7,726	7,768
2 years	7,450	6,717
3 years	6,498	6,427
4 years	5,272	6,218
Beyond	24,470	28,206
Total lease liabilities	**51,416**	**55,336**

(10) OTHER NON-CURRENT LIABILITIES

The following table provides a breakdown for other non-current liabilities:

Class	As of September 30, 2022	As of December 31, 2021
	(in thousands of €)	
Deferred income	3,637	3,349
Other non-current tax payables	655	485
Other non-current payables	-	627
Payables for shareholder dividends	-	1,508
Share award plan liability	-	3,937
Other non-current liabilities	**4,292**	**9,906**

The caption “Deferred income” is related to the tax credit, in the nature of grants for an investment made to purchase a plant during 2020 and 2021, that is deferred over the amortization period of the underlying asset. Such capital contribution will be recognised in the financial statement on a *pro-rata temporis* basis, in the fiscal years in which the economic benefits deriving from these investments are manifested, which will coincide with the economic useful life of such plants.

As of September 30, 2022, following the contract modification reported in the paragraph “Critical accounting judgements and estimates”, the liability for “Share award plan liability” was measured at fair value and the decrease in the value of the liability not due, has been recognised in profit or loss.

NOTES TO THE INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(11) REVENUES

The Group generates revenues primarily from the sale of rotor, stator, spare parts and tooling. The following table provides a breakdown for revenues by product line:

	For the nine months ended September 30,	
	2022	2021
	(in thousands of €)	
EV & Automotive	217,993	146,758
Industrial	433,127	245,200
Total Revenues	**651,120**	**391,958**

(12) COSTS FOR EXTERNAL SERVICES

The following table provides a breakdown for costs for external services:

	For the nine months ended September 30,	
	2022	2021
	(in thousands of €)	
Maintenance	12,739	9,877
Outsourced work	8,990	9,623
Energy	17,972	7,030
Transport	9,928	7,386
General expenses	3,658	3,161
Directors' remunerations	2,345	2,482
Recruitment cost	3,028	2,337
Rents and leases	1,140	328
of which short-term:	752	272
of which low values:	388	56
Consultancy fees	2,585	2,460
Legal, notary and administrative expenses	3,946	1,028
Commissions	2,193	1,268
Insurance	1,199	1,049
Other costs for external services	2,453	1,658
Costs for external services	**72,176**	**49,687**

Other services mainly include security and cleaning costs, travel expenses and marketing expenses.

(13) PERSONNEL COSTS

The following table provides for a breakdown for personnel costs:

	For the nine months ended September 30,	
Class	2022	2021
	(in thousands of €)	
Wages and salaries	63,467	48,756
Social security costs	12,534	10,519
Allocation of Defined Benefit Plan	1,824	1,677
Share award expenses	2,161	182
Other payroll costs	228	136
Personnel Costs	**80,214**	**61,270**

The Group, through its subsidiary Eurotranciatura has granted to four employees with strategic responsibilities the minority interest representing the 5% of the share capital of EMS. The arrangement provides an obligation for the employees to pay the consideration for the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the employees within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares not yet delivered to the employee and retained by the Group (unvested shares). If the employee leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to Group, upon its discretion, at the same purchase price. Following the contract modification, reported in the paragraph "Critical accounting judgements and estimates", the Group has recognised a compensation expense for € 2,161 thousand relating to the difference between the fair value of the shares, the share award liabilities and the financial loan receivable.

The average composition of employees was as follows:

	For the nine months ended September 30,	
	2022	2021
Directors	44	39
Senior Managers	67	64
White Collars	606	508
Blue Collars	1,615	1,588
Total average	**2,332**	**2,199**

(14) OTHER EXPENSES

The following table provides for a breakdown for other expenses:

	For the nine months ended September 30,	
Class	**2022**	**2021**
	(in thousands of €)	
Impairment/Release of receivables	1,354	(61)
Penalty Charges	160	116
Prior year expenses	559	352
Provision for risks	314	90
Consumption taxes and excise duties	345	238
Other	219	49
Capital loss from asset disposals	31	79
Other provisions	820	264
Other Expenses	**3,802**	**1,127**

(15) DEPRECIATION AND AMORTIZATION EXPENSES

The following table provides a breakdown for depreciation and amortization expenses:

	For the nine months ended September 30,	
Class	**2022**	**2021**
	(in thousands of €)	
Property, plant and equipment	13,023	12,475
Right-of-use assets	5,616	4,063
Intangible assets with a finite useful life	262	221
Total depreciation and amortization expense	**18,901**	**16,759**

(16) FINANCIAL INCOME

The following table provides for a breakdown for financial income:

	For the nine months ended September 30,	
Class	**2022**	**2021**
	(in thousands of €)	
Derivative financial instruments FVTPL	1,429	-
Other financial income	72	161
Financial income from Parent Company	63	-
Interest income from banks	48	52
Total financial income	**1,612**	**213**

(17) FINANCIAL COSTS

The following table provides for a breakdown for financial costs:

Class	For the nine months ended September 30,	
	2022	2021
	(in thousands of €)	
Interest on borrowings	3,423	2,380
Financial expenses from other investors	4,583	1,408
Interest expenses to factors	1,257	779
Interest for lease liabilities	639	551
Derivative financial instruments	246	182
Other financial costs	587	172
Total financial costs	**10,735**	**5,472**

(18) INCOME TAXES

Class	For the nine months ended September 30,	
	2022	2021
	(in thousands of €)	
IRES Italian Income taxes	7,775	1,353
Deferred tax	6,404	3,279
IRAP Regional Income taxes	1,706	2,457
Taxes other countries	931	15
Tax previous years	(107)	-
Total tax	**16,709**	**7,104**

On July 15, 2022, the Italian Revenue Agency (Agenzia delle Entrate) notified to the Company a final audit report ("processo verbale di constatazione") with respect to tax period 2016 reporting alleged violations relating to (i) the misapplication of the VAT pro-rata rule, and (ii) the non-deductibility of the amortization of certain intangible assets ("Intangible Asset"). On 11 November, 2022 the company received a formal notice ("avviso di accertamento") in relation to the alleged violations.

The Issuer deducted in years subsequent to 2016 the amortization of certain intangible assets and, therefore, the tax authority may in theory proceed to formalize substantially similar findings for additional tax periods.

In any case, although valid arguments exist to support the defense of the tax approach adopted, the Company has assessed that it is probable that the Agency may extend the tax assessment also to the subsequent years, a provision of € 1,654 has recognised in the financial statement of which € 820 thousand in the other expenses and for € 834 thousand in the tax previous years.

Deferred tax liabilities are not recognised if it can be demonstrated that their payment is improbable or not due. Deferred tax assets are recognised if their recovery is reasonably certain. All the measurements referred to above were conducted on a going concern basis.
The table below provides a reconciliation between actual income taxes and the theoretical income taxes, calculated on the basis of the applicable group's average tax rate, which was 25.3 percent for each of the periods ended September 30, 2022, and 2021:

Class	For the nine months ended September 30,	
	2022	2021
	(in thousands of €)	
Profit before taxes	48,998	24,326
Theoretical income tax expense — average tax rate	**(12,372)**	**(6,142)**
Tax effect on:		
Taxes relating to prior years	(107)	-
Deferred taxes	(6,404)	(3,279)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,880	4,774
Total tax expense, excluding IRAP	**(15,003)**	**(4,647)**
Effective average tax rate	30.62%	19.10%

Class	For the nine months ended September 30, 2022	2021
	(in thousands of €)	
Italian regional income tax expense (IRAP)	(1,706)	(2,457)
Total income tax	**(16,709)**	**(7,104)**

In order to facilitate the understanding of the tax rate reconciliation presented above, income tax expense has been presented net of other taxes paid abroad and of the Italian Regional Income Tax ("IRAP"). IRAP is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments. IRAP is calculated using financial information prepared under Italian accounting standards. The applicable IRAP rate was 3.9 percent for the other Italian components, for each of the periods ended September 30, 2022 and 2021.

There are no unrecognised deferred tax assets related to tax losses.

(19) EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as the ratio of net profit or (loss) attributable to the shareholders of the Company by the weighted average number of outstanding shares (basic and diluted) of the Company.

The following table summarizes the amounts used to calculate basic and diluted earnings per share:

Class	September 30, 2022	2021
	(in thousands of €)	
Profit of the period attributable to the Group (A)	29,771	15,791
Number of shares at start of the period	6,111,940	6,111,940
Number of shares at end of the period	6,111,940	6,111,940
Weighted average number of ord shares for basic EPS (B)	6,111,940	6,111,940
Basic earnings per share (Euro) (C)=(A)/(B)	**4.87**	**2.58**

Diluted earnings per share is equal to basic earnings per share as there were no potentially dilutive instruments for the periods presented.

RISK MANAGEMENT POLICY

Credit risk

The Group is exposed to a credit risk that its customers may delay or fail to fulfill their payment requirements in terms agreed and the internal procedures adopted in relation to the assessment of credit risk and customer solvency are not sufficient.

These risks could have negative effects on the Group's economic, financial and equity situation.

To mitigate this risk, the Group monitors the credit quality of the third-parties on the basis of internal or external ratings and sets credit limits subject to regular monitoring. The customers are all major players in the sectors in which the Group is active, and credit risk is concentrated on only a small percentage of smaller customers.

It occurs that the Group uses factoring instruments to collect certain type of trade receivables.

The following table contains a breakdown of third-party trade receivables by overdue category:

	As of September 30		As of December 31	
	2022		2021	
	Receivables	Provisions	Receivables	Provisions
	(in thousands of €)			
Receivables due.....................	133,535	(94)	76,788	(64)
Receivables past due by less than 60 days....................	27,418	(418)	12,814	(95)
Receivables between 60 and 180 days past due	1,502	(73)	3,385	(182)
Receivables past due by over 180 days	11,515	(8,594)	11,939	(7,566)
Total trade receivables........	**173,970**	**(9,179)**	**104,926**	**(7,907)**

Liquidity risk

The Group is exposed to the risk of not being able to obtain new borrowings or to get renewal of existing ones at conditions that are not worse than the existing ones, or it could default on the commitments (covenants) assumed in the existing loan agreements. Furthermore, the breach of covenants provided in some existing loan agreements could in some cases, to lead (due to cross default clauses) to the forfeiture of benefit of the term, respect to other loan agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

In consideration of the net financial position and the ability to generate positive cash flows from operating activities, the liquidity risk is assessed, in the economic situation in which the Group is at the time of approval of these financial statements, as low. The Group has credit lines granted by the banking system, which are adequate with respect to operational needs.

The Group's cash flows, financing requirements and liquidity are carefully monitored and managed by:

- maintaining an appropriate level of available liquidity;
- diversifying the methods used to raise financial resources;
- arranging appropriate credit facilities;
- monitoring prospective liquidity conditions, in relation to the business planning process.

	September 30, 2022	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
			(in thousands of €)		
Non-current financial liabilities and borrowings	186,419	186,419	-	129,840	56,579
Non-current lease liabilities	43,690	43,690	-	19,220	24,470
Total Non-Current Financial Liabilities	**230,109**	**230,109**	**-**	**149,060**	**81,049**
Current financial liabilities and borrowings	103,235	103,235	103,235	-	-
Current portion of non-current financial liabilities and borrowings	29,642	29,642	29,642	-	-
Current lease liabilities	7,726	7,726	7,726	-	-
Total Current Financial Liabilities	**140,603**	**140,603**	**140,603**	**-**	**-**
Total Financial Liabilities	**370,712**	**370,712**	**140,603**	**149,060**	**81,049**

	December 31, 2021	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
			(in thousands of €)		
Non-current financial liabilities and borrowings	134,997	134,997	-	100,051	34,946
Non-current lease liabilities	47,568	47,568	-	19,362	28,206
Total Non-Current Financial Liabilities	**182,565**	**182,565**	**-**	**119,413**	**63,152**
Current financial liabilities and borrowings	50,788	50,788	50,788	-	-
Current portion of non-current financial liabilities and borrowings	46,747	46,747	46,747	-	-
Current lease liabilities	7,768	7,768	7,768	-	-
Total Current Financial Liabilities	**105,303**	**105,303**	**105,303**	**-**	**-**
Total Financial Liabilities	**287,868**	**287,868**	**105,303**	**119,413**	**63,152**

The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends, the maturity or refinancing of debt and the management of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Parent Company in order to guarantee effective sourcing of financial resources or adequate investment of excess liquidity.

The negotiation and management of credit lines is coordinated by the Parent Company with the aim of satisfying the short and medium-term financing needs of the individual companies within the Group according to efficiency and cost-effectiveness criteria. It has always been the Group's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs.

The following table summarizes the main information relating to the uncommitted credit lines as of September 30, 2022.

	Currency	Maturity date	Line amount	Used	Residual	Rate
			(in thousands of Euro)			
Intesa San Paolo	EUR	27/10/2022	23,200	9,002	14,198	2.00%
Deutsche Bank	EUR	25/11/2022	3,100	3,000	100	6.32%
BCC	EUR	19/12/2022	10,000	10,000	-	2.50%
Monte dei Paschi di Siena	EUR	07/11/2022	5,000	5,000	-	2.50%
Unicredit	EUR	14/11/2022	26,750	12,311	14,439	3,00%
Banco Desio	EUR	09/01/2023	2,000	2,000	-	1.00%
Banca Nazionale del Lavoro	EUR	02/02/2023	5,025	3,517	1,508	1.00%
Banco BPM	EUR	09/11/2022	14,500	137	14,363	1.01%
Intesa San Paolo	EUR	17/10/2022	14,552	58	14,494	1.00%

	Currency	Maturity date	Line amount	Used	Residual	Rate
			(in thousands of Euro)			
Credit Agricole	EUR	11/12/2022	17,050	1,036	16,014	1.58%
Monte dei Paschi di Siena	EUR	Withdrawal	974	-	974	n.a.
Intesa San Paolo	EUR	Withdrawal	50	-	50	n.a.
Intesa San Paolo	EUR	Withdrawal	2,575	-	2,575	n.a.
Deutsche Bank	EUR	Withdrawal	50	-	50	n.a.
Banco BPM	EUR	Withdrawal	50	-	50	n.a.
Intesa San Paolo	EUR	Withdrawal	300	-	300	n.a.
Unicredit	EUR	Withdrawal	1,000	-	1,000	n.a.
Unicredit	CNY	27/10/2022	836	836	-	5.00%
Unicredit	CNY	27/10/2022	411	411	-	5.00%
Unicredit	CNY	23/11/2022	893	893	-	5.00%
Unicredit	CNY	23/11/2022	469	469	-	5.00%
Unicredit	CNY	05/12/2022	197	197	-	5.00%
Unicredit	CNY	31/08/2022	522	-	522	4.90%
Monte dei Paschi di Siena	CNY	21/03/2023	997	-	997	4.85%
Monte dei Paschi di Siena	CNY	23/09/2022	577	-	577	4.85%
Monte dei Paschi di Siena	CNY	15/12/2022	283	283	-	4.85%
Monte dei Paschi di Siena	CNY	29/07/2022	432	-	432	4.85%
Monte dei Paschi di Siena	CNY	17/01/2023	288	288	-	4.85%
Monte dei Paschi di Siena	CNY	22/03/2023	894	894	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	307	307	-	4.85%
Monte dei Paschi di Siena	CNY	10/08/2023	104	104	-	4.85%
Monte dei Paschi di Siena	CNY	21/09/2023	153	153	-	4.85%
Intesa San Paolo	USD	30/10/2022	4,103	4,103	-	5.42%
Intesa San Paolo	USD	21/11/2022	2,565	2,565	-	5.10%
Intesa San Paolo	USD	21/11/2022	1,539	1,539	-	5.10%
Intesa San Paolo	USD	30/10/2022	595	595	-	4.60%
Intesa San Paolo	USD	30/10/2022	3,483	3,483	-	4.45%
Unicredit	USD	28/11/2022	3,078	3,078	-	2.07%
Unicredit	USD	28/11/2022	1,539	1,539	-	2.60%
Monte dei Paschi di Siena	USD	Withdrawal	18,465	-	18,465	n.a.
Commercial Bank	USD	Withdrawal	227	227	-	n.a.
Total Uncommitted Lines in Euro			**169,133**	**68,025**	**101,108**	

The following table summarizes the main information relating to the uncommitted credit lines as of December 31, 2021.

	Currency	Maturity date	Line amount	Used	Residual	Rate
			(in thousands of Euro)			
Unicredit	EUR	Withdrawal	26,750	-	26,750	n.a
Unicredit	EUR	Withdrawal	1,000	-	1,000	n.a
Credit Agricole	EUR	Withdrawal	14,552	8,000	6,552	0.7%
BPER	EUR	Withdrawal	50	-	50	n.a
BPM	EUR	Withdrawal	13,500	-	13,500	n.a
BPM	EUR	Withdrawal	50	-	50	n.a
BCC	EUR	Withdrawal	10,000	10,000	-	0.8%
Intesa San Paolo	EUR	Withdrawal	11,200	-	11,200	n.a
Intesa San Paolo	EUR	Withdrawal	2,575	-	2,575	n.a
Intesa San Paolo	USD	Withdrawal	7,063	7,063	-	4.4%
Cariparma	EUR	Withdrawal	18,000	-	18,000	n.a
MPS	EUR	Withdrawal	5,000	5,000	-	0.7%
MPS	EUR	Withdrawal	974	-	974	n.a
MPS	USD	Withdrawal	15,893	-	15,893	n.a
Banco Desio e Brianza	EUR	Withdrawal	2,000	2,000	-	1.0%
BNL	EUR	Withdrawal	5,025	-	5,025	n.a
Credito Valtellinese	EUR	Withdrawal	4,050	2,500	1,550	0.1%
Credito Valtellinese	EUR	Withdrawal	1,500	1,444	56	0.00%
Deutsche Bank	EUR	Withdrawal	3,100	3,000	100	1.7%
Deutsche Bank	EUR	Withdrawal	50	-	50	n.a
Total Uncommitted Lines in Euro			**142,332**	**39,007**	**103,325**	

Interest rate risk

The Group is subject to the risk of fluctuations in the interest rate relating to the indebtedness. Any changes in interest rates (EURIBOR) could have effects with increase or reduction of financing costs.

	September 30, 2022					
	Outstanding debts	**% total**	**Within one year**	**% total**	**Over a year**	**% total**
			(in thousands of €)			
Total fixed rate financial liability	133,612	41.85%	109,130	82.13%	24,482	13.13%
Total variable rate financial liability	185,684	58.15%	23,747	17.87%	161,937	86.87%
Total outstanding debts	**319,296**	**100%**	**132,877**	**100%**	**186,419**	**100%**
Interest to be paid on variable rate not covered by derivative	4,484	-	572	-	3,912	-
Interest to be paid as a result of the change (+2%) in base reference rate	11,803	-	3,767	-	8,036	-

	December 31, 2021					
	Outstandin g debts	**% total**	**Within one year**	**% total**	**Over a year**	**% total**
			(in thousands of €)			
Total fixed rate financial liability	143,602	61.76%	82,547	84.63%	61,055	45.23%
Total variable rate financial liability	88,930	38.24%	14,988	15.37%	73,942	54.77%
Total outstanding debts	**232,532**	**100%**	**97,535**	**100%**	**134,997**	**100%**
Interest to be paid on variable rate not covered by derivative	**492**	**-**	**460**	**-**	**32**	-
Interest to be paid as a result of the change (+2%) in base reference rate	**6,197**	**-**	**2,481**	**-**	**3,716**	-

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not adopt specific policies to hedge exchange rate fluctuations as in order to mitigate the exposure to foreign exchange risk, the Group mainly carries out purchase and sale transactions in the same local currency therefore foreign exchange risk is low.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	As of September 30, 2022						
	USD	**TND**	**MXN**	**CNY**	**GBP**	**JPY**	**Total**
				(in thousands of €)			
Total assets	**9,539**	**2,742**	**-**	**1,372**	**-**	**118**	**13,771**
Total liabilities	**10,330**	**778**	**-**	**3,861**	**-**	**10,268**	**25,237**

	As of December 31, 2021						
	USD	**TND**	**MXN**	**CNY**	**GBP**	**JPY**	**Total**
				(in thousands of €)			
Total assets	**8,176**	**-**	**-**	**157**	**-**	**152**	**8,485**
Total liabilities	**6,709**	**-**	**-**	**464**	**-**	**10,113**	**17,286**

The following table details the Group's sensitivity to a 10 per cent increase and decrease in currency units against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10 per cent change in foreign currency rates.

	Year ended September 30,	
	2022	
	FX +10%	FX-10%
	(in thousands of €)	
USD – U.S. Dollar	72	(88)
CNY – Chinese Renminbi (Yuan)	226	(277)
JPY – Japonese Yen	923	(1,128)
TND – Tunisian Dinar	(179)	218
Total other currencies	**1,042**	**(1,274)**
Total effect on Profit before Tax	**1,042**	**(1,274)**

Financial assets and liabilities

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table below shows the financial assets and liabilities for applied evaluation methodology:

	Financial assets and liabilities				Fair value level		
September 30, 2022	**FVPL**	**FVOCI**	**Amortised cost**	**Total**	**1**	**2**	**3**
				(in thousands of €)			
Financial assets (note3)	-	3,895	5,716	9,611	2,773	6,838	-
Trade receivables (note6)	-	-	164,791	164,791	-	164,791	-
Other assets	-	-	39,493	39,493	-	39,493	-
Cash and cash equivalents	-	-	64,581	64,581	-	64,581	-
Total financial assets	**-**	**3,895**	**274,581**	**278,476**	**2,773**	**275,703**	**-**
Financial liabilities and borrowings (note8)	-	412	318,884	319,296		319,296	-
Lease liabilities (note9)	-	-	51,416	51,416	-	51,416	-
Trade payables	-	-	319,133	319,133	-	319,133	-
Other liabilities	-	-	28,472	28,472	-	28,472	-
Total financial liabilities	**-**	**412**	**717,905**	**718,317**	**-**	**718,317**	**-**

December 31, 2021	Financial assets and liabilities				Fair value level		
	FVPL	FVOCI	Amortised cost	Total	1	2	3
				(in thousands of €)			
Financial assets (note3)	-	12,025	5,772	17,797	4,514	5,810	7,473
Trade receivables (note6)	-	-	97,019	97,019	-	97,019	-
Other assets	-	-	29,001	29,001	-	29,001	-
Cash and cash equivalents......	-	-	137,662	137,662	-	137,662	-
Total financial assets	**-**	**12,025**	**269,454**	**281,479**	**4,514**	**269,4923**	**7,473**
Financial liabilities and borrowings (note8)	-	158	232,374	232,532		232,532	-
Lease liabilities (note9)	-	-	55,336	55,336	-	55,336	-
Trade payables.......................	-	-	240,210	240,210	-	240,210	-
Other liabilities......................	3,937	-	41,232	45,169	-	41,232	3,937
Total financial liabilities.......	**3,937**	**158**	**569,152**	**573,247**	**-**	**569,310**	**3,937**

Reconciliation of Level 3 fair value measurements of financial instruments

The following table presents the changes in level 3 items for the periods ended 30 September 2022 and 31 December 2021:

	Equity investments – EMS shares	Share award liability
	(in thousands of €)	
Balance at 1 January 2022...	**7,473**	**(3,937)**
Total gains or losses:		
in profit or loss..	**-**	**-**
in other comprehensive income	**-**	**-**
Settlements...	(7,473)	3,937
Balance at 30 September 2022...	-	-

TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24, related parties are: a) entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reporting entity; b) associates; c) individuals who directly or indirectly have voting power in the reporting entity that gives them significant influence over the entity, and their close family members; d) members of the key management personnel, i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, including the entity's directors or managers and the close family members of such persons; e) entities in which significant voting power is held directly or indirectly by any individual described in c) or d) above or over which that individual is able to exercise significant influence. The case of e) above includes entities owned by directors or controlling shareholders of the reporting entity and entities that have key management personnel in common with the reporting entity.

The table below, shows, a list of related parties, with the type of correlation:

Related parties	**Type and main correlation relationship**
EMS S.P.A.	Shareholder of the issuer
EUROTRANCIATURA S.P.A.	Company 100% owned by the issuer
CORRADA S.P.A.	Company 100% owned by the issuer
EUROTRANCIATURA MÉXICO, S. A. DE C. V	Company71.24% owned by the issuer
EUROPROPERTIES MEXICO S.A. DE C.V.	Company 100% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer
EUROTRANCIATURA TUNISIE	Company 51% owned by the issuer
EMS MEXICO SA DE CV	Company 71,24% owned by the issuer
EUROSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EUROTRANCIATURA USA LLC	Company 64.12% owned by the issuer
EUROPROPERTIES USA LLC	Company 100% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.58% owned by the issuer
EURO GROUP ASIA LIMITED	Company 60,26% owned by the issuer
EURO HIGHTECH S.A. DE C.V	Company 70.90% owned by the issuer

Related parties	Type and main correlation relationship
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer
EURO MISI HIGH TECH	Company 60.26% owned by the issuer
	Physical persons
Iori Sergio	Chairman of the issuer's Board of Directors appointed on September 08, 2020
Arduini Marco Stefano	CEO of the issuer, appointed on September 08, 2020
Guardala' Isidoro	Deputy Chairman appointed on September 08, 2020
Iori Marzio Andrea	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Quagliuolo Roberto Francesco	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Gales Jean-Marc Pierre	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Bertocchi Gianluca Umberto Maria	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Garavaglia Luigi Emilio	Chairman of the Board of Statutory Auditors appointed on October 8, 2020
Alabiso Francesco	Effective statutory auditor in charge appointed on September 08, 2020
Venturini Maria	Effective statutory auditor in charge appointed on September 08, 2020
Gandola Giancarlo	Alternate statutory auditor in charge appointed on September 08, 2020
Sironi Roberta	Alternate statutory auditor in charge appointed on September 08, 2020

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Transactions carried out by the Group with these related parties are of commercial and financial nature and, in particular, these transactions relate to:

Related parties	Parent Company	Total	Total item	Incidence on total item
		(in thousands of €)		
Right-of-use assets				
As of September 30, 2022	26,370	26,370	57,691	45.71%
As of December 31, 2021	28,393	28,033	61,993	45.80%
Non-current financial assets				
As of September 30, 2022	5,600	5,600	9,611	57,27%
As of December 31, 2021	5,600	5,600	17,797	31.47%
Non-current lease liabilities				
As of September 30, 2022	24,215	24,215	43,690	55.42%
As of December 31, 2021	26,139	26,139	47,568	54.95%
Other non-current liabilities				
As of September 30, 2022	-	-	4,292	0.00%
As of December 31, 2021	5,445	5,445	9,906	54.97%
Current lease liabilities				
As of September 30, 2022	2,561	2,561	7,726	33.15%
As of December 31, 2021	2,533	2,533	7,768	32.61%
Trade payables				
As of September 30, 2022	63	63	319,133	0.02%
As of December 31, 2021	-	-	240,210	0.00%
Costs for external services				
As of September 30, 2022	-	-	(72,176)	0.00%
As of September 30, 2021	-	-	(49,687)	0.00%
Personnel costs				
As of September 30, 2022	(2,161)	(2,161)	(80,214)	2,69%
As of September 30, 2021	(182)	(182)	(61,270)	0.30%
Depreciation and amortization expenses				
As of September 30, 2022	(2,021)	(2,021)	(18,901)	10,69%
As of September 30, 2021	(2,004)	(2,004)	(16,759)	11,96%
Financial costs				
As of September 30, 2022	(307)	(307)	(10,735)	2.86%
As of September 30, 2021	(328)	(328)	(5,472)	5.99%

KEY MANAGEMENT PERSONNEL

Pursuant to IAS 24—Related Party Disclosures, the related parties of the Group are all entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries. In addition, members of the Board of Directors and executives with strategic responsibilities and their families are also considered related parties. The following tables summarize remuneration of directors, key executives with strategic responsibilities:

Key management personnel			
	Compensation		
	Short Term employee benefits	Share purchase plan	Total compensation
2022	2,345	2,161	4,506
2021	2,482	182	2,664

Key management personnel	
	Outstanding Balance
	Other non current liabilities
As of 30 September 2022,	-
As of 31 December 2021,	3,937

Consolidated Financial Statements for the years ended December 31, 2021, 2020 and 2019

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Euro Group Laminations S.p.A.

Opinion

We have audited the consolidated financial statements of EuroGroup Laminations S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, 2020 and 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and explanatory notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, 2020 and 2019 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of EuroGroup Laminations S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This report is not issued pursuant to the law on statutory audit as EuroGroup Laminations S.p.A. has prepared the accompanying consolidated financial statements within the process for the initial public offering and listing of its ordinary shares on Euronext Milan, organized and managed by Borsa Italiana S.p.A..

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company EuroGroup Laminations S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Signed by
Lorenzo Rossi
Partner

Milan, Italy
November 18, 2022

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As of December 31		
		2021	**2020**	**2019**
		(in thousands of €)		
Intangible assets	(1)	2,440	2,142	1,498
Property, plant and equipment	(2)	145,507	115,043	89,028
Right-of-use assets	(3)	61,993	44,004	23,811
Investments in associates	(4.2)	-	12,015	11,305
Non-current financial assets	(5)	17,797	12,883	9,901
Deferred tax assets	(6)	23,025	22,410	10,252
Other non-current assets	(7)	1,907	890	1,631
Total Non-Current Assets		**252,669**	**209,387**	**147,426**
Inventories	(8)	219,948	132,746	127,874
Trade receivables	(9)	97,019	59,728	66,209
Current financial assets		-	-	4,976
Other current assets	(10)	27,094	12,903	10,554
Current tax receivables	(11)	1,896	2,730	5,208
Cash and cash equivalents	(12)	137,662	107,655	44,839
Total Current Assets		**483,619**	**315,762**	**259,660**
TOTAL ASSETS		**736,288**	**525,149**	**407,086**
Share capital		6,112	6,112	4,500
Share premium reserve		34,410	34,410	-
Other Reserves		5,204	(5,950)	(2,228)
Retained Earnings		81,829	63,077	60,912
Equity attributable to the owners of the Company	(13)	**127,555**	**97,649**	**63,184**
Equity attributable to the non-controlling interests	(14)	**19,772**	**6,307**	**4,798**
Total Equity		**147,327**	**103,956**	**67,982**
Non-current financial liabilities and borrowings	(15)	134,997	129,548	75,546
Non-current lease liabilities	(16)	47,568	36,564	19,485
Employee benefits	(17)	4,809	5,080	5,087
Deferred tax liabilities	(6)	8,088	4,296	3,462
Provisions	(18)	402	384	384
Other non-current liabilities	(19)	9,906	4,785	2,229
Total Non-Current Liabilities		**205,770**	**180,657**	**106,193**
Current financial liabilities and borrowings	(15)	97,535	85,182	114,143
Current lease liabilities	(16)	7,768	4,763	2,902
Trade payables	(20)	240,210	129,214	100,621
Other current liabilities	(21)	35,263	21,122	14,513
Current tax liabilities	(22)	2,415	255	732
Total Current Liabilities		**383,191**	**240,536**	**232,911**
TOTAL EQUITY AND LIABILITIES		**736,288**	**525,149**	**407,086**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the year ended December 31, 2021	2020	2019
		(in thousands of €)		
Revenues	(23)	556,904	373,290	352,074
Other income		2,211	1,826	1,663
Change in work in progress, semi-finished and finished product inventories	(24)	10,628	(4,137)	2,297
Costs for purchases of raw materials	(25)	(351,737)	(223,932)	(211,129)
Costs for external services	(26)	(71,522)	(51,856)	(48,559)
Personnel costs	(27)	(88,551)	(71,429)	(67,668)
Other expenses	(28)	(2,091)	(3,838)	(1,381)
Share of results of associates		2,846	(190)	(1,121)
Depreciation and amortization expenses	(29)	(23,269)	(18,313)	(17,566)
Operating Profit		**35,419**	**1,421**	**8,610**
Financial income	(30)	849	1,436	709
Financial costs	(31)	(7,676)	(6,257)	(5,342)
Exchange gains/(losses)	(32)	1,081	(1,362)	17
Profit / (Loss) before tax		**29,673**	**(4,762)**	**3,994**
Income taxes	(33)	(8,982)	7,084	26
Profit for the year		**20,691**	**2,322**	**4,020**
Attributable to:				
Owners of the Company		18,752	2,200	3,660
Non-controlling interests		1,939	122	360
Earnings per share basic and diluted	(34)	3.07	0.41	0.81

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS

	Note	2021	2020	2019
		(in thousands of €)		
Profit for the year		**20,691**	**2,322**	**4,020**
Items that may be reclassified subsequently to profit or loss		**11,677**	**(4,130)**	**1,449**
Foreign exchange gain/(loss) on translating foreign operations	(13)	6,506	(5,968)	1,315
Fair value gain on equity instruments measured at FVTOCI	(13)	6,820	2,420	176
Tax effects of fair value gain/(loss) on equity instruments measured at FVTOCI		(1,636)	(582)	(42)
Fair value (loss) arising on hedging instruments during the period	(13)	(17)	-	-
Tax effects relating to items that may be reclassified subsequently to profit or loss	(13)	4		
Items that will not be reclassified subsequently to profit or loss		**60**	**(164)**	**(338)**
Remeasurement of defined benefit plan	(13)	79	(216)	(445)
Tax effects relating to items that will not be reclassified subsequently to profit or loss	(13)	(19)	52	107
Other comprehensive income for the year, net of tax		**11,737**	**(4,293)**	**1,111**
Attributable to:				
Owners of the Company		29,906	(1,557)	4,695
Non-controlling interests		2,522	(415)	436
Total comprehensive income for the year		**32,428**	**(1,972)**	**5,131**

The above Consolidated Statement of Comprehensive Income or Loss should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended December 31, 2021	2020	2019
		(in thousands of €)		
Profit for the year		**20,691**	**2,322**	**4,020**
Income taxes	(33)	8,982	(7,084)	(26)
Depreciation and amortization expenses	(29)	23,269	18,313	17,566
Difference between pension funding contributions paid and the pension cost charge	(17)	(444)	(171)	(107)
Financial income	(30)	(849)	(1,436)	(709)
Financial costs	(31)	7,676	6,257	5,342
(Gain) on disposal of property, plant and equipment		(43)	(357)	(44)
Allocation to the provision for obsolete inventory	(8)	5,453	824	345
Allocation to the provision for doubtful debt provision	(9)	(115)	1,283	(114)
Share award expenses	(27)	3,698	1,271	356
Share of results of associates		(2,846)	(710)	1,121
Net change in Provision	(18)	18	-	(339)
Operating cash flows before movements in working capital		**65,491**	**20,512**	**27,411**
(Increase)/decrease in trade receivables	(9)	(30,622)	8,676	(7,573)
(Increase)/decrease in inventories	(8)	(87,956)	(140)	(1,181)
Increase/(decrease) in trade payables	(20)	107,543	24,055	6,724
Increase/(decrease) in current tax liabilities	(22)	(471)	(4,031)	(1,520)
(Increase)/decrease in other receivables	(10)	(13,374)	1,876	4,787
Increase/(decrease) in other payables	(21)	11,217	6,868	(190)
Cash flow from operating activities		**51,828**	**57,816**	**28,458**
Income taxes paid		(3,419)	(1,605)	(1,579)
Net cash flow from operating activities (A)		**48,409**	**56,211**	**26,879**
Acquisition of property, plant and equipment	(2)	(37,093)	(24,776)	(22,667)
Proceeds of property, plant and equipment	(2)	806	1,009	170
Acquisition of intangible assets	(1)	(319)	(543)	(589)
(Increase) in financial receivables from parent company	(5)	-	(624)	-
Proceeds of financial receivables from associates	(5)	-	-	(5,258)
Acquisition of subsidiaries net of cash and cash equivalents		19,041	1,091	-
Interest received		826	1,423	700
Dividends received		1,400	-	350
Net cash flow (used in) investment activities (B)		**(15,339)**	**(22,420)**	**(27,294)**
Issue of new bank borrowings	(15)	56,193	131,475	41,384
Repayment of bank borrowings	(15)	(34,545)	(97,574)	(26,869)
Repayment of current financial liabilities	(15)	(18,060)	(33,109)	(6,409)
Proceeds from current financial liabilities	(15)	11,781	8,381	19,392
Principal repayment of lease liabilities	(16)	(10,377)	(5,434)	(3,296)
Dividends paid		(2,519)	(42)	(221)
Interest paid		(7,412)	(5,734)	(5,333)
Proceeds on issue of shares		-	36,021	-
Net cash (used in)/from financing activities (C)		**(4,939)**	**33,984**	**18,648**
Net increase in Cash and Cash Equivalents (A+B+C)		**28,131**	**67,775**	**18,233**
Cash and Cash Equivalents at the beginning of the year		**107,655**	**44,839**	**24,478**

	Note	For the year ended December 31,		
		2021	2020	2019
		(in thousands of €)		
Effect of changes in exchange rates		1,876	(4,959)	2,128
Cash and Cash Equivalents at the end of the year		**137,662**	**107,655**	**44,839**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STAEMENT OF CHANGES IN EQUITY

			Other Reserves							
	Share capital	Share premium reserve	Legal reserve	IFRS transition reserve	Foreign exchange translation	Other comprehensive income	Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
					(in thousands of €)					
December 31, 2019	**4,500**	**-**	**613**	**(3,875)**	**1,227**	**(193)**	**60,912**	**63,184**	**4,798**	**67,982**
Allocation of year-end profit			35				(35)	-	-	-
Issue of share capital increase	1,612	34,410						36,022		36,022
Dividends paid									*(42)*	(42)
Change in scope of consolidated companies									1,966	1,966
Profit for the year							2,200	2,200	122	2,322
Actuarial (loss)						(153)		(153)	(11)	(164)
Fair value gain on equity instruments measured at FVTOCI						1,838		1,838		1,838
Exchange foreign (losses)					(5,442)			(5,442)	(526)	(5,968)
Total other comprehensive income for the year	-	-		-	*(5,442)*	1,685	2,200	(1,557)	(415)	(1,972)
December 31, 2020	**6,112**	**34,410**	**648**	**(3,875)**	**(4,215)**	**1,492**	**63,077**	**97,649**	**6,307**	**103,956**
Dividends paid									*(2,519)*	(2,519)
Change in scope of consolidated companies									13,462	13,462
Profit for the year							18,752	18,752	1,939	20,691
Actuarial gain						54		54	6	60
Fair value gain on equity instruments measured at FVTOCI						5,184		5,184	-	5,184
Fair value (loss) arising on hedging instruments during the period						(13)		(13)		(13)

	Share capital	Share premium reserve	Other Reserves: Legal reserve	Other Reserves: IFRS transition reserve	Other Reserves: Foreign exchange translation	Other Reserves: Other comprehensive income	Retained earnings	Equity of the Group	Equity of non-controlling interests	Total Equity
					(in thousands of €)					
Exchange foreign gains					5,929			5,929	577	6,506
Total other comprehensive income for the year					5,929	5,225	18,752	29,906	2,522	32,428
December 31, 2021	**6,112**	**34,410**	**648**	**(3,875)**	**1,714**	**6,717**	**81,829**	**127,555**	**19,772**	**147,327**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORTING STANDARDS AND BASIS OF ACCOUNTING

General information

EuroGroup Laminations S.p.A.. (hereinafter "Company" and "EuroGroup Laminations") is a joint stock company incorporated and registered in Italy. Its ultimate controlling party is Euro Management Services S.p.A. (also referred as E.M.S.). The address of the Company's registered office is Via Stella Rosa 48/50, Baranzate (Milan, Italy).

The principal activities of the Company and its subsidiaries (together referred as "the Group") and the nature of the Group's operations regard the production of rotors and stators for rotating electrical machines (electric motors and generators), through cutting (both progressive and in block) or punching of magnetic laminations, the latter for large electrical machines, as well as the aluminum mold casting of rotors intended for such electrical machines. Moreover, also in these sectors, the Group carries out the assembly of the aforesaid goods and the related ancillary processes, as well as the design and construction of molds for the cutting of the laminations described above.

The consolidated financial statements were approved by the board of directors on 18 November 2022.

The consolidated financial statements as of and for the years ended December 31, 2021, 2020, and 2019, are audited by Deloitte & Touche S.p.A..

Basis of preparation

Statement of compliance

The consolidated financial statements for the year ended December 31, 2021, have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The term "IFRS" also encompasses all the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), the former Standing Interpretations Committee (SIC).

EuroGroup Laminations adopted the IFRS endorsed by the European Union for the first time on January 1, 2019. Therefore, these consolidated financial statements include comparative figures for the previous year as required by such standards. The parent company prepared the IFRS consolidated financial statements as of December 31, 2021 partly for inclusion in the prospectus prepared pursuant to article 94.1/2 of Legislative decree no. 58 of February 24, 1998, in accordance with the provisions of Regulation (EC) no. 1129/2017 for the listing of its ordinary shares on the stock exchange organized and managed by Borsa Italiana S.p.A..

As required by IFRS 1, the effects of the transition to the IFRS on the consolidated equity reported under Italian GAAP ("ITA GAAP") (both as at the date of transition and at the end of the latest periods presented in the most recent consolidated financial statements) as well as on the total comprehensive income have been disclosed further in these notes.

Format of the financial statements

The consolidated financial statements include the consolidated statement of profit or loss, consolidated statement of comprehensive income or loss, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the explanatory notes (the "Consolidated Financial Statements").

The Group presents its consolidated income statement using a classification method based on the nature of expense, as it is representative of the format used by management for internal reporting processes to evaluate business operations, and able to provide reliable information to investors.

The consolidated statement of comprehensive income is presented as a separate statement and, in addition to presenting the components of profit and loss recognised directly in the consolidated statement of profit and loss during the period, presents the components of profit and loss not recognised in profit or loss as required or permitted by IFRS.

The Group presents current and non-current assets and liabilities as separate classifications in its consolidated financial statements. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Group.

The Group presents its consolidated statement of cash flows using the indirect method, as permitted by IAS 7 — Statement of Cash Flows ("IAS 7"), and presents cash flows by operating, investing and financing activities.

These financial statements are presented in Euro and rounded to the nearest thousand, which is the Company functional currency and the Group's presentation currency. Foreign operations are included in accordance with the policies set out in the following notes.

Adoption of new and revised Standards

IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2019

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2019:

- On March 31, 2021, the IASB published an amendment entitled "**Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)**" by which it extends by one year the period of application of the amendment issued in 2020, which provided lessees the option to account for Covid-19-related rent reductions without having to assess through contract analysis whether the definition of lease modification in IFRS 16 was met. Therefore, the lessees who applied this option in fiscal year 2020 accounted for the effects of rent reductions directly in the income statement on the effective date of the reduction. The 2021 amendment, which is only available to entities that have already adopted the 2020 amendment, applies from April 1, 2021, and early adoption is permitted. The adoption of these amendments does not have any effects on the Group consolidated financial statements.

- On June 25, 2020, the IASB published an amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow the temporary exemption from the application of IFRS 9 to be extended until January 1, 2023 for insurance companies. The adoption of this amendment does not have effects on the consolidated financial statements of the Group.

- On August 27, 2020, the IASB published, in light of the reform on interbank interest rates such as IBOR, the document "**Interest Rate Benchmark Reform-Phase 2**" which contains amendments to the following standards:

  - IFRS 9 *Financial Instruments*;

  - IAS 39 *Financial Instruments: Recognition and Measurement*;

  - IFRS 7 *Financial Instruments: Disclosures*;

- IFRS 4 *Insurance Contracts*; and
- IFRS 16 *Leases*.

All the amendments entered into force as of January 1, 2021. The adoption of this amendment does not have a significant impact on the Group consolidated financial statements.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT MANDATORILY EFFECTIVE YET AND NOT ADOPTED EARLY BY THE GROUP AS OF DECEMBER 31, 2021

- On May 14, 2020, the IASB published the following amendments:
  - **Amendments to IFRS 3 Business Combinations:** the purpose of the amendments is to update the reference in IFRS 3 to the revised version of the Conceptual Framework, without changing the provisions of the standard.
  - **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of the asset. These sales revenues and related costs will therefore be recognised to the statement of profit or loss.
  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in estimating the possible onerousness of a contract, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used to perform the contract).
  - **Annual Improvements 2018-2020**: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All the amendments will enter into force from January 1, 2022. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On May 18, 2017, the IASB published **IFRS 17 – Insurance Contracts** which replaces IFRS 4 – Insurance Contracts. The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer. The new standard sets out in addition presentation and disclosure requirements to improve comparability between entities belonging to the same sector. It measures insurance contracts on the basis of a General Model or a simplified version of such, called the Premium Allocation Approach ("PAA").

  The main features of the General Model are:

  - the estimates and assumptions of future cash flows always refer to the current portion;
  - the measurement reflects the time value of money;

- the estimates include an extensive use of observable market information;
- a current and clear risk measurement exists;
- the expected profit is deferred and aggregated into groups of insurance contracts on initial recognition; and,
- the expected profit is recognised in the period of contractual coverage, taking account of adjustments from changes in the assumptions on cash flows for each group of contracts.

The PAA approach involves the measuring of the liability for the residual coverage of a group of insurance contracts on the condition that, on initial recognition, the entity expects that this liability reasonably reflects an approximation of the General Model. Contracts with a coverage period of one year or less are automatically considered appropriate for the PAA approach. The simplifications from application of the PAA method do not apply to the valuation of liabilities for existing claims, which are measured with the General Model. However, it is necessary to discount these cash flows where it is expected that the balance will be paid or received within one year from the date on which the claim occurred. The entity should apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held and also investment contracts with a discretionary participation feature (DPF).

The standard is effective from January 1, 2023, although advance application is permitted, only for entities applying IFRS 9 – Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect this standard to have a significant impact on the Group consolidated financial statements.

- On February 12, 2021, the IASB published two amendments entitled "***Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2***" *and* "***Definition of Accounting Estimates—Amendments to IAS 8***". The changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On May 7, 2021, the IASB published an amendment called "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On 19 November 2021, the IASB published the new "**International Financial Reporting Standard (IFRS) 17 Insurance Contracts**". IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023. The standard will be applicable to annual reporting periods beginning on or after 1 January 2023. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On December 9, 2021, the IASB published an amendment called "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information**". The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the usefulness of comparative information for financial statement readers. The amendments will apply from January 1, 2023, together with the application of IFRS 17. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

- On January 30, 2014 the IASB published **IFRS 14 Regulatory Deferral Accounts** which permits only those adopting IFRS for the first time to continue to recognise amounts concerning Rate Regulation Activities according to the previous accounting standards adopted. Although the Group is a first-time adopter, the Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements as this standard is not applicable.

- On 23 January 2020, the IASB published an amendment entitled "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current".** The purpose of the document is to clarify how to classify payables and other short or long-term liabilities. These amendments shall enter into force on January 1, 2023 and early application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant accounting policies

The accounting policies relevant to the Group are set out below:

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 31 December 2021, 2020, 2019 and the results of the entities controlled by the Company (its subsidiaries) for the years then ended.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

The exchange rates used to translate into euros the financial statements of the consolidated companies are listed hereunder.

Currency	**Exchange rate as of December 31, 2021**	**Average 2021 exchange rate**	**Exchange rate as of December 31, 2020**	**Average 2020 exchange rate**	**Exchange rate as of December 31, 2019**	**Average 2019 exchange rate**
US Dollar	1.1326	1.1827	1.2271	1.1422	1.1234	1.1195
Chinese Renminbi............	7.1947	7.6282	8.0225	7.8747	7.8205	7.7355
Russian Ruble	85.3004	87.1527	91.4671	82.7248	69.9563	72.4553

Foreign currency transactions

Foreign currency transactions are translated into Euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the investment on an associate is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest shall be reclassified to profit or loss, if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Scope of consolidation

EuroGroup Laminations S.p.A.. is the parent company of the Group and it holds, directly or indirectly, interests in the Group's subsidiaries. The Group's scope of consolidation for years ended December 31, 2021, 2020 and 2019 is described in note 4.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research and development costs are expensed in the period in which they are incurred.

Software

Software acquired as part of recurring operations and software developed in-house by the Group which meet all the relevant criteria are capitalised and amortised on a straight-line basis over their useful lives.

Intangible assets with a definite useful life are amortised on a straight-line basis at the following rates:

Description	Annual amortization rate
Software	Useful life (not exceeding 5 years)
Other intangible assets	Useful life

Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Property, plant and equipment

Property, plant and equipment is initially recognised at cost, which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management, capitalised borrowing costs and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Land and buildings held for use in the production or supply of goods or services for rental to others, or for administrative purposes, are stated in the statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Description	Annual amortization rate
Land and buildings	1.5% - 3%
Plant and machinery	5% - 17.5%
Commercial and industrial equipment	5% - 25%
Other tangible assets	5% - 25%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of property, plant and equipment, right-of-use and intangible assets with a finite useful live

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Factors considered important that could trigger an impairment review of property, plant and equipment, right-of-use and intangible assets include, but are not limited to, the following:

- significant underperformance relative to the historical or projected future operating results;
- significant changes in the manner of the use of the acquired assets or the strategy of the overall business; and
- significant negative industry or economic trends.

If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments comprise of (1) fixed payments less any lease incentives receivable, (2) variable lease payments that depend on an index or a rate, (3) amounts expected to be paid under residual value guarantees, (4) exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and (5) any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. The following items constitute an exception, which are instead valued according to their reference principle: (i) deferred tax assets and liabilities, (ii) assets and liabilities for employee benefits and (iii) assets held for sale. Acquisition-related costs are recognised in profit or loss as incurred. If a business combination is achieved without the transfer of consideration, goodwill is determined by using the acquisition-date fair value of the acquirer’s interest in the acquiree rather than the acquisition-date fair value of the consideration transferred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Financial assets

Financial assets are initially recognised at the fair value of the consideration paid. After the initial recording, the financial assets are measured in relation to their use.

The classification of financial assets depends on the business model within which the financial instruments are held and their contractual cash flow characteristics, relevant to determining whether they are to be measured at amortised cost or fair value.

In particular, the Group measures its financial assets at amortised cost if, and only if, both the following conditions have been met:

- the asset is held within a business model whose objective is the collection of the contractual cash flows; and

- the contractual conditions give rise to cash flows that are solely payments of principal and interest.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved through the collection of the contractual cash flows and the sale of the financial assets; and

- the contractual terms of the financial asset give rise, on specific dates, to cash flows representing solely payments of principal and interest.

Financial assets at fair value through other comprehensive income mainly include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

On a residual basis, all other financial assets are designated at fair value through profit or loss (FVTPL).

Financial assets in currencies other than the functional currency are accounted for in Euro at the spot exchange rate on the transaction date and subsequently translated at the reporting date exchange rate with unrealised exchange differences recorded in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables

Short-term trade receivables without a predetermined interest rate are measured at cost or the fair value of the initial consideration. The Group holds trade receivables with the aim of collecting the contractual cash flows and thus subsequently measures them at amortised cost according to the effective interest method, which usually coincides with their original value, where the effect of discounting is immaterial. Where the time value of money effect is material, receivables are measured at amortised cost.

Receivables sold to factoring companies in non-recourse transactions, which provide for the unconditional transfer to the factor of all risks and rewards of the receivables factored, are eliminated from the financial statements.

In factoring transactions where risks and rewards are not transferred, the related receivables are kept in the statement of financial position until they are paid by the assigned debtor. In this case any advances collected from the factor are recognised as financial liability.

The Group measures the doubtful debt provision at an amount reflecting the expected losses over the entire life of the receivable. Expected losses on trade receivables are estimated according to a provisioning matrix by default bracket, based on the Group’s past experience with losses on receivables and an analysis of debtors’ financial position, adjusted to reflect factors specific to each debtor (e.g., where subject to insolvency procedures) at the reporting date.

Cash and cash equivalents

Depending on their nature, other cash equivalents are recorded at nominal value or at amortised cost. Other equivalent available funds represent short-term, high-liquidity funds that are quickly convertible into certain cash values, subject to negligible risk of change in value, and whose original maturity at the time of acquisition does not exceed 3 months.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group (such as ordinary shares) are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities

Financial liabilities include financial payables, borrowings, lease liabilities and they also include trade and other payables. Financial liabilities are initially recognised at fair value net of transaction costs. Subsequent to initial recognition, financial liabilities are recognised using the amortised cost, using the effective interest rate. A financial liability is derecognized when the obligation underlying the liability is extinguished, canceled or fulfilled. When an existing financial liability is replaced by another of the same lender, with different conditions, or the terms of an existing liability are substantially changed, such exchange or modification is treated as a write-off of the original liability, with recognition of a new liability and any differences between the book values in the profit / (loss) for the year. In case of modified financial liability does not qualify as an "extinguishment of the original financial liability", the difference between i) the carrying amount of the liability before the modification and ii) the present value of the modified liability's cash flows, discounted using the original internal rate (IRR), is recognised in profit or loss.

The Group derecognises financial liabilities when obligations are discharged, cancelled, or expired. The difference between the consideration paid to derecognise the financial liability and its carrying amount is recognised in profit or loss.

Trade and other payables

Trade and other payables are initially recognised at cost, which is the fair value of the amount paid less transaction costs. Subsequently, payables that have a fixed maturity are measured at amortised cost, using the effective interest method, while payables without a fixed maturity are measured at cost. The current payables, on which no interest is applicable, are measured at nominal value. The fair value of long-term payables is determined by discounting future cash flows: the discount is recorded as a financial charge over the duration of the payable to maturity.

Derivative financial instruments and hedging transactions

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Contractual arrangements that contain an obligation to purchase non-controlling interests (such as a puttable instrument granted to non-controlling interests) are treated as derivatives over own equity in the consolidated financial statements and consequently give rise to a financial liability measured at the present value of the redemption amount. Subsequently, the financial liability is measured at amortised cost with any change in the liability recognised in profit or loss. When an arrangement provides the Company with a present ownership interest in the shares, the instruments is entirely recognised as a financial liability and no non-controlling interests is recognised. Under this approach, any dividends paid to the other shareholders are recognised as an expense in the consolidated financial statements, except where they represent a repayment of the liability.

Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

The fair value of financial instruments quoted in an active market is based on market prices at the balance sheet date (Level 1). The fair value of instruments not listed on an active market is determined using specific valuation techniques as described further in these notes (Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable).

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost

Employee benefits

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets.

The present value of defined benefit obligations is measured using actuarial techniques and benefits are attributable to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Actuarial assumptions are based on management's best estimates. The components of defined benefit cost are recognised as follows:

- the service costs are recognised in the consolidated statement of profit and loss in the personnel cost line item;
- the net interest expense on the defined benefit liability is recognised in the consolidated statement of profit and loss within financial expenses;
- the remeasurement components of the net obligation, which comprise actuarial gain and losses, are recognised immediately in other comprehensive income. These remeasurement components are not reclassified in the consolidated statement of profit and loss in a

subsequent period.

Post-employment benefits include the Italian employee severance indemnity ("trattamento di fine rapporto" or "TFR") obligation required under Italian Law. The amount of TFR to which each employee is entitled must be paid when the employee leaves the Group and is calculated based on the period of employment and the taxable earnings of each employee. Under certain conditions, the entitlement may be partially advanced to an employee during their working life.

The TFR scheme is classified as a defined contribution plan and the Group recognizes the associated costs over the period in which the employee renders service.

Share-based payments

Share-based payments transactions with employees and others providing similar services are measured at the fair value of the equity instruments. The fair value excludes the effect of non-market-based vesting conditions.

The Group classifies share-based payment transactions when the employees are granted equity instruments of the parent company of the Group as a cash-settled instruments since the underlying transaction is not settled by delivering own equity instruments. For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value charged to the statement of profit and loss.

Revenue recognition

Revenue mainly comprises sales of goods.

Revenue is recognised when control over a product is transferred to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives, rebates or discounts.

Under the Group's commercial policy, customers on case by case basis and up to 36 months are entitled to a right of returns, which enables them to receive a full or partial cash refund of the amount paid or another product in exchange.

Revenues from the sale of rotor, stator, spare parts and tooling are recognised at a point in time when control over a product is transferred to the customers. Typically, it occurs upon delivery of the goods based on the standard incoterms included in the contracts.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government that relates to an investment, the investment and the grant are recognised at their nominal values and transferred to profit or loss progressively on a systematic basis over the useful life of the related investment, decreasing the initial deferred income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Costs

Costs are recognised net of returns and discounts in accordance with the accrual principle.

The costs for purchases of raw materials are recorded when all risks and benefits have been transferred, which normally coincides with the shipment of the goods. Costs for services are recorded on an accrual basis, based on the time of receipt of the services.

Income from recycling scrap metal is deducted from the cost of materials.

Financial income and costs

Financial income and costs are recognised on an accrual basis and include: interest earned on related financial assets and liabilities using the effective interest rate method, changes in fair value of derivatives and other financial instruments recognised at fair value through profit or loss, foreign exchange and financial instrument gains and losses (including derivatives).

Dividends

Dividends received from companies other than subsidiaries, associates and joint ventures are recorded in the consolidated income statement on an accrual basis, i.e. in the year in which the related right arises, following the shareholders' motion to distribute dividends to the investee companies.

Dividends distributable to third parties, that are associated to equity holders, are debited directly to equity as changes in shareholders' equity in the year in which they are approved by the Shareholders' Meeting. Dividends distributable to third parties, that are relating to a financial instrument or a component that is a financial liability are recognised as expense in profit or loss.

Taxation

Income taxes include all the taxes calculated on the assessable income of the companies of the Group. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in the paragraph "Significant accounting policies", the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Control over SAF S.p.A.

Note 4.3.2 describes that S.A.F. S.p.A. ("SAF"), since June 30, 2021, is a subsidiary of the Group even though the Group has only a 50% ownership interest and of the voting rights in SAF.

The directors of the Company assessed whether or not the Group has control over SAF based on whether the Group has the ability to direct the relevant activities of SAF unilaterally. In making their judgement, the directors considered based on the shareholder agreement between the Group and the other shareholder signed on May 2021, conveys to the Group, for a period of five years until its expiration, the right to appoint the majority of the members who sits in the board of directors and assigning to them the power for the definition of strategies, budget and plans of the company as well as suitable abilities for their realization. After the assessment, the directors concluded that, according to IFRS 10, the Group has a sufficiently dominant voting interest to direct the relevant activities of SAF and, therefore, the

Group has control over SAF.

If the directors had reached a different conclusion and that the rights conveyed by the shareholder agreement was not sufficient to direct the relevant activities, SAF would instead have been classified as an associate and the Group would have accounted for it using the equity method.

Consolidation of SPVs for New Market Tax Credit (NMTC)

During 2017, the Group, through its US based subsidiaries Eurotranciatura USA ("ET USA") and Eurotranciatura Leverage Lender (ELL), entered into a New Markets Tax Credit ("NMTC") program with U.S. Bancorp Community Development Corporation ("USBCDC") as a Tax Credit Investor ("Investor") and AMCREF Fund 35, LLC as a Community Development Entity ("sub-CDE").

The structure of the transaction includes the following:

(1) ELL loaned €7,831 thousand ($9,392 thousand) (the "Leveraged Loan") to Twain Investment Fund 188, LLC (the "Investment Fund"), whose sole member is U.S. Bancorp Community Development Corporation ("USBCDC"), the investor seeking the NMTCs.

(2) USBCDC simultaneously contributed capital of approximately € 3,635 thousand ($4,360 thousand) to the Investment Fund in exchange for a 100% equity interest in the Investment Fund.

(3) The Investment Fund used the aggregate proceeds from USBCDC and the Leveraged Loan to make a capital contribution to the sub-CDE of €10,838 thousand ($13,000 thousand), which is expected to constitute a Qualified Equity Investments ("QEI") eligible for both federal and state NMTCs.

(4) In exchange for the QEI from the Investment Fund, the sub-CDE's operating agreement was simultaneously amended and restated to admit the Investment Fund as a member with a 99.99% equity interest. The remaining 0.01% interest in the sub-CDE is held by AMCREF Community Capital, LLC, which also serves as the managing member of the sub-CDE ("Managing Member").

(5) The sub-CDE entered into agreements to make certain loans to ET USA in the total amount of approximately €10,838 thousand ($13,000 thousand) (the "Project Loans") to finance the expansion and equipping of ET USA operations. Such investment is required in order to utilize substantially all of the proceeds of the Fund's QEI in the form of the Project Loans which constitute a Qualified Low Income Community Investments ("QLICI").

The NMTC Program allows taxpayers to claim a credit against federal income taxes for QEIs in designated Community Development Entities. As a result of the NMTC program, in February 2017, the ET USA entered into two new QLICI loan agreements QLICI A and QLICI B with the CDE for €7,831 thousand ($9,392 thousand) and €3,008 thousand ($3,608 thousand) both with maturity on February 2024. The credit facilities are subject to a fix interest rate of 1% plus administrative fees. The notes are held to maturity. The NMTC financing operation is based on the expectation that the Investor will receive an anticipated return on investment from tax credits and other tax attributes in lieu of repayment of the loan principal tied to its investment. ET USA is receiving the tax credit equity through the QLICI B Loan and will only make payments of interest for a seven-year period. To ensure that ET USA does not repay the loan principal connected to the tax credit equity (QLICI B), ET USA has to follow all the compliance rules and the project has to deliver the community impact defined by the program. The mechanism to ensure that ET USA does not repay the loan principal connected to the tax credit equity is the Investment Fund Put and Call Agreement ("Option Agreement"). The Option Agreement gives the Investor the right to sell to the Group, through the subsidiary ELL, the Investment Fund entity for the fixed amount of $ 1 thousand ("Put Option"). In the unlikely event that Investor fails to exercise its Put Option, ELL will have the right to force the Investor to sell the Investment Fund entity for its fair market value ("FMV Call Price"). The FMV Call Price would be based on the future stream of cash flows at the Investment Fund entity. Upon acquiring the Investment Fund, Eurotranciatura Leverage Lender would likely be determined to be related to the debtor. As a result, the acquisition of the Investment Fund by Eurotranciatura Leverage Lender is treated as the acquisition of indebtedness by the debtor under IRC section 108(e)(4). Thus, ET USA will be deemed both the obligor and obligee of all NMTC Loans, dissolving any obligation to or from the Investment Fund or the CDE.

The directors have assessed whether the exercise of the option, which is regarded reasonably certain, give the Group the control over the SPVs and thus would require to be consolidated. In carrying-out the analysis, the directors have considered the following factors:

(a) power over the SPVs

(b) exposure, or rights, to variable returns from its involvement with the SPVs

(c) the ability to use its power over the SPVs to affect the amount of the Group's returns

Because the sub-CDE (as well as the Investment Fund) are structured entities whether voting rights are or are not the dominant factor, the Group focused on the 'other rights' to determine whether the Group has power over the SPVs. Specifically, on a comparative basis, the Group considered the decisions made during the design of the entity, the participation of each entity in the design, and the relative economic interest and power of each entity. Although the legal structure of the ownership interest in the SPVs the Group, in effect, has exposure to 100% of the variable returns associated with the Investment Fund as a result of exercising its power over the Investment Fund during the design stage. Therefore, given that (1) the ongoing activities of the Investment Fund are not expected to significantly affect the Investment Fund's economic performance and (2) the Group's ability to use its power during the design of the Investment Fund to affect its exposure to the variable returns associated with the Investment Fund through making significant decisions, the directors of the Group believe it is appropriate to conclude that it controls the Investment Fund, and therefore, should consolidate the SPVs. Such conclusion also affects the accounting treatment of the Put Option, because it would represent a contractual obligation to deliver cash to USBCDC in the form of a puttable share that does not meet each of the exception criteria in paragraph 32.16A. Specifically, this liability also includes the obligation associated with the guaranty as a recapture event would require the Group to return the entire €3,008 thousand ($3,608) thousand (plus a targeted internal rate of return). Therefore, in totality, the Group does not believe such a liability would meet the equity scope exception criteria above as USBCDC would be entitled to a guaranteed amount (as opposed to a pro-rata/residual amount) upon the occurrence of a recapture event.

If the director had concluded that the Group had not control over the SPVs, the Investment Fund and the sub-CDE would not have been consolidated and consequently the investment made through the ELL, for €7,831thousand ($9,392 thousand) would have been presented as a financial asset as well as the Leverage Loan, for €11 million ($13 million), received by ET USA would have been presented as a financial liability.

Accounting for non-controlling Interests where the Group has a present ownership interest

Note (4) describes that the Group entered into several investment agreements with an investor (SIMEST S.p.A. a financial institution controlled by the Italian Government that financially supports Italian foreign investments), according to which at the expiration of the agreement the Company has an obligation to buy back the shares held by the investor for a predetermined redemption amount. The arrangements entitle the investor to receive a fixed remuneration during the terms of the agreement, based on the investment made in the investee and any dividends distributed are returned to the investee.

The directors of the Group assessed as to whether the terms of the arrangement give the Company a present access to the returns associated with the ownership interest in the shares subject to the NCI. Factors that have been taken into account that provides a present ownership interest include the pricing of the- of the redemption amount, voting rights and decision-making connected to these shares concerned that are substantially restricted and dividends right.

After the assessment, the directors have concluded that the Group has a present ownership interest in these shares and consequently the shares are accounted for as if they had been acquired by the Group. These conclusions affect also any indirectly interest held by the Group through the subsidiary.

If the directors had concluded that the Group does not have a present ownership interest, NCI would have been continued to be presented within equity.

Key sources of estimation uncertainty

Impairment of trade receivables

The Group applies the simplified approach in the measurement of the expected credit losses (ECL) for trade receivables. The ECL considers the historical experience of credit losses, adjusted to take specific factors of creditors and the economic environment and is based on the days past due for each class of customers grouped into the various clusters that present similar historical loss trends. The matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical data on credit losses with forecast elements. The assessment of the correlation between historical default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and expected economic conditions. Even the historical experience on the trend of the Group's credit losses and the forecast of future economic conditions may not be representative of the customer's actual insolvency in the future.

Leases

Lease agreements may include extension and termination options. In assessing whether or not the exercise of the option to renew the termination of a lease is potentially certain, all the relevant factors that create an economic incentive for the exercise of the option to renew or terminate are considered. After the commencement date, the lease term is reviewed if an event or significant change occurs that affects the ability to exercise the option or not to renew or terminate the lease. The implicit interest rate of a lease is not easily determined. Therefore, the incremental borrowing rate ("IBR") is used to establish the present value of the rental cost. The latter corresponds to the interest rate that one would pay to finance, with a similar duration and guarantee.

Estimation of useful lives of assets

The Group, in calculating the depreciation of property, plant and equipment, defined the useful life on the basis of a physical obsolescence estimate of the machineries. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment testing on property, plant and equipment, right-of-use assets and intangible assets with a finite useful life

The Group assesses impairment of *property, plant and equipment, right-of-use assets and intangible assets with a finite useful life* at least at each reporting date, or when there are indicators that the current carrying amount of an intangible asset is greater than its recoverable amount.

The complexity of the estimation process and issues related to the elaboration of assumptions, risks and uncertainties in the application of Group's accounting estimates in relation to the impairment of property, plant and equipment, right-of-use and intangible assets affect the amounts reported in the financial statements. These estimates are characterized by long term uncertainties.

So, if one or more of these estimates materially change, it is likely that materially different amounts could be reported in the Group's financial statements. In particular, directors use budgets and forecasts included in the most recent business plans in order to determine the expected future cash flows from the continuing use of the non-financial assets. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board. In this regard, the Group uses various assumptions, including the estimate of future increases in sales, operating costs, the growth rate of terminal values, investments, changes in working capital and the weighted average cost of capital as discount rate.

The sensitivity analysis in respect of the recoverable amount of non-financial assets is presented in note 3.

Share purchase plan with related parties

Note (27) describe that the Group, through its subsidiary Eurotranciatura, which has a minority interest in E.M.S. S.p.A. (parent company of EuroGroup Laminations), in December 2017, entered into an arrangement with four employees with strategic responsibilities for the sale of such minority interest. The arrangement provides an obligation for the employees to purchase the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the employees within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares that are retained by the Group (unvested shares). If the employee leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to Group, upon its discretion, at the same purchase price. Because the arrangement provides for an obligation for the Group to deliver shares of the parent company that in the consolidated financial statements of the Group are not considered as own equity instruments (treasury shares), the transaction has been classified as a cash-settled share-based payment arrangement.

For this purpose, the Group measures the cost of cash-settled transactions with employees based on the fair value of the equity instruments granted at each reporting period. The fair value is determined by using a valuation technique that requires inputs to estimate the fair value of unquoted instruments. The accounting estimates and assumptions relating to cash-settled share-based payments may have an impact on the carrying amount of the liability as well as on profit or loss.

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available (Level 1).

Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Valuation techniques may use:

- Level 2 inputs, which include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example interest rates, spreads, etc.), inputs corroborated by observable market data by correlation or other means.

- Level 3 inputs, which consist of unobservable inputs, for which market data are unavailable and that reflect the assumptions that market participants would use when determining an appropriate price for the asset or liability.

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Group has determined the operating segments based on the reports reviewed by the Board of Directors, which is considered the Chief Operating Decision Maker ("CODM") as defined under IFRS 8—Operating Segments ("IFRS 8"), for the purposes of allocating resources and assessing the performance of the Group. The Group is organized in two operating and reportable segments, based on a brand perspective, as described below:

(1) **EV & Automotive:** EV & Automotive is a Business Unit introduced in recent years, operates mainly in the electric automotive sector and also in general utilities regarding automotive.

(2) **Industrial:** Industrial is the historical Business Unit of the Group and produces components mainly for the following product lines: home, logistic, energy, pumps, HVAC, tools and diversified industrial.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is the key profit measure used by the CODM to assess performance and allocate resources to the Group's operating segments, as well as to analyze operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. EBITDA is defined as profit or loss before income taxes, financial income, financial expenses, depreciation and amortization expenses.

There are no transactions between segments. No allocations of common costs are made across the segments.

The following is an analysis of the Group's performance indicators by reportable segment in 2021, 2020 and 2019:

	EV & Automotive			**Industrial**			**Consolidated**		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
					(in thousands of €)				
Revenues	195,596	147,580	112,204	361,308	225,710	239,870	**556,904**	**373,290**	**352,074**
EBITDA	**20,610**	**7,538**	**9,804**	**39,159**	**10,834**	**16,389**	**59,769**	**18,372**	**26,193**
Items in reconciliation:									
Depreciation and amortization expenses							(23,269)	(18,313)	(17,566)
Financial income							849	1,436	709
Financial costs							(7,676)	(6,257)	(5,342)
Profit / (Loss) before tax							**29,673**	**(4,762)**	**3,994**
Income tax							(8,982)	7,084	26
Profit for the year							**20,691**	**2,322**	**4,020**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total assets of each segment. All assets are allocated to reportable segments with the exception of investments in associates, non-current financial assets, deferred tax assets and other non-current assets.

	Segment assets		
	31/12/2021	**31/12/2020**	**31/12/2019**
		(in thousands of €)	
EV & Automotive	88,790	97,404	42,067
Industrial	121,150	63,785	72,270
Total segment assets	**209,940**	**161,189**	**114,337**

	Segment assets		
	31/12/2021	31/12/2020	31/12/2019
		(in thousands of €)	
Unallocated assets:			
Deferred tax assets	23,025	22,410	10,252
Non-current financial assets	17,797	12,883	9,901
Investments in associates	-	12,015	11,305
Other non-current assets	1,907	890	1,631
Consolidated non-current assets	**252,669**	**209,387**	**147,426**

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding non-current financial assets, deferred tax assets, other non-current assets and investments in associates) by geographical location are detailed below:

	December 31		
	2021	2020	2019
		(in thousands of €)	
EMEA	322,340	218,549	211,365
- of which in Italy	*303,000*	*209,807*	*200,796*
NORTH AMERICA	206,866	143,918	140,236
- of which in Mexico	*140,669*	*100,743*	*85,544*
- of which in United States	*66,197*	*43,175*	*54,692*
ASIA	27,698	10,823	473
- of which in China	*27,698*	*10,823*	*473*
Revenues by geographical area	**556,904**	**373,290**	**352,074**
EMEA	119,707	88,545	63,132
- of which in Italy	*111,272*	*83,091*	*58,189*
NORTH AMERICA	63,662	51,509	51,205
- of which in Mexico	*40,477*	*33,765*	*32,551*
- of which in United States	*23,185*	*17,744*	*18,654*
ASIA	26,571	21,135	-
- of which in China	*26,571*	*21,135*	-
Segment assets	**209,940**	**161,189**	**114,337**

Information about major customers

Included in revenues arising from EV & Automotive are revenues of €84,977 thousand (in 2020 for €70,912 thousand and in 2019 for €54,828 thousand) which arose from sales to the Group's largest customer.

No other single customers contributed 10 per cent or more to the Group's revenue in either 2021 or 2020 or 2019.

SIGNIFICANT EVENTS AFTER DECEMBER 31, 2021

In February 2022 the Russian-Ukrainian military conflict heightened following the invasion by the Russian army into Ukraine sovereign territory. The state of political and military tension generated, and the consequent economic sanctions adopted by the international community against Russia have had significant effects and created turbulence on the global markets, on both the financial front and in terms of prices and the export of raw materials, considering the significant role that Russia and Ukraine play in the international economic environment.

The production activities of the subsidiary Euro Group Russia Laminations, whose revenues represented the 1.4%, 1.3% and 0.3% of the total revenues for the years ended December 31, 2021, 2020 and 2019 respectively, were suspended at the end of 2021 as the main customer requested not to supply products in the first half of 2022. In order to allow a rapid resumption of activities, in the first months of the 2022, the Group has continued to financially support its subsidiary by paying the salaries of trained technical staff and the minimum amount of fixed costs necessary to keep the operating unit active (rents, utilities and small maintenance). These costs are currently paid either by using cash deposited at the local bank, amounting to €573 thousand or through the proceeds of the accounts receivable. As the conflict is continuing along with the uncertainty connected with its conclusion, the Group has reconsidered the possibility of maintaining its presence in the Russian territories and interrupt any future development with an impact on the recoverability of the Russian subsidiary's assets. In this regard, in the Consolidated Financial Statements, the total assets of the Russian subsidiary amounts to €4,350 thousand (of which Property, plant and equipment for €2,506 thousand, inventories for €517 thousand, accounts receivable for €470 thousand, other receivables €230 thousand and cash and cash equivalents for €573 thousand), total liabilities of €4,081 thousand (of which accounts payable for €800 thousand, tax liabilities for €40 thousand, other liabilities for €24 thousand and payables to Group companies for €3,200 thousand).

On 11 March 2022, Euro Group Asia Limited established the new company Euro Misi High-Tech, Jiaxing Ltd. The consideration transferred for the incorporation of the company amounted to €22,748 thousand.

In addition, the Group, in accordance with contractual terms, in the month of June 2022 has started the negotiation for the purchase of the interest held by SIMEST in Eurotranciatura Mexico S.A. De C.V..

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NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

(1) INTANGIBLE ASSETS

The following table provides a breakdown for intangible assets:

	Industrial patents and similar intellectual property rights	Other intangible assets	Intangible assets under construction	Total
		(in thousands of €)		
Historical cost as of January 1, 2019	**351**	**64**	**890**	**1,305**
Additions	587	1	1	589
Reclassifications	41	-	(41)	-
Exchange difference and other changes	-	-	23	23
Business combination	-	-	-	-
Balance as of December 31, 2019	**979**	**65**	**873**	**1,917**
Additions	531	-	12	543
Disposals	-	-	(1)	(1)
Exchange difference and other changes	33	-	(165)	(132)
Business combination	598	-	-	598
Balance as of December 31, 2020	**2,141**	**65**	**719**	**2,925**
Additions	319	-	-	319
Exchange difference and other changes	108	-	84	192
Business combination	4	211	-	215
Balance as of December 31, 2021	**2,572**	**276**	**803**	**3,651**
Accumulated depreciation as of January 1, 2019	-	-	-	-
Depreciation	(355)	(64)	-	(419)
Balance as of December 31, 2019	**(355)**	**(64)**	**-**	**(419)**
Depreciation	(363)	(1)	-	(364)
Balance as of December 31, 2020	**(718)**	**(65)**	**-**	**(783)**
Depreciation	(428)	-	-	(428)
Balance as of December 31, 2021	**(1,146)**	**(65)**	**-**	**(1,211)**
Carrying amount at:				
January 1, 2019	**351**	**64**	**890**	**1,305**
December 31, 2019	**624**	**1**	**873**	**1,498**
December 31, 2020	**1,423**	**-**	**719**	**2,142**
December 31, 2021	**1,426**	**211**	**803**	**2,440**

The item "Industrial patents and similar intellectual property rights" includes only the costs for the licensing of software programs used by the Group companies.

These intangible assets were included in the impairment test as described in Note 2, as they were allocated to the CGUs identified by the Management.

(2) PROPERTY, PLANT AND EQUIPMENT

The following table provides a breakdown for property, plant and equipment:

	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible assets	Tangible assets under construction	Total
			(in thousands of €)			
Historical cost as of January 1, 2019	**19,622**	**150,847**	**53,233**	**13,708**	**8,496**	**245,906**
Additions	1,982	11,542	2,061	1,054	6,028	22,667
Disposals	-	(1,439)	(543)	(66)	(40)	(2,088)
Reclassifications	-	7,660	763	-	(8,423)	-
Exchange difference and other changes	1,087	1,020	60	(94)	(1,086)	987
Business combination	-	-	-	-	-	-
Balance as of December 31, 2019	**22,691**	**169,630**	**55,574**	**14,602**	**4,975**	**267,472**
Additions	155	15,340	3,441	895	4,945	24,776
Disposals	(394)	(1,353)	(24)	(166)	(48)	(1,985)
Reclassifications	42	1,650	12	15	(1,719)	-
Exchange difference and other changes	(1,154)	(3,258)	(1,834)	181	(250)	(6,315)
Business combination	339	9,407	1,806	262	9,053	20,867
Balance as of December 31, 2020	**21,679**	**191,416**	**58,975**	**15,789**	**16,956**	**304,815**
Additions	187	19,371	2,738	797	14,000	37,093
Disposals	-	(974)	(252)	(73)	-	(1,299)
Reclassifications	1	6,469	125	48	(6,643)	-
Exchange difference and other changes	1,070	7,789	2,451	238	921	12,469
Business combination	72	27,183	3,943	1,483	315	32,996
Balance as of December 31, 2021	**23,009**	**251,254**	**67,980**	**18,282**	**25,549**	**386,074**
Accumulated depreciation as of January 1, 2019	**(4,050)**	**(104,196)**	**(47,922)**	**(8,932)**	**-**	**(165,100)**
Depreciation	(1,133)	(9,455)	(2,031)	(1,183)	-	(13,802)
Disposals	-	1,385	516	61	-	1,962
Exchange difference and other changes	(906)	(408)	(329)	139	-	(1,504)
Business combination						
Balance as of December 31, 2019	**(6,089)**	**(112,674)**	**(49,766)**	**(9,915)**	**-**	**(178,444)**
Depreciation	(1,031)	(8,504)	(2,401)	(1,474)	-	(13,410)
Disposals	-	1,305	2	116	-	1,423
Exchange difference and other changes	283	1,088	1,702	30	-	3,103
Business combination	(58)	(1,854)	(420)	(112)	-	(2,444)
Balance as of December 31, 2020	**(6,895)**	**(120,639)**	**(50,883)**	**(11,355)**	**-**	**(189,772)**

	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible assets	Tangible assets under construction	Total
			(in thousands of €)			
Depreciation	(998)	(10,859)	(2,883)	(1,674)	-	(16,414)
Disposals	-	680	173	71	-	924
Exchange difference and other changes ...	(379)	(3,019)	(377)	(73)	-	(3,848)
Business combination...........	(55)	(26,290)	(3,917)	(1,195)	-	(31,457)
Balance as of December 31, 2021	**(8,327)**	**(160,127)**	**(57,887)**	**(14,226)**	**-**	**(240,567)**
Carrying amount at:						
January 1, 2019.....	**15,572**	**46,651**	**5,311**	**4,776**	**8,496**	**80,806**
December 31, 2019	**16,602**	**56,956**	**5,808**	**4,687**	**4,975**	**89,028**
December 31, 2020	**14,784**	**70,777**	**8,092**	**4,434**	**16,956**	**115,043**
December 31, 2021	**14,682**	**91,127**	**10,093**	**4,056**	**25,549**	**145,507**

The caption "Land and buildings" includes general industrial plants and warehouses. The additions amounted to €187 thousand, €155 thousand and €1,982 thousand respectively in the years ended December 31, 2021, 2020 and 2019 and are mainly related to building improvements on the group's buildings.

"Plant and machinery" include presses and other industrial machinery used for the production process. The additions amounted to €19,371 thousand, €15,340 thousand and €11,542 thousand respectively in the years ended December 31, 2021, 2020 and 2019 and are mainly related to the purchase of new presses.

The category "Commercial and industrial equipment" includes moulds and other industrial and commercial equipment. The additions amounted €2,738 thousand, €3,441 thousand and €2,061 thousand respectively in the years ended December 31, 2021, 2020 and 2019 and mainly refer to the purchase of new moulds.

"Other tangible assets" includes furniture and furnishings for offices and warehouse, warehouse equipment, shelving, electronic office machines, vehicles and cars. The additions equal to €797 thousand, €895 thousand and €1,054 thousand respectively in the years ended December 31, 2021, 2020 and 2019 refers to the purchase of new electronic office machines in the amount of €285 thousand in 2021, €345 thousand in 2020 and €305 thousand in 2019 and the purchase of new vehicles and cars in the amount of €209 thousand in 2021, €382 thousand in 2020 and €376 thousand in 2019.

Tangible assets under construction are assets not yet available for their use. The additions amounted to €6,028 thousand, €4,945 thousand and €14,000 thousand respectively in the years ended December 31, 2021, 2020 and 2019 are mainly related to the construction of new production plants in Mexico and in USA in order to expand production.

These property plant and equipment were included in the impairment test as described below, as they were allocated to the CGUs identified by the Management.

Impairment of property, plant and equipment and intangible assets with a finite useful live

As stated in the description of the reporting standards, property, plant and equipment, intangible assets and right-of-use assets are tested annually, or more frequently if specific events or changed circumstances indicate the presence of an impairment loss, to identify any impairment losses in accordance with IAS 36 - Impairment of Assets. In particular, the Group identified the Covid-19 pandemic as a triggering event which could have led to recognition of an impairment loss.

The Groups' annual impairment test is performed by the comparison of the carrying amount with their recoverable amount. An impairment is recognised when the recoverable amount of a CGU is less than the carrying amount of the asset subject to impairment test.

For impairment test purposes, the Group has identified CGUs on a geographic area basis and consistently with the way in which the Group's Chief Operating Decision Makers reviews the performance and considering that each CGU shall not be greater than a reportable segment in accordance with IFRS 8.

The recoverable amount of each CGU is determined by its value in use, derived from discounted cash flow calculations. For the determination of discounted cash flow, all legal entity produced a forecast for 2022 and the business plan for the years 2023-2026 which were reviewed and approved by the Board of Directors of the Company. These forecasts and business plans form the basis of the estimated future cash flow used in the Group's impairment testing.

Assumptions	**Approach used in determining values**
Weighted Average Cost of Capital	The discount rates used by the Group to discount cash flows is the WACC (Weighted Average Cost of Capital), in its post-tax configuration. The latter is equal to the weighted average of the cost of equity, calculated on the basis of the Capital Asset Pricing Model ("CAPM") and the cost of debt capital. As required by IAS 36, the WACC was determined with reference to the operational risk of the sector and the financial structure of a sample of listed companies comparable by risk profile and sector of activity. The cost of capital was determined on the basis of the market yields of the last 5 years for medium / long-term (10-year) government bonds of the countries / markets in which the Group operates – and considering a market risk premium that reflects the investment risk. A Beta coefficient was applied based on the observation of a sample of comparable companies.
Long-term growth rate	The Group has determined a growth rate weighted on the sales of the countries in which the Group operates, to be used in the determination of cash flows beyond the explicit period (starting from 2026). This rate was estimated on a prudential basis, with respect to the weighted growth rate (long-term average inflation) on sales of the countries in which the Company operates.
Terminal value	The terminal value of each CGUs is determined by the Group using the perpetuity method at a long-term growth rate. These represent the present value, at the last year of projection, of all expected future cash flows.
EBITDA	The EBITDA growth is largely driven by an increase in net sales due to an expansion in the Asia region, Strong growth in the North America as well as maintaining a solid leadership position in EMEA in all businesses.
Tax rate	Tax rate applied is an average of the tax rates of the countries in which the Group operates

Based on the assumptions described, the impairment test shows a headroom for all CGUs as well as for the Group as a whole. As a result, the recoverable amounts of each CGU as of December 31, 2020 and as of December 31, 2021 was higher than their carrying amount. Consequently, no impairment losses have been recognised in the consolidated statement of profit or loss.

However, although the directors believe that the assumptions used are reasonable, there is the possibility that significant changes will occur in any of the key assumptions described above, in relation to the nature of the forecasts. Indeed, the calculation of value in use for all CGUs is most sensitive to the following assumptions:

- Discount rates;
- Long-term growth rates use to determine the cash flows beyond the forecast period;
- EBITDA growth rate over the explicit period of the business plan, which has been taking into consideration the effect of the COVID-19 pandemic on the performance of the Group.

To support their assessments and to ensure that the changes in the main assumptions did not significantly affect the result of the impairment tests, the Directors carried out a sensitivity analysis under the following assumptions taken individually:

- Reduction of the growth rate of 1%;
- Increase of the WACC discount rate of 1%;
- Reduction of the EBITDA of 10%;

The Directors consider these hypotheses as possible, and representative of the situations listed above.

The following tables details the sensitivity of the 2021 and 2020 impairment testing to reasonably possible changes in assumptions previously detailed:

December 31, 2021		**Existing assumptions**			**Sensitivity effect on headroom**		
CGU	**Headroom**	**Discount rate (in bps)**	**Long-term growth rate (in bps)**	**EBITDA growth rate**	**Discount rate (in bps)**	**Long-term growth rate (in bps)**	**EBITDA growth rate**
EMEA	413,546	9.65%	2.41%	15.58%	517,374	537,264	399,843
NORTH AMERICA	315,259	12.14%	2.67%	24.03%	282,023	278,845	184,788
ASIA	217,914	11.53%	2.00%	78.46%	52,012	194,705	149,232
Group	1,076,936	10.19%	2.37%	24.0%	835,350	922,584	666,639

December 31, 2020		**Existing assumptions**			**Sensitivity effect on headroom**		
CGU	**Headroom**	**Discount rate (in bps)**	**Long-term growth rate (in bps)**	**EBITDA growth rate**	**Discount rate (in bps)**	**Long-term growth rate (in bps)**	**EBITDA growth rate**
EMEA	332,479	9.84%	2.50%	15.6%	428, 359	446,884	494,951
NORTH AMERICA	284,882	12.24%	2.75%	24.0%	254,228	251,294	229,080
ASIA	179,469	10.98%	3.00%	78.5%	160,893	159,130	166,012
Group	907,796	10.44%	2.38%	24.0%	785,571	775,952	538,193

Based on this analysis, the Directors consider it reasonable that, even in the event of changes to the key assumptions described above, the recoverable value of the CGU does not show any impairment loss.

(3) RIGHT-OF-USE ASSETS

The following table provides a breakdown for right-of-use assets:

	Land and buildings	**Plant and machinery**	**Commercial and industrial equipment**	**Other tangible assets**	**Total**
			(in thousands of €)		
Historical cost as of January 1, 2019	**22,794**	**21,453**	**294**	**388**	**44,929**
Additions	553	1,292	-	342	2,187
Exchange difference and other changes	685	(10)			675
Business combination					
Balance as of December 31, 2019	**24,032**	**22,735**	**294**	**730**	**47,791**
Additions	16,524	4,495	65	402	21,486
Exchange difference and other changes	499	(12)	-	-	487
Business combination	2,070	819	-	-	2,889
Balance as of December 31, 2020	**43,125**	**28,037**	**359**	**1,132**	**72,653**
Additions	9,054	5,675	367	459	15,555
Exchange difference and other changes	(439)	13			(426)
Business combination	7,692	1,650	-	-	9,342
Balance as of December 31, 2021	**59,432**	**35,375**	**726**	**1,591**	**97,124**
Accumulated depreciation as of January 1, 2019		**(20,373)**		**(185)**	**(20,558)**
Depreciation	(2,544)	(620)	(100)	(81)	(3,345)
Exchange difference and other changes	(6)		(40)	(31)	(77)
Balance as of December 31, 2019	**(2,550)**	**(20,993)**	**(140)**	**(297)**	**(23,980)**
Depreciation	(3,178)	(1,141)	(107)	(113)	(4,539)
Exchange difference and other changes	(76)	(34)	(14)	(6)	(130)
Balance as of December 31, 2020	**(5,804)**	**(22,168)**	**(261)**	**(416)**	**(28,649)**
Depreciation	(4,530)	(1,544)	(113)	(240)	(6,427)
Exchange difference and other changes	278	80	60	39	457
Business combination	-	(512)	-	-	(512)
Balance as of December 31, 2021	**(10,056)**	**(24,144)**	**(314)**	**(617)**	**(35,131)**
Carrying amount as of:					
January 1, 2019	**22,794**	**1,080**	**294**	**203**	**24,371**
December 31, 2019	**21,482**	**1,742**	**154**	**433**	**23,811**
December 31, 2020	**37,321**	**5,869**	**98**	**716**	**44,004**
December 31, 2021	**49,376**	**11,231**	**412**	**974**	**61,993**

These right-of-use assets were included in the impairment test as described in Note 2 above, as they were allocated to the CGUs identified by the Management.

(4) INTERESTS IN OTHER ENTITIES

4.1 Interest in subsidiaries

The subsidiaries of EuroGroup Laminations all of which have been included in these consolidated financial statements, as of 31 December 2021, 2020 and 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Location	% in 2021	% in 2020	% in 2019	Principal activity
Eurotranciatura S.p.A.	Italy	100	100	100	Production of high-performance rotors and stators and related ancillary services
Corrada S.p.A.	Italy	100	100	100	Design and construction of molds
Euroslot Tools S.r.l.	Italy	60	60	60	Design and construction of molds
Eurotranciatura Mexico S.A. de C.V. (i)	Mexico	71.24	71.24	71.24	Production of high-performance rotors and stators and related ancillary services
EMS Mexico S.A. de C.V.	Mexico	71.24	71.24	71.24	Services to the Group's Mexican companies
Europroperties Mexico S.A. de C.V.	Mexico	100.00	100.00	100.00	Real estate (renting of industrial properties to the Group's Mexican companies)
Euro High Tech Mexico S.A. de C.V. (ii)	Mexico	70.90	70.90	70.90	Services to the Group's Mexican companies
Eurotranciatura USA L.L.C. (iii)	USA	64.12	64.12	64.12	Production of high-performance rotors and stators and related ancillary services
Europroperties USA L.L.C.	USA	100	100	100	Real estate
Euro Group Leverage Lender L.L.C.	USA	100	100	100	Financial services
Eurotranciatura Tunisie S.A.R.L. (v)	Tunisia	51	51	51	Production of high-performance rotors and stators and related ancillary services
Euro-Group Asia LTD. (vi)	Hong Kong	60.26	60.26	60.26	Sub Holding company
Euro Misi Laminations Jiaxing Co. Ltd. (vii)	China	41.58	41.58	-	Production of high-performance rotors and stators and related ancillary services
Euro Group Laminations Russia L.L.C.	Russia	100	100	100	Commercial activity
SAF S.p.A. (iv))	Italy	50	-	-	Production of high-performance rotors and stators and related ancillary services

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(i) The Group has entered into a contractual arrangement with another investor (SIMEST) owing the 16.36% of the share capital of Eurotranciatura Mexico, which provides for the obligation to repurchase the share held by the investor. The Group has concluded that has a present ownership interest in these shares and consequently it recognizes a share of profit which also includes the share held by non-controlling interest, as if it had been already acquired by the Group. These conclusions affect also any indirectly interest held by the Group through the subsidiary.

(ii) The Group owns 70.90% of the equity shares of Euro High Tech Mexico, while the remaining 29.10% is held by another investor. The Group has entered into a contractual arrangement with the investor which provides for the obligation to repurchase the share held by the investor. The Group has concluded that has a present ownership interest in these shares, consequently it recognizes a share of profit for the entire share, including the share held by non-controlling interest, as if it had been already acquired by the Group.

(iii) The Group owns 64.12% of the equity share of Eurotranciatura USA (interest held indirectly through Eurotranciatura Mexico which owns 90% of the share capital of the US subsidiary). As described in note (i), the Group has concluded that any share held by non-controlling interest which represent a present ownership interest is allocated to the group.

(iv) The Group owns 50% of the equity shares of SAF S.p.A. However, based on the shareholder agreement between the Group and the other shareholder, signed on May 2021 and executed through the board resolution date 25 June 2021, the Group has achieved the power to direct the relevant decisions that will be taken by the board of directors of SAF S.p.A. The relevant activities of SAF are determined by the board of directors of the subsidiary based on majority votes. Therefore, the Group concluded that it has control over SAF S.p.A. and consequently it is consolidated in these financial statements. Prior to that, SAF S.p.A. was considered to be an associate an accounted for using the equity method. Further details about this transaction, are described in note 4.3.2;

(v) The Group owns 51% of the equity shares of Eurotranciatura Tunisie S.A.R.L., while the remaining 49% is held by another investor. The Group has entered into a contractual arrangement between the Group and the investor provides for the obligation to repurchase the share held by the investor. The Group has concluded that has a present ownership interest in these shares, consequently it recognizes a share of profit for the entire share, including the share held by non-controlling interest, as if it had been already acquired by the Group. These conclusions affect also any indirectly interest held by the Group through the subsidiary.

(vi) The Group owns 60.26% of the equity shares of Euro-Group Asia Limited, while the remaining 39.74% is held by another investor. The Group has entered into a contractual arrangement between the Group and the investor provides for the obligation to repurchase the share held by the investor. The Group has concluded that has a present ownership interest in these shares, consequently it recognizes a share of profit for the entire share, including the share held by non-controlling interest, as if it had been already acquired by the Group. These conclusions affect also any indirectly interest held by the Group through the subsidiary.

(vii) The Group owns 41.58% of the equity share of Euro Misi (interest held indirectly through Euro Group Asia which owns 69% of the share capital of Euro Misi). As described in note (v), the Group has concluded that any share held by non-controlling interest which represent a present ownership interest is allocated to the group.

4.2 Interests in associates

Set out below are the associates of the Group as of 31 December 2020 and 2019 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	**Principal place of business and country of incorporation**	**% in 2020**	**% in 2019**	**Carrying amount as of December 31, 2020**	**Carrying amount as of December 31, 2019**
		(thousand of € or percentage)			
SAF S.p.A. (i)	Italy	50%	50%	12,015	9,865
Euro Misi Laminations Jiaxing Co. Ltd. (ii)	China	-	30.13%	-	1,440
Total investments in associates				**12,015**	**11,305**

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the note "Significant accounting policies".

(i) Information regarding interests in SAF S.p.A. is detailed above.

(ii) Prior to the acquisition of control as described above, the Group owned directly and indirectly 30.13% per cent of the equity shares of Euro Misi Laminations Jiaxing Co. Ltd (being this company directly held by Euro Group-Asia LTD with an interest of 50%). However, based on the contractual arrangement between the Group and another investor, which provides for the Group the obligation to repurchase the share held by the investor and therefore represent a present ownership interest in Euro Misi, the effective share of profit and equity attributable to the group is accounted at 50%.

The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS adjusted by the Group for equity accounting purposes.

	SAF		**Euro Misi Laminations Jiaxing**
	As of December 31,		
	2020	**2019**	**2019**
		Thousand of €	
Current assets	24,841	19,319	14,500
Non-current assets	5,680	5,268	18,389
Current liabilities	4,930	3,286	23,277
Non-current liabilities	1,561	1,571	6,732

	SAF		Euro Misi Laminations Jiaxing
	As of December 31,		
	2020	2019	2019
		Thousand of €	
Equity	24,030	19,730	2,880

	SAF		Euro Misi Laminations Jiaxing
	For the year ended December 31,		
	2020	2019	2019
		Thousand of €	
Revenue	19,439	19,981	18,289
Profit for the year	**3,923**	**1,439**	**(4,502)**
Other comprehensive income	0	0	0
Total comprehensive income	**3,923**	**1,439**	**(4,502)**
Dividends received from associates	-	350	-

With regard to the investment in the associate Euro Misi, the Group has performed an impairment test in order to verify the recoverability of the carrying amount, due to the fact, the associate is still in a ramp-up period and therefore does not still report positive results. Based on the test performed, no impairment losses were identified.

Reconciliation of the above summarised financial information to the carrying amount of the interest in SAF S.p.A. and Euro Misi Laminations Jiaxing recognised in the consolidated financial statements:

	SAF		Euro Misi Laminations Jiaxing
	As of December 31,		
	2020	2019	2019
		Thousand of € or percentage	
Equity of associate	24,030	19,730	2,880
% of the Group's ownership interest in the associate (including any present ownership interest of NCI)	50%	50%	50%
Carrying amount	**12,015**	**9,865**	**1,440**

4.3 Change in the Group's ownership interest in associates

4.3.1 Acquisition of control over Euro Misi Laminations Jiaxing

As approved by the Board resolution on March 31, 2020, Marubeni Itochu Steel Inc. transferred to Euro Group Asia 9.32% of the registered capital held by Marubeni for a total consideration of $1. After the transfer, the shareholders have agreed to increase the share capital of Euro Misi for an equivalent amount in Euro 4,388 thousand ($ of 5,900 thousand, of which $ 2,950 thousand by waiving to a loan given by the Group) which has been wholly underwritten by Euro Group Asia, increasing its interest in Euro Misi up to 69%.

The Group has assessed that because of the link between these transactions, the control over the former associate has been achieved at the completion of the capital increase, giving rise to a business combination achieved in steps.

The application of the acquisition accounting required that, upon achievement of control identified by the Directors on April 30, 2020, the Group measured at fair value i) the total consideration transferred and, ii) the previously held interest in Euro Misi. The fair value of the previously held interest has been determined taking into account the consideration paid for the acquisition of the stake from the other investor and the consideration given for the capital increase. Because the fair value of the previously held interests was lower than the related carrying amount, a loss from remeasurement has been recognised in profit or loss.

	Thousand of €
Fair value of consideration transferred:	
Cash consideration	2,709
Fair value of previously held interests	1,679
Total consideration transferred	**4,388**

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	As of April 30, 2020
	Thousand of €
Current assets	
Inventories	5,556
Trade receivables	3,478
Other current assets	1,580
Cash and cash equivalents	3,799
Total current assets	**14,413**
Non-current assets	
Property, plant and equipment	18,421
Intangible assets	598
Right-of use assets	2,897
Total non-current assets	**21,916**
Current liabilities	
Trade payables	4,538
Current financial liabilities	14,430
Other current liabilities	3,184
Total current liabilities	**22,152**
Non-current liabilities	
Non-current financial liabilities	3,067
Non-current lease liabilities	2,897
Other non-current liabilities	1,859
Total non-current liabilities	**7,823**
Net identifiable assets acquired	6,354
Less: Non-controlling interests	(1,966)
Net assets acquired	**4,388**

	Thousand of €
Net cash arising from the acquisition:	
Cash consideration	2.709
Cash and cash equivalent balances acquired	(3.799)
Cash (inflow) from acquisition	**(1.090)**

Euro Misi contributed for €14,566 thousand revenue and €(1,044) thousand to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Euro Misi had been completed on the first day of the financial year, Group revenues for the year would have been higher for €19,421 thousand and Group's profit would have been lower of €1,393 thousand.

4.3.2 Acquisition of control over SAF. S.p.A.

On 25 June 2021, the board of director of SAF S.p.A., in execution of the shareholder agreement signed by EuroGroup Laminations and the other investor, have resolved to introduce a change in the governance of the company. The agreement conveys to the Group, for a period of five years until its expiration, the right to appoint the majority of the members who sits in the board of directors assigning to them the power for the definition of strategies, budget and plans of the company, approved by the board of directors, as well as suitable abilities for their realization and reducing the ability of the executive, appointed by the other investor, who is responsible to undertake the necessary actions for the realizations of strategies and plans under the supervision of the directors appointed by the Group. After having assessed all facts and circumstances described above, the Group has concluded that it has achieved the power to direct the relevant activities of SAF S.p.A. which are determined by the directors appointed by EuroGroup Laminations, based on the shareholder agreement.

The application of the acquisition accounting required that, upon achievement of control identified by the Directors on June 25, 2021, the Group measured the "deem" fair value of the consideration transferred, being a business combination with no transfer of consideration, by reference to the previously held interest in SAF S.p.A.. The fair value has been determined based on a valuation technique which took into account the discounted cashflow available for the shareholder. The following were the key model inputs used in determining the fair value:

- Assumed discount rate of 10.47%;
- Assumed long-term sustainable growth rates of 1.71%;
- Payout ratio based on the average historical dividends distributed to shareholders in the past 5 years.

As the fair value of the deem consideration, equaled the net asset acquired, no goodwill has been recognised in respect of this business combination

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	As of June 25, 2021
	Thousand of €
Current assets	
Inventories	4,700
Trade receivables	6,555
Other current assets	750
Cash and cash equivalents	19,041
Total current assets	**31,046**
Non-current assets	
Property, plant and equipment	1,926
Intangible assets	382
Right-of use assets	8,830
Non-current financial assets	2
Total non-current assets	**11,141**

	As of June 25, 2021
	Thousand of €
Current liabilities	
Trade payables	3,453
Other current liabilities	3,431
Total current liabilities	**6,884**
Non-current liabilities	
Non-current lease liabilities	8,147
Employees benefits	232
Total non-current liabilities	**8,379**
Net identifiable assets acquired	26,924
Less: Non-controlling interests	(13,462)
Net assets acquired	**13,462**

	Thousand of €
Net cash arising from the acquisition:	
Cash consideration	-
Cash and cash equivalent balances acquired	19,041
Cash (inflow) from acquisition	**(19,041)**

SAF S.p.A. contributed €15,893 thousand revenue and €2,804 thousand to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of SAF S.p.A. had been completed on the first day of the financial year, Group revenues for the year would have been higher for €31,787 thousand and Group profit would have been higher for €5,608 thousand.

(5) NON-CURRENT FINANCIAL ASSETS

The following table provides a breakdown for non-current financial assets:

	As of December 31		
Class	**2021**	**2020**	**2019**
		(in thousands of €)	
Share interest in EMS	7,473	4,238	3,244
Financial receivables to parent company	5,600	5,600	-
Share interest in Kuroda	3,759	2,137	1,583
Other securities	761	759	760
Security deposits	163	146	118
Derivatives	38	-	-
Other equity investments	3	3	4
Financial receivables from associates	-	-	4,192
Total non-current financial assets	**17,797**	**12,883**	**9,901**

"Share interests in Kuroda" include the fair value of the minority interest held in the company Kuroda Precision Industries Ltd, a listed company on the Tokyo stock exchange. Below is a reconciliation of the amount reported in the table above:

	As of December 31,		
	2021	**2020**	**2019**
Number of shares owned	168,600	168,600	168,600
Unit price	22.30	12.67	9.39
Fair value as of December 31 (in thousands of €)	3,759	2,137	1,583

"Share interests in EMS" include the fair value of the minority interest held in the parent company E.M.S. S.p.A. ("EMS") which form a part of the employees share award arrangements, as detailed below. The fair value of the shares has been determined by using multiple valuation techniques based on the mix of market approach and income approach in order to estimates the fair value of the net assets of EMS. Below is a reconciliation of the amount reported in the table above:

	As of December 31,		
	2021	**2020**	**2019**
Number of shares	116.410	116.410	116.410
Unit price	64.20	36.41	27.87
Fair value as of December 31(in thousands of €)	7,473	4,238	3,244

Financial receivables to parent company refers to the loan granted to E.M.S. S.p.A. for a principal amount of €5,600 thousand provided by the Group in 2020, bearing annual interest 1,5%.

(6) DEFERRED TAX ASSETS AND LIABILITIES

The following table provides a breakdown for deferred tax assets and deferred tax liabilities:

	As of December 31, 2019	**Recognised at profit and loss**	**Recognised in OCI**	**Exchange difference and other**	**As of December 31, 2020**
			(in thousands of €)		
Deferred Tax assets arising on:					
Employee benefits	208	9	33	-	250
Property, plant and equipment	3,310	6,099	-	544	9,953
Right-of-use assets	44	1,025	-	4	1,073
Intangible assets	2,319	1,488	-	(61)	3,746
Provision for obsolete inventory	*101*	*(23)*	-	*(4)*	*74*
Doubtful debt provision	*1,420*	*162*	-	*(12)*	*1,570*
Share interest in EMS	*384*	*305*	-	-	*689*
Tax losses	372	1,675	-	(92)	1,955
Customer advances	683	991	-	(126)	1,548
Other	*1,411*	*379*	-	*(238)*	*1,552*
Total deferred tax assets	**10,252**	**12,110**	**33**	**15**	**22,410**
Deferred Tax liabilities arising on:					
Property, plant and equipment	*1,830*	*813*	-	*(203)*	*2,440*
Share award expenses	1,113	555	-	353	2,021
Inventory	519	(684)	-	-	(165)
Total deferred tax liabilities	**3,462**	**684**	**-**	**150**	**4,296**

	As of December 31, 2020	**Recognised at profit and loss**	**Recognised in OCI**	**Exchange difference and other**	**As of December 31, 2021**
			(in thousands of €)		
Deferred Tax assets arising on:					
Employee benefits	250	(35)	(37)	-	178
Property, plant and equipment	9,953	(1,608)	-	913	9,258

	As of December 31, 2020	Recognised at profit and loss	Recognised in OCI	Exchange difference and other	As of December 31, 2021
			(in thousands of €)		
Right-of-use assets	1,073	(71)	-	50	1,052
Intangible assets	3,746	(900)	-	29	2,875
Provision for obsolete inventory	*74*	*979*	-	*38*	*1,091*
Doubtful debt provision	*1,570*	*650*	-	*49*	*2,269*
Share interest in EMS	689	*887*	-	-	1,576
Tax losses	1,955	(1,184)	-	54	825
Customer advances	1,548	(862)	-	91	777
Other	1,552	1,135	-	437	3,124
Total deferred tax assets	**22,410**	**(1,009)**	**(37)**	**1,661**	**23,025**
Deferred Tax liabilities arising on:					
Property, plant and equipment	2,440	1,908	-	249	4,597
Share award expenses	2,021	(1,050)	-	1,173	2,144
Other	-	80	-	4	84
Inventory	(165)	1,428	-	-	1,263
Total deferred tax liabilities	**4,296**	**2,366**	**-**	**1,426**	**8,088**

The increase in deferred tax assets which occurred in 2020 is mainly attributable to timing differences which arose due to the revaluation of tangible assets carried out by certain Italian subsidiaries (pursuant to Italian Law 126/2020) whose effects were eliminated in the consolidated financial statements.

(7) OTHER NON-CURRENT ASSETS

The following table provides a breakdown for other non-current assets:

	As of December 31		
Class	**2021**	**2020**	**2019**
		(in thousands of €)	
Other non-current tax receivables	1,769	748	1,497
Other non-current receivables	138	142	134
Total other non-current financial assets	**1,907**	**890**	**1,631**

The “Other non-current tax receivables” are related to the portion of the tax credit, for investments in property plant and equipment made during the year, that will be available for use in future years.

CURRENT ASSETS

(8) INVENTORIES

The breakdown of the caption is detailed below:

	As of December 31,		
Class	**2021**	**2020**	**2019**
		(in thousands of €)	
Raw materials	114,530	51,851	52,224
Semi-finished goods	32,780	26,632	28,532
Finished products	57,801	43,912	42,419
Contract work-in-progress	21,367	11,447	5,156
Inventory obsolescence provision	(6,530)	(1,096)	(457)
Inventories	**219,948**	**132,746**	**127,874**

The table below shows changes in inventory obsolescence provision:

	As of December 31,		
	2021	2020	2019
		(in thousands of €)	
Opening Inventory obsolescence provision	**(1,096)**	**(457)**	**(125)**
Impairment	(5,453)	(824)	(345)
Utilization	19	185	13
Closing Inventory obsolescence provision	**(6,530)**	**(1,096)**	**(457)**

Inventories are not collateralised. Inventories do not secure liabilities, nor are they recognised at net realisation value.

(9) TRADE RECEIVABLES

Trade receivables comprise the following:

	As of December 31,		
Class	**2021**	**2020**	**2019**
		(in thousands of €)	
Trade receivables	104,926	67,549	73,188
Doubtful debt provision	(7,907)	(7,821)	(6,979)
Trade receivables	**97,019**	**59,728**	**66,209**

These are reported net of the provision for doubtful debt that reflects the estimated losses in connection with the Group's credit portfolio. Changes in the provision for doubtful debt during the three years are shown below:

	As of December 31,		
	2021	2020	2019
		(in thousands of €)	
Opening Doubtful debt provision of trade receivables	**7,821**	**6,979**	**7,128**
Effect of change in scope of consolidation	339	-	-
Provisions	1,227	1,382	518
Utilization	(138)	(441)	(35)
Releases	(1,342)	(99)	(632)
Closing Doubtful debt provision of trade receivables	**7,907**	**7,821**	**6,979**

The following table shows trade receivables by geographic area:

	As of December 31		
	2021	2020	2019
		(in thousands of €)	
EMEA	64,211	39,304	40,269
- of which in Italy	*35,316*	*18,473*	*16,108*
NORTH AMERICA	21,921	15,938	25,920
- of which in Mexico	*10,678*	*10,391*	*21,141*
- of which in United States	*11,243*	*5,547*	*4,779*
ASIA	10,887	4,486	20
- of which in China	*10,887*	*4,486*	-
Trade receivables	**97,019**	**59,728**	**66,209**

(10) OTHER CURRENT ASSETS

The following table provides a breakdown for other current assets:

Class	As of December 31 2021	2020	2019
		(in thousands of €)	
VAT receivables	17,497	5,807	3,444
Other tax receivables	2,612	863	621
Advances to suppliers	2,582	2,270	1,929
Deferred expenses	2,425	1,760	1,243
Receivables for insurance and claims	1,556	1,826	2,493
Receivables from others	422	377	824
Other current assets	**27,094**	**12,903**	**10,554**

The other tax receivables are related to the investments in property plant and equipment made during the year in accordance with Article 1 paragraphs 1051 to 1063 of Law 178 of 30/12/2020 ("Legge di Bilancio 2021").

(11) CURRENT TAX RECEIVABLES

The following table provides a breakdown for current tax receivables:

Class	As of December 31 2021	2020	2019
		(in thousands of €)	
Foreign income tax receivables	1,896	2,730	5,208
Current tax receivables	**1,896**	**2,730**	**5,208**

(12) CASH AND CASH EQUIVALENTS

Cash and cash equivalents refer to current account deposits held at banks.

Class	As of December 31, 2021	2020	2019
		(in thousands of €)	
Cash at bank	136,751	106,675	43,915
Cash on hand	911	980	924
Cash and cash equivalents	**137,662**	**107,655**	**44,839**

The item comprises cash and cash equivalents recognised in the financial statements of the consolidated companies. There are no restrictions to the use of cash and cash equivalents.

Cash and cash equivalents in non-EU countries mainly refer to current account in Mexico and USA for a value of approximately €21,400 thousand, €23,518 thousand and €9,951 thousand respectively as of December 31, 2021, 2020 and 2019.

EQUITY

(13) EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

On 31 December 2021, share capital is wholly subscribed and paid and amounts to €6,112 thousand and it is divided into 6,111,940 shares.

Table below, shows a reconciliation between the number of ordinary shares as of December 31, 2019, 2020 and 2021:

N° shares as of December 31, 2019	**4,500,000**
Increase for subscription of a capital increase	1,611,940
N° shares as of December 31, 2020	**6,111,940**
Increase for subscription of a capital increase	-
N° shares as of December 31, 2021	**6,111,940**

SHARE PREMIUM RESERVE

The share premium reserve at 31 December 2021 amounted to €34,410 thousand and it is the same as of December 31, 2020. The amount as of December 31, 2019 and as of January 1, 2019 was equal to zero. During 2020, the increase in share capital amounted to €40,000 thousand, of which €1,612 thousand was recorded in the share capital item and the difference after deducting accessory expenses related to the share capital, equal to €34,410 thousand, to the Share Premium reserve.

OTHER RESERVES

Other reserves amount to €5,204 thousand as of December 31, 2021 (negative €5,950 thousand as of December 31, 2020, negative €2,228 thousand as of December 31, 2019) are detailed as the following table:

	As of December,		
	2021	**2020**	**2019**
		(in thousands of €)	
Legal reserve	648	648	613
IFRS transition reserve	(3,875)	(3,875)	(3,875)
Foreign exchange translation	1,714	(4,215)	1,227
Other comprehensive income	6,717	1,492	(193)
Of which:			
- *Cumulative actuarial (loss)*	*(426)*	*(480)*	*(327)*
- *Cumulative fair value gain on equity instruments measured at FVTOCI*	*7,156*	*1,972*	*134*
- *Cumulative fair value (loss) arising on hedging instruments*	*(13)*	-	-
Total Other Reserve	**5,204**	**(5,950)**	**(2,228)**

RETAINED EARNINGS

Retained Earnings amount to € 81,829 thousand as of December 31, 2021, € 63,077 thousand as of December 31, 2020 and €60,912 thousand at 31 December 2019.

(14) NON-CONTROLLING INTERESTS

Non-controlling interest on December 31, 2021 amounts to €19,772 thousand. In particular, this account is composed to non-controlling interest of:

- Eurotranciatura Mexico S.A. de C.V, equal to 12.4% of third parties;
- Eurotranciatura USA L.L.C., equal to 21.2% of third parties;
- Euro Misi Laminations Jiaxing CO. LTD, equal to 31% of third parties;
- SAF S.p.A., equal to 50% of third parties.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below (before intragroup eliminations).

Eurotranciatura Mexico S.A. de C.V	**31/12/2021**	**31/12/2020**	**31/12/2019**
		(in thousand of €)	
Current assets	107,088	73,949	72,814
Nun-current assets	48,977	38,500	34,389
Current liabilities	116,563	71,875	65,348
Non-current liabilities	2,471	10,819	8,442
Equity attributable to owners of the Company	32,198	25,837	29,007
Non - controlling interest	4,833	3,918	4,406
Revenue	150,506	109,393	105,912
Expenses	145,310	110,174	104,971
(Loss) for the year	5,196	(781)	941
(Loss) attributable to owners of the Company	4,539	(650)	809
(Loss) attributable to the non-controlling interests	657	(131)	132

Eurotranciatura USA L.L.C	**31/12/2021**	**31/12/2020**	**31/12/2019**
		(in thousand of €)	
Current assets	42,101	19,610	17,552
Nun-current assets	25,828	18,708	19,514
Current liabilities	39,408	15,591	12,304
Non-current liabilities	21,193	17,538	18,615
Equity attributable to owners of the Company	5,778	4,091	4,846
Non - controlling interest	1,551	1,098	1,301
Revenue	95,274	46,814	49,145
Expenses	94,001	47,229	48,886
(Loss) for the year	1,273	(415)	259
(Loss) attributable to owners of the Company	1,004	(327)	204
(Loss) attributable to the non-controlling interests	269	(88)	55

Euro Misi Laminations Jiaxing CO. LTD	**31/12/2021**	**31/12/2020**
	(in thousand of €)	
Current assets	25,574	10,228
Nun-current assets	26,765	21,363
Current liabilities	34,695	10,995
Non-current liabilities	13,385	13,986
Equity attributable to owners of the Company	2,939	4,561
Non - controlling interest	1,320	2,049
Revenue	32,784	14,463
Expenses	35,722	14,124
(Loss) for the year	(2,938)	339
(Loss) attributable to owners of the Company	(2,027)	234
(Loss) attributable to the non-controlling interests	(911)	105

SAF S.p.A.	**31/12/2021**
	(in thousand of €)
Current assets	28,391
Nun-current assets	11,415
Current liabilities	6,263
Non-current liabilities	7,637

Equity attributable to owners of the Company	12,953
Non - controlling interest	12,953
Revenue..	32,026
Expenses	26,154
(Loss) for the year	5,872
(Loss) attributable to owners of the Company......	2,936
(Loss) attributable to the non-controlling interests	2,936

RECONCILIATON OF PARENT COMPANY'S EQUITY AND PROFIT FOR THE YEAR TO CONSOLIDATED EQUITY AND PROFIT FOR THE YEAR

	Year ended December 31, 2021		Year ended December 31, 2020		Year ended December 31, 2019	
	Profit for the year	**Total equity**	**Profit for the year**	**Total equity**	**Profit for the year**	**Total equity**
			(in thousands of €)			
Total of the Parent Company	**3,761**	**50,080**	**898**	**44,708**	**906**	**7,252**
Consolidation adjustments:						
Subsidiaries' profit and equity..................	22,070	184,036	4,907	143,909	3,453	131,526
Elimination of investees' carrying amounts	(2,073)	(86,722)	(129)	(84,627)	3,236	(71,268)
Valuation of associates accounted for using the equity method...........................	-	(67)	(1,739)	(33)	(1,034)	469
Elimination of intra-Group dividends.......	(3,067)	-	(1,615)	-	(2,542)	-
Other consolidation adjustment	-	-	-	(1)	1	3
Equity and result for the year attributable to non-controlling interests.......................	(1,939)	(19,772)	(122)	(6,307)	(360)	(4,798)
Total consolidation adjustments............	**14,991**	**77,475**	**1,302**	**52,941**	**2,754**	**55,932**
Attributable to the owners of the Parent	**18,752**	**127,555**	**2,200**	**97,649**	**3,660**	**63,184**
Attributable to non-controlling interests...	1,939	19,772	122	6,307	360	4,798
Total..	**20,691**	**147,327**	**2,322**	**103,956**	**4,020**	**67,982**

NON-CURRENT LIABILITIES

(15) FINANCIAL LIABILITIES AND BORROWINGS

The following table shows the detail of the changes in liabilities arising from financing activities:

	Bank borrowings	**Committed loans**	**Bond Loan**	**Payables to factors**	**Payables to other investors**	**Derivatives**	**Total**
				(in thousands of €)			
Opening balance.......	72,914	62,191	1,700	6,409	18,231	232	161,677
Repayments	(24,817)		(1,700)	(6,409)	(352)		(33,278)
Proceeds	41,113	7,687		11,705	271		60,776
Other non-cash movements	438					76	514
As of 31 December 2019,........................	**89,648**	**69,878**	**-**	**11,705**	**18,150**	**308**	**189,689**
Of which:							
Non-current............	**57,088**	**-**	**-**	**-**	**18,150**	**308**	**75,546**
Current...................	**32,560**	**69,878**	**-**	**11,705**	**-**	**-**	**114,143**

	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
			(in thousands of €)			
Opening balance.......	89,648	69,878	11,705	18,150	308	189,689
Repayments.............	(95,880)	(21,404)	(11,705)	(1,694)		(130,683)
Proceeds..................	131,475	-	8,381	-		139,856
Change in scope of consolidation	17,497	-	-	-		17,497
Other non-cash movements	(1,714)	(176)	-	-	261	(1,629)
As of 31 December 2020,.........................	**141,026**	**48,298**	**8,381**	**16,456**	**569**	**214,730**
Of which:						-
Non-current............	**112,523**	**-**	**-**	**16,456**	**569**	**129,548**
Current....................	**28,503**	**48,298**	**8,381**	**-**	**-**	**85,182**

	Bank borrowings	Committed loans	Payables to factors	Payables to other investors	Derivatives	Total
			(in thousands of €)			
Opening balance.......	141,026	48,298	8,381	16,456	569	214,730
Repayments.............	(32,684)	(9,679)	(8,381)	(1,468)	-	(52,212)
Proceeds..................	54,140	-	11,781	2,053	-	67,974
Other non-cash movements	2,063	388	-	-	(411)	2,040
As of 31 December 2021,.........................	**164,545**	**39,007**	**11,781**	**17,041**	**158**	**232,532**
Of which:						
Non-current............	**119,742**	**-**	**-**	**15,097**	**158**	**134,997**
Current....................	**44,803**	**39,007**	**11,781**	**1,944**	**-**	**97,535**

Payables to other investor are related to the investment agreements with Simest S.p.A.. The current portion due in 2022 is related to the loan for the setting-up of Eurotranciatura México, S. A. De C. V..

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2019	Within 12 months	Over 12 months
Monte dei Paschi di Siena	Variable	Euribor 6M + 5,572%	23/03/2022	2,782	2,782	-
Unicredit......................................	Fixed	4,91%	31/03/2022	4,006	-	4,006
Intesa San Paolo	Variable	Libor 6M + 2,40%	30/12/2020	7,121	7,121	-
Security Bank	Fixed	4.90%	05/07/2021	49	10	39
First Bank	Fixed	4.75%	21/01/2025	56	10	46
First Bank	Fixed	2.31%	25/02/2022	613	337	276
Ideal Lease	Fixed	4.00%	31/10/2023	512	203	309
First Bank	Fixed	4.86%	05/07/2021	117	73	44
Credit Agricole	Fixed	1.31%	25/01/2020	751	751	-
Unicredit.....................................	Fixed	2.90%	31/12/2022	7,610	3,497	4,113
Unicredit.....................................	Fixed	2.95%	31/12/2022	1,343	480	863
BCC..	Fixed	1.25%	15/01/2023	3,533	1,262	2,271
Monte dei Paschi di Siena	Fixed	1.00%	31/03/2022	2,250	1,000	1,250
Banco Desio	Fixed	0.80%	10/04/2022	1,175	125	1,050
Deutsche Bank.............................	Fixed	0.61%	11/06/2023	2,100	150	1,950
Credit Agricole	Fixed	1.01%	05/10/2021	2,010	249	1,761
Credit Agricole	Fixed	0.90%	24/07/2023	6,034	396	5,638
Banco BPM	Fixed	1.02%	30/09/2022	3,155	853	2,302
Intesa San Paolo	Variable	Euribor 12M + 1,80%	17/10/2024	10,000	1,019	8,981
Banco Desio	Variable	Euribor 1M + 1,10%	10/07/2024	1,838	98	1,740
Raiffeisen	Fixed	2.10%	31/08/2024	2,000	191	1,809
MedioCredito Centrale	Fixed	2.02%	27/09/2024	9,523	2,574	6,949

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2019	Within 12 months	Over 12 months
Banco BPM	Variable	Euribor 3M + 1,53%	31/03/2024	7,569	2,046	5,523
Banca Nazionale del Lavoro	Fixed	0.50%	29/05/2021	1,889	1,259	630
Credit Agricole	Variable	Euribor 3M + 1,00%	13/12/2024	5,000	1,563	3,437
Monte dei Paschi di Siena	Fixed	2.41%	30/06/2020	643	643	-
Credit Agricole	Fixed	1.59%	30/05/2021	1,481	1,234	247
BCC	Fixed	1.10%	30/09/2021	2,436	2,030	406
Credit Agricole	Fixed	1.71%	31/12/2024	1,500	405	1,095
Banco BPM	Fixed	1.03%	30/09/2022	552	199	353
Total				**89,648**	**32,560**	**57,088**

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2020	Within 12 months	Over 12 months
Monte dei Paschi di Siena	Variable	Euribor 6M + 5,572%	23/03/2022	1,528	1,019	509
Unicredit	Fixed	4,91%	31/03/2022	3,671	-	3,671
Intesa San Paolo	Variable	Libor 6M + 2,40%	30/06/2024	4,890	1,630	3,260
Intesa San Paolo	Fixed	4,30%	17/09/2021	2,363	2,363	-
Unicredit	Fixed	4.75%	24/02/2025	163	20	143
Unicredit	Fixed	4.75%	24/02/2025	66	8	58
Unicredit	Fixed	4.75%	24/02/2025	66	8	58
Unicredit	Fixed	4.65%	24/02/2025	66	8	58
Monte dei Paschi di Siena	Fixed	4.85%	19/11/2021	396	396	-
Monte dei Paschi di Siena	Fixed	4.85%	13/12/2021	416	416	-
Cassa Depositi e Prestiti S.p.A.	Fixed	5.20%	02/05/2022	9,714	-	9,714
TC Leasing	Fixed	5.09%	15/01/2022	166	111	55
TC Leasing	Fixed	5.27%	15/05/2022	358	100	258
TC Leasing	Fixed	5.66%	15/05/2022	402	121	281
TC Leasing	Fixed	6.01%	15/12/2022	367	122	245
First Bank	Fixed	4.90%	05/07/2021	80	80	-
First Bank	Fixed	4.75%	21/01/2025	44	10	34
Marlin Capital Solutions	Fixed	4,50%	01/02/2022	32	27	5
Ideal Lease	Fixed	4.00%	31/10/2023	294	139	155
First Bank	Fixed	2.31%	25/02/2022	338	274	64
PPP LOAN	Fixed	1.00%	30/04/2022	359	-	359
Monte dei Paschi di Siena	Fixed	1.00%	31/03/2022	1,250	1,000	250
Banco BPM	Fixed	2.00%	30/04/2022	1,000	714	286
Banco BPM	Variable	Euribor 3M + 1,40%	31/03/2025	7,569	1,742	5,827
Unicredit	Variable	Euribor 3M + 3,20%	31/12/2023	8,953	2,897	6,056
Banco BPM	Fixed	1.02%	30/09/2023	3,155	1,137	2,018
Credit Agricole	Fixed	1.01%	05/10/2022	1,761	751	1,010
Credit Agricole	Fixed	0.90%	24/07/2024	5,638	1,194	4,444
Credit Agricole	Variable	Euribor 3M- + 1,40%	13/12/2025	4,756	738	4,018
MedioCredito Centrale	Fixed	2.00%	30/09/2025	9,523	1,930	7,593
Banco Desio	Fixed	0.80%	10/04/2023	1,050	376	674
Deutsche Bank	Fixed	1.00%	11/06/2024	1,950	450	1,500
Banco Desio	Variable	Euribor 3M + 1,49%	10/07/2025	1,740	295	1,445
BCC	Fixed	1.25%	15/11/2023	3,158	946	2,212
Intesa San Paolo	Variable	Euribor 3M + 1,85%	17/04/2025	9,000	2,000	7,000
Raiffeisen	Fixed	2.15%	31/08/2026	1,809	158	1,651
Unicredit	Variable	Euribor 6M + 1,50%	30/06/2026	10,000	349	9,651

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2020	Within 12 months	Over 12 months
Deutsche Bank	Variable	Euribor 12M + 1,40%	30/06/2026	7,000	700	6,300
Banco BPM	Variable	Euribor 6M + 1,47%	30/06/2026	8,000	800	7,200
Credit Agricole	Variable	Euribor 12 M + 1,75%	31/12/2025	5,000	246	4,754
Monte dei Paschi di Siena	Variable	Euribor 1M + 1,45%	30/09/2026	15,000	-	15,000
Banco BPM	Fixed	1.03%	30/09/2022	353	201	152
Deutsche Bank	Variable	Euribor 6M + 1,40%	29/12/2026	3,000	346	2,654
BCC	Fixed	1.10%	30/06/2022	2,091	1,390	701
Credit Agricole	Fixed	1.70%	31/12/2025	1,500	300	1,200
Credit Agricole	Fixed	1.60%	30/11/2021	991	991	-
Total				**141,026**	**28,503**	**112,523**

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2021	Within 12 months	Over 12 months
Monte dei Paschi di Siena	Variable	Euribor 6M + 7,80%	23/03/2022	552	552	-
Intesa San Paolo	variable	Libor 6M + 2,40%	30/06/2024	3,532	1,766	1,766
Intesa San Paolo	Fixed	4,40%	30/10/2022	2,207	2,207	-
Unicredit	Fixed	5.00%	27/10/2022	676	676	-
Unicredit	Fixed	5.00%	27/10/2022	396	396	-
Unicredit	Fixed	5.00%	23/11/2022	861	861	-
Unicredit	Fixed	5.00%	23/11/2022	452	452	-
Unicredit	Fixed	5.00%	05/12/2022	190	190	-
Unicredit	Fixed	4.90%	31/08/2022	504	504	-
Unicredit	Fixed	3.70%	24/02/2025	155	44	111
Unicredit	Fixed	5.45%	24/02/2025	63	18	45
Unicredit	Fixed	5.25%	24/02/2025	63	18	45
Unicredit	Fixed	3.92%	24/02/2025	63	18	45
Unicredit	Fixed	2.00%	24/02/2025	245	70	175
Unicredit	Fixed	3.30%	24/02/2025	63	18	45
Unicredit	Fixed	6.65%	24/02/2025	163	47	116
Unicredit	Fixed	2.03%	24/02/2025	123	35	88
Unicredit	Fixed	1.90%	24/02/2025	86	25	61
Cassa Depositi e Prestiti S.p,A,	Fixed	5.20%	02/05/2022	10,492	10,492	-
TC Leasing	Fixed	5.27%	15/05/2022	42	42	-
MISI	Fixed	1.50%	14/04/2023	2,737	2,737	-
Ideal Lease	Fixed	4.00%	31/10/2023	168	126	42
First Bank	Fixed	2.31%	25/02/2022	47	47	-
First Bank	Fixed	2,00%	14/06/2026	856	236	620
First Bank	Fixed	4.75%	21/01/2025	39	13	26
Monte dei Paschi di Siena	Variable	Euribor 6M + 1,45%	30/09/2026	15,000	2,317	12,683
Deutsche Bank	Fixed	1.00%	11/06/2024	1,500	450	1,050
Deutsche Bank	Variable	Euribor 6M + 1,40%	30/06/2026	6,300	700	5,600
Banca Nazionale del Lavoro	Fixed	2.77%	22/12/2028	14,268	1,853	12,415
Banca Nazionale del Lavoro	Fixed	3.02%	22/12/2028	2,500	341	2,159
BCC	Fixed	1.25%	15/11/2023	2,212	945	1,267
Unicredit	Variable	Euribor 12M + 3,20%	31/12/2023	6,056	2,898	3,158
Unicredit	Variable	Euribor 6M + 1,50%	30/06/2026	10,000	-	10,000

Bank	Interest rate	Terms	Expiry Date	Remaining debt 31 December 2021	Within 12 months	Over 12 months
Unicredit....................................	Variable	Euribor 6M + 2,16%	31/12/2027	10,000	-	10,000
Banco BPM	Variable	Euribor 6M + 1,90%	31/03/2025	5,827	1,742	4,085
Banco BPM	Fixed	1.00%	30/09/2023	2,018	1,137	881
Banco BPM	Variable	Euribor 6M + 1,50%	30/06/2026	7,200	800	6,400
Banco BPM	Variable	Euribo 3M + 1,85%	30/09/2026	4,000	533	3,467
Intesa San Paolo	Variable	Euribor 6M + 2,00%	17/04/2025	7,000	2,000	5,000
Credit Agricole...........................	Fixed	1.00%	05/10/2022	1,010	1,010	-
Credit Agricole...........................	Variable	Euribor 6M + 1,75%	31/12/2025	5,000	300	4,700
Banco Desio	Fixed	0.80%	10/04/2023	674	376	298
Banco Desio	Variable	Euribor 3M + 1,40%	10/07/2025	1,444	295	1,149
Credit Agricole...........................	Fixed	0.90%	24/07/2024	4,444	1,193	3,251
Credit Agricole...........................	Variable	Euribor 3M + 1,40%	13/12/2025	4,018	738	3,280
Credit Agricole...........................	Fixed	1.63%	30/09/2027	15,000	-	15,000
Raiffeisen	Fixed	2.15%	31/08/2026	1,654	156	1,498
MedioCredito Centrale	Fixed	2.00%	30/09/2025	7,593	1,931	5,662
Deutsche Bank............................	Variable	Euribor 6M + 1,40%	29/12/2026	3,000	346	2,654
Banco BPM	Fixed	1.00%	30/09/2022	152	152	-
BCC..	Fixed	1.10%	30/06/2022	700	700	-
Credit Agricole...........................	Fixed	1.70%	31/12/2025	1,200	300	900
Total...				**164,545**	**44,803**	**119,742**

Some of the loans stipulated have a variable rate. The use of derivative financial instruments is reserved for management of exposure to fluctuations in interest rates associated with monetary flows and no speculative activities are carried out or permitted. The instruments used for this purpose are exclusively Interest Rate Swaps (IRS). The Group generally borrows at fixed interest rates and manages the risk of interest fluctuation of those loans at a variable interest rate through hedging arrangements.

Debt covenants

Certain of EuroGroup Lamination's borrowings are subject to financial covenants requiring maintaining a ratio of net financial indebtedness to EBITDA (or MOL) lower than certain thresholds. Below are the details by company and banking institution:

Entity	Bank	Initial Amount	Subscription date	Maturity	Financial parameter	Parameter	Value as of December 31,		
							2021	2020	2019
EuroGroup Laminations-Consolidated financial statement	Unicredit	14,500	2017	2022	Net Financial Indebtednes s /EBITDA	<4.0	1,53	2,75	3,72
EuroGroup Laminations.	Monte Paschi di Siena	5,000	2015	2020	Net Financial Indebtednes s /EBITDA	<3.9	-	2,56	3,72
EuroGroup Laminations.	Intesa San Paolo	4,800	2016	2021	Net Financial Indebtednes s /EBITDA	<6.0	1.53	2.66	3,72
Eurotranciatura..............	ICCREA Bank	1,500	2019	2024	Net Financial	<4.0	1,53	2.56	3,72

Entity	Bank	Initial Amount	Subscription date	Maturity	Financial parameter	Parameter	Value as of December 31, 2021	2020	2019
Eurotranciatura..............	Deutsche Bank	3,000	2018	2023	Indebtedness /EBITDA Net Financial Indebtedness /EBITDA	<4.0	1.53	2.64	3,72
Eurotranciatura..............	Cariparma	5,000	2019	2024	Net Financial Indebtedness /EBITDA	<4.0	1.56	2.64	3,72
Eurotranciatura..............	Intesa SanPaolo	10,000	2018	2024	Net Financial Indebtedness /EBITDA	<3.0	1.56	2.66	N/A
Eurotranciatura..............	Mediocentrale	10,000	2019	2024	Net Financial Indebtedness /EBITDA	<4.0	1.53	2.64	3,72
Eurotranciatura..............	Unicredit	14,500	2017	2022	Net Financial Indebtedness /EBITDA	<8.0	4.26	7,71	7,91
Eurotranciatura..............	Deutsche Bank*	7,000	2020	2026	Net Financial Indebtedness /EBITDA	<4.5	1.53	2.64	N/A
Eurotranciatura..............	Monte Paschi di Siena SACE*	15,000	2020	2026	Net Financial Indebtedness /EBITDA	<4.0	1.53	2.64	N/A
Eurotranciatura..............	Unicredit SACE*	10,000	2021	2027	Net Financial Indebtedness /EBITDA	<4.0	1,53	2,56	N/A

* With SACE guarantee

As of December 31, 2021, 2020 and 2019 EuroGroup Laminations was in compliance with all other covenants.

Derivative financial instruments

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A. Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2019
			(in thousands of €)				
IRS............	2	4,531	31/12/2019	0.00	0.4 + EU6M/360	30/06/2020	(1)
IRS............	56	1,343	31/12/2019	(0.311)	0.36 + EU6M	30/12/2022	(15)
IRS............	58	7,610	31/12/2019	(0.25)	0.41 + EU6M	30/12/2022	(93)
IRS............	61	2,100	31/12/2019	(0.39)	0.26 + EU3M/360	09/06/2023	(24)
IRS............	64	6,034	31/12/2019	(0.32)	0.495 + EU3M	24/07/2023	(59)
IRS............	67	7,570	31/12/2019	(0.40)	-0.2 + EU3M	31/03/2024	(18)
IRS............	66	10,000	31/12/2019	(0.31)	0 + EU3M	17/10/2024	(62)
IRS............	69	5,000	31/12/2019	0.00	0.001+EU3M/360	13/12/2024	(36)
CAP	43	320	31/12/2019	0.01	0.1 + EU3M/360	25/01/2020	-

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A. Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2019
			(in thousands of €)				
CAP	46	1,282	31/12/2019	(0.83)	0.3 + EU3M/360	31/03/2022	-
CAP	59	2,500	31/12/2019	(0.28)	0.3 + EU3M/360	31/03/2022	-
Total..........		**48,290**					**(308)**

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A. Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2020
			(in thousands of €)				
IRS............	56	908	31/12/2020	(0.27)	0.36 + EU6M	30/12/2022	(10)
IRS............	58	5,148	31/12/2020	(0.25)	0.41 + EU6M	30/12/2022	(60)
IRS............	61	1,500	31/12/2020	1.00	0.26 + EU3M/360	09/06/2023	(17)
IRS............	64	8,000	31/12/2020	(0.32)	0.495 + EU3M	24/07/2023	(33)
IRS............	66	5,834	31/12/2020	(0.31)	EU3M	31/03/2024	(35)
IRS............	67	8,000	31/12/2020	(0.40)	-0.2 + EU3M	17/10/2024	(92)
IRS............	69	5,000	31/12/2020	0.00	0.001+EU3M/360	13/12/2024	(46)
IRS............	73	7,000	31/12/2020	(0.48)	0.1 + EU3M/360	30/06/2026	(135)
IRS............	74	10,000	31/12/2020	(0.49)	-0.25 + EU3M/360	30/06/2026	(92)
IRS............	76	8,000	31/12/2020	(0.48)	-0.318 + EU3M	30/06/2026	(49)
CAP	46	258	31/12/2020	(0.83)	0.3 + EU3M/360	31/03/2022	-
CAP	59	1,500	31/12/2020	(0.28)	0.3 + EU3M/360	31/03/2022	-
Total..........		**61,148**					**(569)**

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A.. Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2021
			(in thousands of €)				
IRS............	56	461	31/12/2021	-	0.36 + EU6M	30/12/2022	(3)
IRS............	58	2,611	31/12/2021	(0.25)	0.41 + EU6M	30/12/2022	(18)
IRS............	61	900	31/12/2021	1.00	0.26 + EU3M/360	09/06/2023	(6)
IRS............	64	8,000	31/12/2021	(0.32)	0.495 + EU3M	24/07/2023	(14)
IRS............	66	6,000	31/12/2021	(0.31)	EU3M	17/10/2024	(34)
IRS............	67	4,070	31/12/2021	(0.40)	-0.2 + EU3M	31/03/2024	(10)
IRS............	69	5,000	31/12/2021	-	0.001+EU3M/360	13/12/2024	(16)
IRS............	73	6,300	31/12/2021	(0.48)	0.1 + EU3M/360	30/06/2026	(44)
IRS............	74	10,000	31/12/2021	(0.49)	-0.25 + EU3M/360	30/06/2026	17
IRS............	76	7,200	31/12/2021	(0.48)	-0.318 + EU3M	30/06/2026	21
IRS............	3	2,951	31/12/2021	(0.54)	EU3M/360	29/12/2026	(13)
CAP	59	250	31/12/2021	(0.28)	0.3 + EU3M/360	31/03/2022	-

Type of instrument	Identification number	Contractual Notional	Reference date Notional	EuroGroup Laminations S.p.A.. Parameter	Bank Parameter	Maturity	Fair value as of December 31, 2021
			(in thousands of €)				
Total..........		**53,743**					**(120)**

(16) LEASE LIABILITIES

The following table provides a breakdown for non-current and current lease liabilities:

Class	As of December 31 2021	2020	2019
	(in thousands of €)		
Non-current lease liabilities	47,568	36,564	19,485
Current lease liabilities...	7,768	4,763	2,902
Total lease liabilities...	**55,336**	**41,327**	**22,387**

	2021	2020	2019
	(in thousands of €)		
Opening balance...	41,327	22,387	23,496
Additions due to new leases and renewals.........................	15,555	24,374	2,187
Business combination	8,831	-	-
Principal repayment of lease liabilities	(10,377)	(5,434)	(3,296)
Other non-cash movements..	-	-	-
Closing balance...	**55,336**	**41,327**	**22,387**

The following table summarizes the undiscounted contractual cash flows of lease liabilities by maturity date:

Rate	As of December 31 2021	2020	2019	January 1, 2019
	(in thousands of €)			
1 years	7,768	4,763	2,902	2,760
2 years	6,717	4,286	2,626	2,532
3 years	6,427	4,131	2,639	2,541
4 years	6,218	4,097	2,591	2,549
Beyond	28,206	24,050	11,629	13,114
Total lease liabilities......	**55,336**	**41,327**	**22,387**	**23,496**

(17) EMPLOYEE BENEFITS

The item includes the payable for severance pay and the payable for severance indemnity of the Group accrued to the directors and employees of the Italian companies. The foreign companies do not recognize benefits to employees or other components attributable to long-term benefits.

The table below shows changes in Employee benefits occurred in defined benefit obligations:

Employee benefits – TFR	As of December 31, 2021	2020	2019
	(in thousands of €)		
Opening balance..	5,080	5,087	4,857
Changes through statement of profit and loss..........................	102	103	97
- of which: Service cost	*124*	*116*	*106*

Employee benefits – TFR	As of December 31, 2021	2020	2019
	(in thousands of €)		
- of which: Financial charges	*(22)*	*(13)*	*(9)*
Benefit paid	(539)	(325)	(311)
Changes through statement of comprehensive income	(152)	215	444
Change in scope of consolidation	318	-	-
Closing balance	**4,809**	**5,080**	**5,087**

The following table summarizes the main financial assumptions used in determining the present value of the TFR:

	As of December 31		
	2021	**2020**	**2019**
Representative termination rate	2,70%	2,70%	2,70%
Mortality table	ISTAT tables 2020	ISTAT tables 2019	ISTAT tables 2018
Mean withdrawal rate	4,00%	4,00%	4,00%
Mean withdrawal amount rate	70,00%	70,00%	70,00%
Salary increase *(included inflation*	3,50%	3,50%	3,50%
Representative discount rate	0,576%	0,131%	0,514%

Table below, shows a sensitivity analysis of employee benefits valuation as of December 31, 2021:

As of December 31, 2021	Annual discount rate		Annual inflation rate		Annual turnover rate	
			(in thousands of €)			
	0,50%	-0,50%	0,50%	-0,50%	0,50%	-0,50%
December 31, 2021	4,707	5,176	5,061	4,809	4,839	5,071
December 31, 2020	5,251	5,800	5,666	5,368	5,372	5,730
December 31, 2019	5,298	5,843	5,713	5,413	5,454	5,714

(18) PROVISIONS

The item consists of the provision for agency termination benefits for €384 thousand and other provision for 18 thousand.

Class	As of December 31 2021	2020	2019
	(in thousands of €)		
Provision for agency termination benefits	402	384	384
Provisions	**402**	**384**	**384**

The table below shows changes in provisions:

Provision	As of December 31, 2021	2020	2019
	(in thousands of €)		
Opening Balance	**384**	**384**	**723**
Business combination	18	-	-
Utilization	-	-	(339)
Closing Balance	**402**	**384**	**384**

(19) OTHER NON-CURRENT LIABILITIES

The following table provides a breakdown for other non-current liabilities:

	As of December 31		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Share award plan liability	3,937	1,459	619
Deferred income	3,349	601	4
Payables for shareholder dividends	1,508	1,508	1,508
Other non-current tax payables	485	824	-
Other non-current payables	627	393	98
Other non-current liabilities	**9,906**	**4,785**	**2,229**

The caption "Deferred income" is related to the tax credit, in the nature of grants for an investment made to purchase a plant during 2020 and 2021, that is deferred over the amortization period of the underlying asset. Such capital contribution will be recognised in the financial statement on a *pro-rata temporis* basis, in the fiscal years in which the economic benefits deriving from these investments are manifested, which will coincide with the economic useful life of such plants.

CURRENT LIABILITIES

(20) TRADE PAYABLES

The caption includes the amounts due for supplies for production, capital expenditures and services received. The Group does not have any reverse factoring and/or supplier financing transactions with its suppliers. The following table shows trade payables by geographic area:

	As of December 31		
	2021	**2020**	**2019**
	(in thousands of €)		
EMEA	147,132	84,647	69,318
- of which in Italy	*139,595*	*82,761*	*66,117*
NORTH AMERICA	80,977	38,801	31,303
- of which in Mexico	*50,945*	*29,391*	*24,028*
- of which in United States	*30,032*	*9,410*	*7,275*
ASIA	12,101	5,766	-
- of which in China	*12,101*	5,766	-
Trade payables	**240,210**	**129,214**	**100,621**

(21) OTHER CURRENT LIABILITIES

The following table provides a breakdown for other current liabilities:

	As of December 31		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Advance from clients	13,793	7,369	2,429
Accrued expenses	7,583	2,982	2,313
Payables to employees	7,291	5,814	5,150
Payables for other taxes	4,005	3,091	3,008
Other payables	1,410	770	562
Social security payables	1,181	1,096	1,051
Total other current liabilities	**35,263**	**21,122**	**14,513**

(22) CURRENT TAX LIABILITIES

The following table provides a breakdown for current tax liabilities:

	As of December 31		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
IRES – income tax	2,006	248	486
IRAP – regional income tax	409	7	246
Total Current Tax Liabilities	**2,415**	**255**	**732**

NOTES TO THE STATEMENT OF PROFIT OR LOSS

(23) REVENUES

The Group generates revenues primarily from the sale of rotor, stator, spare parts and tooling. The following table provides a breakdown for revenues by product line:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of €)		
EV & Automotive	195,596	147,580	112,204
Industrial	361,308	225,710	239,870
Total Revenues	**556,904**	**373,290**	**352,074**

(24) CHANGE IN WORK IN PROGRESS, SEMI-FINISHED AND FINISHED PRODUCT INVENTORIES

The following table provides a breakdown for the caption:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of €)		
Change in work in progress finished product inventories	9,045	(3,611)	2,563
Change in work in progress, semi-finished	4,321	274	(266)
Inventory obsolescence provision	(2,738)	(800)	-
Change in work in progress, semi-finished and finished product inventories	**10,628**	**(4,137)**	**2,297**

(25) COSTS FOR PURCHASES OF RAW MATERIALS

The following table provides a breakdown for cost for purchases of raw materials:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of €)		
Purchase of raw materials and finished products	342,465	216,478	204,005
Purchase of material consumables	9,252	7,430	7,092
Inventory obsolescence provision	20	24	32
Costs for purchases of raw materials	**351,737**	**223,932**	**211,129**

(26) COSTS FOR EXTERNAL SERVICES

The following table provides a breakdown for costs for external services:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of €)		
Maintenance	14,344	9,699	8,258
Outsourced work	12,723	10,514	9,801
Energy	11,938	6,603	7,143
Transport	10,011	8,125	7,278
General expenses	4,218	3,858	3,443
Directors' remunerations	3,281	2,161	1,916
Recruitment cost	3,090	2,155	1,999
Rents and leases	572	847	729
of which short-term:	*474*	*588*	*504*

	For the year ended December 31,		
	2021	2020	2019
	(in thousands of €)		
of which low values:	*98*	*259*	*225*
Consultancy fees	2,891	1,930	1,146
Legal, notary and administrative expenses	2,453	1,032	1,182
Commissions	1,875	1,751	2,159
Insurance	1,512	1,208	1,159
Other costs for external services	2,614	1,973	2,346
Costs for external services	**71,522**	**51,856**	**48,559**

Other services mainly include security and cleaning costs, travel expenses and marketing expenses.

(27) PERSONNEL COSTS

The following table provides for a breakdown for personnel costs:

	For the year ended December 31,		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Wages and salaries	67,594	55,937	52,973
Social security costs	14,554	12,085	10,794
Allocation of Defined Benefit Plan	2,486	2,043	2,036
Share award expenses	3,698	1,271	356
Other payroll costs	219	93	1,509
Personnel Costs	**88,551**	**71,429**	**67,668**

The Group, through its subsidiary Eurotranciatura has granted to four employees with strategic responsibilities the minority interest representing the 5% of the share capital of EMS. The arrangement provides an obligation for the employees to pay the consideration for the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the employees within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares not yet delivered to the employee and retained by the Group (unvested shares). If the employee leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to Group, upon its discretion, at the same purchase price.

Below is a summary of the changes in the share award plan:

Number of shares	**2021**	**2020**	**2019**
Outstanding as of January 1	69,840	81,480	93,120
Granted during the year	-	-	-
Vested during the year	11,640	11,640	11,640
Expired during the year	-	-	-
Outstanding as of December 31	58,200	69,840	81,480

The fair value of the shares has been determined by using a valuation technique whose main inputs are as follows:

	2021	**2020**	**2019**
Share price	128.40	60.67	39.81
Exercise price	23.63	23.63	23.63

The following are the information concerning the personnel:

	2021	2020	2019
Directors	26	24	27
Senior Managers	53	45	41
White Collars	530	442	334
Blue Collars	1,446	1,319	1,366
Total average	**2,055**	**1,830**	**1,768**

(28) OTHER EXPENSES

The following table provides for a breakdown for other expenses:

	For the year ended December 31,		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Prior year expenses	721	725	344
Penalty charges	420	597	222
Consumption taxes and excise duties	365	299	303
Other expenses	288	279	307
Other provisions	267	538	400
Provision for risks	94	13	-
Capital loss from asset disposals	29	5	3
(Reversal)/Allocation to provision for doubtful debt	(93)	1,382	(198)
Other Expenses	**2,091**	**3,838**	**1,381**

(29) DEPRECIATION AND AMORTIZATION EXPENSES

The following table provides a breakdown for depreciation and amortization expenses:

	For the year ended December 31,		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Property, plant and equipment	16,414	13,410	13,802
Right-of-use assets	6,427	4,539	3,345
Intangible assets with a finite useful life	428	364	419
Total depreciation and amortization of assets	**23,269**	**18,313**	**17,566**

(30) FINANCIAL INCOME

The following table provides for a breakdown for financial income:

	For the year ended December 31		
Class	**2021**	**2020**	**2019**
	(in thousands of €)		
Derivative financial instruments FVTPL	462	72	65
Other financial income	212	240	503
Financial income from Parent Company	84	68	84
Interest income from banks	68	91	48
Financial income for employee benefit – TFR	23	13	9
Financial income from other investor	-	952	-
Total financial income	**849**	**1,436**	**709**

(31) FINANCIAL COSTS

The following table provides for a breakdown for financial costs:

Class	For the year ended December 31, 2021	2020	2019
	(in thousands of €)		
Interest on borrowings	3,692	3,537	3,151
Financial expenses from other investor	1,655	1,038	1,347
Interest expenses to factors	1,068	335	124
Interest for lease liabilities	769	561	440
Derivative financial instruments	263	522	280
Other financial costs	229	264	-
Total financial costs	**7,676**	**6,257**	**5,342**

(32) EXCHANGE (LOSSES)/GAINS

The following table provides for a breakdown for exchange losses and gains:

Class	For the year ended December 31, 2021	2020	2019
	(in thousands of €)		
Exchange gains	1,356	81	245
Exchange losses	(275)	(1,443)	(228)
Total Exchange gains/(losses)	**1,081**	**(1,362)**	**17**

(33) INCOME TAXES

Class	December 31 2021	2020	2019
	(in thousands of €)		
IRES Italian Income taxes	1,371	131	1,026
IRAP Regional Income taxes	1,097	230	555
Taxes other countries	3,023	4,020	1,260
Tax previous years	115	(38)	(64)
Deferred tax	3,376	(11,427)	(2,803)
Total tax	**8,982**	**(7,084)**	**(26)**

Deferred tax liabilities are not recognised if it can be demonstrated that their payment is improbable or not due. Deferred tax assets are recognised if their recovery is reasonably certain. All the measurements referred to above were conducted on a going concern basis.

The table below provides a reconciliation between actual income taxes and the theoretical income taxes, calculated on the basis of the applicable group's average tax rate, which was 25.3 percent for each of the years ended December 31, 2021, 2020 and 2019:

Class	For the year ended December 31, 2021	2020	2019
	(in thousands of €)		
Profit / (Loss) before taxes	29,673	(4,762)	3,994
Theoretical income tax benefit/(expense) — average tax rate	**(7,492)**	**1,202**	**(1,008)**
Tax effect on:			
Taxes relating to prior years	(115)	38	64
Non-deductible costs	112	94	848

Class	For the year ended December 31, 2021	2020	2019
	(in thousands of €)		
Other tax items	810	545	205
Deferred taxes	(3,376)	11,427	2,803
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,176	(6,452)	(3,441)
Total tax expense, excluding IRAP	**(7,885)**	**6,854**	**(529)**
Effective average tax rate	26.57%	-143.94%	13.26%
Italian regional income tax expense (IRAP)	(1,097)	230	555
Total income tax	**(8,982)**	**7,084**	**26**

In order to facilitate the understanding of the tax rate reconciliation presented above, income tax expense has been presented net of other taxes paid abroad and of the Italian Regional Income Tax ("IRAP"). IRAP is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments. IRAP is calculated using financial information prepared under Italian accounting standards. The applicable IRAP rate was 3.9 percent for the other Italian components, for each of the years ended December 31, 2021, 2020 and 2019.

There are no unrecognised deferred tax assets related to tax losses.

At the reporting date, the Group has unused tax losses of €3,752 thousand (2020: €8,376 thousand; 2019: €1,371 thousand) available for offset against future profits. A deferred tax asset has been recognised in respect of €825 thousand (2020: €1,954 thousand; 2019: €372 thousand) of such losses.

(34) EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as the ratio of net profit or (loss) attributable to the shareholders of the Company by the weighted average number of outstanding shares (basic and diluted) of the Company.

The following table summarizes the amounts used to calculate basic and diluted earnings per share:

	For the year ended December 31, 2021	2020	2019
	(in thousands of € and number of shares)		
Profit attributable to the Group (A)	18,752	2,200	3,660
Number of shares at start of the year	6,111,940	4,500,000	4,500,000
Number of shares at end of the year	6,111,940	6,111,940	4,500,000
Weighted average number of ordinary shares for basic EPS (B)	6,111,940	5,305,970	4,500,000
Basic earnings per share (Euro) I=(A)/(B)	**3.07**	**0.41**	**0.81**

Diluted earnings per share is equal to basic earnings per share as there were no potentially dilutive instruments for the periods presented.

RISK MANAGEMENT POLICY

Credit risk

The Group is exposed to a credit risk that its customers may delay or fail to fulfill their payment requirements in terms agreed and the internal procedures adopted in relation to the assessment of credit risk and customer solvency are not sufficient.

These risks could have negative effects on the Group's economic, financial and equity situation.

To mitigate this risk, the Group monitors the credit quality of the third-parties on the basis of internal or external ratings and sets credit limits subject to regular monitoring. The customers are all major players in the sectors in which the Group is active, and credit risk is concentrated on only a small percentage of smaller customers.

It occurs that the Group uses factoring instruments to collect certain type of trade receivables.

The following table contains a breakdown of third-party trade receivables by overdue category:

	As of December 31					
	2021		2020		2019	
	Receivables	Provisions	Receivables	Provisions	Receivables	Provisions
	(in thousands of €)					
Not yet due	76,788	(64)	45,885	(41)	48,689	(43)
0-60 days overdue	12,814	(95)	6,164	(55)	9,613	(63)
60-180 days overdue	3,385	(182)	1,354	(68)	2,838	(85)
> 180 days overdue	11,939	(7,566)	14,146	(7,657)	12,048	(6,788)
Total trade receivables	**104,926**	**(7,907)**	**67,549**	**(7,821)**	**73,188**	**(6,979)**

Liquidity risk

The Group is exposed to the risk of not being able to obtain new borrowings or to get renewal of existing ones at conditions that are not worse than the existing ones, or it could default on the commitments (covenants) assumed in the existing loan agreements. Furthermore, the breach of covenants provided in some existing loan agreements could in some cases, to lead (due to cross default clauses) to the forfeiture of benefit of the term, respect to other loan agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

In consideration of the net financial position and the ability to generate positive cash flows from operating activities, the liquidity risk is assessed, in the economic situation in which the Group is at the time of approval of these financial statements, as low. The Group has credit lines granted by the banking system, which are adequate with respect to operational needs.

The Group's cash flows, financing requirements and liquidity are carefully monitored and managed by:

- maintaining an appropriate level of available liquidity;
- diversifying the methods used to raise financial resources;
- arranging appropriate credit facilities;
- monitoring prospective liquidity conditions, in relation to the business planning process.

	December 31, 2021	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
		(in thousands of €)			
Non-current financial liabilities and borrowings	134,997	134,997	-	100,051	34,946
Non-current lease liabilities	47,568	47,568	-	19,362	28,206
Total Non-Current Financial Liabilities	**182,565**	**182,565**	**-**	**119,413**	**63,152**
Current financial liabilities and borrowings	50,788	50,788	50,788	-	-
Current portion of non-current financial liabilities and borrowings	46,747	46,747	46,747	-	-
Current lease liabilities	7,768	7,768	7,768	-	-

	December 31, 2021	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
		(in thousands of €)			
Total Current Financial Liabilities	**105,303**	**105,303**	**105,303**	**-**	**-**
Total Financial Liabilities	**287,868**	**287,868**	**105,303**	**119,413**	**63,152**

	December 31, 2020	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
		(in thousands of €)			
Non-current financial liabilities and borrowings	129,548	129,548	-	91,764	37,784
Non-current lease liabilities	36,564	36,564	-	12,514	24,050
Total Non-Current Financial Liabilities	**166,112**	**166,112**	**-**	**104,278**	**61,834**
Current financial liabilities and borrowings	56,679	56,679	56,679	-	-
Current portion of non-current financial liabilities and borrowings	28,503	28,503	28,503	-	-
Current lease liabilities	4,763	4,763	4,763	-	-
Total Current Financial Liabilities	**89,945**	**89,945**	**89,945**	**-**	**-**
Total Financial Liabilities	**256,057**	**256,057**	**89,945**	**104,278**	**61,834**

	December 31, 2019	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
		(in thousands of €)			
Non-current financial liabilities and borrowings	75,546	75,546	-	51,728	23,818
Non-current lease liabilities	19,485	19,485	-	7,856	11,629
Total Non-Current Financial Liabilities	**95,031**	**95,031**	**-**	**59,584**	**35,447**
Current financial liabilities and borrowings	81,583	81,583	81,583	-	-
Current portion of non-current financial liabilities and borrowings	32,560	32,560	32,560	-	-
Current lease liabilities	2,902	2,902	2,902	-	-
Total Current Financial Liabilities	**117,045**	**117,045**	**117,045**	**-**	**-**
Total Financial Liabilities	**212,076**	**212,076**	**117,045**	**59,584**	**35,447**

The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends, the maturity or refinancing of debt and the management of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Parent Company in order to guarantee effective sourcing of financial resources or adequate investment of excess liquidity.

The negotiation and management of credit lines is coordinated by the Parent Company with the aim of satisfying the short and medium-term financing needs of the individual companies within the Group according to efficiency and cost-effectiveness criteria. It has always been the Group's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs.

Interest rate risk

The Group is subject to the risk of fluctuations in the interest rate relating to the indebtedness. Any changes in interest rates (EURIBOR) could have effects with increase or reduction of financing costs.

	December 31, 2021					
	Outstanding debts	*% total*	Within one year	*% total*	Over a year	*% total*
	(in thousands of €)					
Total fixed rate financial liability	143,602	61.76%	82,547	84.63%	61,055	45.23%
Total variable rate financial liability	88,930	38.24%	14,988	15.37%	73,942	54.77%
Total outstanding debts	**232,532**	**100%**	**97,535**	**100%**	**134,997**	**100%**
Interest to be paid on variable rate not covered by derivative	492		460		32	
Interest to be paid as a result of the change (+2%) in base reference rate	6,197		2,481		3,716	

	December 31, 2020					
	Outstanding debts	*% total*	Within one year	*% total*	Over a year	*% total*
	(in thousands of €)					
Total fixed rate financial liability	128,294	59.75%	72,420	85.02%	55,874	43.13%
Total variable rate financial liability	86,436	40.25%	12,762	14.98%	73,674	56.87%
Total outstanding debts	**214,730**	**100%**	**85,182**	**100%**	**129,548**	**100%**
Interest to be paid on variable rate not covered by derivative	405		164		241	
Interest to be paid as a result of the change (+2%) in base reference rate	6,652		3,085		3,567	

	December 31, 2019					
	Outstanding debts	*% total*	Within one year	*% total*	Over a year	*% total*
	(in thousands of €)					
Total fixed rate financial liability	155,379	81.91%	99,514	87.18%	55,865	73.95%
Total variable rate financial liability	34,310	18.09%	14,629	12.82%	19,681	26.05%
Total outstanding debts	**189,689**	**100%**	**114,143**	**100%**	**75,546**	**100%**
Interest to be paid on variable rate not covered by derivative	761		382		379	
Interest to be paid as a result of the change (+2%) in base reference rate	5,799		4,235		1,564	

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not adopt specific policies to hedge exchange rate fluctuations as in order to mitigate the exposure to foreign exchange risk, the Group mainly carries out purchase and sale transactions in the same local currency therefore foreign exchange risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	As of December, 31 2021				
	USD	CNY	RUB	JPY	Total
	(in thousands of €)				
Total assets	8,176	157	239	152	8,724
Total liabilities	6,709	464	623	10,113	17,909

	As of December, 31 2020				
	USD	**CNY**	**RUB**	**JPY**	**Total**
	(in thousands of €)				
Total assets	11,759	504	190	-	12,453
Total liabilities	5,037	248	85	11,083	16,453

	As of December, 31 2019				
	USD	**CNY**	**RUB**	**JPY**	**Total**
	(in thousands of €)				
Total assets	7,127	71	52	-	7,250
Total liabilities	3,716	5	165	3,511	7,397

The following table details the Group's sensitivity to a 10 per cent increase and decrease in currency units against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10 per cent change in foreign currency rates.

	Year ended December 31,					
	2021		**2020**		**2019**	
	FX +10%	**FX-10%**	**FX +10%**	**FX-10%**	**FX +10%**	**FX-10%**
	(in thousands of €)					
USD - U.S. Dollar	(133)	163	(611)	747	(310)	379
CNY - Chinese Renminbi (Yuan)	28	(34)	(23)	28	(6)	7
JPY - Japanese Yen	906	(1,107)	1,008	(1,231)	319	(390)
RUB - Russian Ruble	35	(43)	(10)	12	10	(13)
Total other currencies	**836**	**(1,021)**	**364**	**(444)**	**13**	**(17)**
Total effect on Profit before Tax	**836**	**(1,021)**	**364**	**(444)**	**13**	**(17)**

Financial assets and liabilities

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table below shows the financial assets and liabilities for applied evaluation methodology:

	Financial assets and liabilities				Fair value level		
December 31, 2021	**FVPL**	**FVOCI**	**Amortised cost**	**Total**	**1**	**2**	**3**
			(in thousands of €)				
Financial assets (note 5)	-	12,025	5,772	17,797	4,514	5,810	7,473
Trade receivables (note 9)	-	-	97,019	97,019		97,019	
Other assets (note 7 and 10)........................	-	-	29,001	29,001		29,001	
Cash and cash equivalents (note 12)	-	-	137,662	137,662		137,662	
Total financial assets	**-**	**12,025**	**269,454**	**281,479**	**4,514**	**269,492**	**7,473**
Financial liabilities and borrowings (note 15)	-	158	232,374	232,532		232,532	-
Lease liabilities (note 16)	-	-	55,336	55,336		55,336	-
Trade payables (note 20)	-	-	240,210	240,210		240,210	-
Other liabilities (note 19 and 21)......................	3,937	-	41,232	45,169		41,232	3,937
Total financial liabilities.......	**3,937**	**158**	**569,152**	**573,247**	**-**	**569,310**	**3,937**

	Financial assets and liabilities				Fair value level		
December 31, 2020	**FVPL**	**FVOCI**	**Amortised cost**	**Total**	**1**	**2**	**3**
			(in thousands of €)				
Financial assets (note 5)	-	7,128	5,755	12,883	2,890	5,755	4,238
Trade receivables (note 9)	-		59,728	59,728		59,728	
Other assets (note 7 and 10)....................	-		13,793	13,793		13,793	
Cash and cash equivalents (note 12)	-		107,655	107,655		107,655	
Total financial assets	**-**	**7,128**	**186,931**	**194,059**	**2,890**	**186,931**	**4,238**
Financial liabilities and borrowings (note 15)	-	569	214,161	214,730		214,730	
Lease liabilities (note 16)	-	-	41,327	41,327		41,327	
Trade payables (note 20)	-	-	129,214	129,214		129,214	
Other liabilities (note 19 and 21)...................	1,459	-	24,448	25,907		24,448	1,459
Total financial liabilities....	**1,459**	**569**	**409,150**	**411,178**	**-**	**409,719**	**1,459**

	Financial assets and liabilities				Fair value level		
December 31, 2019	**FVPL**	**FVOCI**	**Amortised cost**	**Total**	**1**	**2**	**3**
			(in thousands of €)				
Financial assets (note 5)	-	5,581	4,320	9,901	2,337	4,320	3,244
Trade receivables (note 9)	-		66,209	66,209		66,209	
Other assets (note 7 and 10)....................	-		12,185	12,185		12,185	
Cash and cash equivalents (note 12)	-		44,839	44,839		44,839	
Total financial assets	**-**	**5,581**	**127,553**	**133,134**	**2,337**	**127,553**	**3,244**
Financial liabilities and borrowings (note 15)	-	308	189,381	189,689		189,689	

December 31, 2019	Financial assets and liabilities FVPL	FVOCI	Amortised cost	Total	Fair value level 1	2	3
			(in thousands of €)				
Lease liabilities (note 16)	-		22,387	22,387		22,387	
Trade payables (note 20)	-		100,621	100,621		100,621	
Other liabilities (note 19 and 21)...................	619		15,853	16,472		15,853	619
Total financial liabilities....	**619**	**308**	**328,242**	**329,169**	**-**	**328,550**	**619**

Reconciliation of Level 3 fair value measurements of financial instruments

The following table presents the changes in level 3 items for the periods ended 31 December 2021, 2020 and 2019:

	Equity investments – EMS shares	Share award liability
	(in thousands of €)	
Balance at 1 January 2020................................	**3,244**	**(619)**
Total gains or losses:		
in profit or loss		(1,271)
in other comprehensive income	1,700	
Settlements..	(706)	431
Balance at 1 January 2021................................	**4,238**	**(1,459)**
Total gains or losses:		
in profit or loss		(3,698)
in other comprehensive income	4,730	
Settlements..	(1,495)	1,220
Balance at 31 December 2021	**7,473**	**(3,937)**

TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24, related parties are: a) entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reporting entity; b) associates; c) individuals who directly or indirectly have voting power in the reporting entity that gives them significant influence over the entity, and their close family members; d) members of the key management personnel, i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, including the entity's directors or managers and the close family members of such persons; e) entities in which significant voting power is held directly or indirectly by any individual described in c) or d) above or over which that individual is able to exercise significant influence. The case of e) above includes entities owned by directors or controlling shareholders of the reporting entity and entities that have key management personnel in common with the reporting entity.

The table below, shows, a list of related parties, with the type of correlation:

Related parties	Type and main correlation relationship
EMS S.P.A.	Shareholder of the issuer
EUROTRANCIATURA S.P.A.	Company 100% owned by the issuer
CORRADA S.P.A.	Company 100% owned by the issuer
EUROTRANCIATURA MÉXICO, S. A. DE C. V	Company100% owned by the issuer
EUROPROPERTIES MEXICO S.A. DE C.V.	Company 71.24% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer

Related parties	Type and main correlation relationship
EUROTRANCIATURA TUNISIE	Company 51% owned by the issuer
EMS MEXICO SA DE CV	Company 71,24% owned by the issuer
EUROSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EUROTRANCIATURA USA LLC	Company 64.12% owned by the issuer
EUROPROPERTIES USA LLC	Company 100% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.58% owned by the issuer
EURO GROUP ASIA LIMITED	Company 100% owned by the issuer
EURO HIGHTECH S.A. DE C.V	Company 70.90% owned by the issuer
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer

Physical persons

Iori Sergio	Chairman of the issuer's Board of Directors appointed on September 08, 2020
Arduini Marco Stefano	CEO of the issuer, appointed on September 08, 2020
Guardala Isidoro	Deputy Chairman appointed on September 08, 2020
Iori Marzio Andrea	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Quagliuolo Roberto Francesco	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Gales Jean-Marc Pierre	Adviser of the issuer's Board of Directors, September 08, 2020
Bertocchi Gianluca Umberto Maria	Adviser of the issuer's Board of Directors, appointed on September 08, 2020
Garavaglia Luigi Emilio	Chairman of the Board of Statutory Auditors appointed on September 08, 2020
Alabiso Francesco	Effective statutory auditor in charge appointed on September 08, 2020
Venruini Maria	Effective statutory auditor in charge appointed on September 08, 2020
Gandola Giancarlo	Alternate statutory auditor in charge appointed on September 08, 2020
Sironi Roberta	Alternate statutory auditor in charge appointed on September 08, 2020

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Transactions carried out by the Group with these related parties are of commercial and financial nature and, in particular, these transactions relate to:

Related parties	Parent Company	SAF S.p.A.	Euro MISI Laminations	Total	Total item	Incidence on total item
			(in thousands of €)			
Right-of-use assets						
As of December 31, 2021.....	28,393	-	-	28,393	61,993	45.80%
As of December 31, 2020.....	29,443	-	-	29,443	44,004	66.91%
As of December 31, 2019.....	15,392	-	-	15,392	23,811	64.64%
Non-current financial assets..................................						

Related parties	Parent Company	SAF S.p.A.	Euro MISI Laminations	Total	Total item	Incidence on total item
			(in thousands of €)			
As of December 31, 2021.....	5,600	-	-	5,600	17,797	31.47%
As of December 31, 2020.....	5,600	-	-	5,600	12,883	43.47%
As of December 31, 2019.....	-	-	4,192	4,192	9,901	42.34%
Trade receivables...............						
As of December 31, 2021.....	-	-	-	-	97,019	0.00%
As of December 31, 2020.....	-	193	-	193	59,728	0.32%
As of December 31, 2019.....	-	234	888	1,122	66,209	1.69%
Non-current lease liabilities						
As of December 31, 2021.....	26,139	-	-	26,139	47,568	54.95%
As of December 31, 2020.....	27,159	-	-	27,159	36,564	74.28%
As of December 31, 2019.....	13,622	-	-	13,622	19,485	69.91%
Other non-current liabilities						
As of December 31, 2021.....	5,445	-	-	5,445	9,906	54.97%
As of December 31, 2020.....	2,967	-	-	2,967	4,785	62.01%
As of December 31, 2019.....	2,127	-	-	2,127	2,229	95.42%
Current lease liabilities						
As of December 31, 2021.....	2,533	-	-	2,533	7,768	32.61%
As of December 31, 2020.....	2,377	-	-	2,377	4,763	49.91%
As of December 31, 2019.....	1,849	-	-	1,849	2,902	63.71%
Trade payables...................						
As of December 31, 2021.....	-	-	-	-	240,210	0.00%
As of December 31, 2020.....	-	467	-	467	129,214	0.36%
As of December 31, 2019.....	-	424	25	449	100,621	0.45%
Revenues............................						
As of December 31, 2021.....	-	-	-	-	556,904	0.00%
As of December 31, 2020.....	-	628	-	628	373,290	0.17%
As of December 31, 2019.....	-	896	421	1,317	352,074	0.37%
Other income......................						
As of December 31, 2021.....	-	-	-	-	2,211	0.00%
As of December 31, 2020.....	-	14	-	14	1,826	0.77%
As of December 31, 2019.....	-	17	65	82	1,663	4.93%
Costs for purchases of raw materials............................						
As of December 31, 2021.....	-	-	-	-	(351,737)	0.00%
As of December 31, 2020.....	-	(1,325)	-	(1,325)	(223,392)	0.59%
As of December 31, 2019.....	-	(1,370)	(74)	(1,444)	(211,129)	0.68%
Costs for external services................................						
As of December 31, 2021.....	-	-	-	-	(71,522)	0.00%
As of December 31, 2020.....	-	(82)	-	(82)	(51,856)	0.16%
As of December 31, 2019.....	-	(125)	-	(125)	(48,559)	0.26%
Personnel costs...................						
As of December 31, 2021.....	(3,698)	-	-	(3,698)	(88,551)	4.18%
As of December 31, 2020.....	(1,271)	-	-	(1,271)	(71,429)	1.78%
As of December 31, 2019.....	(357)	-	-	(357)	(67,668)	0.53%
Other expenses...................						
As of December 31, 2021.....	-	-	-	-	(2,090)	0.00%
As of December 31, 2020.....	-	(22)	-	(22)	(3,838)	0.57%
As of December 31, 2019.....	-	(25)	-	(25)	(1,381)	1.81%
Depreciation and amortization expenses						
As of December 31, 2021.....	(2,678)	-	-	(2,678)	(23,269)	11.51%
As of December 31, 2020.....	(2,271)	-	-	(2,271)	(18,313)	12.40%
As of December 31, 2019.....	(1,981)	-	-	(1,981)	(17,566)	11.28%

Related parties	Parent Company	SAF S.p.A.	Euro MISI Laminations	Total	Total item	Incidence on total item
			(in thousands of €)			
Financial income						
As of December 31, 2021	84	-	-	84	849	9.89%
As of December 31, 2020	68	-	-	68	1,436	4.74%
As of December 31, 2019	84	-	9	93	709	13.12%
Financial costs						
As of December 31, 2021	(435)	-	-	(435)	(7,675)	5.67%
As of December 31, 2020	(355)	-	-	(355)	(6,257)	5.67%
As of December 31, 2019	(325)	-	-	(325)	(5,342)	6.08%

KEY MANAGEMENT PERSONNEL

Pursuant to IAS 24—Related Party Disclosures, the related parties of the Group are all entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries. In addition, members of the Board of Directors and executives with strategic responsibilities and their families are also considered related parties. The following tables summarize remuneration of directors, key executives with strategic responsibilities:

Key management personnel

	Compensation		Outstanding Balance
	Short Term employee benefits	Share purchase plan	Other non current liabilities
2021	3,281	3,698	3,937
2020	2,161	1,271	1,459
2019	1,916	357	619

GUARANTEES GIVEN AND OTHER CONTRACTUAL COMMITMENTS

The following table reports commitments, guarantees and potential liabilities not resulting from the balance sheet:

Class	December 31, 2021
Bank guarantees given in the interest of the companies of the Group	**74,167**
Financial commitments and risks:	**96**
Commitments	96
Commitment to the municipality of Baranzate	96

Guarantees of €74,167 thousand refer mainly to guarantees issued with regard to sureties and other guarantees issued in the favor of subsidiaries.

The item Commitments includes the amount of the commitment given to the municipality of Baranzate related to the design and testing costs for the construction of the new public parking area with lights and signs.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

The Group has assigned to the Board of Statutory Auditors, appointed in accordance with Civil Code Article 2400, solely the functions contemplated in Article 2403, paragraph 1. The Board of Statutory Auditors' remuneration for 2021 is €112 thousand.

With regard to the emoluments attributed to the directors in 2021 the compensation paid amounted to

€3,281 thousand.

In the year under review, the Group did not grant advances or credits to the directors and members of the Board of Statutory Auditors, nor did it undertake any commitment on their behalf or provide any guarantee.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The consolidated financial statements for the year ended December 31, 2021 are the first financial statements prepared by the Group in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (International Financial Reporting Standards) issued by the International Board of Accounting Standards (IASB) and the interpretations of the International Committee for the Interpretation of Accounting Standards (International Financial Reporting Standards IC, formerly IFRIC) and the former Standing Committee on interpretations (SIC) (hereinafter referred to as "IFRS"), approved by the European Union pursuant to the entry into force of Regulation (EC) No 1249/96 1606/2002 issued by the European Parliament and the European Council in July 2002.

The initial date of adoption of IFRS (referred to in this document as the "Transition Date") was established on January 1, 2019, in accordance with International Financial Reporting Standards 1. This note explains the main adjustments made by the Group in restating its Italian GAAP ("ITA GAAP") financial statements, for the year ended 31 December 2021, 31 December 2020 and 31 December 2019.

General policies

In accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards, a Statement of Financial Position was prepared at the Transition Date in which:

- all assets and liabilities whose recognition is required by the IFRS have been recognised and measured, including those not envisaged under ITA GAAP;
- all assets and liabilities whose recognition is required by ITA GAAP but not allowed under IFRS have been eliminated;
- some items in the financial statements have been reclassified in accordance with IFRS.

The IFRS adjustments as of January 1, 2019 have been recognised in equity, within the First Time Adoption reserve ("FTA reserve").

For the purpose of explaining the effects of the Transition Process on the Group's consolidated financial statements, the following additional disclosures have been prepared:

(A) Basis of presentation as a first-time adopter of IFRS;

(B) reconciliation of the consolidated statement of financial position prepared in accordance with the ITA GAAP with those prepared in accordance with IFRS at the Transition Date, as of December 31, 2019, as of December 31, 2020 and as of December 31, 2021;

(C) reconciliation of the consolidated statements of profit or loss in accordance with the ITA GAAP with those prepared in accordance with the IFRS for the years ended December 31, 2019, December 31, 2020 and December 31, 2021;

(D) reconciliation of the consolidated statement of cash flows prepared in accordance with the ITA GAAP with those prepared in accordance with IFRS for the years ended December 31, 2019, December 31, 2020 and December 31, 2021;

(E) reconciliation of consolidated equity stated in accordance with the ITA GAAP with the consolidated equity restated under IFRS at the Transition Date, as of December 31, 2019, as of December 31, 2020 and as of December 31, 2021;

(F) Explanation of the reclassifications and restatements included in the above-mentioned reconciliation schedules, which describe the significant effects of the transition, with regard to both the classification of the various items in the consolidated financial statements and their different valuation and, therefore, the related effects on the consolidated statement of financial position and on the consolidated statement of other comprehensive income;

A. Basis of presentation as a first-time adopter of IFRS;

Notes regarding the IFRS first-time adoption rules

The consolidated financial statements for the years ended 31 December 2019, 2020 and 2021 have been prepared in accordance with the IFRS effective for periods beginning on January 1, 2019.

In the IFRS Transition Process, the previous estimates made under ITA GAAP were not adjusted unless IFRS adoption required formulating estimates under different methodologies to reflect differences in accounting policies. The restatements to equity affected the accounting values of assets and liabilities but not their tax bases which, consequently, gave rise to the recognition of deferred taxation.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- Lease: the Group assessed all contracts existing as of January 1, 2019 to determine whether a contract contains a lease based upon the conditions in place as of January 1, 2019; with regard to the recognition and measurement of lease liabilities and right-of-use assets, when the Group is a lease, the Group has applied the following approach:

    - lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019.

    - Right of Use assets are measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before January 1, 2019.

    - The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis;

- Employee benefits: the Group has decided to recognize all cumulative actuarial gains and losses calculated in accordance with IAS 19 existing at the Transition Date within FTA reserve;

- Business combination:

- Cumulative translation differences: the Group has decided to set cumulative translation differences to zero at the Transition Date.

Estimates

The estimates as of January 1, 2019, as of December 31, 2019, 2020 and 2021 are consistent with those made for the same dates in accordance with ITA GAAP, after adjustments to reflect any differences in accounting policies, apart from the valuation of pensions and other post-employment benefits whose application of Local GAAP did not require estimation.

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions as of January 1, 2019, as of December 31, 2019, as of December 31, 2020 and as of December 31, 2021.

B. Reconciliation of the consolidated statement of financial position prepared in accordance with the ITA GAAP with those prepared in accordance with IFRS at the Transition Date, as of December 31, 2019, 2020 and 2021

Effects of the transition to IFRS on the balance sheet and financial statements as of 1 January 2019

	Note	ITA GAAP As of January 1, 2019	Reclassifications	Adjustments	IFRS As of January 1, 2019
			(Amounts in €/000)		
Non-current assets					
Intangible assets	**c**	9,069	(1,868)	(5,896)	1,305
Goodwill................................		1,633	(1,633)	-	-
Property, plant and equipment..............................	**a**	84,957	1,713	(5,864)	24,372
Right-of-use assets	**d**	-	1,688	22,684	10,304
Investments in associates........	**i**	-	-	10,304	7,491
Non-current financial assets ...	**e**	4,663	-	2,828	1,550
Other non-current assets.........	**I**	1,871	-	(321)	6,729
Deferred tax assets.................		2,653	961	3,115	**132,557**
Total non-current assets.......		**104,846**	**861**	**26,850**	
Current assets					127,037
Inventories.............................	**f**	129,984	(1,588)	(1,359)	58,417
Trade receivables...................	**h**	61,748	5,449	(8,780)	16,925
Other current assets	**i**	14,155	3,600	(830)	24,372
Current tax receivables...........		3,463	-	-	3,463
Current financial assets...........		5,216	-	-	5,216
Cash and cash equivalents......	**i**	29,574	-	(5,095)	24,479
Total current assets		**244,140**	**7,461**	**(16,064)**	**235,537**
TOTAL ASSETS		**348,986**	**8,322**	**10,786**	**368,094**

	Note	ITA GAAP As of January 1, 2019	Reclassifications	Adjustments	IFRS As of January 1, 2019
			(Amounts in €/000)		
Equity					
Share capital		4,500	**-**	**-**	4,500
Share premium reserve		**-**	**-**	**-**	**-**
Other reserve		608	**-**	(3,875)	(3,267)
Retained earnings		55,345	**-**	1,912	57,257
Equity attributable to the owners of the Company........		**60,453**	**-**	**(1,963)**	**58,490**
Equity attributable to the non-controlling interests		**20,753**	**-**	**(16,171)**	**4,582**
Total Equity		**81,206**	**-**	**(18,134)**	**63,072**
Non-current liabilities					
Non-current financial liabilities and borrowings	**b**	48,296	10,887	12,335	71,518
Non-current lease liabilities....	**d**	-	407	20,329	20,736
Employee benefits	**g**	4,553	-	304	4,857
Provisions..............................		1,355	(632)	-	723
Deferred tax liabilities		1,116	961	1,604	3,681
Other non-current liabilities....	**e**	5,222	(2,897)	(367)	1,958
Total non-current liabilities		**60,542**	**8,726**	**34,205**	**103,473**

	Note	ITA GAAP As of January 1, 2019	Reclassifications	Adjustments	IFRS As of January 1, 2019
			(Amounts in €/000)		
Current liabilities					
Current financial liabilities and borrowings	**i**	93,758	(513)	(3,086)	90,159
Current lease liabilities	**d**	-	405	2,355	2,760
Trade payables	**i**	98,833	(1,508)	(3,429)	93,896
Current tax liabilities		4,284	(4,225)	(29)	30
Other current liabilities	**i**	10,363	5,437	(1,096)	14,704
Total current liabilities		**207,238**	**(404)**	**(5,285)**	**201,549**
TOTAL EQUITY AND LIABILITIES		**348,986**	**8,322**	**10,786**	**368,094**

Effects of the transition to IFRS on the balance sheet and financial statements as of 31 December 2019

	Note	ITA GAAP As of December 31, 2019	Reclassifications	Adjustments	IFRS As of December 31, 2019
			(Amounts in €/000)		
Non-current assets					
Intangible assets	**c**	12,210	(3,507)	(7,205)	1,498
Goodwill		1,349	(1,349)	-	-
Property, plant and equipment	**a**	102,869	981	(14,822)	89,028
Right-of-use assets	**d**	-	2,873	20,938	23,811
Investments in associates	**i**	-	-	11,305	11,305
Non-current financial assets	**e**	6,341	-	3,560	9,901
Other non-current assets	**i**	1,947	-	(316)	1,631
Deferred tax assets		3,089	1,630	5,533	10,252
Total non-current assets		**127,805**	**628**	**18,993**	**147,426**
Current assets					
Inventories	**f**	127,922	1,502	(1,550)	127,874
Trade receivables	**h**	64,556	11,069	(9,416)	66,209
Other current assets	**i**	7,341	2,511	702	10,554
Current tax receivables		5,208	-	-	5,208
Current financial assets		4,976	-	-	4,976
Cash and cash equivalents	**i**	50,458	-	(5,619)	44,839
Total current assets		**260,461**	**15,082**	**(15,883)**	**259,660**
TOTAL ASSETS		**388,266**	**15,710**	**3,110**	**407,086**

	Note	ITA GAAP As of December 31, 2019	Reclassifications	Adjustments	IFRS As of December 31, 2019
			(Amounts in €/000)		
Equity					
Share capital		4,500	-	-	4,500
Share premium reserve		-	-	-	-
Other Reserves		613	-	(2,841)	(2,228)
Retained Earnings		68,349	-	(7,437)	60,912

	Note	ITA GAAP As of December 31, 2019	Reclassifications	Adjustments	IFRS As of December 31, 2019
			(Amounts in €/000)		
Equity attributable to the owners of the Company........		**73,462**	**-**	**(10,278)**	**63,184**
Equity attributable to the non-controlling interests		**20,456**	**-**	**(15,658)**	**4,798**
Total Equity		**93,918**	**-**	**(25,936)**	**67,982**
Non-current liabilities					
Non-current financial liabilities and borrowings	**b**	60,963	1,514	13,069	75,546
Non-current lease liabilities....	**d**	-	956	18,529	19,485
Employee benefits	**g**	4,362	-	725	5,087
Provisions		1,526	(1,142)	-	384
Deferred tax liabilities		723	1,630	1,109	3,462
Other non-current liabilities....	**e**	4,551	(2,545)	223	2,229
Total non-current liabilities		**72,125**	**413**	**33,655**	**106,193**
Current liabilities					
Current financial liabilities and borrowings	**i**	104,834	13,390	(4,081)	114,143
Current lease liabilities	**d**	-	399	2,503	2,902
Trade payables.......................	**i**	104,980	(1,484)	(2,875)	100,621
Current tax liabilities		3,463	(2,731)	-	732
Other current liabilities..........	**i**	8,946	5,723	(154)	14,513
Total current liabilities........		**222,223**	**15,297**	**(4,609)**	**232,911**
TOTAL EQUITY AND LIABILITIES		**388,266**	**15,710**	**3,110**	**407,086**

Effects of the transition to IFRS on the balance sheet and financial statements as of 31 December 2020

	Note	ITA GAAP As of December 31, 2020	Reclassifications	Adjustments	IFRS As of December 31, 2020
			(Amounts in €/000)		
Non-current assets					
Intangible assets	**c**	17,030	(2,286)	(12,602)	2,142
Goodwill................................		950	(950)	-	-
Property, plant and equipment	**a**	150,280	(3,419)	(31,818)	115,043
Right-of-use assets	**d**	-	6,655	37,349	44,004
Investments in associates........	**i**	-	-	12,015	12,015
Non-current financial assets ...	**e**	8,837	-	4,046	12,883
Other non-current assets	**i**	1,261	-	(371)	890
Deferred tax assets..................		6,677	2,353	13,380	22,410
Total non-current assets.......		**185,035**	**2,353**	**21,999**	**209,387**
Current assets					
Inventories	**f**	131,375	4,299	(2,928)	132,746
Trade receivables....................	**h**	59,508	7,753	(7,533)	59,728
Other current assets	**i**	9,843	2,898	162	12,903
Current tax receivables		2,730	-	-	2,730
Current financial assets...........		-	-	-	-
Cash and cash equivalents	**i**	115,230	-	(7,575)	107,655
Total current assets		**318,686**	**14,950**	**(17,874)**	**315,762**

	Note	ITA GAAP As of December 31, 2020	Reclassifications	Adjustments	IFRS As of December 31, 2020
			(Amounts in €/000)		
TOTAL ASSETS		**503,721**	**17,303**	**4,125**	**525,149**

	Note	ITA GAAP As of December 31, 2020	Reclassifications	Adjustments	IFRS As of December 31, 2020
			(Amounts in €/000)		
Equity					
Share capital		6,112	-	-	6,112
Share premium reserve		38,388	-	(3,978)	34,410
Other Reserves		648	-	(6,598)	(5,950)
Retained Earnings		79,923	-	(16,846)	63,077
Equity attributable to the owners of the Company		**125,071**	**-**	**(27,422)**	**97,649**
Equity attributable to the non-controlling interests		**26,206**	**-**	**(19,899)**	**6,307**
Total Equity		**151,277**	**-**	**(47,321)**	**103,956**
Non-current liabilities					
Non-current financial liabilities and borrowings	**b**	111,844	4,754	12,950	129,548
Non-current lease liabilities	**d**	-	2,792	33,772	36,564
Employee benefits	**g**	4,169	-	911	5,080
Provisions		2,639	(2,255)	-	384
Deferred tax liabilities		1,135	2,353	808	4,296
Other non-current liabilities	**e**	5,566	(1,802)	1,021	4,785
Total non-current liabilities		**125,353**	**5,842**	**49,462**	**180,657**
Current liabilities					
Current financial liabilities and borrowings	**i**	80,849	4,489	(156)	85,182
Current lease liabilities	**d**	-	974	3,789	4,763
Trade payables	**i**	132,108	(1,420)	(1,474)	129,214
Current tax liabilities		3,116	(2,861)	-	255
Other current liabilities	**i**	11,018	10,279	(175)	21,122
Total current liabilities		**227,091**	**11,461**	**1,984**	**240,536**
TOTAL EQUITY AND LIABILITIES		**503,721**	**17,303**	**4,125**	**525,149**

Effects of the transition to IFRS on the balance sheet and financial statements as of 31 December 2021

	Note	ITA GAAP As of December 31,2021	Reclassifications	Adjustments	IFRS As of December 31,2021
			(Amounts in €/000)		
Non-current assets					
Intangible assets	**c**	14,065	(1,805)	(9,820)	2,440
Goodwill		758	(758)	-	-
Property, plant and equipment	**a**	183,235	(12,367)	(25,361)	145,507

	Note	ITA GAAP As of December 31,2021	Reclassifications	Adjustments	IFRS As of December 31,2021
			(Amounts in €/000)		
Right-of-use assets	**d**	-	14,930	47,063	61,993
Investments in associates	**i**	-	-	-	-
Non-current financial assets	**e**	8,693	-	9,104	17,797
Other non-current assets	**i**	2,673	(766)	-	1,907
Deferred tax assets		9,539	639	12,847	23,025
Total non-current assets		**218,963**	**(127)**	**33,833**	**252,669**
Current assets					
Inventories	**f**	205,018	10,412	4,518	219,948
Trade receivables	**h**	101,804	(559)	(4,226)	97,019
Other current assets	**i**	23,953	3,141	-	27,094
Current tax receivables		1,896	-	-	1,896
Current financial assets		-	-	-	-
Cash and cash equivalents	**i**	137,662	-	-	137,662
Total current assets		**470,333**	**12,994**	**292**	**483,619**
TOTAL ASSETS		**689,296**	**12,867**	**34,125**	**736,288**

	Note	ITA GAAP As of December 31, 2021	Reclassifications	Adjustments	IFRS As of December 31, 2021
			(Amounts in €/000)		
Equity					
Share capital		6,112	-	-	6,112
Share premium reserve		38,388	-	(3,978)	34,410
Other Reserves		648	-	4,556	5,204
Retained Earnings		97,455	-	(15,626)	81,829
Equity attributable to the owners of the Company		**142,603**	**-**	**(15,048)**	**127,555**
Equity attributable to the non-controlling interests		**40,191**	**-**	**(20,419)**	**19,772**
Total Equity		**182,794**	**-**	**(35,467)**	**147,327**
Non-current liabilities					
Non-current financial liabilities and borrowings	**b**	127,435	(4,350)	11,912	134,997
Non-current lease liabilities	**d**	-	5,376	42,192	47,568
Employee benefits	**g**	4,010	-	799	4,809
Provisions		2,229	(1,827)	-	402
Deferred tax liabilities		4,042	640	3,406	8,088
Other non-current liabilities	**e**	8,412	(2,443)	3,937	9,906
Total non-current liabilities		**146,128**	**(2,604)**	**62,246**	**205,770**
Current liabilities					-
Current financial liabilities and borrowings	**i**	83,379	12,212	1,944	97,535
Current lease liabilities	**d**	-	2,367	5,401	7,768
Trade payables	**i**	242,082	(1,872)	-	240,210
Current tax liabilities		5,964	(3,549)	-	2,415
Other current liabilities	**i**	28,949	6,313	1	35,263
Total current liabilities		**360,374**	**15,471**	**7,346**	**383,191**
TOTAL EQUITY AND LIABILITIES		**689,296**	**12,867**	**34,125**	**736,288**

C. Reconciliation of the consolidated statements of profit or loss in accordance with the ITA GAAP with those prepared in accordance with the IFRS for the years ended December 31, 2019, 2020 and 2021

Effects of the transition ton IFRS on the income statement 31 December 2019

	Note	ITA GAAP As of December 31, 2019	Reclassifications	Adjustments	IFRS As of December 31, 2019
			(Amounts in €/000)		
Revenues	**i**	397,134	(30,932)	(14,128)	352,074
Other income	**i**	2,309	(602)	(44)	1,663
Change in work in progress, semi-finished and finished product inventories	**f**	(167)	-	2,464	2,297
Work performed internally and capitalised		5,662	(3,898)	(1,764)	-
Costs for purchase of raw materials		(246,809)	32,683	2,997	(211,129)
Costs for external services	**c-e**	(55,278)	1,122	5,597	(48,559)
Personnel costs	**c-e-g**	(71,203)	1,630	1,905	(67,668)
Other expenses	**h-i**	(1,974)	(133)	726	(1,381)
Share of results of associates	**i**	-	-	(1,121)	(1,121)
Depreciation and amortization expenses	**a-c-d**	(17,519)	434	(481)	(17,566)
Operating Profit		**12,155**	**304**	**(3,849)**	**8,610**
Financial income	**e**	1,098	(304)	(85)	709
Financial costs		(4,362)	-	(980)	(5,342)
Financial income	**e**	1,098	(304)	(85)	709
Exchange gains/(losses)		17	-	-	17
Profit / (Loss) before taxes		**8,908**	**-**	**(4,914)**	**3,994**
Income taxes		(2,380)	-	2,406	26
Profit for the year		**6,528**	**-**	**(2,508)**	**4,020**
Attributable to:					
Non-controlling interests		916	-	(556)	360
Owners of the Company		**5,612**	**-**	**(1,952)**	**3,660**

Effects of the transition to IFRS on the income statement 31 December 2020

	Note	ITA GAAP As of December 31, 2020	Reclassifications	Adjustments	IFRS As of December 31, 2020
			(Amounts in €/000)		
Revenues	**i**	417,193	(33,912)	(9,991)	373,290
Other income	**i**	2,174	(335)	(13)	1,826
Change in work in progress, semi-finished and finished product inventories	**f**	(1,472)	(800)	(1,865)	(4,137)
Work performed internally and capitalised		6,413	(6,248)	(165)	-
Costs for purchase of raw materials		(264,953)	38,348	2,673	(223,932)
Costs for external services	**c-e**	(57,710)	369	5,485	(51,856)
Personnel costs	**c-e-g**	(71,234)	1,771	(1,966)	(71,429)

	Note	ITA GAAP As of December 31, 2020	Reclassifications	Adjustments	IFRS As of December 31, 2020
			(Amounts in €/000)		
Other expenses	**h-i**	(3,601)	64	(301)	(3,838)
Share of results of associates	**i**	-	-	(190)	(190)
Depreciation and amortization expenses	**a-c-d**	(19,931)	1,043	575	(18,313)
Operating profit		**6,879**	**300**	**(5,758)**	**1,421**
Financial income	**e**	852	(300)	884	1,436
Financial costs		(5,519)	-	(738)	(6,257)
Exchange gains/(losses)		(1,362)	-	-	(1,362)
Profit / (Loss) before taxes		**850**	**-**	**(5,612)**	**(4,762)**
Income taxes		(1,235)	-	8,319	7,084
Profit for the year		**(385)**	**-**	**2,707**	**2,322**
Attributable to:					
Non-controlling interests		737	-	(615)	122
Owners of the Company		**(1,122)**	**-**	**3,322**	**2,200**

Effects of the transition to IFRS on the income statement 31 December 2021

	Note	ITA GAAP As of December 31, 2021	Reclassifications	Adjustments	IFRS As of December 31, 2021
			(Amounts in €/000)		
Revenues	**i**	639,698	(76,835)	(5,959)	556,904
Other income	**a-i**	4,956	(1,257)	(1,488)	2,211
Change in work in progress, semi-finished and finished product inventories	**f**	7,588	(15)	3,055	10,628
Work performed internally and capitalised		2,722	(2,722)	-	-
Costs for purchase of raw materials		(435,133)	79,366	4,030	(351,737)
Costs for external services	**c-e**	(77,845)	293	6,030	(71,522)
Personnel costs	**c-e-g**	(86,661)	588	(2,478)	(88,551)
Other expenses	**h-i**	(3,009)	(281)	1,199	(2,091)
Share of results of associates	**i**	-	-	2,846	2,846
Depreciation and amortization expenses	**a-c-d**	(29,236)	1,174	4,793	(23,269)
Operating profit		**23,080**	**311**	**12,028**	**35,419**
Financial income	**e**	1,212	(311)	(52)	849
Financial costs		(6,092)	-	(1,584)	(7,676)
Financial income	**e**	1,212	(311)	(52)	849
Exchange gains/(losses)		1,081	-	-	1,081
Profit / (Loss) before taxes		**19,281**	**-**	**10,392**	**29,673**
Income taxes		(6,411)	-	(2,571)	(8,982)
Profit for the year		**12,870**	**-**	**7,821**	**20,691**
Attributable to:					
Non-controlling interests		2,486	-	(547)	1,939
Owners of the Company		**10,384**	**-**	**8,368**	**18,752**

D. Reconciliation of the consolidated statement of cash flows prepared in accordance with the ITA GAAP with those prepared in accordance with IFRS for the years ended December 31, 2019, 2020 and 2021

Effects of the transition to IFRS on cash flows as of December 31, 2019

	ITA GAAP **As of December 31, 2019**	**Reclassifications**	**Adjustments**	**IFRS** **As of December 31, 2019**
		(Amounts in €/000)		
Cash and Cash Equivalents at the beginning of the year	**29,574**		(5,096)	**24,478**
Net cash flow from operating activities (A)	27,076	3,296	(3,493)	26,879
Net cash flow (used in) investment activities (B)	(31,021)		3,727	(27,294)
Net cash (used in)/from financing activities (C)	24,830	(3,296)	(2,886)	18,648
Net increase in Cash and Cash Equivalents (A+B+C)	**20,885**	**-**	**(2,652)**	**18,233**
Effect of changes in exchange rates	-	-	2,128	2,128
Cash and Cash Equivalents at the end of the year	**50,459**	**-**	**(5,620)**	**44,839**

Effects of the transition to IFRS on cash flows as of December 31, 2020

	ITA GAAP **As of December 31, 2020**	**Reclassifications**	**Adjustments**	**IFRS** **As of December 31, 2020**
		(Amounts in €/000)		
Cash and Cash Equivalents at the beginning of the year	**50,459**		(5,620)	**44,839**
Net cash flow from operating activities (A)	54,647	5,434	(3,870)	56,211
Net cash flow (used in) investment activities (B)	(40,454)		18,034	(22,420)
Net cash (used in)/from financing activities (C)	50,578	(5,434)	(11,160)	33,984
Net increase in Cash and Cash Equivalents (A+B+C)	**64,771**	**-**	**3,004**	**67,775**
Effect of changes in exchange rates	-	-	(4,959)	(4,959)
Cash and Cash Equivalents at the end of the year	**115,230**	**-**	**(7,575)**	**107,655**

Effects of the transition to IFRS on cash flows as of December 31, 2021

	ITA GAAP As of December 31, 2021	Reclassifications	Adjustments	IFRS As of December 31, 2021
	(Amounts in €/000)			
Cash and Cash Equivalents at the beginning of the year	**115,230**		(7,575)	**107,655**
Net cash flow from operating activities (A)	44,496	10,377	(6,464)	48,409
Net cash flow (used in) investment activities (B)	(57,685)		42,346	(15,339)
Net cash (used in)/from financing activities (C)	35,621	(10,377)	(30,183)	(4,939)
Net increase in Cash and Cash Equivalents (A+B+C)	**22,432**	**-**	**5,699**	**28,131**
Effect of changes in exchange rates	-	-	1,876	1,876
Cash and Cash Equivalents at the end of the year	**137,662**	**-**	**-**	**137,662**

E. Reconciliation of consolidated equity stated in accordance with the ITA GAAP with the consolidated equity restated under IFRS at the Transition Date, as of December 31, 2019, 2020 and 2021

	Note	Equity as of December 31, 2021	Equity as of December 31, 2020	Equity as of December 31, 2019	Equity as of January 1, 2019
		(Amounts in €/000)			
ITA GAAP		**182,793**	**151,277**	**93,918**	**81,206**
Adjustments:					
Elimination of Property, plant and equipment revaluation	**a**	(17,570)	(21,609)	(5,432)	-
Financial instruments presentation	**b**	(13,856)	(13,146)	(14,097)	(13,827)
Elimination of start-up and other costs	**c**	(7,312)	(9,306)	(5,103)	(4,140)
Measurement of operating leases	**d**	(377)	(143)	(49)	-
Measurements of equity instruments	**e**	2,604	1,001	454	506
Inventory measurement at average weighted cost	**f**	3,254	(437)	1,338	2,799
Actuarial valuation of employee benefits	**g**	(621)	(792)	(659)	(360)
Provision for doubtful debt	**h**	(3,206)	(4,142)	(3,893)	(4,364)
Accounting for investments in associates	**i**	(379)	(33)	471	279
Cash-settled share based payment	**j**	1,996	1,286	1,034	974
Total adjustments		***(35,467)***	***(47,321)***	***(25,936)***	***(18,133)***
Reclassifications:					
US asset acquisition	**k**	-	-	-	-
Finance leases	**l**	-	-	-	-
Total reclassifications		**-**	**-**	**-**	**-**
IFRS		**147,327**	**103,956**	**67,982**	**63,073**

The following table presents the reconciliation of the profit for the years ended December 31, 2019, 2020 and 2021 in accordance with ITA GAAP to the profit calculated under IFRS:

	Note	Profit (loss) as of December 31, 2021	Profit (loss) as of December 31, 2020	Profit (loss) as of December 31, 2019
		(Amounts in €/000)		
ITA GAAP		**12,870**	**(385)**	**6,528**
Adjustments:				
Elimination of Property, plant and equipment revaluation	**a**	4,756	7,260	1,198
Financial instruments presentation	**b**	(828)	705	(641)
Elimination of start-up and other costs	**c**	2,269	(390)	(906)
Measurement of leases	**d**	(234)	(94)	(49)
Measurements of equity instruments	**j**	(2,884)	(1,040)	(126)
Measurement of inventory at average weighted cost	**f**	3,695	(1,776)	(1,463)
Actuarial valuation of employee benefits	**g**	112	30	40
Provision for doubtful debt	**h**	935	(249)	473
Accounting for investments in associates	**i**	-	(1,739)	(1,034)
Total adjustments		***7,821***	***2,704***	***(2,508)***
Reclassifications:				
Revenues from sale of scraps		-	-	-
Work performed internally and capitalised		-	-	-
Total reclassification		**-**	**-**	**-**
IFRS		**20,692**	**2,323**	**4,020**
Other comprehensive income				
Total comprehensive income under IFRS		**20,692**	**2,323**	**4,020**

Note: no statement of comprehensive income was produced under ITA GAAP, therefore the reconciliation starts with profit/(loss) under ITA GAAP

F. Comments on the reclassifications and adjustments

F.1 Description of adjustments

(a) Elimination of Property, plant and equipment revaluation

As permitted by the Italian law, Property, plant and equipment have been revalued during years 2019 and 2020. The revaluation under this specific Italian law is not permitted for IFRS purpose.

The following table summarized the effect of elimination of the revaluation of assets:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
		(Amounts in €/000)	
Property, plant and equipment	(25,360)	(30,059)	(7,534)
Deferred tax assets	7,411	8,025	2,102
Investments in associates	379	379	-
Current tax liabilities	-	46	-
Equity	**(17,570)**	**(21,609)**	**(5,432)**
Other income	119	-	-
Depreciation and amortization expenses	6,101	1,636	-
Share of results of associates	-	379	-

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
		(Amounts in €/000)	
Income taxes	(1,464)	5,244	1198
Profit for the year	**4,756**	**7,260**	**1,198**

(b) Financial instruments presentation

Under IAS 32, any contractual obligation to purchase non-controlling interests – such as a put option granted to non-controlling interests – gives rise to a financial liability measured at the present value of the redemption amount. Because the Group has concluded that has a present ownership interest in these shares, the application of the IAS 32 at the Transition Date has resulted in the derecognition of the equity attributable to NCI and the recognition of a financial liabilities for an amount equal to the present value of the redemption amount. Any difference between the financial liability and the carrying amount of the equity attributable to NCI has been reclassified within the equity attributable to the Group.

As of December 31, 2019, 2020 and 2021 the Group has recognised any change in the liabilities, in accordance with IFRS 9, through profit or loss. The table below summarize the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1 2019
		(Amounts in €/000)		
Non-current financial liabilities and borrowings	13,856	13,146	14,097	13,827
Equity	**13,856**	**13,146**	**14,097**	**13,827**
Financial income	-	952	-	-
Financial costs	(828)	(247)	(641)	-
Profit / (loss) for the year	**(828)**	**705**	**(641)**	**-**

(c) Elimination of start-up cost and other costs

This adjustment regards the elimination of amounts recognised in intangible assets under ITA GAAP that do not meet the IFRS capitalization criteria at the Transition Date.

Under IAS 38, start-up costs and similar expenses are recognised in profit or loss when they are incurred. Therefore, at the Transition Date, such costs capitalised in prior periods as well as in 2019 and 2020 and 2021 have been eliminated.

The table below summarized the effects of the adjustment:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1 2019
		(Amounts in €/000)		
Intangible assets	(9,820)	(12,523)	(6,885)	(5,665)
Deferred tax assets	2,508	3,217	1,782	1,525
Equity	**(7,312)**	**(9,305)**	**(5,103)**	**(4,140)**
Increases of non-current assets from in-house production	-	(165)	(1,752)	-
Costs for external services	(257)	(280)	(92)	-
Personnel costs	-	(3,022)	(616)	-
Depreciation and amortization expenses	3,235	1,642	1,298	-
Income taxes	(709)	1,435	257	-
(Loss)/ Profit for the year	**2,269**	**(390)**	**(906)**	**-**

(d) Measurement of leases

In the consolidated financial statements prepared under ITA GAAP, the lease payments referring to operating leases were accounted for as an expense in the Statement of Profit or Loss on an accrual basis.

In accordance with IFRS 16, the Group has recognised a right-of-use asset among the assets, representing the right to use the underlying leased asset, and a lease liability (split into current and non-current items) among the liabilities, representing the obligation to make the lease payments foreseen under the lease. The principal amount of the lease payments have been recognised as a reduction of such liability, and the interest amount in profit or loss on an accrual basis.

The section on optional exemptions for first-time adopters of IFRS contains a more detailed description of the approach applied to leases and the optional exemptions adopted by the Group.

The table below shows the related details:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Right-of-use assets	47,063	37,349	20,939	22,684
Deferred tax assets	154	69	44	-
Non-current lease liabilities	42,192	33,772	18,530	20,329
Current lease liabilities	5,402	3,789	2,502	2,355
Equity	**(377)**	**(143)**	**(49)**	**-**
Costs for external services	5,285	3,776	2,909	-
Depreciation and amortization expenses	(4,845)	(3,339)	(2,562)	-
Financial costs	(758)	(556)	(440)	-
Income taxes	84	25	44	-
(Loss) for the year	**(234)**	**(94)**	**(49)**	**-**

(e) Measurements of investments in equity instruments

Investments in Kuroda

In accordance with IFRS 9, at the Transition Date, the Group measured investments in equity instruments at FVTOCI, whereas under ITA GAAP these were measured at historical cost.

The table below summarize the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Non-current financial assets	2,636	1,013	460	512
Deferred tax liabilities	32	12	6	6
Equity	**2,604**	**1,001**	**454**	**506**

(f) Measurement of inventory at average weighted cost

In accordance with IAS 2, the cost of inventories should be determined by using the FIFO (First-In, First-Out) method or the weighted average cost method.

Under ITA GAAP, the Group measured the cost of inventories using the LIFO (Last-In, First-Out) method; however, as this method is not permitted under IFRS, at the Transition Date, inventories were restated using the weighted average cost method.

The table below summarized the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Inventories	4,518	(602)	1,857	3,886
Deferred tax liabilities	1,264	(165)	519	1,087
Equity	**3,254**	**(437)**	**1,338**	**2,799**
Change in work in progress, semi-finished and finished product inventories	3,055	(1,381)	633	-
Costs for purchases of raw materials	2,068	(1,079)	(2,664)	-
Income taxes	(1,428)	684	568	-
(Loss)/ Profit for the year	**3,695**	**(1,776)**	**(1,463)**	**-**

(g) Actuarial valuation of employee benefits

Under ITA GAAP, post-employment benefits (pensions, life insurance, healthcare, etc.) are recognised on an accrual basis over the period of service of the employees, in compliance with the applicable legislation and employment agreements.

Under IFRS, post-employment benefits are classified as either “defined contribution plans” or “defined benefit plans”.

In accordance with IAS 19, the provision for employees in Italy is classified as a defined benefit plan until December 31, 2006, and it is measured applying statistical and demographic assumptions and actuarial valuation methods. Pursuant to a change in the Italian legislation, the TFR provision accrued after January 1, 2007, is classified as a defined contribution plan. The following table summarizes the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Deferred tax assets	178	250	207	114
Employee benefits	799	1,042	866	474
Equity	**(621)**	**(792)**	**(659)**	**(360)**
Personnel costs	125	27	44	-
Financial income	22	13	9	-
Income taxes	(35)	(10)	(13)	-
Profit for the year	**112**	**30**	**40**	**-**

(h) Provision for doubtful debt

Under ITA GAAP, credit losses are recognised using an incurred losses approach. Under IFRS, the Group recognised an allowance for trade receivables adopting a forward-looking expected credit loss approach, using historical, current and prospective data as well as timing of the recoverability of the related cash flows. The effect related to bad debt provision accounted for IFRS 9 is summarized in the table below:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Deferred tax assets	1,020	1,351	1,261	1,422
Trade receivables	(4,227)	(5,493)	(5,154)	(5,786)
Equity	**(3,206)**	**(4,142)**	**(3,893)**	**(4,364)**

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Other expenses	1,266	(340)	632	-
Income taxes..	(331)	91	(159)	-
Profit / (loss) for the year	**935**	**(249)**	**473**	**-**

(i) Accounting for investments in associates

Under ITA GAAP, in the consolidated financial statements, associates can be consolidated using the "proportional method", which allows the parent company to consolidate assets, liabilities, revenue and expenses of the associate for its proportion of ownership interest. The application of IAS 28, required that investments in associates are accounted for using the equity method, consequently, the Group has derecognised the assets, liabilities, revenue and expenses for its proportion of ownership interest and has recognised the corresponding Group's share of the profit or loss and other comprehensive income of the associate. The following table summarizes the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Intangible assets	-	(79)	(320)	(231)
Property, plant and equipment	-	(1.760)	(7.287)	(5.863)
Investments in associates	(379)	11.636	11.305	10.304
Non-current financial assets	-	-	1.262	459
Other non-current assets	-	(371)	(317)	(321)
Deferred tax assets	-	(222)	(248)	(23)
Inventories...	-	(2.324)	(3.406)	(5.246)
Trade receivables.................................	-	(2.040)	(4.262)	(2.994)
Other current assets	-	162	703	(830)
Cash and cash equivalents....................	-	(7.575)	(5.620)	(5.096)
Non-current financial liabilities and borrowings...	-	(196)	(1.028)	(1.493)
Employee benefits	-	(131)	(142)	(170)
Provisions..	-	-	-	-
Deferred tax liabilities..........................	-	(16)	16	-
Other non-current liabilities	-	(438)	(397)	(817)
/Current financial liabilities and borrowings...	-	(156)	(4.081)	(3.086)
Trade payables.....................................	-	(1.474)	(2.875)	(3.429)
Other payables.....................................	-	(175)	(154)	(1.096)
Current tax liabilities...........................	-	46	-	(29)
Equity	**(379)**	**(33)**	**471**	**279**
Revenues	(5,959)	(9.992)	(14.128)	-
Other income.......................................	(207)	(13)	(44)	-
Change in work in progress, semi-finished and finished product inventories...	-	(485)	1.831	-
Increases of non-current assets from in-house production.............................	-	-	(12)	-
Costs for raw materials, supplies, consumables and goods.......................	1,961	3.752	5.661	-
Costs for external services...................	1,002	1.989	2.781	-
Personnel costs	1,095	2.301	2.834	-
Other expenses	(68)	39	93	-
Share of results of associates................	1,446	(569)	(1.120)	-
Depreciation and amortization expenses	302	636	783	-

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Financial income	-	(7)	(19)	-
Financial costs	3	65	101	-
Income taxes	425	545	205	-
Loss for the year	-	**(1.739)**	**(1.034)**	**-**

(j) Cash-settled share-based payment

Investments in E.M.S.

In accordance with IFRS 9, at the Transition Date, the Group measured investments in equity instruments at FVTOCI, whereas under ITA GAAP these were measured at historical cost.

Share purchase plan with related parties

The Group, through its subsidiary Eurotranciatura, has sold to four employees with strategic responsibilities, its share of interest in E.M.S. S.p.A. (parent company of EuroGroup Laminations). The arrangement provides an obligation for the employees to purchase the share in yearly instalments over a ten-year period. The effectiveness of the annual purchase of the shares (vested shares) is subject to the permanence of the employees within the Group during the ten years period (vesting period). The arrangements also provide that the employee is entitled to receive dividends that eventually will be distributed over the vesting period even for the shares that are retained by the Group (unvested shares). If the employee leaves the Group's employment during the service period (bad leaver), the vested shares may be returned to Group, upon its discretion, at the same purchase price.

The transaction as a whole has been assessed falling within the scope of the IFRS 2, therefore the share purchase arrangement has been classified as a cash-settled share based payment transaction, because the arrangement provides for an obligation for the Group to deliver shares of the parent company which in the consolidated financial statements of the Group are not considered as own equity instruments (treasury shares). Under ITA GAAP, according to the legal form of the transaction, no loan receivable is recognised for the present value of the future cash flows, but the shares continue to be recognised as an asset until they are delivered to the employees. Upon payment, the Group derecognizes the shares and recognizes a gain corresponding to the difference between the cash collected and the carrying amount of the shares.

The table below summarize the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Non-current financial assets	6,469	3,033	1,838	1,857
Deferred tax assets	1,576	689	384	79
Equity	**1,996**	**1,286**	**1,034**	**974**
Deferred tax liabilities	2,112	977	569	511
Other non-current liabilities	3,937	1,459	619	451
Personnel costs	(3,698)	(1,271)	(357)	-
Financial income	(74)	(74)	(74)	-
Income taxes	888	305	305	-
Profit / (loss) for the year	**(2,885)**	**(1,040)**	**(126)**	-

Description of the main reclassifications.

IFRS adoption required some reclassifications that did not affect either the consolidated profit for the period or the consolidated equity.

Below is a brief description of the main reclassifications in the consolidated statement of financial position at the Transition Date, as of December 31, 2019, as of December 31, 2020 and as of December 31, 2021 and in the consolidated statement of profit or loss for the years ended December 31, 2019, December 31, 2020 and December 31, 2021.

(j) US asset acquisition

In the first months of 2014, the Group through the US subsidiary Eurotranciatura USA, with the purpose of penetrating the US market, has acquired from a local manufacturer the lamination division for the production of refrigeration compressors. At the Transition Date, the Group has verified as to whether the transaction under IFRS could be presented as a business combination or an asset acquisition. The directors have decided to perform a concentration test in order to verify that substantially all of the fair value of the gross assets acquired is concentrated in the group of similar assets, and therefore conclude that the acquisition is not a business combination. After the assessment, because all the fair value was concentrated in the machineries acquired the directors have concluded that the transaction was not a business combination, but rather an asset acquisition. As required by the IFRS 1, the optional exemption can only be taken for only business combination, the Group has restated the acquisition concerned and has allocated, and thus reclassified, goodwill previously recognised under ITA GAAP to the item of Property, plant and equipment assets. The following table summarizes the related effects:

	As of December 31, 2021	**As of December 31, 2020**	**As of December 31, 2019**	**As of January 1, 2019**
		(Amounts in €/000)		
Goodwill..	(758)	(950)	(1.349)	(1.633)
Property, plant and equipment assets ...	758	950	1.349	1.633
Equity	-	-	-	-

(k) Finance leases

The group reclassified assets capitalised under financial lease arrangements within the line-item “property, plant and equipment” to the line-item “right-of-use assets” following the adoption of the IFRS 16.

The following table summarizes the related effects:

	As of December 31, 2021	**As of December 31, 2020**	**As of December 31, 2019**	**As of January 1, 2019**
		(Amounts in €/000)		
Property, plant and equipment assets ...	(13,897)	(5.342)	(1.765)	(1.113)
Right-of-use assets	13,897	5.342	1.765	1.113
Equity	-	-	-	-

(l) Payables to Factoring

The group reclassified reassessed factoring arrangements at the Transition Date, in order to verify whether in accordance with IFRS 9 the Group had transferred substantially all risk and rewards without retaining any continuing involvement in the transfer of trade receivables. In this regard, the adoption of IFRS has determined a recognition of a financial liability to factoring and a corresponding increase of trade receivables for the amount which the derecognition criteria were not met.

The following table summarizes the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	As of January 1, 2019
		(Amounts in €/000)		
Trade receivables	-	10,594	11,705	6,409
Current financial liabilities and borrowings	11,781	10,594	11,705	6,409
Other payables	(11,781)	-	-	-
Equity	-	-	-	-

(m) Revenues from sale of scrap

Following the application of IFRS 15 the Group reclassified the income deriving from the selling of metal scrap as a reduction of Costs for purchases of raw materials.

The following table summarizes the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
		(Amounts in €/000)	
Revenues	(77,146)	(34.212)	(31.236)
Costs for purchases of raw materials	77,146	34.212	31.236
Profit / (loss) for the year	-	-	-

(n) Work performed internally and capitalised

Costs incurred for work performed internally and capitalised under ITA GAAP are classified as a separate line item in the consolidated statement of profit or loss, at the Transition Date they have been reclassified by nature, netting the related costs.

The following table summarizes the related effects:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
		(Amounts in €/000)	
Work performed internally and capitalised	(2,722)	(6,248)	(3,898)
Costs for purchases of raw materials	2,174	4,136	1,447
Costs for external services	41	561	944
Personnel costs	507	1,551	1,506
Profit / (loss) for the year	-	-	-

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